Subject: A Progress Update on "Broadband in the City"

Date: 15th October 2021

To: Co-ordinating Overview and Scrutiny Committee

From: Peter Bishop, Director for Digital and Customer Services

1.0 Introduction

The State of Broadband Access in Birmingham report issued in March 20121 to the Co-ordinating Overview and Scrutiny Committee set out the existing digital landscape, the challenges and opportunities and series of questions for Scrutiny to consider. Whilst it is not possible to fully answer all the questions raised, the Council has continued to work with partners and stakeholders to gain a better understanding of the issues and make progress in better positioning Birmingham to gain the benefits of digital technologies for its citizens and businesses.

Also as part of its own enquiry, Broadband in the City, the Co-ordinating O&S Committee raised two main issues :

- How the market was operating and whether the city would benefit from more competition and/or more intervention from the Council and/or Combined Authority, in particular to improve those areas less attractive to investment by both companies as they are driven by commercial models;

- Digital inclusion is a big issue – many residents cannot access reliable, affordable broadband. Therefore, the cost of any provision is critical.

This Progress Update report provides further information concerning the above and sets out some of the key areas of activities currently being undertaken by the Council and partners to enhance the City's digital credentials and supports the Council's *Investing in Our Future* Cabinet report of January 2021 that agreed the importance of the enabling technology infrastructure required to drive and accelerate inclusive growth.

These activities are being developed as part of the Council's Digital Cities programme which is one of the key enabling workstreams of the Inclusive Growth economic recovery programme. The aim of the Digital Cities (DC) programme is to bring the know-how, partnerships and capacity to facilitate innovation and digital transformation. The key outcomes for the programme are as follows:-

(i)   Birmingham as a preferred place of choice for digital innovation
(ii)   Increased levels of digital investment
(iii)   Council services are utilising new technologies and innovative solutions
(iv)   Birmingham as a recognised leading Digital City – "Digital Birmingham"

2.0 Executive Summary

The DC programme is still being developed and a more detail report covering its outputs will be brought to this Coordinating Overview and Scrutiny Committee for

information in late Autumn 2021. However, a number of early initiatives have been progressed to support the outcomes of the DC programme

(i) Full Fibre City

In recognition of the importance of a future proof digital infrastructure for sustainable economic growth, this project aims to accelerate full fibre deployment across the city in collaboration with the market.   A soft market testing day has been planned to gauge market interest. The City Council is proposing an anchor tenancy model for its wide area network (WAN) as an incentive to the market to attract investment.

Birmingham currently has 43% full fibre coverage in terms of homes passed. Whilst this is encouraging, there still remains, a number of notspots across the city, where there are no plans for future deployments of fibre including areas of the city centre. In contrast, in our region, Coventry City has a 78% full fibre coverage.

There is also some emerging evidence that the introduction of a third infrastructure provider has led to lower consumer prices. In particular, in areas where this has led to increased competition. However, further research is required in this area to understand the longer term pricing models.

(ii) Digital Inclusion Strategy and Action Plan

The Digital Inclusion Strategy and Action Plan was approved by Cabinet on 7th September 2021. The Strategy is now being implemented and is addressing some of the immediate needs identified such as lack of devices and connectivity. Discussions are taking place with suppliers to establish alternative data package options for vulnerable people.

The ownership of the Strategy has been transferred to the Education and Skills Directorate and a physical launch of the Strategy is planned for 30th November 2021 to galvanise communities and organisations to work together to address digital exclusion and as a thank you to those organisations that helped to co-design and shape the strategy and action plan.

(iii) Broadband in Social Housing

The Housing Directorate is currently working with Openreach to install an open access fibre network within multi-storey dwellings (blocks). Installations for 15 out of 38 blocks has already taken place as part of tranche 1 plans and tranche 2 will include a further 50 blocks. However, as Openreach is an infrastructure provider, they do not deliver broadband services and tenants will need to contact service providers to access services.

Further discussions are taking place with other commercial providers to consider alternative models which could enable vulnerable tenants to gain access to cheaper broadband generally unavailable to the wider public. These discussions are undertaken and will be subject to contractual negotiations.

(iv) West Midlands Combined Authority (WMCA) Digital Steering Group and the WM5G

The Council continues to work closely with the WMCA to deliver its Digital Roadmap. The Council;
- has worked with the barrier busting team to streamline processes to rollout of 5G and fibre.
- has delivered presentations to ward councillors to provide reassurances concerning the health concerns raised by citizens about 5G installations
- is working closely with the WM5G Accelerator programme to evaluate new and emerging 5G applications and solutions that could support transformation of council services
- is developing a proposal to establish a full fibre infrastructure to connect economic clusters across the region.

In summary, this report highlights that there are a number of activities being undertaken to establish Birmingham as a leading digital city with the supporting infrastructure and programmes required. However, in some areas, we are behind a number of other cities and regions. The Council cannot rely solely on market intervention and needs to intervene in a measured and targeted way. This Report goes way towards addressing the questions raised the Committee, however, recognises that further work and additional information is required.

3.0 Digital City Programme

The Digital City (DC) Programme is one of the key enabling workstreams of the Inclusive growth activities to support sustainable economic growth. It aims to accelerate economic opportunities, recognising that technology and innovation will play a significant as set out in Council's *Investing in Our Future* Cabinet report of January 2021.

The DC programme is complementary to the emerging Council's IT and Digital Strategy and has a city-wide focus rather than a narrow focus on council services. The DC Programme is working with internal and external city stakeholders to explore the role of technology driven infrastructure and societal issues in order to improve socio-economic opportunities as well as reducing inequality and improving the life chances of our citizens and communities.

The DC Programme is still developing and the Council has engaged with digital and smart city consultants to develop a number of short term high level business as well as a medium to long term roadmap of opportunities for the Council and its partners to take forward. The outputs of this work should be completed by late Autumn 2021 and will be shared this Coordinating Committee.

However, as part of the DC Programme a number of early win projects and programmes have already been initiated, the details of which are set out below.

3.1 Full Fibre Programme

A full fibre to the premise/household approach is recognised as the key future-proof telecommunication infrastructure and many cities and regions are developing or implementing plans to accelerate full fibre across their boundaries that either supplement market investments or as a basis to attract market investment.

There is 43% full fibre rollout in Birmingham based on the number of homes passed. Whilst this is above the national average 27%, it falls well below Coventry which is at 78%. Also, both Solihull and Wolverhampton have plans to accelerate full fibre within their localities.

The figure below shows the level of coverage in Birmingham. However, there are concerns that despite announcements from Openreach of further planned deployments, there will continue to be notspots, and in particular, across the City centre and Jewellery quarter, where there is a high density of digital and creativity businesses.

Figure 1 -Green areas show full fibre footprint
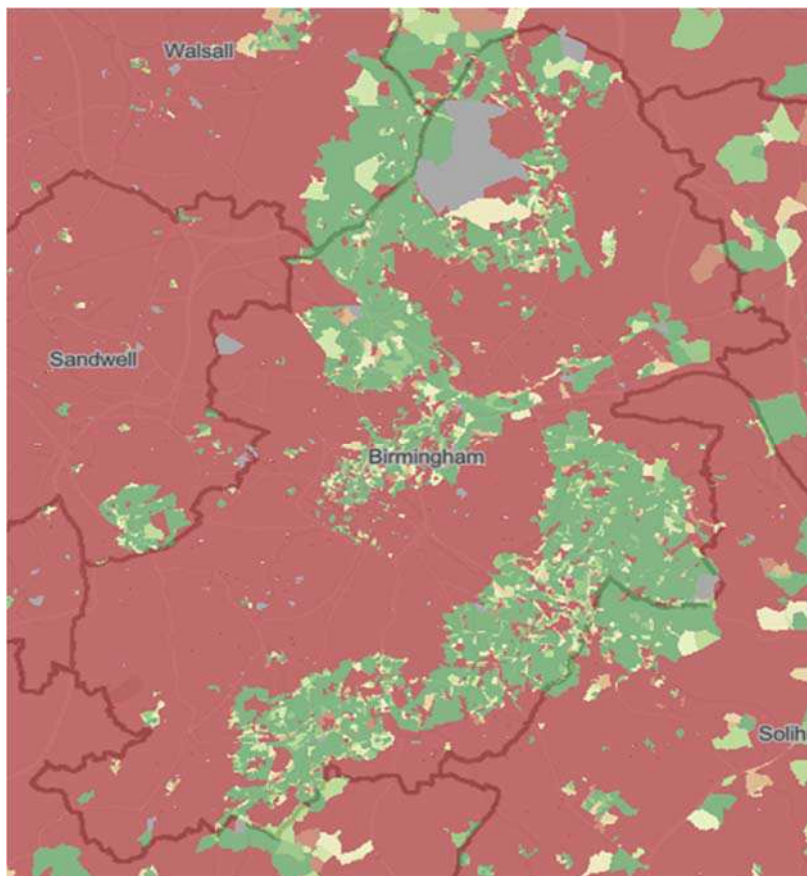
We are also aware that Manchester and Liverpool regions are investing to accelerate a full fibre infrastructure. If the West Midlands region and in particular, Birmingham are to compete against these areas, we need to accelerate our plans.

There is some evidence that the introduction of increased competition has led to lower internet and broadband prices for consumers and businesses. For example, in Coventry where, a third party provider has introduced a full fibre network that competes with Openreach and Virgin Media, the price of a 100meg service is £24 per month compared to a similar service from Virgin Media available at £44 per month. Also BT offers 50meg speeds for £28.99, but do currently have a special regional offer for 150meg for £29.99 per month. Prima facie, it does appear that additional competition can drive down prices, however, we recognise that further research needs to be undertaken in this area.

As part of its response. Birmingham City Council is developing its full fibre and Wide Area Network (WAN) Services programme. This programme aims to rollout a full fibre infrastructure in Birmingham and will support and take requirements from both New Ways of Working and Inclusive Growth. Over the past several months similar models undertaken by other Local Authorities have been reviewed to feed into the wider BCC objectives. There has also been some engagement with directorates and Business Improvement Districts (BID) areas. The infrastructure rollout will drive the following –

- Investment and regeneration
- Improve social and digital inclusion
- Improve social value
- Promote 5G rollout
- Leveraging opportunities for improved services businesses and consumers
- Support the Smart Cities (Digital Birmingham) objectives
- Internet of Things solutions (parking, social care etc)

Progress to date:

- Market engagement undertaken
- BCC Supplier Engagement Models investigated, e.g Anchor Tenancy
- Full Fibre Soft Market Test procurement requirements under production
- Procurement requirements developed for external consultancy Services to support market engagement

3.2   Digital Inclusion Strategy and Action Plan

In 2021, there still remains 2.6 million people completely offline, 39% of whom are under the age of 60 dispelling the idea that all offline people are older, with 11.9 million adults still lacking essential digital skills. The pandemic exposed systemic weaknesses in digital infrastructure, digital skills, digital poverty at all age groups and further isolated those with existing vulnerabilities, such as mental and physical disabilities, those socially excluded and already in financial poverty.

The lived experience of our vulnerable communities over the last 12 months has shown that digital poverty is persistent across all ages leaving many excluded and increasing the level of inequality and vulnerability across the City. This is further backed up in the Lloyds Consumer Digital Index 2021 report which suggests that

data and device affordability is a real issue – with almost a third of those offline (31%) saying cheaper mobile data would motivate them to get online.

The Council recognised that tackling digital exclusion is not something that it can, or should, do alone. It requires working collectively with businesses, voluntary and community organisations, education and training providers, and communities. As a result, the Council has co-produced a city-wide Digital Inclusion Strategy and Action Plan following workshops and consultations with city partners and stakeholders as well as the conclusions from the Digital Inclusion Landscape Report. The two-year city Digital Inclusion Strategy outlines how we can join up services, challenge inequalities, and make the most of all the skills and opportunities that we already have in our city.

Cabinet approved the Digital Inclusion Strategy and Action Plan on 7th September 2021 and a physical launch of the Strategy is planned for 30th November 2021.

As part of the Action Plan, the Council has committed to
  (i) establishing a small digital inclusion team that will work with existing organisations and communities in order to better co-ordinate and align many of the services on offer
  (ii) aim to bring together the sum of the parts in order to create a greater whole, that enables disparate and unco-ordinated activities to come together to support both the organisations currently delivering services, but also improve the outcomes and opportunities for citizens and communities.
  (iii) Make available 630 desktops for communities for free
  (iv) Distributing a further 2200 laptops to vulnerable citizens and communities

The Cabinet Report and Digital Inclusion Strategy are attached as Appendix A

3.3 Broadband in Social Housing

The Housing Directorate continues to work with Openreach to deploy full fibre to multi-storey dwellings across the City as Openreach extend their Full Fibre programme. The deployment is progressing well. Tranche one of the programme involves 38 multiple dwelling units (multi-storey blocks) and to date 15 blocks have been completed. A further 50 dwelling units have been identified by Openreach in the east of the City as part of tranche two.

However, it should be noted that Openreach is an infrastructure provider and therefore does not sell services to tenants. Tenants will still need to contact Internet Service providers (ISPs) in order to gain access to the internet and other broadband services.

The Council is also in discussion with other telecommunication providers who have requested access to Council housing stock in order to install their equipment and services to tenants. There are a number of alternative service providers who offer differing pricing models and approaches aimed at social housing which are competitively priced and below the average market prices and with additional incentives for the more vulnerable tenants. The Council is currently in further negotiations with one provider to progress potential options.

3.4   West Midlands Combined Authority (WMCA) Digital Steering Group and the WM5G

Birmingham City Council is working closely with the West Midlands Combined Authority. It has representation on the Digital Steering Group, the West Midlands Digital Skills Partnership, the West Midlands Coalition for Digital Inclusion and the WM5G Accelerator.

The Council continues to explore approaches to align and co-ordinate its digital activities to ensure we maximise the opportunities available at a regional level. For example, the Council has supported the barrier busting team to streamline the processes for rolling out telecommunications infrastructure in the city. This approach has enabled Birmingham to have the largest 5G rollout across the UK.

In collaboration with WM5G team, the Council provided presentations and materials to dispel inaccurate and misleading information concerning health related 5G concerns. The Council is working closely with the WM5G Accelerator to attract new 5G enabled technologies and solutions to support transformation of Council services.

We are working closely with the WMCA to develop full fibre plans both at a city level as well as a regional level through the Full Fibre Opportunity Zone proposals which aims to connect up economic clusters across the region

Birmingham City Council initiated the West Midlands Coalition for Digital Inclusion in recognition that many of the issues facing the city were similar to other areas across our region and the Coalition has provided an excellent opportunity to exchange lessons learnt and develop more strategic and co-ordinated approaches especially working with national partners and stakeholders.