

Report of: Head of ICT Strategy & Commissioning

Report to: Director of City Development

Date: 7th November 2012

Subject: Super Connected Cities - City Wireless Deployment

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City & Hunslet Ward	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

As part of the overall Super Connected Cities initiative agreed at Executive Board in July 2012, the 'City Wireless' concession contract has been concluded following a 'competitive dialogue' procurement.

It is proposed that this 6 year contract (with options to extend to 10 years) is awarded to Virgin Media (VM). There are two parts to the VM proposal: 1) an element of free Wi-Fi for citizens and visitors which will be delivered in the first instance in two civic areas of the city – Briggate by the end of December 2012 followed by Millennium Square by the end of March 2013. 2) 3G/4G wireless services using 'small cell' devices to be trialled in early 2013 and then rolled out commercially in the second half of 2013.

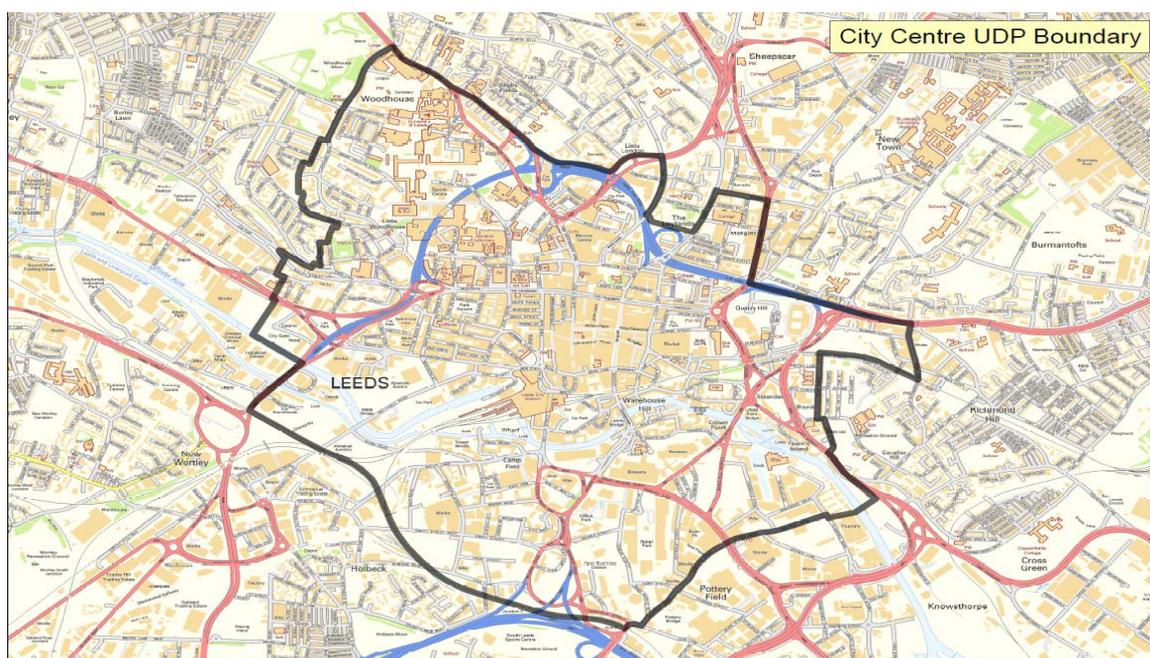
These services (Wi-Fi and 3G/4G) will be delivered using small wireless devices mounted on street lighting columns. The concession nature of this contract means that the council will not incur any costs for the services deployed but will receive commercial benefit in exchange for the rights to utilise the street lighting columns. The details of this are commercially confidential and are contained in Appendix1 (not for disclosure).

Recommendations

1. The Director of City Development authorises the award of this contract to Virgin Media under his delegated authority and approves the deployment of City Wireless.

1 Purpose of this report

- 1.1 The purpose of this report, is to seek approval from the Director of City Development, under his delegated authority, for the award of a concession contract to Virgin Media for the deployment of wireless services in Leeds city centre (within the UDP boundary).
- 1.2 This contract will be for a period of 6 years from commencement with options to extend for a further 4 years at the council's sole discretion.
- 1.3 The Leeds city centre UDP boundary is defined by the black perimeter on the map below:



2 Background information

- 2.1 As part of the Super Connected Cities initiative ultimately agreed at Executive Board in July 2012, it had been agreed by the Corporate Leadership Team (CLT) in early 2012 that 'City Wireless' would be fast tracked for Leeds and Bradford councils with a view to deploying a solution by the end of 2012.
- 2.2 A 'competitive dialogue' procurement process was initiated in April 2012 with a view to establishing a 'concession' contract for the provision of 'metro wireless' services for both Leeds and Bradford in their respective city centres. An element of this contract was to provide free wireless services for citizens and visitors. The concession nature of the contract meant that council assets (street lighting columns) would be used to host these wireless services without cost or risk to the council. In return, the successful provider would pay a rental charge for the use of these street assets. This is a mandatory requirement to ensure that the council(s) comply with 'state aid' regulations.
- 2.3 A number of suppliers responded to the invitation to tender and following an extensive and rigorous procurement process, it has been determined that a contract should now be awarded to Virgin Media.

3 Main issues

- 3.1 There are two parts to the Virgin Media proposal. The first part is the provision of services that will enable free (to end users) Wi-Fi services to be available initially in two parts of the city. The first deployment will be in Briggate and the target is to deploy this by the end of December 2012. The second deployment will be in Millennium Square and the target is to complete this by March 2013. There are arrangements under the contract to deploy further Wi-Fi services in the city centre only, but this is dependent on the commercial success of the business model, success of the early sites and the council's appetite to deploy to other locations. The approach will be to deploy and prioritise free W-Fi in the civic areas where people will be safe to use the facility rather than on the busy streets where there are potential road safety concerns.
- 3.2 The Wi-Fi services part of the proposal will be provided by VM's partner Global Reach. Global Reach has a track record of delivering similar services in the UK and abroad; most notably in the London Underground and on the River Thames.
- 3.3 Registration for the free Wi-Fi service will involve a 'one time' simple registration process through a simple portal. The only requirement is that the mobile device – smartphone or tablet is Wi-Fi enabled. The council will be heavily involved in the design of the portal and will have choice about branding and promoting council services on the 'home page' as required.
- 3.4 Support, maintenance and upgrade of the Wi-Fi service will be provided by VM's partner Global Reach. Calls and enquiries about the service will be processed by Global Reach and not the council.
- 3.5 The second part of the proposal is the provision of 3G and 4G services in the city centres for those people and businesses who subscribe to these services. VM will wholesale this capability on to the mobile network operator community.
- 3.6 These 3G and 4G services will be deployed using 'small cell' wireless devices mounted on street lighting columns. These low power, low radiation 'small cells' will complement and add capacity to the traditional 'macro' masts around the city.
- 3.7 3G capacity in high demand areas like city centres is becoming saturated using only the macro masts. The 'small cell' infrastructure will complement the macro masts to provide significantly better and higher capacity 3G services.
- 3.8 4G capacity is the next opportunity and the industry view is that the capacity required to deliver reliable 4G services in high demand areas will mandate the use of these 'small cell' devices mounted on powered columns i.e. street lighting columns.
- 3.9 These high capacity and reliable 3G/4G services will be good for business and domestic users and will contribute towards the aspiration of Leeds becoming the best UK city.
- 3.10 The wireless devices are safe, low power and emit low levels of electromagnetic radiation. The devices must meet ICNIRP (International Commission on Non-Ionizing Radiation Protection) radiation standards. Similar devices are installed across towns and cities in the UK and across the world.
- 3.11 These 3G/4G services will be entirely managed by VM. VM will pay for the power consumed.

- 3.12 Based on meeting certain commercial criteria, VM will be granted exclusive access to the street lighting columns in the city centre to deploy these wireless services (Wi-Fi, 3G, 4G and similar future services) for the duration of the contract.
- 3.13 In the event of dispute over access to street lighting columns, or conflicts of interest; escalation processes have been defined and agreed.
- 3.14 VM will be responsible for organising all planning consents and approvals, installation, project management, maintenance etc.
- 3.15 A nominated officer in the Highway's street lighting department will be the council's main contact and coordinator for the period of the concession. Future plans and any issues arising will be raised in the first instance through this contact.

4 Corporate Considerations

- 4.1 **Consultation and Engagement** – Extensive consultation with various stakeholder groups e.g. City Centre Partnership Board, City Centre Youth Partnership forum, Councillors, Planning, Highways (Street Lighting), SEC (lighting PFI contractor). 'City Wireless' is part of the overall 'Super Connected Cities' initiative and communication and publicity around this initiative is well established.
- 4.2 **Equality and Diversity / Cohesion and Integration** – The free to the end user Wi-Fi elements of this deployment will be attractive to citizens and visitors and will be particularly useful for those people who have Wi-Fi enabled devices but cannot afford to pay subscriptions to mobile network operators. Although deployment initially will only be in two civic areas of the city, further deployment is possible subject to the commercial success of the overall VM business model which includes the 3G/4G elements.
- 4.3 **Council Policies and City Priorities** – City Wireless is part of the Super Connected Cities initiative which is about introducing greater connectivity across the cities of Leeds and Bradford. Improved 3G and 4G services are important in making Leeds a more attractive city and attracting business. Free Wi-Fi services strategically deployed in civic areas of the city where people congregate will be good for our citizens and visitors, will help bridge the 'digital divide' and provide internet access to those who cannot afford to pay for access. This service will also be good for the cities retail outlets by helping to increase dwell times and footfalls.
- 4.4 **Resources and value for money**
- 4.4.1 **Full scheme estimate**
- Not applicable. This initiative does not require any capital outlay.
- 4.4.2 **Capital Funding and Cash Flow**
- Not applicable. No capital funding required.
- 4.4.3 **Revenue**
- As part of the concession agreement and the use of council assets i.e. street lighting columns, there are commercial benefits to the council. These are commercially confidential and are outlined in Appendix 1 (not for disclosure)

4.5 Legal Implications, Access to Information and Call In

4.5.1 This tender and contract has been concluded in line with Leeds City Council's corporate procurement rules and policies.

4.5.2 This decision is not eligible for call in.

4.5.3 Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.

4.6 Risk Management

The concession nature of this contract means that the risk on the council is minimal and indemnities and liabilities are covered appropriately in the contract. This service will not be owned or provided by Leeds City Council, it will be owned and managed by Virgin Media. The council's obligations are to rent out its assets to host the proposed services.

5 Recommendations

5.1 The Director of City Development authorises the award of this contract to Virgin Media under his delegated authority and approves the deployment of City Wireless.

6 Background Documents ¹

6.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.