

BURGESS HILL FULL FIBRE – PROCUREMENT FOR BURGESS HILL FULL FIBRE PROGRAMME.

REPORT OF: Head of Digital and Customer Services
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Wards Affected: *All*
Key Decision: Yes
Report to: *Cabinet*
11 February 2019

Purpose of Report

1. The Burgess Hill Fibre programme consists of a number of projects that will support the delivery of full fibre connectivity for Burgess Hill. A recent supplier day was held to assess approaches to procurement for the civil work that is required to deliver the fibre network for one of the projects. The progress we have made means the project is now able to proceed to the next gateway in the Department for Digital, Culture, Media and Sports (DCMS) grant approval process. This gateway involves an assessment of the Council's readiness to procure. Formation of the grant agreement between DCMS and the Council will then be agreed, and funding drawn down. In order to start this process, the authority to procure the civil and associated works is required from the Council.

Summary

2. The purpose of the report is for Cabinet to approve the procurement route for the project. The report summarises the project, the arrangements and the procurement approach for the civil contracting work related to the project. The approval to procure or the outcome of any procurement exercise does not commit the Council to the expenditure and is required as a condition of grant from DCMS.
3. Absolute funding constraints existing for the DCMS Grant funding require the physical capital works relating to this aspect of the programme to be completed and invoiced before March 2021.

Recommendations

4. **Cabinet are recommended to:**
 - (i) **Agree to delegate responsibility to procure civil and associated works, up to the value of £2.2m, to the Head of Digital and Customer Services in consultation with the Head of Corporate Resources;**
 - (ii) **Note the wider projects within the Burgess Hill fibre programme.**

Background

5. The Council has been successful in securing £2.2m from the National Productivity Infrastructure Fund, administered by the Department for Digital, Culture, Media and Sport (DCMS), for Local Full Fibre projects. These projects are aimed at supporting digital connectivity and full fibre roll-out across the UK as part of the Government's Industrial Strategy. The Council submitted an application through the second bidding process, Wave 2, in November 2017 and was notified of its success in Spring 2018. The aim of the Council's programme, in partnership with telecoms operators, will be to deliver a long-term evolution in infrastructure for the district. Ultimately it will enhance productivity, increase competitiveness, generate jobs and have a direct impact on Gross Value Added (GVA).
6. Full fibre, fibre-to-the-Premises (FTTP), means fibre-optic cables go directly to homes and business instead of just connecting to a local on-street cabinet. This dramatically increases internet speeds because the copper cable between the Point of presence (POP) cabinets and the premises is no longer creating a bottleneck and limiting internet speeds.

The lack of full fibre infrastructure has been a longstanding barrier to developing connectivity to homes and businesses. The Council, recognising the urgent need for full fibre infrastructure in the District, designed a programme to combine several tried and tested approaches to accelerate delivery of full fibre, initially in Burgess Hill. The programme is constructed to enable local businesses to play a role in developing and operating the new digital infrastructure.

7. The outcome of the programme is excellent connectivity, benefiting our residents and businesses. It will assist the Council and wider partners, both public and private, to develop approaches that can then be used across the District to stimulate full fibre roll-out. The approaches reflect current Government policy on digital infrastructure and can easily apply elsewhere in the country. The programme has the added benefit that significant elements of it can proceed regardless of Government funding. However with Government support the programme will be able to move faster and multiply its impact.
8. The Mid Sussex Local Full Fibre Network (LFFN) Programme for Burgess Hill consists of a number of projects intended, initially, to support the delivery of full fibre connectivity for Burgess Hill:
 - Dig Once –duct for full fibre is installed as ground work is underway on developments and other infrastructure improvements, for example roads. This means duct installation costs are reduced and therefore the cost of fibre roll-out is also reduced;
 - Construction of a fibre loop, some 6.8km, that cannot be built with Dig Once. This will bring the network within 200m of at least 40 public sector sites;
 - Construction of a dark fibre link to connect to Brighton; and
 - Construction of Digital Exchange Points of Presence.

A business case has previously been developed and it now forms the financial framework within which the programme will be delivered. It will be updated as information, assumption and constraints change through the project and will be used to inform the overall expenditure within the programmes budget. DCMS have provided a Conditional Grant Agreement offer for £2.2m to develop and deliver this project. This funding is time bound and needs to be incurred as capital expenditure by March 2021.

Procurement

9. The procurement stage deliverables are:
 - Appropriate tender documentation to inform potential bidders of the opportunity available.
 - Appropriate legal documentation (draft contracts and agreements etc) to inform potential bidders of the contract framework that the LFFN project will operate under.
 - An appropriately resourced and capable supplier, managed and supported by an appropriately resourced and capable client side team.
 - An appropriate structure and resource to deliver the scope of the LFFN Project procurement at the time of implementation.
 - Appointed supplier(s) to deliver the requirements within the required timescales
10. A Programme Manager has been employed to lead the procurement on a day to day basis, to manage the workstreams and those delivering them. The manager is supported by the Council's legal department and shared procurement service. It is likely that the procurement will follow the Competitive Procedure with Negotiation as the Council wishes to exploit the knowledge and experience of potential bidders to shape the final solution.
11. Initial market engagement has shown a keen interest from suppliers and has helped to form the options for procurement. Appendix A sets out the PIN notice highlighting the Council's intention to procure. The findings from the supplier day will be discussed with DCMS at gateway 2. Appendix B sets out the outline findings from the supplier day.

Controls and Risk Management

12. The workstream leads (Legal, Procurement, Technical) are responsible for providing input to the project plan – updating their elements of the plan but with an awareness of the impact of any changes within their workstream on other workstreams. If any changes to the plan result in the overall project tolerance being exceeded (defined parameters such as time and cost), then the workstream leads meet with the Programme Manager to mitigate the effects on the project as a whole and if necessary, feed into an exception report to be delivered to the Programme Board.
13. A cost tracker is being used to monitor the costs of carrying out the project and this will be reported to the Project Managers Group on a monthly basis. Any potential deviation from the budget will result in an exception report being presented to the Project Board.

14. A risks and issues log is maintained throughout the duration of the project and a specific log is linked to procurement. Major risks and issues are elevated on a monthly basis.

Policy Context

15. The Burgess Hill Full Fibre Programme supports the Council's priorities of sustainable economic growth and resilient communities. The roll-out of full fibre will help to support existing business and encourage new economic activity.

Financial Implications

16. Approval to procure or the procurement process does not commit the Council to expenditure. Once the procurement has been concluded the Council is able to assess suppliers against the budget and is able to cease procurement if the market is unable to supply within budget.

Risk Management Implications

17. Risk for the project is managed through the programme arrangements for the overall Burgess Hill programme.
18. If the market is unable to meet the budget set aside for this work, there is the opportunity to descope the proposal and/or to continue with projects within the wider programme that support the Council's aims. For example, agreeing ducting specifications and inclusion in new infrastructure (dig once) and linking to existing public and private ducts (asset aggregation) and public sector collaborating to purchase connectivity (demand aggregation).

Equality and Customer Service Implications

19. Access to full fibre broadband will advance equality of opportunity through better and faster access to public services, support services, information, cheaper goods and services, learning opportunities, means of communication and job opportunities.
20. Full fibre connectivity can encourage people who share a relevant protected characteristic to participate in public life or in any other activity in which participation of people with protected characteristics is disproportionately low. For example, for children, access to learning opportunities to support them in their education. For the elderly, access to alternative means of communication, such as video conferencing, to keep in better contact with friends and family, tackling issues of rural isolation. For people suffering with a serious illness, or for people wishing to live independently for as long as possible fibre broadband could offer access to supportive technologies such as telehealth and telemedicine. Another positive impact is likely to be reduced need to travel, reducing car and van usage both locally and across the national network, reducing risk of road traffic collisions and reducing air pollution.

Other Material Implications

21. None

Background Papers

- Appendix A Pre-market Engagement PIN Notice (without competition)