

# Digital Innovation and Efficiency Committee

<b>Report title:</b>	<b>DCMS Local Full Fibre Network Bid</b>
<b>Date of meeting:</b>	<b>13 March 2019</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance &amp; Commercial Services</b>
<b>Strategic impact</b> Building upon the successful Better Broadband for Norfolk Programme, Norfolk County Council has led a county wide bid into the Department for Digital, Culture, Media & Sport (DCMS) Local Full Fibre (LFFN) Programme Challenge Fund. This funding bid is intended to improve access to gigabit speed fibre for public sector service delivery (including Education and Health) but is also expected to stimulate business growth through greater availability of ultrafast fibre across the county.	

## Executive summary

As a County we are seeking to use LFFN funding to improve the efficiency of our local government, educational and health operations. We believe these actions will also stimulate the market to enable tangible and sustainable economic growth and community benefits.

Government has announced that it will invest £200m in locally-led projects across the UK to help provide the fastest and most reliable broadband possible.

Starting in late 2017 the Local Full Fibre Networks (LFFN) programme has invited bids into a Challenge Fund from local bodies who can leverage local investment and activity to stimulate more fibre connections in their local areas.

The DCMS programme will include: harnessing long-term public-sector internet demand, providing gigabit connection vouchers to increase business take-up, upgrading connections into public buildings with fibre and improving access to publicly-owned infrastructure. These activities will thereby improve the business case for the private sector to invest in fibre networks to connect even more homes and businesses.

Building on extensive support from the wider local public sector across the county as well as local businesses Norfolk County Council has worked very closely with DCMS to refine and submit a bid. In February 2019 following a final presentation to the DCMS Investment Board the Norfolk Bid was approved and the full £8 Million grant value submitted was approved to proceed.

The £8M from DCMS will be combined with £3M of Norfolk County Council (NCC) funding to upgrade 372 NCC, Fire and Schools sites to full fibre connections enabling much higher connection speeds at lower ongoing annual costs. This will enable faster access for the Council's services including enabling multi-agency hubs, as well as faster access for the public in libraries and for students in schools.

NCC will also re-invest 50% of its savings which arise because of this funding on further

investments into upgrading even more sites and locations to Fibre to the Premises (FTTP).

NCC and the districts, borough and city council's will invest officer time on the delivery of the programme and relevant activities to promote the expected resultant opportunities to local businesses.

In addition, thousands of Norfolk's businesses will be likely to benefit from being closer to the new fibre network connection points as it is rolled out. Businesses will be able to bid for up to £2.5k each from DCMS to connect to the growing ultrafast fibre network, helping them to also benefit from faster speeds and lower costs.

The project to roll out the network to public sector buildings will also promote the DCMS Local Full Fibre Voucher Scheme to help businesses take advantage of this excellent opportunity.

It should be noted that the County's bid was supported by over 100 letters of support from local businesses, the Chamber of Commerce, the New Anglia LEP, the wider public sector and academia. Developing this successful bid was very much a partnership activity between numerous stakeholders across the length and breadth of the county.

It should be noted that Norwich & Kings Lynn were excluded from the bid due to DCMS eligibility criteria for these urban areas on the basis that the market should provide without the need for further stimulation.

The funding is expected to be made available early in the new financial year and must be spent by April 2021.

#### **Recommendations:**

- 1. To direct officers to progress the funding approval into an operational delivery programme with all appropriate resources and governance.**
- 2. To direct officers to promote the opportunities to benefit from the LFFN Gigabit Voucher Scheme to Norfolk's business community.**
- 3. To direct officers to pursue private sector funding opportunities to improve full fibre connectivity in Norwich & Kings Lynn.**

## **1. The Background and Context**

- 1.1. To help provide the fastest and most reliable broadband available, Government will invest £200m in locally-led projects across the UK. Starting in late 2017 the Local Full Fibre Networks (LFFN) programme will invite bids into a Challenge Fund from local bodies who can leverage local investment and activity to stimulate more fibre connections in their local areas.

The LFFN programme will have capital funding available from FY18/19 to FY20/21. Bids must be planned such that all LFFN funding is disbursed no later than March 2021. No revenue funding, or contribution to admin costs will be eligible.

It is not a condition for support that bidders must provide match funding, however DCMS are more likely to support proposals which either have co-investment from bidders (either capital funding, or committed service charges over several years), or those projects that are most likely to encourage additional investment from other parties.

## **2. Scope of the bid**

- 2.1. Norfolk County, on behalf of the wider public sector, academia and business development groups submitted an expression of interest in preparation for a full bid against the LFFN Programme. This was upgraded to a full written submission, leading to final presentations to DCMS commercial and investment panels in January and February 2019. The final bid was for £8m to upgrade 372 local authority, fire and school sites to full fibre connections. 230 of these sites are schools which will directly benefit from faster connections and lower costs.

NCC's financial contribution will be the redirection of £3m (over the next 4 years) of existing wide area network expenditure onto the new fibre connections as they become available. The county will also fund staff time to manage the programme and promote the expected resultant opportunities. NCC will also reinvest 50% of its savings generated through the deployment of cheaper (and faster) fibre connections to its buildings into further fibre related investments.

All schools due to be upgraded will be contacted by the NCC Schools IT team.

A full map and list of locations will be published after the NCC and DCMS teams have completed final due diligence and formally agreed allocation of funding.

- 2.2. The Norfolk LFFN programme is based on harnessing long-term public-sector internet demand, upgrading connections into public buildings with fibre. This will be carried out in such a way that local businesses should also be able to benefit from access the fibre infrastructure once it has been deployed. This private sector investment in extending the fibre network further can also benefit from access to DCMS LFFN Gigabit Connection Vouchers (targeted at increasing business take-up). These vouchers are currently available at up to £2,500 per applicant.

Norfolk County, city, borough and district councils will also work together to promote further uptake of the voucher scheme as fibre availability increases.

The NCC bid is focussed on improving access for public sector service delivery across the length and breadth of the county and this "outside-in" approach to fibre deployment is very much in line with the latest DCMS thinking regarding improving full fibre access in rural areas.

This bid should be seen in the wider context of Norfolk's plans to improve connectivity and is in addition to the Better Broadband for Norfolk Programme which is primarily aimed at providing superfast broadband access to residents. The County Council remains committed to improving mobile coverage (including 5G) and rolling out low power wide area networks (such as LoRaWAN) for use with sensors.

## **3. Financial Implications**

- 3.1. The final bid was for £8m which DCMS has indicated it will fully fund. £3M over 4 years of existing NCC WAN expenditure will be used to buy fibre connectivity, which will generate a saving, from which 50% will be re-invested into further fibre deployment.

## 4. Issues, risks and innovation

- 4.1. There are no major risks at this stage. However, the risks associated with the commissioning of the upgraded infrastructure for the 372 sites has been documented as part of the bid. This will now be refined in partnership with DCMS as part of the due diligence required to formally initiate the project. Lessons learnt from the Better Broadband for Norfolk Programme (BBfN) formed the basis of the risk register and the BBfN Programme manager will form part of the LLFN programme assurance function.

### Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

**Officer name:** Geoff Connell

**Tel No.:** 01603 222 700

**Email address:** [geoff.connell@norfolk.gov.uk](mailto:geoff.connell@norfolk.gov.uk)



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