

REPORT FOR DECISION



DECISION OF:	Cabinet
DATE:	26th February 2020
SUBJECT:	Greater Manchester Local Full Fibre Network Programme (LFFN)
REPORT FROM:	Cllr. David Jones, Leader of the Council
CONTACT OFFICER:	Paul Lakin, Director of Economic Regeneration and Tracy Flynn Unit Manager - Economic Development and European Policy
TYPE OF DECISION:	Cabinet (Key Decision)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain.
SUMMARY:	<p>GM successfully secured £23.8m capital Local Full Fibre Network (LFFN) Challenge funding. The funding will connect full fibre to over 1,300 GM Public sector sites. These include Local Authority, GM Fire and Rescue, and TfGM sites across the region. The programme excludes Manchester, Salford and Tameside who fall outside of this programme due to overbuild concerns, i.e. they have already seen investment in their areas.</p> <p>Accelerating investment in full fibre to the premises is a key priority of the GM Digital Infrastructure Plan which is part of the GM Digital Strategy approved by the GMCA, in February 2018 and the more recent GM Digital Blueprint (November 2019).</p> <p>The Cabinet report of July 2019 approved the recommendations within the report. However, more recently DCMS have asked that all participating Local Authorities are signatories to an amended Grant Fund Agreement (GFA). This technical change was not part of the Cabinet report agreed in July 2019.</p> <p>The final stage is to ensure there is delegated decisions from Bury Council in order that the programme can achieve DCMS's Checkpoint C Assurance Board and signed contract by the 28th February 2020.</p>

OPTIONS & RECOMMENDED OPTION	Approve the technical change to the previously agreed Cabinet report in July 2019.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	The proposal is fully funded and therefore there is no financial impact to the council. The scheme is currently reflected in the 2019/20 capital programme and the programme will need to be updated to reflect the increase in funding, over and above that which is already reflected in the programme.
Equality/Diversity implications:	
Considered by Monitoring Officer:	Yes The grant funding agreement between the Council and the Department of Culture, Media and Sport has been considered by Legal Services and advice provided to enable approval. The Council's liability is restricted to the grant allocation.
Wards Affected:	ALL
Scrutiny Interest:	

TRACKING/PROCESS

DIRECTOR:

Joint Executive Team	Cabinet Member/Chair Briefed	Ward Members (if necessary)	Partners
X	X		
Scrutiny Committee	Other Committee	Council	Comms

1.0 BACKGROUND

1.1 In March 2018, Greater Manchester (GM) secured £23.8M Local Full Fibre Networks funding (LFFN), from the Governments Department for Digital Culture Media and Sport (DCMS).

This is expected to encourage further private investment of up to £250m and could be worth over £2.1BN to the GM economy over the next fifteen years.

The LFFN Programme will have a transformational impact on digital infrastructure in GM - leading to an increase of full fibre coverage from 2% now to around 25% within three years. Greater Manchester would then have the best high-speed digital infrastructure coverage of any city-region in the UK.

The LFFN Programme is also expected to deliver cost benefits to public sector partners over the medium term and additional cost benefits can be expected from increased competition from providers seeking to provide services to partners over the new fibre network. As a result of this programme, the costs of full fibre infrastructure for partners is fixed for a minimum of 30 years meaning the borrowing costs on upfront capital would be largely offset as there would be no inflation costs.

- 1.2 The procurement exercise is almost complete. At the final stages of this exercise GMCA was scheduled to achieve DCMS Checkpoint C Assurance Board stage on the 30th January 2020. DCMS's new position is that they now require all of the 7 GM LAs to be parties to the GFA (as well as the GMCA) as "Recipients" of the DCMS Grant. GMCA will remain the "Lead Recipient" and will be responsible for delivery of the "contract administration" of the GM LFFN Public Sector Tenancy Programme.
- 1.3 This is a technical change from the previous Cabinet report.
- 1.4 The table below shows the latest funding and site numbers by districts and partners, as an update to the July 2019 Cabinet report.

Geographic Locality	Total Expected Number of Sites	VMB Commercial Proposal	LA Contribution	GMCA (TfGM) Contribution per Locality*	GMCA (F&RS) Contribution per Locality	DCMS Grant to LA	DCMS grant to GMCA/TfGM/F&RS	Total investment per locality
Bolton District	186	£4,049,596	£456,186	£355,320	£139,048	£936,593	£2,162,449	£4,049,596
Bury District	179	£3,981,804	£468,501	£177,660	£139,048	£2,105,936	£1,090,659	£3,981,804
Manchester District	199	£3,999,871	£0	£803,700	£312,857	£0	£2,883,314	£3,999,871
Oldham District	156	£4,160,487	£1,524,905	£313,020	£104,286	£383,510	£1,834,766	£4,160,487
Rochdale District	125	£2,767,009	£926,160	£97,290	£104,286	£974,758	£664,515	£2,767,009
Salford District	138	£1,680,946	£0	£558,360	£208,571	£0	£914,014	£1,680,946
Stockport District	246	£2,302,621	£740,000	£431,460	£173,810	£468,154	£489,198	£2,302,621
Trafford District	154	£2,157,374	£493,596	£363,780	£104,286	£645,588	£550,121	£2,157,374
Wigan District	190	£3,767,265	£547,671	£283,410	£173,810	£1,073,421	£1,688,953	£3,767,265
Total	1573	£28,866,972	£5,157,019	£3,384,000	£1,460,000	£6,587,960	£12,277,990	£28,866,972

* GMCA/TfGM final costs per locality are subject to final design

2.0 ISSUES

2.1 Risk to the programme if Bury is not able to sign off the technical changes to the original Cabinet report of 24th July 2019.

3.0 CONCLUSION

3.1 Return on investment, key points include:

LFFN INVESTMENT BURY MBC OUTCOMES					
RECHANNELING CURRENT WAN EXPENDITURE	INTO NEW FULL FIBRE INVESTMENT ACROSS GM	THIS DELIVERS	SUBSTANTIAL ECONOMIC & SOCIAL IMPACTS	WITH COST SAVINGS	
<p>£ 23,425 a year is spent on current WAN connections in Bury LA</p> <p>Over 20 years this equates to £468,501 spend</p>	<p>Upfront LA Capital Investment remains capped at £468,501 – but now for 30yr IRU</p>	<ol style="list-style-type: none"> 30 year free access (IRU) to unlimited bandwidth capability For 133 LA sites with new dark fibre connections Fibre connect to TFGM & F&RS asset in Bury will deliver over 250km of full fibre network passing over 45% of total premises in GM. Significant social value benefits 	<p>Estimated additional £25m private investment in fibre roll out in locality</p>	<p>Originally based on 5% reduction in current costs</p>	
	+		<p>TFGM and Fire and rescue up front capital</p>	<p>Full fibre infrastructure will drive wider public sector reform and innovation</p>	<p>NOW: IRU is 30 Years rather than 20 years</p>
	+		<p>DCMS Gap funding</p>	<p>Accelerated 5G roll out</p>	<p>NOW: Over 66% more sites connected</p>
	=		<p>Collectively leads to £3.993M total Investment in LA area in full fibre</p>	<p>GVA increase of £117M in GM over 15 years</p>	<p>LEADS TO: significant reduction in cost per site per year</p>
	&		<p>Access to sunk market investment in ducting will minimise disruption</p>	<p>AND: Increased choice of service provider will reduce costs through competition</p>	

List of Background Papers:-

Attached at Appendix 1 and Appendix 2

Contact Details:-

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