Committee(s): Planning & Transportation Committee	**Dated:** 16 May 2024
Subject: Utility Infrastructure Strategy	**Public**
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	**Communities have the facilities they need** **Support to a thriving economy** **Digitally & physically well connected**
Does this proposal require extra revenue and/or capital spending?	**N**
If so, how much?	**N/A**
What is the source of Funding?	**N/A**
Has this Funding Source been agreed with the Chamberlain's Department?	**N/A**
Report of: Executive Director, Environment	**For Decision**
Report author: Ian Hughes, Environment Department	

Summary

The success and effectiveness of Square Mile of London as a place to live, work and visit fundamentally relies upon the delivery and maintenance of high quality and effective utility services, with the City enjoying the benefits of past improvement, investment and innovation by the utility sector.

The future is expected to be no less challenging, as the City evolves its requirement for digital infrastructure, addresses climate change and ensures network capacities can facilitate the City's plan for substantial growth in office workers and floorspace.

With more renewable energy requirements, a shift to zero emission vehicles and the creation of local energy markets, the future of energy provision will require nothing less than a green revolution to meet these demands, whilst fast & reliable telecommunications have become a basic standard of living in today's modern world.

By working collaboratively and in partnership with all sectors of industry, government and our stakeholders, this strategy seeks to ensure the City's utility infrastructure remains fit for purpose today as well as future proofed for tomorrow.

Recommendation(s)

Following recent public consultation, it is proposed that Members recommend the final strategy to the Court of Common Council for adoption.

Main Report

Background

1. The success of the Square Mile and the way in which it supports the needs of its residents, workers and visitors is fundamentally reliant upon the provision of high quality utility services. Such services require the necessary gas, water, electricity and telecommunications infrastructure to be constructed, installed and maintained by the respective statutory utilities, with the City of London Corporation playing a key role in facilitating and supporting their delivery.

2. Today's modern City still enjoys the benefits of past investment in utility infrastructure, such as Victorian-era underground utility pipe subways and Bazalgette's 19th Century sewer network, alongside modern innovations such as the recently installed Wifi and 5G networks and Thames Water's Thames Tideway super-sewer.

3. However, to this point, the City Corporation has lacked an overarching utility infrastructure strategy to help focus attention on the maintenance and development of these services, to help drive the respective utilities forward to meet the needs of the future City and to respond to the emerging challenges of Climate Action and sustainability through service improvement, investment & innovation.

4. In large part, the City itself is not directly responsible for delivering these services but our stakeholders certainly expect the City Corporation to be at the forefront of innovation, working with the utilities to plan for the future and creating the right environment to plan ahead & invest with confidence in order to support the City's long-term priorities.

Current Position

5. The Utility Infrastructure Strategy seeks to bring together a raft of current and future activities being planned and delivered by the utility sector in the Square Mile. In terms of City departmental responsibilities, the majority of these aspects lie within the Environment Department to coordinate and manage, with the City Surveyors leading on the interface with Citigen.

6. The full strategy can be found at Appendix 1, but for the purposes of this covering report, the strategy is grouped into five themes:

<u>Performance</u>

7. The first section focuses on the performance of the respective utilities in terms of their current operations, particularly their service response standards & communications with City stakeholders and the safety of their highway activities under the umbrella of the Considerate Contractor Streetworks Scheme (CCSS).

Demand & Connectivity

8. This seeks to promote the initiatives being taken to ensure the City has the requisite amount of connectivity in terms of superfast broadband and public Wifi / 5G coverage. It also explains the key role that underground infrastructure plays in enabling that connectivity, either through the use of pipe subways or the City's support to the Citigen heating & cooling network. It also notes the importance of removing redundant plant such as BT's copper network to create capacity for new networks that take up much less physical space.

Planning & Innovation

9. In this section, understanding the City's future requirements through the development process is highlighted as a key action, alongside establishing a better understanding of the constraints in meeting that need and promoting the City as a test bed of innovation for utilities to improve their services.

Climate Action

10. Given the City's own commitment towards Climate Action, this is a key area of focus for both the City Corporation and utilities, with the strategy outlining initiatives in terms of the Local Area Energy Plan (being brought forward as a separate but connected policy initiative by Environment's Planning Policy team), future heat zoning regulations and open energy networks for managing peaks & troughs in the energy supply grid. It also considers the need to support green infrastructure for electric vehicle charging in the context of the City's Transport Strategy.

Future Proofing

11. The strategy in intended to promote and intensify the City's active engagement with the utility sector in order to identify and address the Square Mile's longer term challenges. These include the need for more investment to meet the increasing demand for green energy, the transition from methene-based natural gas to zero-carbon hydrogen & biomethane, and the withdrawal by OpenReach of all copper-based voice telephone lines in the next two years.

Public Consultation

12. Following the agreement of the Planning & Transportation Committee to undertake public consultation, officers have engaged with key stakeholders on three fronts.

13. In terms of the major utilities themselves, feedback has been supportive and their respective comments and future plans have been incorporated. If adopted, the strategy will serve to underpin the long term liaison and dialogue between the City, those suppliers and other key parties such as Government and the respective industry regulators.

14. In terms of public consultation, officers utilised its regular consultation provider (Commonplace) to help publicise the strategy, and then gather & analyse responses. Given the somewhat niche subject matter, it was thought that the level of public interest could be limited, but nevertheless over 3000 individual website visits were recorded suggesting the consultation's reach was quite extensive.

15. Although specific comments on the strategy were limited, there was broad support for the strategy's objectives, with several well informed & insightful comments. These included:
    - A desire to look at the generation of electricity, not just managing its consumption
    - Concerns as to whether the cost of decarbonising the utility sector would be passed onto consumers
    - Could e-scooters be used more effectively and safely to reduce car usage
    - Increasing interest in solar panels & heat pumps
    - The need for early innovation & future planning to be seen as key drivers for the strategy

16. There was also positive engagement with Members on the detail behind the strategy, with a briefing for the Planning & Transportation Committee discussing some key priorities & objectives. These comments included:
    - The need to coordinate works by different utilities to minimise the risk of the same area being repeatedly excavated
    - Better engagement and advance notice of works by utilities, including the importance of retaining access to adjacent premises & businesses
    - Continued engagement with OpenReach over the impacts of the 'copper switch off' initiative, including the need to remove redundant copper plant when completed
    - Pushing for complete superfast broadband coverage across the Square Mile, particular for residents away from the main estate areas
    - Enhanced publicity & promotion of the City's public access wifi network
    - An endorsement of the need for utility infrastructure to support economic growth and development activity
    - Establishing a better understanding of the role hydrogen could play for different sectors within the City's long-term economy
    - The impact of external heat pumps on buildings in conservation areas
    - Developing the case for a strategic energy partner for the City
    - Understanding the impact of future heat zoning legislation if that seeks to mandate for buildings to connect to a heat network in the next 20-30 years

Proposals

17. The Utility Infrastructure Strategy has been updated to incorporate those views expressed during the consultation, so it is proposed that Members of your committee now recommend the final strategy to the Court of Common Council for adoption.

Strategic & Risk Implications

18. This strategy will help support the delivery of various key strategic priorities within the City's Corporate Plan (i.e. contribute to a flourishing society, support a thriving economy and ensuring the City is digitally and physically well connected). It also connects to various important policy initiatives such as Climate Action, the Transport Strategy and the Local Area Energy Plan.

19. In terms of risk, not adopting such a strategy would mean a less coordinated and forward looking approach, leading to less than optimal outcomes in the delivery of these services now and in the future.

Financial Implications

20. It is not anticipated that this strategy, in and of itself, will require funding from City Corporation sources. Where investment and expenditure is required (e.g. maintenance of the pipe subway network, support to Citigen or ground penetration radar surveys), these will be subject to 'business as usual' governance and approval processes for capital and revenue expenditure.

Legal Implications

21. Some aspects of the strategy relate to upcoming primary legislation regarding energy and heat zoning, and as such the City Corporation will monitor and (if necessary) seek to influence such powers as they evolve through the parliamentary process.

22. Utilities themselves already make use of extensive statutory powers to excavate highways to install and maintain their equipment, albeit the City continues to support that activity in its role as Highway Authority and Planning Authority, as well as holding its own statutory powers in relation to requiring utilities to use underground pipe subways where such infrastructure exists.

Climate Implications

23. Aspects of this strategy will directly align with the City's Climate Action commitments to reach net zero across the Square Mile by 2040. This includes the Local Area Energy Plan which aims to improve understanding of the nature, scale, rate and timings of the changes necessary to transition to a net zero energy system.

Equalities, Resource & Security Implications

24. None

Conclusion

25. This strategy intends to better align the utility sector with the future needs of the Square Mile, drawing in key aspects of the City's activities that relate to utility infrastructure. By working collaboratively and in partnership with all sectors of

industry, government and our stakeholders, this strategy seeks to ensure the City's utility infrastructure remains fit for purpose today as well as future proofed for tomorrow.

Appendices

- Appendix 1 – Utility Infrastructure Strategy

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