

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

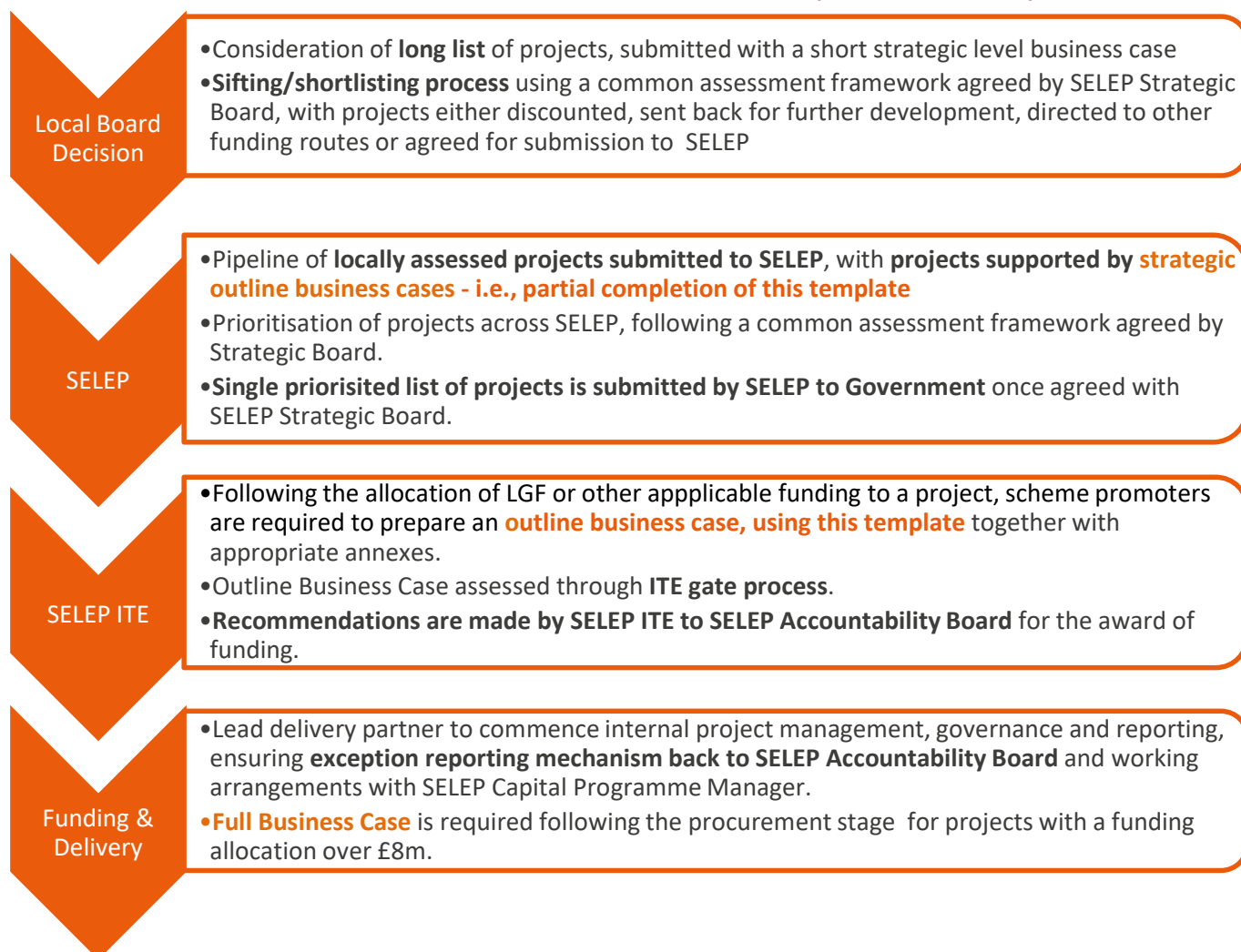
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

The standard process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the



Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:

| Version control | |
|-----------------|--|
| Document ID | ASELA Extension of existing LFFN Project |
| Version | 1 |
| Author | Graham Brace / Michael Snaithe |
| Document status | 1.0 |
| Authorised by | |
| Date authorised | |

1. PROJECT OVERVIEW

- 1.1. **Project name:**
Extension of existing ASELA LFFN Project
- 1.2. **Project type:**
Delivery of full fibre broadband infrastructure.
- 1.3. **Federated Board Area:**
Thames Gateway South Essex
- 1.4. **Lead County Council / Unitary Authority:**
Thurrock
- 1.5. **Development location:**
ASELA Wide, Including sites in the districts of: Brentwood, Basildon, Castle Point, Rochford and Thurrock.
- 1.6. **Project Summary:**
To build upon the DCMS funded LFFN ASELA Project and extend through additional funding the delivery and access to fibre connectivity across the South Essex Region and in doing so working collectively as six local authorities in partnership with Government to deliver further outcomes for the public sector but most importantly realise immediate benefits for local businesses and communities to grow and flourish post Covid 19. To leverage the Dark Fibre spines being rolled out in the most cost effective way, as part of the existing ASELA LFFN project, maximising benefits of a further investment, and driving key strategic outcomes for the region.
- 1.7. **Delivery partners:**

| Partner | Nature of involvement (financial, operational etc.) |
|---------------------------|--|
| Thurrock (Lead Applicant) | Project Lead / Programme Management. |
| Brentwood | Project Board, Sites |
| Basildon | Project Board, Sites |
| Castle Point | SRO, Project Board, Sites |
| Essex County | Project Board, Sites |
| NHS | Sites |
| Rochford | Project Board, Sites |
| Southend | Project Board |

- 1.8. **Promoting Body:**
ASELA
- 1.9. **Senior Responsible Owner (SRO):**
The Project SRO is David Marchant Chief Executive Castle Point District Council.

1.10. Total project value and funding sources:

Total Project Value: **7,607,540**

1.11. SELEP funding request, including type (LGF, GPF, GBF etc.):

The funding requested is £2.5m of Capital Investment from SELEP, to come from the governments GBF initiative, to extend the current DCMS LFFN project across ASELA. This additional funding will be in full compliance with the existing DCMS State Aid criteria.

1.12. Exemptions:

N/A

1.13. Key dates:

With a view to ensuring best value for money this investment is well placed to compliment and accelerate the existing LFFN project which is now in delivery. To maximise the value and benefit from this funding it should be available to start spending as of September 2020 such that additional sites can be rolled out in line with the current delivery. The current LFFN project is scheduled to complete May 2021. By securing this additional funding by September 2020 would ensure that the delivery of the additional site could be completed well before March '22 and deliver best value from the government investment.

1.14. **Project development stage:**

This funding will support an existing DCMS project which is already in the delivery phase. For the purpose of this project it is proposed that we will continue to use the existing delivery processes and governance that is currently in place for the LFFN project and fully approved by DCMS.

There would be no additional cost for and therefore requirement for funding in respect of:

- Procurement
- Pre delivery detailed design
- Option selection
- Feasibility
- Outline / Full Business Case

This additional funding will be committed to the delivery of additional sites hence making this project a very cost effective investment for the GBF initiative.

| Project development stages completed to date | | | |
|--|--|-----------------------------------|----------------|
| Task | Description | Outputs achieved | Timescale |
| DCMS Investment Board | Submission of the detailed business case for the ASELA LFFN Project. | Approved by DCMS investment board | January 2019 |
| DCMS Gateway A | Demonstration of Project Governance, Validated site list, High level business case to demonstrate that the project will repay the grant funding within 15 years, Identified procurement route, credible project plan | DCMS Gateway A Sign Off | July 2019 |
| DCMS Gateway B | Detailed per site business case, MOU signed off with partners, Legal sign off re state aid, NDA in place, procurement route confirmed and approved by DCMS. | DCMS Gateway B Sign Off | September 2019 |
| DCMS Gateway C | Detailed Value for Money Matrix, Procurement contract validation. | DCMS Gateway C Sign Off | March 2020 |
| Grant Agreement | DCMS Grant agreement sign off with Thurrock | Funds Released by DCMS | April 2020 |

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| | | | |
|--|---|--|---|
| | Council as lead authority. | | |
| Project Delivery | Site delivery process commenced. | Rollout of 130Km of Dark Fibre to circa 129 sites. | May 2021 |
| Project development stages to be completed | | | |
| Task | Description | | Timescale |
| Additional Site Validation | Validation of additional sites to be rolled out and additional fibre spine Km to be deployed. | | September 2020 |
| Site Rollout | Delivery of additional sites. | | From November 2020. With early start completion would be expected well before March 2022. |

1.15. Proposed completion of outputs:

The direct outputs from the LFFN extension project will entail the delivery of a full fibre infrastructure and rollout to additional sites either by a fibre to the premise or fibre to the curtilage solution by March 2022 at the latest.

2. STRATEGIC CASE

2.1. Scope / Scheme Description:

To build upon the DCMS funded LFFN ASELA Project and extend through additional funding the delivery and access to fibre connectivity across the South Essex Region and in doing so working collectively as six local authorities in partnership with Government to deliver further outcomes for the public sector but most importantly realise immediate benefits for local businesses and communities to grow and flourish post Covid 19. To leverage the Dark Fibre spines being rolled out in the most cost effective way, as part of the existing ASELA LFFN project, maximising benefits of a further investment, and driving key strategic outcomes for the region.

The LFFN project, is about driving full fibre delivery across ASELA. The additional rollout will aid this goal, by leveraging the existing project to ensure the most cost effective and timely delivery of benefits from this additional funding. The modernised digital infrastructure will be a key enabler:

- to kick start the economy, by allowing access to low cost high speed broadband
- to aid job retention by reducing business costs through flexible and remote working
- to aid business start-ups with access to full fibre broadband across South Essex
- to support the green agenda by reducing the need for travel by enabling a growth in audio./video conferencing which has been a proven business tool during the Covid pandemic
- to support rural communities and businesses
- to ensure that Care Homes across ASELA have access to fibre connectivity with a consequent benefit to residents and staff
- to ensure that GP Surgeries have access to fibre connectivity and help them respond to the current and future changes to healthcare within communities.
- to create a platform for innovation and look at ways in which community facilities such as village halls can play a role in the support of home working and rural businesses

2.2. Logic Map

The work done for the original bid in relation to Inputs, Outputs and Impacts to satisfy the DCMS Gateway process and evidenced in this submission by supporting documents is considered by ASELA to fulfil the requirements of the logic map.

2.3. Location description:

The Project will cover the South Essex Region under the auspicious of the Association of South Essex Local Authorities (ASELA) which was formed in 2017.

The South Essex Region includes the local authorities of Southend on Sea Borough Council, Rochford Council, Thurrock Borough Council, Castle Point Council, Basildon Borough Council and Brentwood Council.

All seven Councils have recognised the need to work across borders on strategic issues such as infrastructure, planning and growth. Leaders and Chief Executives agreed in June 2017 to develop a joint 'place vision' for the region up to 2050 that will show how South Essex is a dynamic, modern place providing the conditions for people, communities and businesses to prosper. Alongside this, some key aims of ASELA will be to transform transport connectivity,

open up spaces for housing, business and leisure development through a special strategy and shape local labour and skill markets.

The Project will be focusing on all the local authorities detailed apart from Southend on Sea which is already benefiting from private sector investment from City Fibre and Vodafone in delivering full fibre to all residential and business addresses within the Borough.

A map of the ASELA Region is detailed below:



In terms of ASELA's location the following key information should be noted:

- Across the six local authorities a combined population of 790,000
- Combined area of 683 Km²
- There is a diverse mix of urban dense and remote rural locations
- Significant deprivation exists in 3 of the 6 authorities
- It is the home to circa 54,000 Businesses
- A work age population of over 400,000
- Annual GVA currently at £10 Billion
- The South Essex Corridor is the home to transport and distribution networks of national and International significance and forms part of the strategically important Thames Gateway.

ASELA hosts:

- 1 Airport (the UK's fastest growing regional airport)
- 3 international ports (DP World, Tilbury and Purfleet)
- 48 Business Parks (110 business hubs)

- 250 miles of river frontage
- 8,000 acres of parkland
- 20,000 acres of forest
- Major Road and Rail infrastructure of national significance (M25, A127, A13, the pending Lower Thames crossing, the Southend Fenchurch Street and Southend Liverpool Street railway lines and the potential extension of Cross rail to Southend Airport.

As a Region we aspire to:

- 90,000 new homes
- 80,000 new jobs
- 1.1m skilled workers

2.4. Policy context:

The vision and strategy of ASLEA is multifaceted in terms of partners, areas of coverage and scope but what underlies each of the key drivers in our strategic case is a clear aspiration to build on the success of securing £4.5M from DCMS to deliver an LFFN (Local Full Fibre Network) Project within South Essex and extend the reach of this fibre network to improve access to fibre connectivity for additional public sector sites and in doing so improve services as well as enabling the opportunity for additional businesses and communities throughout the South Essex Corridor to benefit from access to full fibre infrastructure.

Our proposed strategy which will build upon the previous strategy, that was successful in securing funding from DCMS, and is closely aligned with key local and national strategies that are at the heart of this Project.

- **South Essex 2050 Vision:** Contribute to stimulating investment and demonstrate through partnership how our digital aspirations can be realised.
- **Enable Strategic Objectives:** Enable and support the Partnership's Digital Vision of improving access to connectivity for all.
- **Supporting and Creating Employment Opportunities:** Working with enterprise ensuring that improvements in connectivity are accessible to business and that post Covid there is a focus on supporting current businesses as well as creating the connectivity climate to attract digital related sectors to the Region.
- **Education & Training:** Address the evident deficient in digital skills within the Region through training and education and in doing so create a local workforce which can support future business needs and be ready for future employment opportunities.
- **Social Care:** Address the current poor levels of connectivity into Care Homes across the Region which will ensure that Care Homes within both the Public and Private Sectors can engage more effectively with the NHS as well as supporting their residents with improved access to the internet. This initiative will align itself closely with the aspirations of NHS Digital.
- **GP Surgeries:** Supporting national initiatives to improve connectivity into GP Surgeries where future engagement with GP's will become more virtual than personal appointments (projected between 60-70% of initial appointments will be on line).
- **Deliver a Rural Focus:** Focus on rural public sector sites which will deliver an economic, social or community benefit.
- **Address Outer Urban Area Connectivity Agenda:** Focus on sites not in the main urban centres but in outer urban/rural areas where there is little evidence of existing private sector investment.

- **Attract Further Private Sector Investment:** Our strategy is part of a much wider digital investment strategy. We are and will continue to promote and attract direct investment from the private sector.
A strategic approach which is already realising considerable benefits for our communities - Southend (Vodafone and City Fibre), Brentwood, Billericay & Great Wakering (Open reach) Thurrock (Hyperoptic) deployment in Social Housing, Virgin Media in Basildon
- **Enable Public Sector Services:** Contribute to innovative ways of delivering public sector services including the creation of a platform to deliver a One Public Sector Network within ASELA and in doing so contribute to our clear aspiration to deliver One Public Estate across South Essex. This is not just for wider local public-sector services, but to enable business incubators and growth hubs.
- **Smart Region Ecosystem:** Contribute to the creation of an accessible fibre platform which will support a future 5G ecosystem (use of public sector assets buildings and street furniture) and enable the South Essex Partnership to promote and proactively implement a sustainable Smart Place Strategy for the Region which will attract investment.

The imperatives, vision and target outcomes for the Corridor are also closely aligned with those of:

- **SELEP:** Alignment with the regional and sub-regional outcomes and aspirations of SELEP (South East England Local Economic Partnership). Created in 2011 SELEP was to provide vision and strategic leadership to drive sustainable private sector-led growth and job creation in South East England. The SELEP Economic Plan sets out the economic growth ambition and investment priorities for the area.
- **The Thames Estuary Production Corridor (TEPC):** refers to a vision to create the right conditions in the Thames Estuary to position London and the South East as a world leader for the creative industries on a scale never seen before creating a landmark corridor along the estuary, powering skills, opportunities and new jobs.
- **National 5G and IOT Strategy:** Alignment with national policy around 5G and IoT and the delivery of an infrastructure strategy which will enable the South Essex Corridor to actively participate in future 5G and IOT opportunities. Currently exploring the opportunity of a South Essex Lora WAN IOT Network (business case developed).
Future Telecom Infrastructure Review: Review issued by National Government in July 2018 which identified the essential requirement that access should be enabled for all communities and businesses to have access to a full fibre capability or equivalent by 2033.

2.5. Need for intervention:

Building on the business case already approved by DCMS which secured funding for the LFFN Project, identifying the need of intervention was at the heart of the eventual funding award.

For the purposes of this additional funding proposal Ofcom and Think Broadband data was again analysed to determine:

- Current levels of broadband coverage based on speed and availability
- Current status of full fibre or Gigabit capable networks within the South Essex Region

The outcome to this analysis has enabled ASELA to identify areas of intervention based on current levels of broadband coverage and the current and planned provision of fibre to premise within the Region and directing funding towards those areas where there is evident market failure and are not going to benefit from private sector investment in the short to medium term.

2.6. Sources of funding:

Through ongoing market engagement and collaboration with Superfast Essex we have sought to capture all areas which will be captured either through private sector investment or alternative public funding intervention. This replicates the detailed evaluation process completed for the successful LFFN Project.

Post award of any funding ASELA will continue to engage with the market to ensure that in the event that areas identified for intervention are subject to private sector investment that such areas can be reviewed and removed from the funding model and alternative sites are explored and identified.

The key focus of ASELA is a drive to secure full fibre rollout across the whole region prior to the government target of 2025 using public money in the most cost effective way to drive the private sector investment that will enable this objective to be realised.

2.7. Impact of non-intervention (do nothing):

Whilst it is recognised that the market will eventually address the need for improved connectivity it is important for the South Essex Region that no community or area is left behind but can benefit from having access to full fibre infrastructure.

ASELA's key focus is to drive the full fibre rollout across the whole region prior to the government target of 2025. The impact of Covid has increased the importance of this for the public sector, communities and businesses, whether through the way public services are delivered, where and how we work, how communities engage and how businesses can adapt to the way they will operate in the future.

By doing nothing would severely impact progress to full fibre across the whole region, and impact on the governments drive to stimulate the economy post Covid, for which high speed broadband is seen as a key enabler. Businesses and communities would be put at a disadvantage with a consequent impact on future opportunities, growth and well-being, key elements of South Essex 2050 Vision.

This additional funding coupled with the wider LFFN programme initiative to stimulate market investment would be very timely to deliver maximum value for money and failure to fund this additional intervention seen as a missed opportunity.

2.8. Objectives of intervention:

The objectives of the proposed intervention build upon the original successful bid to DCMS. As outlined the objectives are multi-faceted but what this does highlight is the importance of connectivity and the outcomes that can be realised for communities and businesses.

Rather than use a table to list these objectives it was felt clearer to list each objective as a bullet point below, and with an explanation of the opportunities that each objective will enable:

- **Business Retention and Growth:** enable businesses and business parks/enterprise hubs with access to affordable and accessible Gigabit Connectivity which will transform these businesses and stimulate future business investment.
- **Digital Sector** the digital sector is has been identified by the LEP as one of its top growth targets for ASELA. This sector is more dependent than perhaps any other on fast, affordable fibre availability. As the availability expands, we believe that digital and creative digital business growth is likely to grow rapidly across ASELA, and this additional funding bid can be a key enabler to realising this key aspiration.
- **Economic Benefit for the Rural Economy:** create a platform of fibre connectivity across the Corridor which will enable us to promote the South Essex Corridor as place for business and will help us attract long term investment.
- **Tackling Skills and Training:** improve access to digital educational and training services which would stimulate business which in turn will generate sustainable job opportunities that could be accessed by local people and in turn generate genuine opportunities to raise aspirations and positively influence skills development.
- **Enablement of Strategic Objectives:** South Essex 2050 Vision, SELEP, the Partnership's Digital Vision of improving access to connectivity for all.
- **Stimulate Fibre Investment:** stimulate and attract further investment in fibre infrastructure within the South Essex Corridor.
- **Smart Borough 5G Ecosystem:** create an accessible fibre platform principally in rural areas which would support a future 5G ecosystem and enable the South Essex Partnership to promote and proactively implement a Smart Place Strategy for the Region.
- **Social Wellbeing & Independent Living:** contribute to creating a platform which will improve access and connectivity into homes and in doing so support the Partnership's key objective of enabling Independent Living.
- **Higher Education:** enable closer engagement with the South Essex College & University of Essex, enabling Edu roam in public sector sites and Govroam across education sites – including schools
- **Independent Living:** contribute to creating a platform which will improve access and connectivity into homes and in doing so support ASELA and other key public sector partner's key objective of enabling Independent Living.
- **Residential Care Homes:** drive and promote improved access to all private and public Residential Care Homes providing potential to deliver Wi-Fi but also provide a platform for the NHS and local Care Services to support residents.
- **Mobile Coverage:** enable and support further engagement with the Mobile Operators to improve mobile coverage across the ASELA Region.
- **Social & Community Benefit:** improve access to Gigabit fibre connectivity in rural areas within the Region providing opportunities for home working, location of more local businesses and access to digital services.
- **Public Sector Services:** enable innovative ways of delivering public sector services including the creation of a platform to deliver a One Public Sector Network within South Essex.

2.9. Constraints:

The potential constraints relating to this project have already been addressed. As an extension to an existing project which is already in delivery, issues relating to procurement, state aid compliance, project management, political sponsorship, wayleaves, delivery methodology and governance are already in place and would ensure that this Project could be delivered and realise value for money, without the burden and delay of needing to address all of these key considerations.

2.10. Scheme dependencies:

As this project is an extension to any existing government funded project which has already been subject to a detailed evaluation by DCMS we are confident that any interdependent activities which could result in the benefits identified not being realised have already been addressed, and no further consideration in this respect is required for this additional funding.

2.11. Expected benefits:

As part of the existing LLFN Project we have already worked with DCMS in developing a benefit evaluation template.

We would envisage building upon this existing template with a view to capturing some of the direct and indirect benefits that will be derived from this further investment. In summary the key benefits are listed below:

1) Public Sector Benefit Realisation

From a public sector perspective we believe that this extension to the LFFN Project in delivering a fibre to the premise solution to further public sector sites will enable both the South Essex Partnership, Essex CC and Essex Fire Service and the NHS to realise a number of benefits, realise a return on investment, as well as strategically place the public sector to enable and implement a wider Smart Region/IOT Agenda which will have the potential to deliver a long term legacy in the way the public sector delivers services in the future.

2) Immediate Benefits

- Further potential savings for each local authority in having access to cheaper and fibre based connectivity.
- Savings for the NHS and Emergency Services in having access to cheaper and fibre based connectivity.
- Savings for Schools in having access to cheaper and fibre based connectivity.

3) Strategic Benefits:

- **One Public Sector Network:** Make a significant contribution to creating a fibre platform which will offer the capability to realise a vision of One Public Sector Network delivering an aggregated connectivity and service platform with long term savings.
- **Care Services and Independent Living:** Enable the Partnership to explore and progress innovative approaches to addressing Independent Living and Care and in doing so realise its 2050 Vision with its focus on Independent Living.
- Connecting Council Owned Sheltered Accommodation, where video conferencing would help reduce clinical times spent visiting sites.
- Connecting specific patient groups to each other, where physical co-location may be less practicable

- Promote advances in telecare sensors and monitoring in the home and social networking opportunities that help older adults stay in their home for longer.
- **Shared Insight:** Build on and share the current experience and insight of current projects being undertaken by public sector bodies within the Partnership across the South Essex Corridor in piloting Smart Place initiatives which have been enabled and accelerated through the availability of fibre connectivity to the premise.

4) Community Realisation

- Community Hub projects being progressed with fibre to the premise connectivity providing public space where residents across all localities can access information & advice on a wide range of social issues. The hubs provide support with social issues including housing/ financial/benefit advice, special educational needs, digital workshops (IT support, training/CV writing), English language support.
- The aim of the project is to identify existing community assets and build upon these in each area.
- Hubs to support Adult Services Social Workers, Dementia Navigators, Mental Health Employment Navigators, Advocacy Services and Care Co-ordination (NHS) workers alongside a voluntary sector offer.
- Desired outcome to deliver a strong community presence which maximises early intervention.

5) Economic Benefit Realisation

- By enabling additional public sector sites this will stimulate further investment from the private sector to realise access to a fibre to the premise solution with a consequent tangible impact in lifting local GVA and supporting local business investment and growth. This is will be building upon interest already being generated by the LFF Project even before delivery.
- Retaining existing businesses and attracting new business sectors to the Corridor will result in an increase in Business Rates and a return on Business Rate retention.
- Attract to the Corridor new growth sectors (advanced manufacturing, environmental technologies and energy, digital and creative services, life sciences and healthcare) which will generate higher skilled job opportunities for local residents and consequently higher wages.
- Promote the major regeneration projects already planned for the Corridor with a view to stimulating investment.
- Enable the key strategies and outcomes of the South Essex Corridor and contribute to a long term legacy of the Corridor.

6) Social Benefit Realisation

- **Community Digital Hubs:** Creating Digital Hubs within rural communities by including within this Project a fibre circuit upgrade provision to Community Centres/Village Halls. We believe that this will realise a wider outcome in respect to supporting digital inclusion initiatives, establish each individual centre as a centre for digital training.
- **Residential Care Homes:** Through the availability of Distribution Points and the delivery of a fibre platform provide the opportunity for the market to deliver a fibre to the premise solution to over 200 Private Residential Care Homes across the Corridor.
- Based on our engagement with key stakeholders and as described in our Public Sector benefits, we believe that this initiative could generate significant opportunities and

benefits not only for residents but providing a platform to support the delivery of health and social care services to residents in a digitally advanced way.

- **Support Training/Education:** As a key objective and outcome of the South Essex 2050 Vision we are looking to engage with Schools with a view to providing improved access to fibre connectivity which will not only support the actual place of learning within each community (enhance role of the School as an out of hours digital hub) but indirectly benefit local communities and businesses as well.
- **Independent Living:** Whilst we recognise that all parts of the public sector are exploring initiatives relating to Independent Living, our LFFN Project will help us to contribute to our aim of providing access to digital connectivity across the region and in particular address rural areas where the issue of independent living is a significant challenge due to the current level of connectivity.
- **Social Housing:** In areas of the South Essex Corridor where social housing has not attracted investment in improved internet connectivity, enabling a local public sector site could be the catalyst to attract such investment and consequently benefit residents.
- **Carbon Footprint Reduction:** Enable through fibre to the premise a greater focus on home working with a potential positive impact on reducing the carbon footprint by reducing the need to travel

7) Future Telecom Benefit

- The digital vision for South Essex embraces all delivery technologies from fibre to mobile, narrow band wireless to wireless point to point and future technologies such as 5G.
- Building upon our existing LFFN Strategy the provision of additional fibre connectivity will enable ASELA working in partnership with the private sector to:
- Significantly contribute to enabling 5G deployment across the South Essex Region.
- Work closely with ASELA local authorities to develop even further the initiative to make respective council assets available for mobile installations and improve current 4G coverage benefiting businesses and communities.

2.12. Key risks:

Building upon a project which has already secured funding and is now in delivery ASELA have already developed and have in place a Risk Register where risks have been identified and where necessary been mitigated and / or addressed.

A Risk Register was part of our final Gateway submission to DCMS which secured the original funding in March 2020. The original project risks identified were addressed and would apply to this project extension.

In terms of the risks aligned to project delivery these will be minimised as project governance is already in place with our current Contractors and any risks are being addressed as they are identified.

3. ECONOMIC CASE

3.1. Options assessment:

As part of the detailed due diligence and evaluation process undertaken by DCMS prior to the original LFFN funding being approved ASELA were required to develop and submit an option assessment. This formed the basis of the original submission to the DCMS investment panel in January 2019.

This formed the basis of ASELA'S original bid to DCMS in the autumn of 2018 and subsequently remained a cornerstone of the bid post investment Board approval in January 2019 throughout the ensuing Gateway approval process. The option assessment and evaluation undertaken by DCMS was in accordance with HM Treasury Green Book guidance and criteria re value for money and return on investment.

Key to this was looking at the need for intervention in order to satisfactorily stimulate the market and hence drive forward the goal of high speed broadband coverage across the whole ASELA region. Coverage was analysed along with the plans of all the major connectivity providers. It was in the original business case developed and accepted by DCMS that an intervention by ASELA to stimulate the market was essential to deliver the required outcomes. Options for intervention were analysed.

To ensure that the Bid reflected and would contribute to ASELA's vision, a number of commercial and technical models were explored and evaluated. These included the option of Anchor Tenancy and fibre deployment through PIA to Circuit Fibre Upgrade. From this it was determined that a circuit fibre upgrade solution would deliver a best value technical solution as well as stimulate investment and in so doing indirectly enable businesses and communities both located in proximity to the enabled Distribution Points as wells as properties passed. This approach was accepted by DCMS as the best way to drive and enable innovation, community benefit and realise ASELA's key outcomes and objectives

The paragraphs above outlines the options analysis that took place for the original bid submission. This request for additional funding is to add more sites to the existing project delivery, in the most economical efficient manner. By definition looking at a different approach in respect of this additional funding would add delay and significant extra cost for no benefit. By extending an existing project which is already delivering and has the support of Central Government (DCMS) this does mean that there is already available a solution and model which has been already justified and validated. With our extensive knowledge of the current market and sector, considering alternatives would be time consuming and financially wasteful and would not deliver value for money.

For the purposes of this bid what has been undertaken is further analysis on current broadband coverage and planned provision of fibre to the premise within the region. This has enabled us to identify areas of investment where there is evident market failure and where communities and businesses are not going to benefit from private sector investment in the short to medium term.

This has resulted in us revisiting some of the sites and areas that the original bid and funding award were unable to accommodate. In addition and in the light of the funding conditions applying to this fund allocation we are also been able to progress a number of sectors and opportunities which based on the previous evaluation would realise both economic and strategic value including reviving a partnership with the NHS, engaging with private residential care

homes and collaborative with Parish Councils with a view to creating community based digital hubs (local workspaces).

In each instance the identification of such sites has been and will be based to both realising a direct but also indirect economic benefit.

For the purposes of this submission we will be adopting the LFFN Economic Impact Assessment prepared and submitted to DCMS by ASELA which will be extended to accommodate the outcomes of this additional funding.

3.2. Preferred option:

The funding sought will be supporting an existing project which has already been subject to full consultation with all ASELA partners and is aligned with objectives of the original LFFN bid. This LFFN Bid secured DCMS Gateway C approval in March 2020 at which point final authorisation was granted to release the DCMS LFFN funding.

3.3. Assessment approach:

The original assessment approach was in-line with that stipulated by the DCMS LFFN programme, options assessment, Benefit assessment and VFM case all of which were approved by the appropriate subject matter experts before approval by the DCMS assessment board, at Gateways A, B and C. Each gateway providing a higher bar that needed to be met. The Grant Agreement sign off was achieved once Gateway C was passed.

This extension of funding will align fully to the original case it is just providing additional funding to support rollout to additional sites.

3.4. Economic appraisal:

The economic case for full fibre is still evolving, it is that for this reason that Government initiated in 2017/18 the Local Full Fibre Network funding initiatives to explore with both the public and private sectors the real and not just conceptual benefits of full fibre and return on investment that could be realised.

For the purposes of the original LFFN bid which secured approval an economic impact analysis was undertaken by an independent consultancy namely Hatch Regeneris. The findings of this analysis are attached below, with the key economic indicators being as follows (the analysis was based on an investment of £7M which is equivalent to the combined funding of the LFFN Project £4.4m and the additional bid of £2.5M):



Appendix V South
Essex Growth Corrid



Appendix V South
Essex Growth Corrid

Immediate Over 3 Years:

Connections:

250 – 300 Core Sites
1,200 + businesses

Value

£5M Business Productivity Gains
£4M New Business Start Ups
63K Access to Employment Benefits
156 Kg CO2 abatement
£11K Shadow Carbon Value

Over 15 Years

Connections:

45,000 premises connected (stimulated investment)
33,000 Homes
11,000 Businesses

Value:

£42M Business Productivity Gains
£35m New Business Start Ups
£45M House Value Uplift
£2 Access to Employment Benefits
£1M Shadow Carbon Value

Impact £125M on a £7M investment

As previously detailed these reports have formed the basis of our evaluation methodology which already form part of our LFFN economic impact assessment. We are proposing that this methodology and evaluation process is extended to this project extension.

We are also very mindful that the impact of Covid in both the short, medium and longer terms could potentially have a significant impact on these projections. In particular this bid notes the increase in home working, more rural based start ups, the need for connectivity to deliver council and public services (health/care – move towards a digital based NHS service), transport (in ASELA reduction in commuting) In this respect ASELA would work in partnership with SELEP in assessing this impact and the role that improved connectivity will have in both accelerating and sustaining these changes in the future.

The following clarifications in respect of the economic appraisal are provided below:

- 1) Appropriateness of appraisal inputs (age/source/units): See the Regeneris report.
- 2) Appropriate approach to benefits calculation (approach/forecast): See the Regeneris report.

- 3) Appropriate consideration and presentation of the counterfactual / deadweight (e.g. 'Do Nothing' or 'Do Minimum' Scenario)
The do nothing/do minimum scenario were afforded serious consideration as part of the DCMS LFFN evaluation. Not seeking to intervene and stimulate private sector investment would have resulted in swathes of ASELA being left behind in respect to connectivity and the consequent impact on residents, delivery of public services, business, training & education and social inclusion. Furthermore, the absence of fibre connectivity would also have a direct impact in attracting investment for future 5G coverage and the business benefits of AI and IOT.
- 4) Displacement, leakage and substitution considered suitably (if appropriate): N/A
- 5) Multipliers considered suitably (if appropriate): N/A
- 6) Approach to qualitative impacts clearly explained (if appropriate): N/A
- 7) Consistency with scheme (if appropriate): N/A
- 8) Appraisal Outputs: NPV: See the Regeneris report.
- 9) Appraisal Outputs: BCR: See the Regeneris report.
- 10) VFM Category: As an extension to an existing DCMS LFFN Project where vfm was a key evaluation criteria, ASELA are of the opinion that the VFM matrix has already been satisfied but has been strengthened by reference to the Regeneris Report prepared for the original LFFN bid.

3.5. Economic Sensitivity Testing:

See 3.4 above Much of the data available regarding the impact of full fibre was compiled and published pre Covid and therefore any current projections need to be carefully qualified. The result of Covid although too early to validate will potentially see an acceleration in full fibre deployment and a consequent uplift in strategic and economic value for ASELA.

3.6. Costs:

The additional funding will provide the ability to rollout additional sites and most importantly to extend the fibre spines. This is important as the key focus of ASELA is a drive to secure full fibre rollout across the whole region prior to the government target of 2025 using public money in the most cost effective way to drive private sector investment that will enable this objective to be realised.

3.7. Benefits:

The following benefits are expected to be realised:

1) Direct Benefits

- Cost savings from replacing existing School expensive copper connections or ethernet point to point links with fibre.
- Enabling the public sector to drive significant savings through future connectivity requirements

- To create a fibre platform which will offer the potential to implement a new approach to delivering across South Essex a one public sector network.
- To create a fibre platform which will enable the public sector to explore new ways of delivering public services, including innovative approaches to assisted living.
- Cost savings by allowing lower bandwidths to initially be provisioned with upgrades up to and beyond 1Gbit/s, as and when required with no circuit upgrade cost. (with just pro rata increase in circuit rental charges).

2) Indirect Strategic Benefits:

- To support aspirations to create a single fibre based connectivity platform across the South Essex Corridor with consequent opportunities for driving shared services, service aggregation, and aggregation of operational cost.
- To support both the public, private and voluntary sectors to progress in partnership a wider social value strategy in respect to realising wider community benefit and addressing digital exclusion through the creation of local digital hubs (Local workspaces in rural areas to address future demand for home working).
- Contribute to improving mobile coverage in rural areas through the LFFN project fibre penetration providing fibre backhaul within rural areas to deliver backhaul to mobile phone sites.
- Enable ASELA to develop innovative approaches to addressing Independent Living and Care:
 - Using video conferencing would help reduce times spent visiting sites.
 - Connecting specific patient groups to each other.
 - Telecare sensors and monitoring in home /social networking opportunities that help older adults stay in their home for longer
 - Economic Benefit for the Rural Economy: (Retaining existing business and attracting new businesses)
 - Stimulate further fibre investment: (Create Open access distribution points in communities)
 - Smart Borough 5G Ecosystem: (enable ASELA to promote / implement Smart Place Strategy)
 - Social Wellbeing & Independent Living:
 - Social & Community Benefit: (opportunities for home working)
 - Tackling Skills and Training: (improve access to digital services in rural areas)
 - Public Sector Services: enable innovative ways of delivering public sector services including the creation of a platform to deliver a One Public Sector Network within South Essex.
 - Carbon Footprint Reduction through enablement of home working

3.8. Local impact:

The local impact element of this project has already been captured in the original bid to DCMS and was central to securing the original funding.

In extending full fibre into areas currently not served by such a capability will be transformative for those communities and businesses.

Furthermore in light of Covid enabling GP Surgeries and Residential Care Homes with this fibre capability will enable care services to respond more effectively to future waves but more



importantly will put in place an infrastructure which will be a catalyst for change in the way health and care services are delivered in the future.

3.9. Economic appraisal results:

This bid is building upon a successful DCMS bid which has already fulfilled these specific requirements. We are proposing to utilise the templates completed for the earlier bid and will form part of the change control process already managed by DCMS to which we are already aware of and are using as part of the delivery process supporting the current project.

4. COMMERCIAL CASE

4.1. Procurement options:

4.2. Risks and mitigation:

The risk and mitigation process is already embedded within the DCMS LFFN Project and will be central to the management of the extension to this LFFN Project.

4.3. Maximising social value:

ASELA are very supportive of realising social value from procurement opportunities. In this instance we will continue within the limits of the project to realise any direct social value. However through this project we are actively progressing opportunities through service contracts where additional social value can be achieved including affordable broadband, innovative ways of delivering care services, digital training and apprenticeships.

5. FINANCIAL CASE

5.1. Total project value and funding sources:

Total project funding: £7,607450

All funding sources apart from the additional funding being sought by this business case are committed.

5.2. SELEP funding request, including type (LGF, GPF, GBF etc.):

The funding requested is £2.5m of Capital Investment from SELEP, to come from the governments GBF initiative, to extend the current DCMS LFFN project across ASELA.

5.3. Additional Site project financial case:

1) Rationale for Approach:

As this additional funding would be an extension to the existing LFFN project where the whole financial case cost model was built in line with DCMS guidelines. In this case the financial case model was subject to a detailed value for money evaluation process undertaken by DCMS's subject matter experts. We are proposing that for the purposes of this bid for additional funding we use the same process. The VFM case for the additional funding is detailed below.

It should be noted that the original financial case VFM measure approved by DCMS was purely in respect of direct benefit to the connected public sector sites against very strict criteria. This very much under-estimated the wider financial and economic benefits that will be realised to the wider community. Therefore the case presented for the additional funding will equally provide a very conservative measure of financial benefit.

2) Key drivers for funding:

- Public sector sites including schools and GP surgeries are becoming fully reliant on a decent and reliable internet connection in order to function and has become increasingly critical post Covid with the drive towards cloud based services and home working and virtual engagement
- That many of the council sites have such poor connectivity that it is significantly impacting on their ability to efficiently work and deliver council services. This is even more imperative as public sector bodies look to the ways in which they deliver essential services to communities and businesses in the future
- That bandwidth growth demands and dependency on external site network connectivity, is being driven by a mass expansion of online applications and services that require real time access in order to efficiently deliver key council services.
- That the delivery model will allow as and when all public sector organisations the opportunity to leverage the benefits of the LFFN rollout and drive forward the ASELA vision of a "One Public Sector Network"

3) Site Details:

Sites identified were based on the DCMS VFM criteria

4) Financial Case Benefits:

The financial case benefits were based on the approved DCMS VFM ROI process and formed of the final Gateway approval in March 2020..

4.1)

4.2) Direct Benefits:

4.3) Additional Benefits:

4.4) Wider Benefits:

In addition to this financial case model the following added benefits have been identified and validated in this instance by the Report compiled by Regeneris on behalf of ASELA, prepared to support the original DCMS LFFN bid in December

Key ASELA Projections (Pre Covid):

2021 Scenario 1,900 premises potentially connected

Circa 260 Core Sites, 1,200 addresses including businesses

- £5m Business Productivity Gains
- £4m New Business Starts
- £0.4m Shadow Carbon Value

2025 Scenario 45,000 premises potentially connected

Circa 260 Core Sites, 33,000 homes, 11,000 businesses

- £42m Business Productivity Gains
- £35M New Business Starts
- £45m House Uplifts
- £1m Shadow Carbon Value

5.4. Funding commitment:

Due to the principals of the existing LFFN project to which this additional funding will be added there is no facility for any cost overruns. If it is found that a site or sites becomes excessive those sites will be removed from the deployment and replaced with others.

5.5. Risk and constraints:

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Because of the existing terms under which the LFFN project is being delivered any project or funding risks and constraints have already been identified and there is appropriate governance in place to handle any future risks.



6. MANAGEMENT CASE

As this will be an extension of an existing project the “Management Case” will be directly aligned to that defined in the current LFFN project.

To emphasise Stakeholder engagement has been and remains at the heart of this project. Whether engagement within the public sector, the market, the business community or with residents (Parish Councils) this continues to help ASELA to formulate the most cost effective and robust strategic, financial and economic case.

7. DECLARATIONS

| | |
|---|----|
| <i>Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?</i> | No |
| <i>Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors</i> | No |
| <i>Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?</i> | No |

**If the answer is “yes” to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer Davies Gleave, and other public sector bodies who may be involved in considering the business case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix G.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix G) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

| | |
|-------------------------------|--|
| <i>Signature of applicant</i> | |
| <i>Print full name</i> | |

Redacted Version – For Circulation



| | |
|--------------------|--|
| <i>Designation</i> | |
|--------------------|--|

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

[The DCLG appraisal guide data book includes all of the appraisal and modelling values referred to in the appraisal guidance. Below is a summary table of assumptions that might be required. All applicants should clearly state all assumptions in a similar table.]

| Appraisal Assumptions | Details |
|-------------------------------------|----------------|
| QRA and Risk allowance | |
| Real Growth | |
| Discounting | |
| Sensitivity Tests | |
| Additionally | |
| Administrative costs of regulation | |
| Appraisal period | |
| Distributional weights | |
| Employment | |
| External impacts of development | |
| GDP | |
| House price index | |
| Indirect taxation correction factor | |
| Inflation | |
| Land value uplift | |
| Learning rates | |
| Optimism bias | |
| Planning applications | |
| Present value year | |
| Private sector cost of capital | |
| Rebound effects | |
| Regulatory transition costs | |

9. APPENDIX B - FUNDING COMMITMENT

Draft S151 Officer Letter to support Business Case submission

Dear Colleague

In submitting this project Business Case, I confirm on behalf of [Insert name of County or Unitary Authority] that:

- The information presented in this Business Case is accurate and correct as at the time of writing.*
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.*
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.*
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.*
- The delivery body has access to the skills, expertise and resource to support the delivery of the project*
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting*
- The project will be delivered under the conditions in the signed LGF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,

SRO (Director Level)

S151 Officer



10. APPENDIX C – RISK MANAGEMENT STRATEGY



11. APPENDIX D – GANTT CHART



12. APPENDIX E – MONITORING AND EVALUATIONS METRICS FOR LOGIC MAP

The work done for the original bid in relation to Inputs, Outputs and Impacts to satisfy the DCMS Gateway process and evidenced in this submission by supporting documents is considered by ASELA to fulfil the requirements of the logic map.

13. APPENDIX F – MONITORING AND EVALUATION PLAN AND BASELINE REPORT TEMPLATES

Whilst we see the delivery of the LFFN Project as a means of accelerating our digital vision and strategy, this Project should not be seen in isolation but as part of a wider enabling role that we are currently delivering and implementing.

Indeed, as a Region we want to be seen by the market as a place which attracts investment and encourages active and deliverable engagement. To demonstrate this approach, we have and are adopting a number of measures and strategies which we believe will support this enabling role and complement any funding that we are successful in securing:

- 1) **Local Barrier Busting:** We are creating our own local Barrier Busting Board which with the support and guidance of the Barrier Busting Team we believe we can, working collaboratively across all the districts and boroughs identify potential obstacles to investment and develop processes which proactively overcomes these barriers.
- 2) **Telecom Planning Policy:** Whilst not completed, work is underway to develop and adopt a consistent and pro-investment planning policy towards ensuring that a fibre to the premise solution becomes a prerequisite in any new development solution. An approach which will be reflected in each individual authorities Local Plan and subsequently supported by a Telecom Supplementary Planning Document.
- 3) **Sharing Good Practice:** Through engagement with one of our partners Essex County Council we will be ensuring that the Essex CC wayleave and permitting policy (seen as an exemplar) is actively adopted and implemented across the Corridor.
- 4) **Small Cell Mobile Infrastructure:** Through the due diligence of our infrastructure and assets we are already seeking to engage with the mobile operators to understand and identify how public sector assets can be an enabler to attract investment and improve current mobile coverage but also become an enabler for future 5G deployment across the Corridor.
- 5) **IOT/5G:** We are actively engaged in work with academic and commercial partners to progress an ASLEA wide 5G/IOT Agenda.
- 6) **Infrastructure Alignment:** How improving transport infrastructure across the Corridor and to align with our South Essex 2050 Vision ensure that in any future major road infrastructure scheme we explore the feasibility of deploying fibre and ducting as part of the build which could be subsequently be utilised to drive a fibre to the premise strategy.

At the heart of LFFN is Monitoring and Evaluating the outcomes to the investment. As an extension to this project we are proposing adopting the existing evaluation templates which have already been developed and approved by DCMS. To treat these additional sites with an alternative evaluation model would not make sense, add additional cost and resource, and would diminish the LFFN project in being able to overall access the benefit from full fibre rollout in a consistent manner.



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14. APPENDIX G – References