



Northumberland

County Council

Cabinet

07 July 2020

Update on the Local Full Fibre Network Programme

Report of Chris Thompson, Director of Information Technology

Cabinet Member: Cllr Nicholas Oliver Portfolio Holder for Corporate Services

Purpose of the Report

1. The purpose of this report is to update members on the progress of the Local Full Fibre Network (LFFN) Programme and to request approval to utilise £932,111 from the Councils existing approved Capital Programme to complete the delivery of Full Fibre Connectivity to the remaining public buildings in Northumberland not covered by the DCMS/BDUK grant..

Recommendations

2. It is recommended that Cabinet:
 - Receive the update on the progress of the Local Full Fibre Network programme.
 - Support the Leader of The Council's decision to approve the following points as a matter of urgent business, in accordance with the Council Financial Standing Orders, in order to ensure the delivery of the programme progress in a timely manner.
 - That £932,111 currently included within the Council's Capital Programme for Community Broadband and Phase 2B Gainshare be utilised to support the completion of the Full Fibre programme to the remainder of the public buildings that will not be funded by the LFFN grant.

Background to the Report

3. Members will be aware that in September 2019 the North of Tyne Digital Infrastructure Programme was awarded up to £12m of grant funding from the DCMS Local Full Fibre Networks fund for the delivery of gigabit capable connectivity to many public sector sites in Northumberland.
4. The DCMS funding will be used to support enhanced digital connectivity across the County and will support public sector digital service transformation and increase staff productivity whilst also increasing the viability of further commercial investment in digital infrastructure and accelerating the delivery of 5G, enabling businesses to remain competitive and delivering social inclusion to residents.

Key Issues and update.

5. Since the last update DCMS formally assured the North of Tyne Digital Infrastructure Programme in late December 2019 for Assurance Gate B and deemed the programme as 'Ready to Procure'
6. In early January 2020, the procurement process began, led by Northumberland's procurement team (on behalf of NTCA) for the procurement of Gigabit Capable Connectivity to 271 sites in Northumberland.
7. The number of sites was reduced from the original list of 313 to 271, as a small number of schools were already receiving funding for Full Fibre from the Department for Education (DfE) Rural Gigabit Connectivity scheme, a few sites were being connected by the iNorthumberland programme and 15 sites didn't meet the State Aid requirements for funding.
8. The procurement process included several supplier engagement days and utilised the Crown Commercial Services (CCS) new Dynamic Purchasing System RM6095.
9. Suppliers were given just over a month to respond to the tender (the site lists and tender documents had previously been shared with suppliers in January 20) and bids were expected to be returned by 6th March 2020.
10. Despite efforts to stimulate the market only one bid was received from BT and Openreach. Evaluation of the bid was undertaken and found to be compliant.

11. The bid submitted by BT was for £8,207,314, well within the £12m maximum grant on offer from BDUK.
12. In April, DCMS/BDUK approved our procurement and gave us authority to contract with BT.
13. However, when the draft grant funding agreement was received it became clear that the DCMS/BDUK funding is only available for those properties connected to Full Fibre by 31st December 2021. (this was originally March 2021 but BDUK extended the date following requests from Officers and Members)
14. The BT delivery plan submitted as part of the procurement exercise clearly shows a small number of properties connections won't be completed until 31st March 2022. As these properties fall outside the BDUK funding window, The Council will be expected to pick up the cost of these connections. The cost to connect these properties to Full Fibre is shown as £932,111 in the BT tender document.
15. BDUK have confirmed in their grant agreement that this is the absolute limit of our liability and if for any reason BT are unable to deliver a larger number of sites by 31st December 2021, the cost of these sites would not fall on the Council.
16. The grant agreement from BDUK was amended to reflect the tender price, reducing the grant to £7,275,203. This amount plus the £932,111 of Council funding equate to BT's tender price of £8,207,314
17. The Council manages a Superfast Broadband Investment fund that is comprised of funding that had been identified by the Council to be used to support the two previous iNorthumberland broadband projects but had not been used on these schemes. There are still monies available in this fund due to there being an underspend on the project, BT have not been able to deliver the full scope of the project or the project didn't go ahead, such as the Council's own Broadband Voucher scheme. These projects are currently identified as Community Broadband and Phase 2B Gainshare within the Council's approved capital programme. The total value of available funding within these projects is £3,358,071. It is proposed that £932,111 of this is utilised as the Council's contribution to this project.

18. An internal project team has been identified to support the delivery of the programme, along with resource supplied from the NTCA.
19. The project governance arrangements are in place and will mirror the iNorthumberland Board.
20. There is a Grant Fund Agreement that has been drawn up between Northumberland and BDUK and that has now been approved by both sides' legal teams.
21. BT had expected to have received a sign contract by 30th April 2020 and have staff already working on the project at their risk
22. They have indicated that unless they receive a formal contract by the middle of May they will have to move the project team on to other projects. There is a risk that if this happened it could delay the project whilst a new team is established.

Next Steps

23. Following the Leaders approval of this report as a matter of urgent business and the agreement that the £932,111 can be funded from the Councils existing capital programme, then the Grant Agreement will be signed along with the BT Contract.

Financial Implications

24. The £932,111 will be funded from the Communiuty Hub and Phase 2B Gainshare projects; which are included within the Council's existing approved Capital Programme.

Background papers:

None required

Policy	<p>Connecting: We are committed to ensuring that all of you can easily get to work, to learning, and to the various facilities and services you want to use.</p> <p>Access to high-speed and reliable digital connectivity will increasingly be central to achieving this. The technology is now capable of providing hyper-fast broadband and we will work tirelessly to make this a reality through the progressive insertion of a "full fibre" network.</p>
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	<p>This will complement our ongoing efforts to secure, as a minimum in the short term, superfast broadband to all properties. We will then have in place an infrastructure to enable improved productivity and business opportunity; as well as significantly increase consumer and learner choice and convenience.</p> <p>Thriving: We are committed to ensuring that our businesses are booming by doing everything in our power to create the right conditions for economic growth. We want to be recognised as a county that is open for business. Within all of this, it goes without saying that the delivery of our transport and digital connectivity ambitions will be pivotal.</p>
Finance and value for money	The 932,111 shortfall will be funded from the Community Hub and Phase 2B Gainshare projects; which are included within the Council's existing approved Capital Programme.
Legal	Legal have agreed to wording of the Grant Fund Agreement
Procurement	Procurement managed the tender process on behalf of NTCA
Human Resources	N/A
Property	Non directly.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	N/A
Risk Assessment	N/A
Crime & Disorder	N/A
Customer Consideration	Will ultimately improve broadband connectivity in Northumberland.
Carbon reduction	Reduced traveling as staff can work more flexibly
Health and Wellbeing	Allowing staff and the public to work in an agile manner will help to improve their work life balance
Wards	All

Background papers:

None

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

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