

TRAFFORD COUNCIL

DELEGATED OFFICER DECISION REPORT

Report to: Corporate Director, Systems and Finance; Corporate Director for Governance and Community Strategy
Date: 25th February 2020
Report for: Decision
Report of: Chief Digital Officer

Report Title

Greater Manchester Local Full Fibre Networks Programme

Summary

The Greater Manchester Local Full Fibre Networks Programme aims to increase the region's full fibre coverage from 2% to 25% within three years and is a key component of the GM Digital Strategy. Greater Manchester secured £23.8m capital funding via the Department of Culture, Media and Sport's (DCMS) Local Full Fibre Network Challenge Fund and with £21.3m match funding from existing network budgets will connect over 1,300 public sector sites or assets covering 450km of new fibre across GM.

A report that set out the progress that had been made on the Greater Manchester Local Full Fibre Networks Programme was considered on 15th July 2019 at the Council's Executive meeting. At this time delegated authority was given to the Corporate Director for Finance and Systems, in consultation with the Corporate Director for Governance and Community Strategy to agree the terms of an Inter Authority Agreement that sets out the local authority role and processes for the implementation of the GM Local Full Fibre Network Programme.

The purpose of this report is to summarise the progress since the Executive Decision was made and brief the officers with delegated authority ahead of contract signing.

Recommendation(s)

The Corporate Director, Systems and Finance and Corporate Director for Governance and Community Strategy is recommended:

- (i) Under their delegated authority, sign and seal the Grant Funding Agreement between Trafford Council, DCMS, GMCA, and other GM Local Authorities for the GM Local Full Fibre Network programme.
- (ii) Under their delegated authority, sign the Inter Authority Agreement between

Trafford Council, GMCA, and other GM Local Authorities for the GM Local Full Fibre Network programme.

- (iii) Under their delegated authority, sign and seal the Service Contract between Trafford Council and Virgin Media Business for the GM Local Full Fibre Network programme.

Contact person for access to background papers and further information:

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1 Background

- 1.1 The Greater Manchester Local Full Fibre Networks Programme aims to increase the region's full fibre coverage from 2% to 25% within three years and is a key component of the GM Digital Strategy. Greater Manchester secured £23.8m capital funding via the Department of Culture, Media and Sport's (DCMS) Local Full Fibre Network Challenge Fund and with £21.3m match funding from existing network budgets will connect over 1,300 public sector sites or assets covering 450km of new fibre across GM.
- 1.2 A report on the Greater Manchester Local Full Fibre Networks Programme was considered at the Council's Executive meeting on 15th July 2019. At this time delegated authority was given to the Corporate Director for Finance and Systems, in consultation with the Corporate Director for Governance and Community Strategy to agree the terms of an Inter Authority Agreement that sets out the local authority role and processes for the implementation of the GM Local Full Fibre Network Programme. The full report is embedded as Appendix One.

2 Progress since the Executive Decision on 15 July 2019

- 2.1 Following a rigorous Public Contracting Regulations 2015 compliant procurement process, a single provider has been selected as preferred provider to deliver the Greater Manchester LFFN Anchor Tenancy Programme across both the Northern and Southern Arcs.
- 2.2 Virgin Media Business (VMB) has been selected as the preferred provider for the Southern Arc (Stockport, Trafford and GM Fire and Rescue and GMCA/TfGM urban traffic control and assets within those localities as well as Salford and Manchester local authority areas). VMB has also been selected as the preferred provider for the Northern Arc organisations.
- 2.3 The key points from the tender process are summarised below:
- Public sector partners will get 30 years connectivity instead of 20 years for the same cost - 50% longer Indefeasible Rights of Use (IRU) is being provided.
 - In excess of 200 additional public sector sites will be connected at no additional cost to local authority partners and GMCA/FRS and TfGM.

- Partner contributions will not increase from the capped upfront capital contributions agreed in March 2019. Trafford's contribution has reduced by £0.212m following the removal of some sites no longer required. Trafford Council's contribution now totals £0.494m with £0.646m DCMS contribution to the costs for the Council's 30 year use of the new fibre infrastructure.
- 97% of the fibre will be provided via existing ducting which will minimise disruption across Trafford.
- Residential and business premises passed will be up to 45% of GM rather than the 25% originally forecast, significantly increasing the potential reach for wider roll out, and offering future opportunities for smart city development.
- Better service options: Local public sector services will be free to procure services from any provider across the open access network. VMB have offered a 10% discount on current rental costs for existing WAN services for Trafford and Stockport Councils plus GMCA (F&RS) where VMB currently provide those services.

2.4 Trafford's Legal and Estates Teams have been advising on whether the DCMS funding constitutes State Aid on the list of sites. Four Trafford sites have been identified for potential challenge, none of these sites are mandatory sites. The consideration of whether these constitute state aid continues and if necessary these sites will be removed from the site list under the change control procedures within the contract.

2.5 Progress has been regularly reviewed by the GM Wider Leadership Team with the most recent report and recommendations embedded in Appendix 2.

3 Delivery Timescales

3.1 In order to meet the DCMS funding timescale it will be necessary to move to formal contract agreement and signatures by late February 2020. Soft mobilisation commenced in January, with more formal mobilization starting immediately post contract award. Works will commence on site from Spring 2020. All DCMS funding must be defrayed by 31st March 2021.

3.2 Virgin Media Business has programmed the majority of activity across both Northern and Southern Arcs to be completed before 31st March 2021. DCMS grant allocation will be prioritised in all areas before utilising GM partner capital funds to complete the work.

4 Changes to Grant Funding Agreement and Inter Authority Agreement

4.1 DCMS called for changes to the contractual arrangement between DCMS and the GMCA before progressing through Checkpoint C in February 2020. As a result, changes have been made to the Grant Funding Agreement so that DCMS are now providing Trafford Council's funding direct to the Council, instead of via the GMCA as was previously agreed. An Inter Authority Agreement between all of the GM Local Authorities and the GMCA is to be signed.

4.2 The updated contracts have been reviewed by the Council's Legal Team and they have advised that the updated contracts adhere to the principles of the previously agreed Grant Funding Agreement and Inter Authority Agreement.

5 Recommendations

5.1 Recommendations are set out on page one of the report.

Reasons for Recommendation

Increasing full fibre to premises coverage across the region is a key component of the GM Digital strategy and supports Trafford Council's Green and Connected priority. Participation in this programme aims to increase full fibre to premises coverage from 2% to 25% over the next three years which is expected to bring a wealth of economic and digital benefits to the borough. The programme also incorporates coordinated highways approaches across Greater Manchester to remove barriers to private investment in fibre networks.

Other Options

Trafford Council could continue with its existing approach to procuring a fibre network for public buildings. This would use the traditional approach of bundling the fibre in the ground, along with the services that operate over the fibre, from a single supplier typically for a 4-5 year period. This would not involve leasing the fibre over 20 years and may mean that Trafford doesn't benefit from an expected growth of private fibre to premises across the borough, and subsequent economic growth realised by GM localities participating in the programme.

Appendix One – Trafford Council Executive Decision Report – July 2019



1. Trafford Council
Executive - FFTP Progi

Appendix Two – GM Wider Leadership Report – January 2020



FINAL GMCA PART A
REPORT LFFN January