

Date: 18th December 2020

Subject: Greater Manchester Local Full Fibre Network Programme – Public Sector Building Upgrade

Report of: Councillor Sean Fielding, Portfolio Lead for Digital City Region, Sara Todd Portfolio Lead Chief Executive for Digital City Region

PURPOSE OF REPORT

This report follows a paper agreed by GMCA in January 2020, which sought GMCA agreement on the outcome of the tender process for the Public Sector Anchor Tenancy (PSAT) element of the GM Local Full Fibre Network (GM LFFN) programme; confirmation of partner capital investment and related increases in the GMCA Capital Programme to reflect the Department for Digital Culture Media and Sport (DCMS) project grant and GMCA investment.

This report focusses on the final element of the GM LFFN programme procurement – Public Sector Building Upgrade (PSBU), and seeks GMCA agreement on an increase in the GMCA Capital Programme to reflect the anticipated DCMS grant allocation for PSBU that will flow through GMCA to the relevant local authority (Manchester City Council).

RECOMMENDATIONS:

GMCA are asked to:

1. Agree that GMCA should enter into a grant funding agreement with DCMS and Manchester City Council to confirm GMCA as the administrative lead for the PSBU as well as the PSAT element of the LFFN programme as set out in this report.
2. Approve an increase in the GMCA’s Capital Programme of up to £835,000 to reflect the maximum grant from DCMS for the Manchester City Council LFFN PSBU programme.
3. Note that Salford City Council will not be pursuing its application to DCMS for a small amount of PSBU LFFN grant funding.
4. Delegate authority to the GMCA Monitoring Officer to review and complete all necessary legal documentation relating to the grant funding agreement to be entered into between (1) DCMS (as Funder), (2) GMCA (as Administrative Lead for the DCMS LFFN PSBU Grant) and (3) Manchester City Council (as LFFN PSBU Grant Recipient) .

CONTACT OFFICERS: Phil Swan (GMCA), Alison Gordon (GMCA)

BACKGROUND PAPERS:

Greater Manchester Local Full Fibre Network Programme – GMCA Report 7 January 2020

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
	Overview & Scrutiny Committee	
	30 th November 2020	

1. BACKGROUND

1.1 In March 2018, GMCA on behalf of GM public sector partners secured £23.7M (25% of the UK LFFN Wave 2 funding allocation) from DCMS as part of the National Productivity Infrastructure Fund to connect over 1300 public sector sites across GM with full fibre. Based on similar projects in the UK, the overall programme aims to encourage further wider private sector investment of up to £250M.

1.2 The Greater Manchester LFFN Programme bid highlighted the transformational impact on digital infrastructure in GM, which would lead 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.

1.3 The GM LFFN programme included three elements:

- An Anchor Tenancy component in which 7 GM Councils (Bolton, Bury, Oldham, Rochdale, Stockport, Trafford and Wigan) and GMCA (Fire and Rescue Service and GMCA/TFGM Traffic Controls Systems assets (UTMC)) invested in or brought forward expected future revenue expenditure, to secure greater impact and develop networks in localities. This was agreed by GMCA in January 2020
- An extension to the existing Digital Infrastructure Cooperative work in Tameside. This was agreed at the start of the programme.
- A specific, tactical public sector building upgrade (PSBU) component relating to Manchester City Council where there was already considerable fibre networks and risk of overbuild. This was later extended to Salford City Council to reflect increased fibre network build in the city.

1.4 This report focusses on the finalising the last of these elements – PSBU.

2. PUBLIC SECTOR BUILDING UPGRADE

2.1 As anticipated, the success of the DCMS bid (the largest allocation in the UK) has triggered some wider market investment in full fibre in the City Region. Coverage in most of the local authority areas outside of Manchester and Tameside remains below 5%. However, in Salford coverage has increased from 10% in 2018 to over 45% as a result of investment by Openreach over the past 18 months. This led to DCMS discussion about LFFN grant being used to overbuild fibre that has already been delivered without intervention in both Manchester and Salford.

2.2 The approach agreed with DCMS and both Manchester City Council and Salford City Council was that each local authority would receive a flat rate grant contribution of £5000 per

eligible nominated local authority site which is calculated on the average cost of equipment and cabling upgrades, as an average across all sites proposed.

- 2.3 Manchester City Council proposed 167 sites utilising £835,000 of the DCMS LFFN grant, and Salford City Council proposed 18 sites utilising £85,000 of the same. This was supported by GMCA in January 2020.
- 2.4 Both Manchester and Salford City Councils agreed that the PSBU elements of the GM LFFN programme would be delivered outside of the LFFN Anchor Tenancy procurement and would be directly contracted or procured by each Council utilising the Crown Commercial Services (CCS) Frameworks.
- 2.5 Salford City Council have subsequently written to DCMS to withdraw from this element of the programme and will NOT receive £85,000 DCMS LFFN grant for PSBU. However, Salford locality will still benefit from the GM LFFN programme through the Anchor Tenancy connections of the GMCA's Fire and Rescue and Urban Traffic Control sites which are located within Salford City Council's local authority area and which will be connected by the GMCA under the PSAT element of the overall programme.

3. MANCHESTER CITY COUNCIL PSBU PROGRAMME

- 3.1 The GM LFFN Programme Board – including Manchester City Council - agreed that Manchester City Council would be responsible for procuring its own contract with a provider to deliver Manchester City Council's required PSBU works, within the overall GM LFFN Programme.
- 3.2 Following extensive discussions with DCMS, in June 2020, MCC engaged with interested organisations for the provision of PSBU services as part of a wider strategic ICT procurement. Tenders were subsequently invited in August 2020 and responses received from suppliers on 26th October 2020. Tenders are currently being evaluated by MCC and the outcome of the evaluation process is expected in early December 2020. The decisions and award recommendations will be ratified by MCC internal Programme Board and notified to GMCA for information.
- 3.3 The outcome of the Tender process and relevant artefacts associated with the procurement will be used to compile the evidence bundle for submission to DCMS as part of their "Checkpoint C" assurance process. This is planned to take place on 17th December 2020, with all documents and internal approvals submitted to DCMS by 03rd December 2020 .
- 3.4 The DCMS "Checkpoint C" process provides an assurance gateway for DCMS to confirm that projects have complied with all necessary LFFN programme requirements and been procured in accordance with contracting regulations. GMCA and MCC have been working closely with DCMS throughout the tender stage to ensure the approach adopted aligns with

the DCMS expectations, such that the Checkpoint C process can be completed in a timely manner and the Grant Funding secured without condition. Assuming this to be the case and the Grant Funding secured, works to deliver the PSBU programme would commence on 01st February 2021, with the PSBU element completed by September 2021. The wider MCC WAN contract to be awarded is expected to be over a longer term period.

4. INTER-AUTHORITY AGREEMENT

- 4.1 Due to the complex nature of the PSAT procurement and the multi-authority arrangements required to be put in-place DCMS required that an Inter-Authority Agreement was entered into between GMCA and the Contracting Authorities (the 7 GM PSAT Local Authorities) who would receive PSAT grant support from the DCMS. This provided certainty for DCMS that a single Grant Administrator (GMCA) would co-ordinate all of the PSAT Grant claims on behalf of all 8 of the PSAT Grant Recipients, and would distribute the PSAT Grant between the PSAT Grant Recipients in accordance with the individual Grant Funding requirements agreed between the PSAT Grant Recipients. The IAA also provided assurance around the project management and governance arrangements for the delivery of the PSAT element of the GM LFFN.
- 4.2 It is not anticipated that an Inter Authority Agreement will be required by DCMS in relation to the PSBU grant to Manchester City Council, as the roles of both MCC and GMCA are well defined in the Grant Agreement. Should this position change following confirmation from DCMS an IAA would be entered into between Manchester City Council and GMCA for the purposes of the PSBU project, in accordance with and on the basis of the provisions previously described and approved by GMCA on 7th January 2020.

5. DCMS GRANT REQUIREMENTS

- 5.1 GMCA has already entered into several Grant Funding Agreements with DCMS for the Anchor Tenancy element of the programme, along with Local Authority partners. The Grant Funding Agreement describes the provisions associated with the grant awarded, including reporting requirements, timescales for completion and the relevant claim procedures. For the PSBU element of the GM LFFN programme, a list of the confirmed Manchester City Council public sector owned sites, and the suppliers proposed delivery programme will be included within the PSBU Grant Funding Agreement.
- 5.2 The DCMS PSBU Grant Agreement will be signed by DCMS as the Grantor, GMCA in its role as Grant Administrator, and Manchester City Council as the Grant Recipient.

6 RECOMMENDATIONS

- 6.1 Recommendations can be found at the front of this report.