

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 16 February 2022
Subject:	Greater Manchester One ICT Network	
Report of	Leader and Cabinet Member for Finance and Growth	

Summary

This report sets out the process for a joint procurement of ICT network services across several councils (Bury, Rochdale, Oldham, and Stockport), Greater Manchester Combined Authority including Greater Manchester Fire and Rescue Service and Transport for Greater Manchester.

Recommendation(s)

Cabinet is requested to:

1. Agree that Bury enters contracts via GMCA to connect Bury assets to the preferred provider.
2. Agree to Bury entering the GMOne Network Collaboration Agreement with the GMCA, TfGM, and Stockport, Rochdale and Oldham councils.

Reasons for recommendation(s)

When Greater Manchester’s Digital Blueprint was launched in February 2020 it included a specific ambition to Extend Our World Class Digital Infrastructure as a cross cutting enabler to underpin the city regions economic and social ambitions.

A key element of this has been the GM Local Full Fibre Network (LFFN) “anchor tenancy” programme that is in the final stages of laying up to 2,700km of new fibre infrastructure across Greater Manchester leveraging approximately £20M of DCMS funding plus investment from GMCA(FRS), TFGM and seven of the councils. This work will be complete by April 2022 and will connect approx. 1,600 public sites including as illustrated in Table 1.

Related work is underway led by Manchester City Council is also shortly due to complete, connecting 130 further sites, and the live fibre activity in Tameside delivered through the Digital Infrastructure Cooperative continues to grow successfully.

Of the 1,600 sites within the LFFN programme, over 1,320 have now been connected and commissioned. This has been challenging to achieve during the

pandemic and leads in Bury, Bolton, Oldham, Rochdale, Stockport, Trafford and Wigan councils plus TFGM and GMCA(FRS) are to be commended for work with Virgin Media Group for this delivery.

“Lighting the Fibre”

Each of the partners involved with LFFN operates a “Wide Area Network” (WAN) so that users and computers in one location can communicate with users and computers in other locations.

These WAN services are typically procured from major telecoms companies and include both infrastructure and services. However as LFFN is putting in place a new fibre infrastructure there is potential to jointly procure the services that will use it.

Recognising this, in 2020 several partners with similar WAN contract end dates proactively considered the option for jointly procuring WAN services across the LFFN infrastructure for their own organisational needs.

Alternative options considered and rejected

Do Nothing – including not lighting the fibre delivered under the LFFN programme. This option is discounted as each organisation needs effective network services and wishes to leverage the infrastructure. This option could also require repayment of the DCMS funding for LFFN as a condition of the grant funding is to use the fibre.

DIY – involving each organisation procuring network services separately across the LFFN infrastructure. It was felt that this would result in a missed opportunity to provide network services with higher resilience, capabilities and bandwidth at lower cost.

Collaboratively light the fibre with other LFFN partners - this option was preferred on the basis that a joint approach could generate savings and service improvements plus wider strategic benefits with potential further gains as other organisations join at a later stage. In addition it would avoid duplicate procurements. The network design would still enable each organisation to manage its services across this shared network. The benefits of this approach are described further below.

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Background

Having undertaken significant financial and technical analysis of a collaborative approach, three councils plus TFGM and GMCA(FRS) agreed to commence a joint procurement for network services under the collective title of GM One Network. Bury Council subsequently joined at the outset of procurement activity as shown in Table 1.

In line with procurement guidelines, this was non-committal with agreement that it would be brought to each organisation's governance in due course in line with previous WAN refresh procurements.

Partner Organisation	Number of circuits
GMCA (GMFRS)	71
Bury MBC	131
Oldham MBC	74
Rochdale BC	97
Stockport MBC	138
TFGM inc. GMCA sites managed by TFGM (UTC)	804

Table 1: LFFN Partner Organisations / Circuits within GM One Network initial scope.

The rationale for these six organisations being the initial partners in this project related to their involvement in LFFN and the timing of existing contract renewals. Bolton and Wigan Councils are tied to existing arrangements with Agilisys although this is being reviewed as part of wider changes; Trafford Council has specific timing requirements which meant that they needed to make separate provision, but have expressed interest in joining at a later stage.

All Greater Manchester councils, GMP and health services were named in the tender documents to create provision for scaling. Importantly, the procurement does not restrict partners with non LFFN sites from joining in the future.

If other public organisations were to join, there is a clear principle that this would need to be on an equitable basis with the original partners, with either a financial return to those partners or further investment as determined appropriate by the partners.

OVERALL BENEFITS TO GREATER MANCHESTER ONE NETWORK PARTNERS

The principal drivers for the creation of a GM One Network are detailed below:

- Realise the benefits of the Local Full Fibre Network (£28.5m

investment).

- Address increasing network security, support and performance issues.
- Reduce the total cost of ownership for operating networks across GM.
- Enable access to cloud services by Partner organisations.
- Accelerating the digitalisation of public sector services.
- Deliver the GM Digital Blueprint foundation layer.
- Enable the delivery of the 5 GM digital priorities.
- Support GM to become a top 5 digital City in Europe.
- Create many high skill employment opportunities for GM citizens.

The initial benefits of this initiative are:

- Overall financial savings against current spend levels, although these vary by organisation for several reasons including levels of existing spend and the service improvements they are gaining, numbers of sites, and the extent to which equipment costs are shared with other partners
- Significant improvements in service speed and quality, particularly for those partners migrating from copper infrastructure to fibre through this process. This is highly relevant as industry wide data consumption is doubling approximately every three years and projections indicate may be eight times higher by 2030.
- Improved resilience through a digital infrastructure connectivity “backbone” across Greater Manchester.
- Improved user experience, by providing a common and consistent platform for each organisation to use, users will be able to connect at different public sites more easily.
- Ability to leverage the free 2 x 10GB internet connections offered by Virgin Media Business through the LFFN programme and the ability to consume other relevant digital services jointly.
- Significant social value.
- Moving to a software/policy defined network platform which will give partners more flexibility to deploy, configure and install network infrastructure, using automation to reduce the need for third party site visits.

Whilst the focus here is providing networking services to the partner organisations and for TFGM to connect with Urban Traffic Control Signals, several current GM programmes have data connectivity requirements - and more are likely in the future – which could benefit from this programme. These include:

- Bus Reform, which will require connectivity to on-bus services for

operating payment and performance monitoring and for Network Planning as well as CCTV.

- CCTV – a high level review of GM wide CCTV capability across a wide range of public organisations is currently underway.
- The Clean Air Zone programme’s digital infrastructure.
- Potential extension of the TfGM led smart traffic optimisation pilot that is linking traffic signals on a section of the A6 in Salford with internet based machine learning capabilities in order to test the ability to improve flow.
- Smart energy and environmental monitoring initiatives in line with the city region’s carbon neutral ambitions.
- Potential to offer open access connectivity in support of GM’s digital inclusion ambitions and as expressed in the Young Person’s Guarantee and GM Inequalities Commission report.

In addition to the benefits listed above GMCA will also benefit from establishing a strategic relationship with the preferred bidder which include:

- A strategic purchasing framework with preferred bidder which provides access to additional discounts to GM One Network Partners and potentially the broader GM Public Sector over and above those available to individual organisations.
- Access to preferred bidder expertise development resources and global Partner network to further develop GM’s Digital and Smart City capabilities.
- Potential to showcase Greater Manchester’s involvement in Digital and Smart City developments through preferred bidder’s global network of Partners and industry commentators.

COST BENEFIT ANALYSIS

This procurement will let contracts for ten years with the GMCA acting as contracting authority on behalf of the partners.

Key Assumptions in the Financial Model

A number of assumptions have been made in the design of this proposal as follows:

- GM One Network is a 10 year investment, aligned to the 30 year Local Full Fibre Network (LFFN) programme as agreed by the GMCA Board in March 2021.
- Hardware asset lifetimes will be assumed at predominately 10 years, with some components 5-7 years – all in line with industry standards.
- The financial case is based on providing connectivity to the sites shown

in Table 1 and the services supporting them. However a further procurement is planned that will enable circuits and equipment for non-LFFN sites to be procured more effectively through economies of scale across GM.

- The connectivity costs within individual sites - such as Wi-Fi routers - are not included in either the "as-is" or "to-be" financial case, however the procurement has generated a framework for these additional elements to be procured at significant discount.
- As is typical in WAN contract changes, bridging contracts with current suppliers may be needed for short periods which may create a reduction in benefits for part of the first year. The first financial year (22/23) of the programme is being treated as Year 0 adhering to the financial principal of minimising the impact of transition and dual running costs as far as possible for all partners.
- To ensure an equitable share of investment in the GM One Network platform build, and scalability for future joiners, a fair basis for apportionment of core build costs has been determined that takes into account factors such as number of connections, BT Exchanges used and average cost of current connectivity per site for each organisation. This will be used to return resources to partners in an equitable manner if other public sector organisations join GM One Network.
- The cost of borrowing for capital, exchange rates, contingency and impacts of inflation have been factored into the model by GMCA Finance.
- There is a cost to running this complex procurement based on the need for project management, specialist legal guidance and support for the Competitive Dialogue activity. The collective costs for this have been included within the financial modelling although individual organisations will also bear some costs which are not included.

SOCIAL VALUE

The offer includes the following social value benefits:-

- Digital skills training for disadvantaged people.
- Local employment & Apprenticeships.
- School Partnerships for careers in Technology.
- Career guidance mentoring and work placements.
- Equipment donations to the local community.
- Investment in programmes to support digital enablement.
- Community donations.
- Innovation programme to support socially engineered entrepreneurs.

PROCUREMENT PROCESS

The procurement process is set out in the Tender Outcome Report included in Part B with a summary of the scoring.

GOVERNANCE FOR PROGRAMME DELIVERY

At present a Project Board is co-ordinating this work, chaired by Stockport Council with attendance from GMCA(FRS), TfGM and Bury, Oldham, Rochdale and Stockport Councils. This reports into the GMCA Digital Portfolio governance which reports to the GMCA Board. Individual partners report to their own organisational governance in line with their own formal decision-making processes.

It is proposed that this group continues to coordinate activity between the partners and reports back into each partner organisation until the Collaboration Agreement is signed.

The Collaboration Agreement specifies the creation of a Collaboration Board which will be established to provide oversight and governance.

At the time of writing all but the Financial Agreement has been drafted and we expect the Collaboration Agreement to be completed by the time each of the respective Partner boards / cabinets meet to review and approve the decisions recommended in this paper.

Links with the Corporate Priorities:

This report links to the Enterprise component of the Let's Do it Strategy seeking to connect public services and has the potential to join up health and social care across one IT network infrastructure.

Equality Impact and Considerations:

Better and more resilience digital connectivity is important for Greater Manchester both economically and socially. This proposal improves our public sector connectivity by leveraging the Full Fibre investment and supports better services across community buildings, libraries, council offices and other locations with the potential to do so more cost effectively, to enable more people to access the internet, information and services more easily.

Environmental Impact and Considerations:

This proposal builds on the Local Full Fibre Network infrastructure in Greater Manchester which supports our environmental objectives in several ways:

By re-using and re-conditioning a high proportion (approx. 90%) of existing ducting to install new fibre connectivity not only is the pace of deployment faster

but the effort required is lower. Consequently, the carbon normally generated by laying over 2,500km of new fibre is lower.

By consolidating authority by authority work into the One Network GM programme results in:-

- Reducing duplication of equipment and associated space and power requirements.
- Avoiding the need to mobilise multiple project teams and reducing the associated environmental impact.
- Consolidating the number of suppliers engaged across GM and reducing the associated environmental impact.

Assessment and Mitigation of Risk:

Risk	Impact	Likelihood	Mitigation
Pressure on capital budgets especially for FY22.	High	High	To be managed through GMCA borrowing on an "invest to save" model as described above.
Existing contract end dates may result in dual running costs for some partners and lower number of non LFFN sites may result in increased per site costs.	Medium	High	Plan migrations to minimize impact, with each partner looking to offset any transition costs through optimum timing.
Potential TUPE Impact may impact Business Case.	High	Low	Local Network Operations were excluded from GM One scope.
Lack of network operations skills may limit effectiveness and impact business case if recruitment required.	Medium	High	GM One reduces complexity and improves efficiency of network operations however new skills will be required – this has been factored into the programme.
Initial partners do not fully maximise the potential benefits of this initiative which increase as further partners join.	High	Low	High levels of engagement and co-design. Basis for equitable arrangements for future partners investment is being established through financial model.

Initial Partner organisation(s) choose not to join the GM One Network Platform.	High	Low	Ensure initial partners fully engaged in discovery and OBC, engaging senior stakeholders in partner organisations regularly.

Legal Implications:

The Council has been represented on an GM-wide working group of lawyers from GMCA, TfGM, Oldham, Rochdale and Stockport Councils whose role has been to oversee progress on the project since July 2021. This has included determining the procurement process and reviewing its conduct and agreeing the approach to Contract preparation following award together with the form of Collaboration Agreement to be entered into by the Council. The procurement process has been conducted satisfactorily and a preferred bidder identified following evaluation. Work on the Collaboration Agreement is at an advanced stage and it is to be finalised shortly.

Financial Implications:

Work is ongoing to identify where all of the "As is" budgets are currently held and whether these are a combination of both revenue and capital budgets. The proposal represents improved technology and at reduced overall cost once the existing budgets have been identified. However, they do need to be consolidated and clearly defined against this programme.

Consideration needs to be given to the impact for Bury and the existing partners if new partners are to join the collaborative and how any existing fixed costs may be apportioned which should also generate further savings.

It is key that this programme is managed in view of any future estate rationalisation or changes in connections required by partners within the Bury locality to ensure that we are maximising all opportunities and investment.

Background papers:

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning