Swansea Bay City Region Joint Committee – 27 July 2023

Digital Infrastructure Programme Update

Purpose:	To inform Joint Committee of the progress made and status of the SBCD Digital Infrastructure Programme.
Policy Framework:	Swansea Bay City Deal Region Joint Committee Agreement
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For Information	

1. Introduction

1.1 The Digital Infrastructure Programme is an investment in the digital connectivity and associated telecommunications infrastructure of the region. This includes, but is not limited to, full fibre fixed connectivity, 4G Advanced, 5G, and other advanced wireless networks and use cases. In essence it is the deployment of enabling technology that will allow quality digital services to be delivered and accessed over future-proofed fixed line networks or wireless networks.

1.2 The programme is delivering the underlying infrastructure required to support and underpin the regions broader digital economy. It is ensuring that the region is equipped with future-proofed digital infrastructure that will provide the transformative foundations for City Deal interventions and wider regional growth. The programme will also aid social inclusion and cohesion in a post Covid-19 world.

1.3 Gigabit capable ultra-reliable connectivity is ensuring that the region capitalises on opportunities to accelerate economic growth and establish itself as a centre of excellence in the key sectors of, energy, life science and well-being, and smart manufacturing. Future proofed digital infrastructure will create a paradigm shift in the design, development, and application of technology within these key sectors across the region.

1.4   The breadth and quality of digital infrastructure available in Wales has fallen behind that found in many other parts of the UK. This is compounded by the fact that there are significant differences within Wales itself. The reasons for this do not only rest with the topology of the region and the fact that it is heavily rural, but it is also a deeper issue related to digital awareness, affordability, and commercial appetite for investment by the communications service providers (CSPs).

1.5   There is broad and proven recognition that the provision of digital services drives economic growth and enables social inclusion and cohesion. There is also a growing recognition that the availability of world class digital connectivity stimulates innovation and the creation of new business streams. The clear conclusion is that the Swansea Bay City Deal (SBCD) must address any shortfall in the availability of digital connectivity in the region. It must invest in digital connectivity to obtain a competitive advantage and it must drive the uptake and quality of those services that are already available.

1.6   Improving the digital infrastructure of the region is critical as it has suffered from a lack of commercial investment that has consequently resulted in an underlying gap in delivery capability. These gaps need to be closed for the SBCD and the region to achieve its goals.

1.7   Our aspirations are:

- Better broadband for everyone... leaving nobody behind.
- A smart region ready and able to innovate and adopt emerging technology.
- An inclusive digital landscape that meets everyone's needs.

2.   Digital Programme Status

2.1   Business Case

- A comprehensive Digital Infrastructure Programme Business Case was produced during Spring/Summer 2020 in collaboration with appointed consultants and local, regional, and national stakeholders.

- Significant stakeholder engagement and consultation of the Business Case took place throughout Summer/Autumn 2020.

- The Business Case and all associated plans were scrutinised and refined locally, regionally, and nationally during Summer/Autumn 2020.

- A comprehensive stage gate review of the Digital Infrastructure Programme was conducted by Government appointed external experts in November 2020. The Programme was awarded amber/green status.

- Local & Regional endorsement for the Digital Infrastructure Programme and its Business Case was achieved in November 2020.

- In March 2021, the Digital Programme received Ministerial endorsement from both the Welsh Government & UK Government. The Programme has been in delivery since 1st of April 2021.

- Updating and refinement of the Business Case is ongoing throughout the lifetime of the 5-year Programme. The latest updated version will be presented to the SBCD Digital Infrastructure Programme Board in July 2023.

- A comprehensive stage gate review of the Digital Infrastructure Programme is currently being arranged via SBCD Portfolio Management Office for August/September 2023, to be conducted by Government appointed external experts.

2.2 Governance

- Both the Digital Infrastructure Programme and overarching City Deal Portfolio Governance is fully established and functioning. These governance structures ensure robust, effective regional decision making and accountability.

- A Digital Infrastructure Programme Board has been fully established since May 2020. Membership of the Board comprises senior representation from the Programmes key regional partners with the opportunity to co-opt representation from additional key stakeholders as and when required. Terms of reference are in place, agreed upon and reviewed monthly.

- A Senior Responsible Officer for the Programme is in place along with a Programme Board Chair and Vice Chair.

- The Programme Risk Register is fully operational and scrutinised monthly by the Digital Infrastructure Programme Board.

- The Digital Infrastructure Programme is represented at several national forums of relevance i.e., Welsh Governments Digital infrastructure barrier busting taskforce and UK Governments Digital Connectivity Infrastructure Accelerator early adopter group.

- The Programme has a comprehensive Integrated Assurance and Approval Plan (IAAP) and Risk Potential Assurance (RPA) Matrix in place which follows regional and national formats and requirements. Both the IAAP and RPA are regularly reviewed in consultation with the City Deal PMO.

2.3 Resources

- Recruitment of a central Digital Infrastructure Programme team, as stipulated in the Programme Business Case, is complete:

  - 1 x Digital Programme Manager (Appointed March 2020)
  - 2 x Digital Project Managers (Appointed Summer/Autumn 2021)
  - 1 x Digital Programme Coordinator (Appointed March 2023)

- SBCD Regional Portfolio Office resources are in place and fully supporting the Digital Infrastructure Programme.

- Local Authority resource recruitment to support local delivery of specific Projects within the regional Digital Programme is complete. The roles are embedded within the Local Authorities but funded by our Programme. Their programme of work is overseen by the regional Programme team and fully aligned to regional and local priorities and ambitions.

  - o 4 x Next Generation Infrastructure Managers (1 per Local Authority)
  - o 4 x Digital Connectivity Support and Engagement Officers (1 per Local Authority)

- A decision has recently been taken by the Digital Programme Board to add a Business Engagement and Communications officer to the Digital Infrastructure Programme team. Raising the profile of the region and the opportunities for Digital infrastructure investment is critical to the work of the Programme and in attracting and facilitating inward investment. This role will make a significant contribution to that work. Shortlisting has occurred, with interviews planned for late June 2023.

- An updated website and promotional video were developed for the Programme in May 2023. These will aid the increase in marketing, media, communications, and business engagement activity planned for the coming months. https://www.swanseabaycitydeal.wales/digital/.

2.4 City Deal Funding

- Access to £25M City Deal funding for the Programme is secured with operational budgets confirmed and managed through monthly budget monitoring. The £25M is broken down as £4.5M of revenue funding and £20.5M of capital funding.

- The primary funding agreement for the Digital Infrastructure Programme has been signed. This was developed in consultation with the 4 Local Authorities and in accordance with all relevant financial and legal requirements. This enables the Programme to draw down funding for expenditure incurred from the Regional City Deal PMO.

- A collaboration agreement between the 4 Local Authorities and the central Programme team has been drafted and consulted upon with lawyers in each authority. We are currently coordinating signatory of the final version. Delivery is being conducted "at risk" in the meantime.

2.5 Private & Public Sector Investment

- Coordinated lobbying, facilitating, and supporting of additional public and private sector investment in digital infrastructure across the region is an integral part of the Programme. A target of £13.5M additional public sector and £16.5M additional private sector investment is being targeted over the lifetime of the Programme, in addition to the £25M of City Deal funding secured. This work has

been ongoing since March 2020 with significant assistance from regional corporate and political leaders and colleagues.

- The Programme has worked with industry experts FarrPoint to establish a clear and credible methodology for evidencing and quantifying levels of public and private sector regional investment in fibre and mobile infrastructure. An annual exercise is now conducted to achieve this with a detailed report and supporting data sets produced.

- This annual exercise includes numbers of premises connected, by who, connectivity types, various metrics for mobile connectivity improvements and crucially, comprehensive evidence of remaining need to inform planned interventions. The annual report and data sets will be used to conduct a full economic assessment of the Programme's impact after 5 years.

- The Portfolio Management Office have confirmed that this approach to quantifying investment and assessing impact comprehensively meets the needs of our Regional and National governance.

- For the first year of Digital Programme delivery 2021/22 the Region successfully attracted £7.6M of additional public sector investment and £21.8M of private sector investment in its fibre and mobile infrastructure. A comprehensive breakdown of the data sets, data sources and calculations are available. This has significantly exceeded the target for the year.

- A full breakdown of the investment figures is available per Local Authority. The Digital Programme team is planning a round of reporting of the key investment figures and progress made to each Local Authority and Regional forums in Autumn 2023. This exercise will report on both 21/22 and 22/23 financial years.

- The Programme team is currently conducting the annual investment and impact assessment exercise for 2022/23 and expects similarly positive results.

3. Digital Programme Delivery Summary

Connected Places Workstream

Description: Deploying gigabit capable connectivity to our strategically important public sector sites and economic growth zones. This is essential to building a sustainable digital economy in the region and will provide a foundation for improved public services and innovation across key sectors.

Project 1. Supply side engagement

Status: Live

- All resources are in place with an ongoing, coordinated, and intensive programme of supply side engagement to stimulate and facilitate investment.

- Of the 1781 public sector assets identified across the region 720 now have access to full fibre or are getting it very soon, a further 623 are in credible

commercial plans to be connected in the medium term and the remainder will be connected through our various workstreams.

- Benefits realisation work has demonstrated significant fibre investment in key areas targeted by this workstream including Swansea City, Neath, Port Talbot, Llanelli, Carmarthen, Cross Hands, Pembroke and Milford Haven.

Project 2. PSBA Hub Sites

Status: Ready

- 98 Public Sector sites and assets have been identified as needing full fibre infrastructure built through the Welsh Government's Public Sector Broadband network (PSBA) contract. This project will manage and deliver that fibre infrastructure build to those sites.

- Partners have submitted final sites for inclusion in the project. The site list is currently with BT PSBA who are due to provide a quote within 20 working days for the capital works of building the necessary infrastructure.

- A final workshop has been arranged with partners to provide any outstanding clarification and confirm roles and responsibilities for the project. To be held on the 20th and 29th July.

- The project will drive ultrafast full fibre connectivity to several flag ship assets such as Margam Park and Pembrey Country Park.

Project 3. Duct Investment

Status: Emerging

- Regional opportunities have been defined and the Programme Team are currently in discussion with potential operators, partners, and stakeholders.

- A recent workshop with duct specialists provided clarity on feasibility of the opportunities identified and confirmed best route to market.

- Delivery timelines for this investment will need to align to the varying delivery timelines of the individual opportunities being targeted.

Project 4. Dark Fibre Network

Status: Emerging

- The project will deliver a dedicated ultrafast dark fibre ring across Swansea, Neath Port Talbot and Llanelli. It will connect key strategic assets directly to each other such as hospitals, University campuses, Primary Local Authority sites and City Deal developments. This will enable significant data transfer, collaboration, and innovation.

- A detailed action plan for the project has been developed.

- Discussions with key partners are at a mature stage regarding sites for inclusion and technical specification for the network.

- Soft, pre-market engagement is underway with several potential bidders. A workshop is due to be held with all partners and dark fibre specialists within the next three weeks. We anticipate that this project will progress at pace.

Next Gen Wireless Workstream

Description: Facilitating the rollout of 4G/5G across the region. Creating 5G centres of excellence for key sectors such as health and wellbeing, creative industries, R&D, agriculture and tourism, to realise the benefits of 5G, fully exploit the use of the Internet of Things and adopt emerging technology.

Project 1. Undertake Future Telecoms Infrastructure Review guidance in full and drive Shared Rural Network (SRN) investment.

Status: Live

- Next Generation Infrastructure Managers (NGIMs) are in post in all four local authorities, working to deliver a programme of work to support the streamlining of internal processes which support digital connectivity infrastructure build.

- These NGIM's are working closely with industry and government to deliver ambitious plans for SRN rollout across our region which will contribute approximately £18.5M of investment across the region, dramatically improving 4G coverage in rural areas from all 4 mobile operators.

- The NGIM's provide a dedicated specialist resource to internal authority departments and the telecoms market, acting as a single point of contact for all digital infrastructure issues and queries. Their programme of work involves extensive barrier busting, working across internal departments and external suppliers to streamline the process for digital infrastructure build and deployment.

- These are the first roles of their kind in Wales and we have been recognised nationally as a flagship model with Welsh Government encouraging other areas to appoint similar roles.

Project 2. 5G & IoT use cases, trials and testbeds

Status: Developed

- A grant investment fund has been established for 5G use cases, trials and testbeds. Initially ringfenced to City Deal Projects / Programmes and regional partners there are several mature opportunities emerging. It is likely that the regional opportunities for 5G will outstrip the current budget allocation of our programme.

- We have submitted an expression of interest to the DSIT Innovation Regions initial call and intend to submit a full application to the overarching competition when it is launched in the summer. A successful bid would secure significant additional inward investment in 5G infrastructure, use cases and applications.

- A LoRaWAN network continues to be deployed across the region increasing in scale and scope. Led by and delivered across all four local authorities, the network will establish a regional innovation network where public and private sector partners can test low power battery operated devices, mainly sensors. The local authorities are currently testing a range of uses including smart bins.

Rural Workstream

Description: We are working with communities, businesses, industry and government in the very hardest to reach parts of our region to ensure everyone can access better broadband. Our team of digital champions are on hand to provide information on voucher schemes and alternative technology such as 4G and satellite.

Project 1. Rural Demand Stimulation, Support and Engagement

Status: Live

- All resources are now in place and work is ongoing to support communities and individuals in hard-to-reach areas to access better broadband connectivity.

- A regional demand stimulation engagement plan is being delivered to raise awareness and drive adoption of improved connectivity in businesses and residential consumers.

- In 2021/22 over 1000 gigabit vouchers were issued to residents across the region. A further 521 ABC vouchers were approved under the Welsh Government Voucher Scheme. These vouchers provide funding to support some of our most poorly connected homes and businesses in obtain improved connectivity.

Project 2. Infill procurement

Status: Emerging

- This project has a budget of £6M of growth deal funding to directly invest in building improved connectivity for our worst served and hardest to reach premises.

- We are awaiting premises level data from UK Government on their planned "project gigabit" intervention in our region and Welsh Governments "very hard to reach" future investment. Both these projects are contributing towards our programme aims and objectives. Our resources are directly involved in the planning and delivery of both.

- We are working hard with both governments to ensure our regional investments compliment national investments as opposed to duplicating them. Once we have clarity and premises level data for national interventions, we will deliver a focused procurement to fill in the gaps in service provision to ensure we are complementary to the existing national and regional programmes. We expect to receive this data in the coming weeks.

4.   Digital Programme Risks/Issues

4.1   The Digital Infrastructure Programme has a comprehensive risk register which is used to identify, record, monitor and mitigate against all Programme and individual Project risks. There are currently 16 live risks being managed across the Programme, of which 1 is currently classified as red:

Title	Risk description	Control actions
SRN Private Sector Investment	IF the SRN programme fails to meet its June 2024 deadline for partial not spot sites, THEN there is a risk that the investment and coverage improvements are lost.	Share list of regional partial not spot sites with LPA's. Engage with LPA's senior leaders, management teams and officers to outline the SRN programme its strategic significance and benefits. Early engagement with members and communities affected by partial not spot sites to outline the SRN programme and its benefits. Lobby UKG and Ofcom to extend deadline if loss of investment and subsequent coverage improvement is extremely likely and/or imminent.

As with risks, the Digital Infrastructure Programme has a comprehensive issue log to monitor and mitigate against all Programme and individual Project issues. There are currently 4 live issues being managed across the programme, of which the following 2 issues are classified red:

Title	Issue description	Control actions
Delivery	Engagement and communication need to be integrated into every aspect of the programme to maximise benefits and opportunities, attract	Recruitment of central business engagement and communication officer to the core digital infrastructure team

	additional investment, raise the programme's profile and credibility, and communicate this to a wide and varied audience. To achieve these objectives, we need a Business Engagement & Communications officer responsible for managing these activities.	
Financial	Regional collaboration agreements between the four local authorities need to be in place before revenue funding for the two local resources per authority can be released. All posts are now in place and authorities are funding upfront at risk and unable to reclaim costs.	1. Engage with Regional finance and legal leads to ensure timely production of and amendments to funding and collaboration agreement templates. 2. Escalate the risk to Portfolio level for relevant action and control.

5.   Financial Implications

5.1   Risks and issues are managed through monitoring and evaluation at both Project and Programme level and reported, via the Swansea Bay City Deal's Programme Management Office, to the Joint Committee, where appropriate.

5.2   Specific Programme financial risks are outlined within the strategic case component of the Digital Infrastructure Business Case.

5.3   The procedures around the management of City Deal funding are detailed within the Joint Committee Agreement.

6.   Legal Implications

6.1   There are no additional legal implications associated with the report.

Background Papers: None

Appendices: None