



CABINET

Tuesday 4 June 2019

LOWESTOFT FULL FIBRE PROJECT

EXECUTIVE SUMMARY

1. It is well acknowledged that Lowestoft's geographical remoteness and lack of good transport connections has hampered its economic growth and regeneration in recent decades. East Suffolk Council (ESC) has a very ambitious inclusive growth and development programme for the town and one strategy to overcome the town's growth constraints is to invest in its telecommunications infrastructure to ensure it has world leading digital connectivity. By supporting and enabling the installation of ultrafast broadband throughout the town we can create a step change in its digital capability and as a result it will become a far more attractive area for inward investment, existing businesses, tourists and residents.
2. The Suffolk Cloud project being coordinated by Suffolk County Council (SCC) is installing ultrafast (fibre to the premises) broadband to all public sector premises across 10 towns in Suffolk.
3. This report seeks Cabinet approval for ESC to explore extending the Suffolk Cloud project in Lowestoft so that all the town's commercial and residential premises can be connected to the new ultrafast fibre network.

Is the report Open or Exempt?	Open
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Wards Affected:	Carlton & Whitton, Carlton Colville, Harbour & Normanston, Kirkley & Pakefield, Lothingland
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Cabinet Member:	Cllr Stephen Burroughes – Cabinet Member with responsibility for Customer Services & Operational Partnerships
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Supporting Officer:	<p>Paul Wood</p> <p>Job Title: Head of Economic Development & Regeneration, Strategic Management</p> <p>Telephone Number: 01394-444249</p> <p>Email address: Paul.Wood@eastsuffolk.gov.uk</p>
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1 INTRODUCTION

- 1.1 The Suffolk Cloud project being delivered by SCC will provide full fibre i.e. Fibre to the Premises (FTTP) to all public sector premises across 10 towns in Suffolk. This will enable ultrafast broadband and potentially could also be used to enable 5G mobile roll out.
- 1.2 The contract to deliver the Suffolk Cloud project was awarded by SCC to City Fibre and MLL in October 2018.
- 1.3 Lowestoft is one of the 10 towns in the county identified to receive the new full fibre network and will progress in the first phase of the roll out.
- 1.4 If Cabinet choose to approve the recommendation set out in this report, the next step will involve ESC providing CityFibre and MLL with a letter of intent regarding proposed co-investment. Assuming the Suffolk Cloud project stays on schedule, the installation of full fibre in Lowestoft will commence in October 2019 and will be completed within 2 years.

2. BACKGROUND

- 2.1 There has been a long standing ambition in Suffolk to achieve 100% superfast broadband. The “Better Broadband for Suffolk” programme has achieved 94% and the current contract requires Openreach to connect a set number of premises by 2020, which would bring Suffolk to a coverage rate of 98%.
- 2.2 The Suffolk Cloud project sits outside the Better Broadband programme and will provide extensive ultrafast broadband infrastructure within Suffolk’s key towns linking all public sector premises.
- 2.3 Discussions with MLL and CityFibre have advised that if identified early enough, the planned fibre run can be extended to ensure that a wide range of business premises, residential areas and ESC assets are able to be connected cost effectively and within a short timescale.
- 2.4 These discussions led to ESC identifying an extension of 5km to the proposed core network fibre run which would ensure that Lowestoft’s key employment sites and planned new residential areas could benefit from access to full fibre. The additional cost of this extension is £1.9m and would need to be funded by ESC. City Fibre advised that this proposed extension reached the ‘trigger point’ for them to make a further substantial investment of up to £20m in the network so that all premises, business and residential, in Lowestoft would be able to access full fibre. City Fibre are willing to make such an investment as they can achieve a good return on their investment through the sale of wholesale access to the network to any Internet Service Provider (ISP) once any current exclusivity arrangements expire.

3 THE ECONOMIC IMPACT OF FULL FIBRE INFRASTRUCTURE

- 3.1 CityFibre have commissioned a study entitled “The Economic Impact of Full Fibre Infrastructure in 100 UK Towns and Cities”, from consultants Regeneris. The conclusion reached in the report is “Full fibre will provide the core infrastructure required to kick start the next generation of digital technology and drive expansion of smart infrastructure in towns and cities where it is deployed. The result will be a modernised, more productive and innovative UK economy”.

4 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

- 4.1 The East Suffolk Business Plan includes numerous outcomes that can be enabled by this type of improved digital infrastructure. The Vision statement includes: “We want all our residents to fulfil their potential” and “We want our businesses and their workers to flourish and our economy to prosper” and continues to say “Our area is central to the future economic growth of the country. Our objective is to achieve the right balance for our area, so that we attract the inward investment to take advantage of our economic opportunities (particularly from sustainable energy) and address the social challenges of our diverse area”.
- 4.2 Investment in a comprehensive full fibre network in Lowestoft will allow ESC to make further huge strides to realise this vision. This investment has the potential to support the increasingly important environmental sustainability agenda as it will massively improve the viability of home and local working e.g. video conferencing and thereby reduce the need for people to travel.

5 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 5.1 In order to unlock £15-20m of private sector investment, ESC will need to invest £1.9M. If this amount of investment is provided, all commercial and residential premises in Lowestoft will be able to benefit from FTTP and ultrafast broadband speeds. In order to cover this cost it is proposed that the following resources are deployed:
- 5.2 £200k from the Suffolk business rates 100% Pilot fund which had already been allocated to the Lowestoft Full Fibre project and approved by Cabinet;
- 5.3 A further £500k allocated from the Suffolk Public Sector Leaders’ pot which is funded from the Suffolk business rates pooling arrangements. This additional allocation from the pot for each of the districts and boroughs in Suffolk was recently agreed by the Public Sector Leaders Group.
- 5.4 It is proposed that the remaining £1.2m funding gap be provided by ESC using the New Homes Bonus reserve in the anticipation of this being at least partially offset by successful external funding bids made to the Future High Streets Fund, Stronger Towns Fund, for example. The timing of such bids, and the terms and conditions of any grant funding would need to be explored further, as part of the further work required on this project.
- 5.5 Also, in terms of making any investment, and securing the outcomes which the ESC would like to achieve, it appears that the most effective way to deliver the additional full fibre infrastructure in Lowestoft would be through variations to the contract which SCC have agreed with City Fibre and MLL. Initial indications suggest that SCC would be willing to consider this, however, it will be subject to further discussions with SCC and the other parties to the contract.

6 OTHER KEY ISSUES

- 6.1 The Lowestoft Full Fibre Project will be of benefit to all sectors of the East Suffolk community and a full Equality Impact Assessment will be undertaken as part of the further detailed work which is required to assess the implications of this project. .

7 CONSULTATION

- 7.1 With SCC, to date.

8 OTHER OPTIONS CONSIDERED

- 8.1 Ahead of the announcement of the Suffolk Cloud project, research had been undertaken into the costs of ESC undertaking a full fibre project for Lowestoft. This demonstrated the considerable expense and time it would take to roll out such infrastructure.
- 8.2 The other option considered was to not progress a full fibre project at all. Such an option would severely limit the Council's ambitious regeneration and inclusive growth programme for the town and would not address in any way the challenges of geographical remoteness and inadequate transport infrastructure.

9 REASON FOR RECOMMENDATION

- 9.1 The Suffolk Cloud project provides a once in a generation opportunity to provide this world class infrastructure at a very cost effective rate.

RECOMMENDATIONS

1. That Cabinet expresses its support for the Lowestoft Full Fibre Project and requests the Strategic Director and Head of Economic Development & Regeneration to; i) carry on discussions with SCC and the other parties involved, in order to assess the financial and governance implications for the East Suffolk Council in more detail.
2. That Cabinet considers the financial and governance implications, and any other relevant matters, in a further report to Cabinet.

APPENDICES (List the title of each separate Appendix below)

Appendix A	CityFibre proposed core route map - Lowestoft
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BACKGROUND PAPERS None.

Please note that copies of background papers have not been published on the Council's website www.eastsuffolk.gov.uk but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.