
Executive

30th March 2010

Joint Report of the Director of Resources and the Director of City Strategy

FibreCity York

Summary

1. This report seeks the approval of the Executive for the Council to enter into a Memorandum of Understanding (“MOU”) to undertake a feasibility study for the establishment of a Fibrecity network in York with the objective of giving every business and home the option to have a direct to premise fibre connection with speeds of 100Mbps.
2. This report has a good strategic fit with the long term aspirations of the city in relation to all themes within the Sustainable Community Strategy, but particularly those in relation to Thriving City and Inclusive City.

Background

3. Pinacl solutions and their partner H2O Networks (an i3 group company) are currently building a fibre ring around the City of York for the Council to connect all its buildings with the provision of super fast bandwidth and the means to run voice, data and a proposed CCTV system. Following this initiative, further discussions have taken place between the Council with Fibrecity Holdings Limited to take forward a city-wide fibre optic network to which every premise (home and business) would be invited to opt in to have a direct 100Mbps connection. The multi-million investment to build this super fast network is to be made entirely by Fibrecity Holdings. The network is “open access” which means the i3 group has partnered with a number of service providers who will be offering their services over the Fibrecity network; Fibrecity is itself not a service provider. The current Government has outlined its proposed plans to ensure universal 2Mbps broadband to every household in the UK; clearly, a Fibrecity in York would ensure that the City substantially exceeds this target.
4. Under the proposal, all homes and businesses would be able to access telephone, TV and broadband via a “set top box” provided to the consumer by Fibrecity Holdings. This connection would also be capable of delivering local services from the Council and partner organisations direct to the home or business. There is therefore the potential for the Council and partners to use the network for a range of services direct to the customer, for example online learning, telecare, e-transactions, communication, consultation and engagement. There is already some interest from partners in connecting to the current development of the fibre ring. Fibrecity Holdings is currently developing these services in Bournemouth and Dundee; this raises the possibility for York to be the first Fibrecity in the North of England. The i3 Group has pioneered the use of ready-made ducts including the sewer system to lay fibre optic cable where feasible, this allows networks to be established up to 90% faster and 90% more cost efficiently than using traditional road digs, also resulting in considerably less traffic disruption to the local area while the network is being built. The next stage of feasibility work in developing the network will need to consider the potential for using the sewer system further in York so that disruption can be minimised. A productive working arrangement has

already been established with the Council's highways engineers regarding the current development of the fibre ring.

5. To progress this initiative in York, Fibrecity are requesting that the City of York council sign a Memorandum of Understanding which at this stage commits both parties only to investigating the feasibility of building the Fibrecity York network; it has been requested that this is signed by the end of March. This does not commit either side at this stage to building the Fibrecity network and allows for either party to break the agreement without any financial implication. In essence, it will require the Council to work with Fibrecity Holdings to plan the network and support public relations activities to promote the positive impact this initiative will have for residents and businesses. It is estimated that the feasibility work will take approximately 6 months to complete; building the network across the City is likely to take a further 2 years.

Options

6. The Executive are requested to either endorse the proposal to enter into a Memorandum of Understanding with Fibrecity Holdings regarding the feasibility of developing a Fibrecity network, or not to do so. It is recommended that the first option is adopted.

Corporate Priorities

7. The recommendation set out in this report support several elements of the Sustainable Community Strategy and the Council's Corporate Strategy. The option to connect all businesses to super fast broadband is of particular benefit in building competitive advantage to support local businesses in line with the Thriving City strategic objectives. The multi million pound investment will itself lead to significant job creation in developing the network, and a small number of jobs thereafter in promoting awareness and take-up of service provision. Similarly, the provision to all homes supports Inclusive City strategic objectives. The opportunity to provide services direct to homes and businesses will also be beneficial in relation to all other key strategic themes.

Implications

Financial

8. The direct costs of the Fibrecity network costs will be the responsibility of Fibrecity Holdings. There will be a requirement to devote existing staff time to assist in the planning of the network and promoting awareness of the positive impact this initiative will have for residents and businesses.

Human Resources (HR)

9. None directly from this report.

Equalities

10. This initiative will seek to address equalities issues, particularly through the option to connect all homes in the city, potentially addressing issues related to the "digital divide".

Legal

11. The Memorandum of Understanding (MOU) at this stage commits the Council and Fibrecity / i3 only to investigating the feasibility of building the Fibrecity York network; it has been requested that this is signed by the end of March. This does not commit either side at this stage to building the Fibrecity network and allows for either party to terminate the MOU without any financial implication.

Crime and Disorder

12. This initiative could potentially to address crime and disorder issues through improved building security measures being available through service providers.

Information Technology (IT)

13. The proposal has a strong strategic fit with the Council's fibre zone initiative and builds upon the working relationships established with H2O/Pinacl.

Property

14. There are no direct property implications, although the outcome from the work may enhance the Council's commercial portfolio.

Risk management

15. At this stage there is limited risk as there is no direct Council funding required and the commitment being sought is to support the feasibility work to develop the Fibrecity network. If this goes ahead, there remains no direct financial commitment required from the Council. The initiative is one of partnership with the Council effectively being asked to give its endorsement to the development of the network. The risks therefore relate to any concerns about damage to the Council's reputation for reasons such as a delay in delivery of the network or a lack of appropriate service providers taking advantage of this. Fibrecity is currently being developed in Bournemouth and Dundee; the lessons of this experience will mitigate against these risks.

Recommendations

16. That the Executive endorses the proposal set out in this report and agrees to enter into the Memorandum of Understanding with Fibrecity Holdings to examine the feasibility of establishing a Fibrecity network in York with the objective of giving every business and home the option to have a free fibre connection with speeds of 100Mbps.

Reason: To support the strategic objectives of the Sustainable Community Strategy and Corporate Strategy.

Contact Details

Authors:

Roy Grant,
Head of IT
01904 551966

Roger Ranson
Assistant Director, Economic Development and
Partnerships
01904 551614

Chief Officer Responsible for the report:

Ian Floyd
Director of Resources

Bill Woolley
Director of City Strategy

Report Approved: ✓**Date:** 19 March 2010**For further information please contact the author of the report****Wards affected – ALL****Specialist implications officer**

Financial: Patrick Looker, Finance Manager, 551633