

## **North of Tyne Combined Authority, Overview and Scrutiny Committee**

Tuesday 2 July 2019 at 10.00 am

Meeting to be held at the Mansion House, Fernwood Road, Newcastle upon Tyne, NE2 1TJ

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### **SUPPLEMENTAL AGENDA**

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<b>7. Local Full Fibre Networks</b>	<b>1 - 6</b>

Present  
Steve Smith, Digital Design and Delivery Manager, Northumberland County  
Council

Attached papers:

**Local Full Fibre Networks**

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## Overview and Scrutiny Committee

2 July 2019

<b>Subject:</b>	<b>Local Full Fibre Networks</b>
<b>Report of:</b>	<b>Steve Smith, Digital Design and Delivery Manager, Northumberland County Council</b>

### Report Summary

The purpose of this report is to provide the Overview and Scrutiny Committee with an update on the progress made on the application by the North of Tyne Combined Authority (NTCA) to DCMS’s Local Full Fibre Programme (Wave 3).

### Recommendations

The Overview and Scrutiny Committee is recommended to note the information contained in the report and make any recommendations it considers appropriate.

#### 1. Introduction

- 1.1. For the Newcastle, North Tyneside and Northumberland area having high-speed, affordable and reliable connectivity widely available to businesses and residents is crucial in maintaining economic competitiveness and in achieving social inclusion. Whilst 95% of UK premises can now get superfast broadband, only 3% have access to gigabit-capable full fibre infrastructure.
- 1.2. In the Department for Digital, Culture, Media and Sport’s (DCMS) Future Telecoms Infrastructure Review (FTIR) published in July 2018, the UK Government set out the scale of the task of creating a full fibre future for the United Kingdom.
- 1.3. The current provision of broadband is captured in the Ofcom Connected Nations 2018 report and the local summaries are:

Newcastle	Full Fibre 7% availability
North Tyneside	Full Fibre 0% availability
Northumberland	Full Fibre 2% availability

Only the central City of Newcastle area is sitting at the UK average and is behind most other major cities

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UK. The Newcastle numbers decline rapidly as coverage goes out to the Western suburbs of the city. North Tyneside numbers reflect the current economic demographic of the region, and Northumberland the geographic and economic challenges.

- 1.4. A government report on the *Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme* tested the link between the availability of superfast broadband connectivity and economic growth as measured by improved business productivity and increased economic activity. The reports concluded that pilots subsidising the availability of superfast broadband services demonstrated a direct, positive impact on key measure of economic growth: GVA and employment levels.
- 1.5. Full fibre is capable of connection speeds over 60x faster than the current national average for broadband connectivity. The NTCA's ambition to drive inclusive growth includes enabling businesses to work and collaborate effectively and to enable future rollouts of next generation services. The NTCA therefore wants to make it easier for the digital network service providers for both broadband and 5G at all scales to come and invest across all of North of Tyne, supporting these businesses.

## **2. Local Full Fibre Network Programme**

- 2.1. The Government's Local Full Fibre Network (LFFN) Challenge Programme requires Authorities to work in dialogue with DCMS to extend the reach of high-speed fibre communications to Public Sector sites.
- 2.2. At its meeting on 5 December 2018 Cabinet agreed its support for negotiations with DCMS to secure Local Full Fibre Network (LFFN) funding. The infrastructure provided will be additional to that deployed under any current commercial plans.
- 2.3. In March 2019 Cabinet approved an allocation of up to £75,000 investment from the Business Case Development Fund to:
  - Developing the necessary Scenario Modelling and Project Plan;
  - Completing the Draft Outline Business Case according to the requirements of the Government's Green Book appraisal and evaluation Guide;
  - Finalising the Full Business Case according to the advice provided at EOI stage.
- 2.4. The aim is to draw down up to £12M funding from the DCMS programme into the North of Tyne area to significantly improve digital infrastructure in the area. The DCMS funding would join with existing Council Wide Area Network (WAN) budgets to create an environment that makes it financially feasible for major infrastructure suppliers to invest in North of Tyne outside the major urban centres (sparse urban and rural). This significantly accelerates the provision of high-quality digital connectivity and the viability of new technologies such as 5G in the North of Tyne. This meets the NTCA's ambitions to build

on the strengths we have in the digital sector and its commitment to inclusion and connectivity.

- 2.5. If the bid to DCMS is successful, the Local Full Fibre Network Challenge Programme would achieve the following:
- a) Significantly improve the ability to deliver high-speed connectivity to approx. 700 public service locations (council buildings, schools and other public buildings) to which fibre is delivered, increasing productivity and enabling public sector digital service transformation.
  - b) Make the deployment of full fibre services to businesses and residents more commercially viable to private sector investors (via commercial use of the fibre and ducts) and, therefore, attract significant further private sector investment in full fibre roll out across the North of Tyne area.
  - c) This will, in time, further accelerate the rollout of 'future-proof' high speed networks and the new 5G mobile networks throughout North of Tyne.
  - d) This in turn will improve economic productivity and community connectedness across the region – in particular, the NTCA will work with Government and providers to try and harness this project to make a difference to communities where there are known connectivity challenges (for example, in some rural areas, often referred to as the "last 5%", in Newcastle's urban core where broadband connectivity is poor meaning businesses are often forced to pay for expensive leased line circuits, increasing their costs, and also in some residential communities including a number of recent "new build" developments that do not have access to high speed broadband).
- 2.6. The programme will not directly deliver fibre-to-the-premises for all buildings, but it will make it more economically viable for others to do so.
- 2.7. It will complement rather than replace work done in other initiatives (e.g. Borderlands) for highly rural locations and deliver the Network of Connections Pillar of the North of Tyne's Vision.
- 2.8. The NTCA was accepted into the programme and have an assigned Project Manager and meetings with DCMS twice-weekly. On the 19 June 2019 the project team presented the Outline Business Case to DCMS's Commercial Panel.
- 2.9. The presentation to the DCMS Commercial Panel by the NTCA project team was well received with no significant areas of concern or rework identified. Feedback was provided by the DCMS panel which centred around a few suggested refinements to the presentation in order to make it clearer and more concise for the DCMS Investment Panel. The DCMS Commercial Panel approved the NTCA bid to progress to the DCMS Investment Panel on the 9 July 2019.

- 2.10. If the DCMS Investment Panel decision on 9 July 2019 is positive, the intention is to structure and complete the procurements or contract changes on the agreed basis for award of at least the first major tranche by December 2019.
- 2.11. The build out from there would take approximately 12 months for the DCMS funded delivery to approx. 313 rural sites within Northumberland. For the non-DCMS funded deliveries in Newcastle and North Tyneside (approx. 400 sites), this is more variable and will depend somewhat on planning and traffic management in urban areas, although it is expected to commence within a similar timescale. The Authorities would transfer their Wide Area Network operations onto the new fibre infrastructure as it becomes available, thereby achieving improved connectivity for the public service buildings by mid-2021.
- 2.12. As part of this programme, the joint team are also working on the pilot for the Rural Gigabit Connectivity Programme (RGC) (also referred to as LFFN Wave 4). Approximately 10% of UK premises, largely in rural and remote areas, would be unlikely to receive gigabit-capable connections commercially by 2033. Government are aiming for an 'outside-in approach' so that the identified 10% of premises are reached at the same time as the commercial roll-out happens across the UK. The pilot is a two-year, £200million UK-wide programme focused on rural areas, with the pilot model connecting local hubs in rural areas, starting with primary schools. Of the initial 31 schools announced nationally in this pilot, 7 are located within Northumberland, however following further dialogue with DCMS they have now agreed to increase this number to 13 schools. Work is now ongoing with DCMS and the candidate schools to progress the pilot, with an aspiration to have these schools operational on gigabit-capable connectivity in time for the new academic year (September 2019). The RGC programme also has a voucher component, offering up to £3,500 for small businesses and up to £1,500 for residents to help them get connected to gigabit-capable connectivity.
- 2.13. In addition, where DCMS funding has 'lightened the load' across the NTCA this is an opportunity, when combined with each constituent authorities' own spending plans, enough budget to drive through fibre ducting to public sector sites, accelerating the deployment to areas outside core urban centres with an expected net saving over 20 years to each authority.
- 2.14. In summary, the NTCA Local Full Fibre Network bid, when combined with the other digital connectivity elements outlined in this report such as the work with the Rural Gigabit Connectivity Programme (RGC) and Borderlands proposals, create a comprehensive package of interventions aimed at significantly improving digital connectivity across the North of Tyne area. This enhanced digital connectivity will support public sector digital service transformation and increase staff productivity whilst also increasing the viability of further commercial investment in digital infrastructure and accelerating the delivery of 5G, enabling businesses to remain competitive and delivering social inclusion to residents.

### **3. Appendices**

None.

### **4. Background papers**

Further information on the Government's Local Full Fibre Networks Challenge Programme can be found here: <https://www.gov.uk/government/publications/local-full-fibre-networks-challenge-fund>

<https://www.gov.uk/government/publications/rgc-programme-key-information>

*Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme* <https://www.gov.uk/government/publications/evaluation-of-the-economic-impact-and-public-value-of-the-superfast-broadband-programme>

Further information on the Government's Rural Gigabit Connectivity (RGC) Programme can be found here: <https://www.gov.uk/government/publications/rgc-programme-key-information>

### **5. Contact Officers**

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### **6. Glossary**

DCMS - Department for Digital, Culture, Media and Sport

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