

Watford WiFi Concession Risk Assessment

October 2014

1. Market no Interest in the Borough of Watford

- Already undertaken a process of soft market testing which demonstrated an interest in the market to engage with Watford Borough Council both through a wireless and rooftop concession strategy.
- Continue to engage with the Market; providing detailed information to the market in respect to both the Council's vision and aspirations as well as information about Watford and demonstrating that asset due diligence has been undertaken. In essence sell Watford to the market and give confidence to the market that Watford to ready to engage.

2. Assets not available

- Careful and diligent review of Asset Portfolios using experience acquired on other wireless concessions. Work already undertaken with key internal and external stakeholders to establish the art of the possible in respect to assets owned by the Council.
- To make the proposition more attractive beyond Watford Town Centre already engaged with Hertfordshire CC to make available for the purposes of this concession street lighting columns throughout the Borough.

3. Procurement and Legal

- Concessions currently exempt from OJEU however to ensure transparency and best value an OJEU process is adopted voluntarily adopted. Procurement already consulted and guidance sought with documentation already used on other successfully implemented concessions in the United Kingdom being shared with Procurement.
- Concession licence documentation already used on other wireless concessions has been shared with Legal and guidance sought.

4. State Aid Challenges

- Based on experience ensure on going transparency, reiterating that this is a concession and keeping all parties informed of terms and conditions and not changing after competitive dialogue process or favouring one particular supplier
- Market value rental will apply to all assets used, no assets will be offered for free.

5. Ragged End Request

- Determine a long enough concessionary period which will attract the market but does not offer the option of a ragged end which will dilute value of the asset portfolio in the longer term. Extending further than 10 years will give issues with OJEU so ragged end requests after this should be refused.

6. Market no longer interested in Concessions

- Watford Borough Council benefits from being located within the M25 as strategically any council within the M25 remains a high priority for potential bidders and their potential clients the Mobile Operators. Outside the M25 the concession narrative unless a large city or conurbation is no longer considered attractive.

7. Planning Issues – Planning Policy will deter bidders.

- As part of the initial due diligence process the Planning Department has already been engaged and initial guidance sought. Before commencing the procurement process a guidance note will be issued by Planning which will outline to interested parties the current pre-planning guidance in respect to deployment of wire;less hardware on street furniture.