

## 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:

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<b>Author</b>	Connie Kerbst
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<b>Authorised by</b>	
<b>Date authorised</b>	

## 1. PROJECT OVERVIEW

- 1.1. **Project name:**  
**Extension of full-fibre broadband rollout in Essex to reach rural and hard to reach areas**
- 1.2. **Project type:**  
**Digital Infrastructure**
- 1.3. **Federated Board Area:**  
**Essex**
- 1.4. **Lead County Council / Unitary Authority:**  
**Essex County Council**
- 1.5. **Development location:**  
**Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point**
- 1.6. **Project Summary:**

Project to deploy ultrafast broadband for rural premises in Essex, extending the currently ongoing Superfast Essex Phase 4b rollout programme. Potential for economic activity in these areas is substantial. Demand for fast broadband services is nearly 15% higher in these rural areas than the average for Essex. The project will implement fast deployment and maximise the capacity of the current delivery arrangements by adding as much scope as possible within the existing live rollout contracts. This project complements other Essex broadband projects currently in progress or being planned – as set out in the table below - and mechanisms are in place to ensure there is no scope overlap between these projects.

Essex Broadband projects overview:

Project	Geography	Scope	Part of MHCLG bid
Superfast Essex Phase 4b Rollout	Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point	Rollout of superfast broadband to rural business premises which are not viable for commercial rollout (and not included in LFFN project)	No
Superfast Essex Phase 4 Acceleration	Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon, Brentwood, Rochford, Maldon, Castle Point	Additional funding to ensure that premises planned for rollout under Superfast Essex Phase 4b Rollout, but which are proving more expensive than expected can be retained in the plan for early delivery	Yes (this OBC)
<b>Superfast Essex Phase 4 Extension</b>	<b>Essex districts and boroughs of: Uttlesford, Braintree, Colchester, Tendring, Chelmsford, Harlow, Basildon,</b>	<b>Additional scope for Superfast Essex Phase 4 Main Rollout, to reach more areas (which are not included in LFFN project) with superfast broadband</b>	<b>Yes (this OBC)</b>

	<b>Brentwood, Rochford, Maldon, Castle Point</b>		
South Essex LFFN Project	South Essex (ASELA) area	Extension of full-fibre coverage, largely upgrading existing superfast services to ultrafast speeds	Yes  (Separate OBC from ASELA)

**1.7. Delivery partners:**

Partner	Nature of involvement (financial, operational etc.)
Essex County Council (Lead Applicant)	ECC will commission the work and run the implementation project using the existing Superfast Essex team, which is currently resourced to manage this additional project within the proposed timeframe.  ECC will be accountable for budget management, milestone assurance and legal compliance of the project.
Rural Payments Agency (and DEFRA)	The RPA is providing the capital funding for the existing Phase 4b project, which targets rural business premises.

**1.8. Promoting Body:**  
Essex County Council

**1.9. Senior Responsible Owner (SRO):**  
Steve Evison, Director for Economic Growth and Sustainability, Essex County Council

**1.10. Total project value and funding sources:**  
*[Specify the total project value, how this is split by funding sources, and any constraints, dependencies or risks on the funding sources, as per the table below.]*

Funding source	Amount (£)	Constraints, dependencies or risks and mitigation
Public funding (as per this bid)	1,820,000	Subject to approval of this funding bid

<b>Total project value</b>	
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**1.11. SELEP funding request, including type (LGF, GPF, GBF etc.):**

*[Specify the amount and type of funding sought from SELEP to deliver the project. Please also confirm that the funding will not constitute State Aid.]*

Funding requested is £1,820,000. All capital funding.

This funding will constitute State Aid, but will be invested in a scheme which has full State Aid clearance, including for this additional investment. State Aid compliance for this broadband scheme has been signed off by the UK National Competency Centre for State Aid at DCMS. Supporting documentation can be supplied.

**1.12. Exemptions:**

*[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2017, Section 5.7.4 and 5.7.5]*

None

**1.13. Key dates:**

*[Specify dates for the commencement of expenditure, the construction start date and the scheme completion/opening date.]*

High-level milestone	Expected dates
Change request signed	November 2020
Delivery Planning Phase	December 2020-May 2021
Deployment	June 2021-December 2021

**1.14. Project development stage:**

*[Specify the project development stages to be funded, such as inception, option selection, feasibility, outline business case, detailed design, procurement, full business case, implementation, the current project development stage, and a brief description of the outputs from previous development stages. Add additional rows as necessary. Please note, not all sections of the table may require completion.]*

Project development stages completed to date			
Task	Description	Outputs achieved	Timescale
Procurement	Full OJEU procurement	Bidder selected and contract awarded	Completed in 2018
State aid compliance	Full State aid process, including public consultation	State aid clearance achieved for the scheme, including scope for adding funding at a later stage	Completed in 2018

Delivery	Delivery is in progress and on track with current contract timescales	Planning state for initial delivery phases is nearly complete Deployment activity now starting	Between October 2020 and June 2021
Project development stages to be completed			
<b>Task</b>	<b>Description</b>		<b>Timescale</b>
Change request	Change request to add additional funding and scope to the existing contract		As set out under 1.13

**1.15. Proposed completion of outputs:**

*[Include references to previous phases / tranches of the project (link to the SELEP website) and to future projects to be funded by SELEP. Please see [SELEP Programme](#) for more information.]*

The overall project is currently due to complete in June 2021. With the funding being sought here the project completion timeframe would be extended to complete by December 2021.

## 2. STRATEGIC CASE

*The Strategic Case should present a robust case for intervention, and demonstrate how the scheme contributes to delivering the SELEP Strategic Economic Plan (SEP) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.*

*The outlook and objectives of the Strategic Case need should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.*

### 2.1. Scope / Scheme Description:

*[Outline the strategic context for intervention, by providing a succinct summary of the scheme, issues it is addressing and intended benefits; max. 2 pages.]*

Superfast Essex is a strategic long-term investment programme by Essex County Council (ECC), supporting the [Council's strategic ambitions](#) such as the “ambition to amplify the possibilities our location offers, by unshackling us from cars and congestion with efficient, modern and sustainable transport networks and digitally connected homes and businesses”. The Council's aims are to deliver business growth and new jobs, deliver a range of social benefits across its rural and urban communities and to support delivery of public services through digital channels.


In the aftermath of the Covid 19 pandemic, further improvements to the county's digital infrastructure are one of the foundations of the Essex County Council's economic recovery programme.

By bringing fast broadband to the remaining unserved areas of Essex, the project supports the achievement of the wider [objectives Essex County Council has set out](#) for the county, which include a commitment to “improve access to the internet, to provide better support for businesses in Essex and to make more jobs available as well as to promote Essex as a good place to visit”.

Demand for superfast broadband is demonstrated by levels of take-up which even before Covid 19 were significantly higher than predicted two or three years ago, and which show that fast broadband services in rural areas are in particularly high demand. Early indications of a 'new normal' approach to business activity and work location in the post Covid-19 environment indicate that demand for adequate broadband connectivity in rural areas is likely to rise very fast over the next few months. Employees or those seeking employment who are unable to work from home due to poor connectivity will be at a clear disadvantage in the labour market. Similarly, businesses are expected to adjust their trading and working models to focus on remote tools where possible, and those unable to do so due to poor connectivity will be at risk. At the same time, where fast internet connections are available, businesses will be able to embrace new trading models and it is expected that new jobs will be created to support digital and online trading and customer engagement.

### 2.2. Logic Map

*[Establish a Logic Map using information from Appendix E. This will provide a logical flow between inputs, outputs, outcomes and impacts for the scheme]*

<b>Inputs</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impacts</b>
<p><i>For all schemes:</i> <i>Take from section 1.10 / Financial Case</i></p> <p>Grant Spend £1,820,000</p> 	<p><i>For all schemes:</i> <i>Influenced by detail in section 3.2.</i> <i>Also refer to metrics output metrics within Appendix E</i></p> <p>As a result of this scheme, at least 1,500 homes or businesses which currently have poor internet connectivity will be upgraded to provide access to ultrafast broadband</p> <p>Some 300 of these premises will be business premises. These remote businesses will then be in a position to maintain their operations in the post-Covid 19 economy, which is expected to be more focused on online trading and customer engagement. In addition, it is expected that additional jobs will be created to drive this digital customer engagement.</p> <p>In addition, the investment will support remote working and home learning for some 1,200 homes.</p>	<p><i>Influenced by details in sections 2.1, 3.4, 3.5, 3.10 -</i> <i>For schemes of £2m of funding or less: -</i> <i>Jobs -Houses</i></p> <p><b><i>As a result of this scheme it is expected that</i></b></p> <ul style="list-style-type: none"> <li>- <b><i>Up to 300 jobs will be created</i></b></li> </ul>	<p>n/a</p>



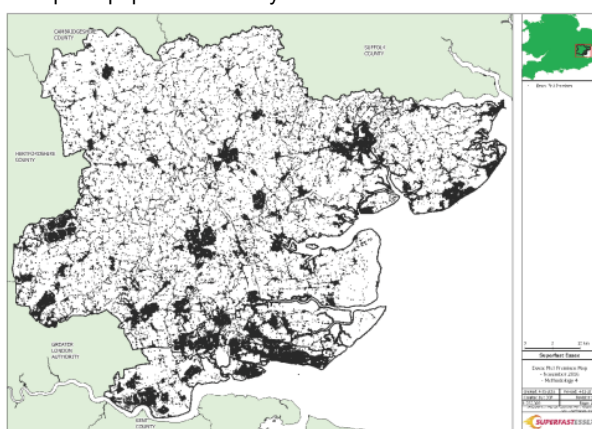
### 2.3. Location description:

*[Describe the location (e.g. characteristics, access constraints etc.) and include at least one map; max. 1 page excluding map.]*

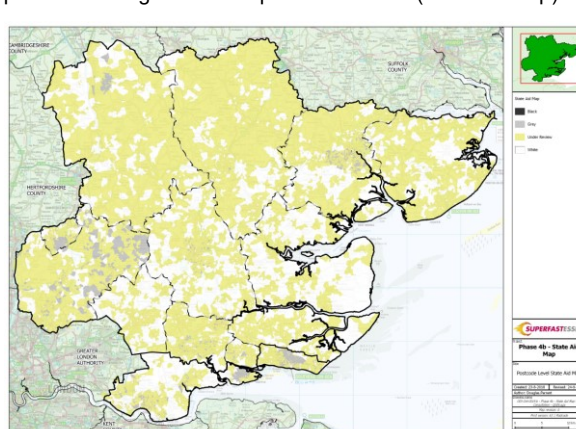
There are around 860,000 premises within the county of Essex. Some 3% of these addresses currently remain without adequate internet connectivity. These premises are located in very rural or hard-to reach areas where commercial operators have been unable to make a business case to deploy superfast broadband infrastructure.

Map 1 below shows the location of all premises in Essex, providing an indication of population density. Map 2 shows the general location of the premises, identified at postcode level, where broadband connectivity remains inadequate, and which are the target of the current project.

Map 1 - population density overall



Map 2 – remaining areas with poor broadband (white on map)



The existing project is targeting some 3,700 of the remaining unserved premises and will connect these by June 2021. The additional funding being requested here will add a further 1,500 or so premises to the delivery scope with a target completion date of December 2021.

### 2.4. Policy context:

*[Specify how the intervention aligns with national/regional/local planning policies and the SELEP SEP; max. 3 pages.]*

*Smaller schemes: (less than £2 million) are required to complete this section in line with the scale of the scheme; max. 1 page]*

Nationally, Superfast Essex is part of the Broadband Delivery UK (BDUK) programme driven by the Department for Digital, Culture, Media and Sport, which is coordinating the delivery of superfast broadband and local full fibre networks to the nation. Superfast Essex continues to push broadband connectivity into rural and hard-to reach areas, with most infrastructure commissioned now being delivered via full-fibre connections.

This work by Superfast Essex supports all four of the regional development priorities as set out by SELEP:

- Priority 1: Creating Ideas and enterprise
- Priority 2: Developing tomorrow's workforce
- Priority 3: Accelerating Infrastructure
- Priority 4: Creating Places

SELEP Priority 3 is of particular relevance for this project, as the proposed investment seeks to maximise the infrastructure deployment completed under an existing contract, without the need for additional project management costs or further procurement and associated time delay.

More generally, this scheme is aligned with SELEP's strategic priorities as outlined below:

#### 2014 Strategic Economic Plan

The South East Local Enterprise Partnership (SELEP)'s current Strategic Economic Plan (SEP) refers to a substantial portion of the SELEP business base being located within rural areas. It also states that rural activity would be delivered with Local Area Delivery Partnerships which highlights rural priorities including "*Critical infrastructure, including digital and mobile connectivity*". (See 2014 SEP9 pages 30-31)

#### Evidence collated to support the updated Strategic Economic Plan

Whilst a revised SEP is currently under development, an evidence base to inform this updated SEP has been collated and is available online. This evidence states that the goal of all the major authorities in the SELEP area is to extend superfast broadband services to cover 100% of homes and businesses in the SELEP region. Extending superfast coverage to rural areas will be one of the foundations on which full fibre connectivity can be increased further, and it is expected that all of the proposed deployment funded by the grant will be delivered via FTTP. (see [SELEP Strategic Economic Plan Evidence Base](#) – in particular page 65)

### 2.5. Need for intervention:

*[Specify the current and future context and articulate the underlying issues driving the need for intervention referring to a specific market failure, need to reduce externalities, Government redistribution objectives etc.; max. 2 pages.]*

Under the existing Superfast Essex programme, Essex County Council has monitored developments in the broadband market since 2012. The team engages on an ongoing basis with all commercial network operators in Essex to obtain a view of their coverage, deployment plans and future ambitions. Through one of the early intervention projects under Phase 2, the programme was also successful in attracting a new operator to Essex (Gigaclear plc), who is now also deploying infrastructure on a commercial basis. There is also a growing number of other commercial broadband network operators who are actively deploying in Essex, including CityFibre, Hyperoptic, Warwicknet and County Broadband.

Over the last six years, Superfast Essex has undertaken four open reviews of the commercial broadband market and six public consultations to identify any areas of broadband 'market failure'. The evidence gathered during these reviews and consultations consistently shows the areas identified under the Phase 4 consultation as having 'market failure'. Supplier engagement indicates that commercial deployment in these areas remains highly unlikely as deployment costs in these more sparsely populated areas are expected to be higher than future revenues, even assuming a high take-up of the new services.

After the national superfast broadband programme led by DCMS achieved its 95% coverage target at the end of 2017, DCMS has now shifted its financial and policy support towards the expansion of full-fibre networks, and commercial operators have also focused their plans in this area. The impact of this is that many urban and more densely populated areas will see their superfast broadband connectivity – currently delivered in most places via a fibre/copper mixture on the Openreach network, or coaxial cable on Virgin – upgraded to or replaced with full fibre connections.

These full fibre networks will be delivered either by new alternative operators such as Hyperoptic and CityFibre, or by Openreach and Virgin implementing upgrades to their existing networks. However, given the commercial focus on high-revenue areas, it is highly unlikely that the rural and hard to reach areas that remain without superfast broadband will benefit from these full-fibre upgrades, unless these are delivered via subsidised infrastructure deployments.

- In order to achieve the strategic objective of 99% connectivity across Essex, further state intervention is needed. This would bring superfast broadband to the areas that are not

considered commercially viable by the market, and in most cases it is likely this would be delivered via full-fibre infrastructure, thus creating an ‘outside-in’ effect for the national full-fibre rollout and ensuring these ‘market failure’ areas are not left behind in the superfast programme and potentially also the full-fibre rollout.

- Bringing fast internet connectivity to the remaining unserved areas will also be a crucial foundation for the further introduction of digital public and consumer services and to support economic development, as set out in section 2.1.
- Many of the areas suffering from poor broadband availability are also mobile connectivity not-spots. Bringing fibre broadband to these areas will create access points to the fibre network that will be available for use as part of mobile communications networks. Therefore, the fibre broadband rollout is likely to facilitate the subsequent (or parallel) enhancement of the local availability of mobile digital communications and the future rollout of 5G.

## 2.6. Sources of funding:

*[Promoters should provide supporting evidence to show that:*

- all reasonable private sector funding options have been exhausted; and
- no other public funding streams are available for or fit the type of scheme that is being proposed

*Public funding is regarded as a last resort. Promoters are encouraged to think carefully about and provide strong evidence that the intervention they are proposing has exhausted all other potential sources of funding and there is a genuine need for intervention from the public sector; max. 1.5 pages.]*

Since 2012, Essex County Council has made a significant investment in broadband infrastructure across the county, which has been delivered by the Superfast Essex programme. By the time the currently planned rollout under the programme is complete in early 2020, more than £28m of public funds will have been invested to enable one in every six properties in the county to access superfast internet speeds, ensuring that this vital service is available to nearly 97% of all premises in Essex. During the Phase 3 procurement alone, public funds of £3.2m (from ECC, local districts and DCMS grant) attracted over £14.5m of supplier contributions.

Under Superfast Essex Phases 2 and 3, ECC successfully negotiated an early claw-back of the contractual ‘gainshare’ funds, where suppliers have a duty to return part of the public investment when customer adoption of the new services exceeds the assumptions in the original business case. A total of around £4.5m of these funds has now been secured and already re-committed to fund further infrastructure deployment as part of the current Phase 2 and 3 projects.

Superfast Essex Phase 4 is building on the success of the programme so far and aims to complete the superfast broadband infrastructure rollout in Essex by reaching near 99% coverage across the county. Phase 4a has already been procured and is now in mobilisation. This is using project implementation savings from earlier Superfast Essex phases as well as a significant investment from local district and borough councils and associated DCMS grant under the BDUK scheme. Once again, the public investment and use of a gap-funding model – as applied to all Superfast Essex contracts - has unlocked a significant supplier contribution.

However, as council budgets are under increasing pressure, it has not been possible to secure further local investment contributions towards the rollout and for its final deployment plans. The programme now needs to look for alternative funding sources in order to reach its strategic objective or 99% coverage.

In July 2018, Superfast Essex secured up to £5m of funding from the Broadband Fund of DEFRA’s Rural Development Programme for England, and this grant has been built into the Phase 4b programme currently in delivery.

The extension of the Superfast Essex Phase 4 programme under the proposed funding bid here will ensure that around 1,500 properties in rural and hard-to-reach areas of Essex can access faster broadband by December 2021. Without this funding, and in the absence of any other potential investment contributions, these areas are at a high risk of being left without this essential connectivity.

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

*[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable. The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. 'Do nothing' scenarios where nothing changes are unlikely; max. 1 page.]*

Taking account of all existing commercial coverage and deployment plans as well as the planned subsidised rollout under the Superfast Essex programme, it is expected that some 15,000 premises across Essex; approximately 2% of the county, will remain without access to superfast broadband in 2022.

These areas are rural and or hard-to reach and no commercial business case can currently be made to support a commercially funded infrastructure rollout. While some individual premises may be connected via community or voucher schemes, it is likely that without further funding for the proposed intervention programme, large parts of these remaining areas will not see any see broadband infrastructure deployment within the next three years. Superfast Essex market engagement activity has shown that commercial broadband deployment over the next few years is expected to focus on full-fibre upgrades in the more densely populated areas of the county, and so will bypass these areas.

With no further investment in the proposed target areas, these communities are likely to be left at a significant disadvantage in terms of access to the digital economy, online public and consumer services, remote working and skills development as well as economic growth. It should be noted that, as identified in the [SELEP Strategic Economic Plan Evidence Base](#) (page 52), the Essex economy has a very large share of micro and small businesses, with a proportional share of these located in the targeted rural areas. Their development and the future creation of start-ups – another strength of the SELEP region overall – would be significantly impeded if no adequate internet connectivity is available, potentially leading to negative growth in these areas as businesses relocate elsewhere and no start-ups emerge.

## 2.8. Objectives of intervention:

*[Outline the primary objectives of the intervention in the table below, and demonstrate how these objectives align with the problems presented in the Need for Intervention section].*

### Project Objective

Objective 1: expand access to superfast broadband connectivity to as many of the remaining unserved areas of Essex as possible within the available funding, working towards 99% coverage.

Objective 2: drive the installation of full-fibre internet connections as soon as possible, in line with the ambitious government target to reach 95% of the UK by 2025.

Objective 3: Kickstart business recovery: fast internet connectivity will be a cornerstone of the economic recovery post Covid 19 and opportunities presented by the spike in take-up of online trading, learning and customer engagement platforms require further infrastructure improvements to as many premises as possible as soon as possible

Problems the project is seeking to address

- a) Lack of adequate internet connectivity is expected to hamper economic growth for the county and is likely to deepen existing challenges for businesses operating in the county’s rural environments – commercial rollout is unlikely to reach these areas.
- b) In the aftermath of the Covid 19 pandemic, businesses will need to reshape their business models and working practices to fully embrace remote working and online customer engagement wherever possible. Adequate internet connectivity for all residents and businesses is a key foundation for the survival and future growth of Essex businesses and for the further development of digital public services to support local government channel shift, remote working and skills development as well as economic growth in rural areas.
- c) Lack of fibre infrastructure in the target areas is likely to hold back the deployment of 4G and later 5G mobile communications technology (most of these areas are also mobile/4G not-spots)

*[Complete the following using a system of 0, ✓, ✓✓, ✓✓✓ which maps the objectives to their ability to address each problem. Add rows and columns as required and note not all sections of the table may require completion; max. 1 page.]*

	Problems / opportunities identified in Need for Intervention section		
	1 Need fast internet connectivity in rural areas of broadband 'market failure'	2 Fast connectivity will support and economic recovery and growth as well as digital services	3 Expand fibre to rural areas to support enhanced mobile connectivity (4G/5G)
Objective Expand superfast connectivity to remaining unserved areas	✓✓✓	✓✓✓	✓✓
Objective 2 drive the installation of full-fibre internet connections as soon as possible	✓✓✓	✓✓✓	✓✓
Objective 3 Kickstart business recovery	✓✓✓	✓✓✓	✓✓

**2.9. Constraints:**

*[Specify high level constraints or other factors such as social/environmental/financial/ developments/schemes/legal consents and agreements which may affect the suitability of the Preferred Option; max. 0.5 page.]*

The key constraints for the proposed project are State Aid rules and Funding:

**State Aid rules** – the Superfast Essex programme works closely with the UK National Competency Centre (NCC) for State Aid on broadband schemes, which has delegated authority from the EU Commission to grant State Aid approval for UK broadband intervention schemes. All Superfast Essex contracts undergo an extensive NCC assurance process commencing prior to procurement and continuing until after completion of the deployment programme for each scheme (or Phase). All key activities are assured and signed off by the NCC.

**Funding** – the Superfast Essex programme does not currently have sufficient funding to reach its strategic objective of 99% superfast broadband connectivity for Essex. The team continues to explore further potential funding sources. Meanwhile, the delivery contracts for Phases 3 and 4 have been designed (from a commercial and State Aid perspective) to accommodate additional



funding and associated deployment scope. As funding is identified, these contracts can be amended via Contract Change Requests to expand the rollout.

The proposed scheme is designed to ease the funding constraint of the whole rollout programme which it would become part of and will therefore alleviate this constraint.

**Access to private land** – in addition, the scheme promoter and suppliers are working closely together to manage the need to obtain private land access agreements in order to install telecommunications infrastructure. This is a business-as-usual activity carried out by all of the telecoms industry on a routine basis. The scheme promoter is actively supporting the suppliers with this, where possible, e.g. where permits to access public sector assets are required.

#### 2.10. Scheme dependencies:

*[Provide details of any related or interdependent activities that if not resolved to a satisfactory conclusion would mean that the benefits of the scheme would not be fully realised; max. 0.5 page.]*

It must be recognised that improved and near-ubiquitous availability of fast internet connections is now a key ambition within the economic recovery programme for Essex. A number of our recovery initiatives will be supported and enhanced by improved digital connectivity.

Specifically regarding delivery, there are no activities that have a direct interdependency with the Superfast Essex programme.

#### 2.11. Expected benefits:

*[This section identifies scheme benefits (which will be achieved through delivering the scheme) which may not be valued in the Economic Case. Specify the extent of the scheme benefits referring to relevant economic, social, environmental, transport or other benefits. This is where any 'GVA based' estimates of benefits should be reported together with any dependent development (e.g. commercial or residential floorspace). Please reference the relevant section of the Economic Case where additional information regarding the assessment approach can be found; max. 0.5 page.]*

The proposed project will deliver ultrafast broadband connectivity to rural and hard to reach areas, where no commercial business case exists and where the Superfast Essex intervention programme is the quickest way to improve internet connectivity. Without this investment, the target areas – which are already suffering from an economic disadvantage now - will be left behind and will also risk missing out on future digital connectivity upgrades to ultrafast broadband and 5G mobile technology.

The proposed project will meet SELEP's objectives by providing investment into digital infrastructure and leveraging central government grant opportunities to deliver against local economic priorities. The SELEP Evidence Base prepared in support of the updated Strategic Economic Plan articulates this objective: "12.0.1 In order to improve our productivity, we must upgrade our commercial property, digital, energy, transport, water and flood infrastructure, and better align central government infrastructure investment with local growth priorities."

The continued investment in rural superfast broadband connectivity will also drive the more widespread commercial deployment of ultrafast broadband in these areas. Often, full-fibre technology is the deployment method preferred by suppliers commissioned to deliver the subsidised superfast rollout. At the same time, the subsidised deployment of the key infrastructure elements in these remote areas will improve the commercial business case for further local deployment of ultrafast broadband.

In addition, the extension of the superfast fibre broadband infrastructure into the project areas will also underpin the future rollout of improved mobile communications technology as the fibre network being installed for superfast broadband will be available for use by the 5G networks.

## 2.12. Key risks:

*[Specify the key risks affecting delivery of the scheme and benefit realisation e.g. project dependencies, stakeholder issues, funding etc. Information on risk mitigation is included later in the template. This section should be kept brief and refer to the main risk register in the Management Case; max. 0.5 page.]*

The key risks for the proposed project are:

- Compliance of the delivery programme with State Aid legislation
  - This is managed comprehensively by the existing Superfast Essex programme's ongoing engagement with the UK National Competency Centre for State Aid, as described in section 2.9.
  
- Supplier capabilities and ability to deliver the rollout in line with the project specification, timeline and budgets
  - The financial risk is largely transferred to the supplier via comprehensive contractual safeguards embedded in the [BDUK contractual templates](#) used for all Superfast Essex contracts. The residual risk for the public sector would be a complete failure or bankruptcy by the delivery partner, which would result in non-delivery or delay to the project. This is mitigated further by strict selection criteria and financial and operational capability assessment at the procurement stage.
  - The remaining risk for the public sector is delays in the delivery timeframe. Broadband deployment, and in particular full-fibre deployment, is proving more complex than suppliers had anticipated. Superfast Essex works to mitigate the risk of delays by maintaining close scrutiny of the deployment lifecycle and progress of the delivery against the contracted delivery plan. Superfast Essex also works with the supplier to ensure that support is given by the Council in securing access to private land and prompt processing of permits to work on Essex roads and highways.
  
- Potential impact of further Covid 19 restrictions or a lockdown
  - Suppliers are Key Workers and have appropriate mitigation systems in place to allow them to maintain delivery activities for this scheme

### 3. ECONOMIC CASE

The economic case determines whether the scheme demonstrates value for money. It presents evidence of the expected impact of the scheme on the economy as well as its environmental, social and spatial impacts.

In addition to this application form, promoters will need to provide a supporting Appraisal Summary Table (AST). This should provide:

- a calculation of Benefit-Cost Ratio (BCR) according to the DCLG Appraisal Guidance, with clearly identified, justified and sensitivity-tested assumptions and costs
- inclusion of optimism bias and contingency linked to a quantified risk assessment
- inclusion of deadweight, leakages, displacement and multipliers

Smaller schemes (less than £2 million) are not required to provide a supporting AST, and do not have to calculate a BCR.

#### 3.1. Options assessment:

[Outline all options that have been considered, the option assessment process, and specify the rationale for discounting alternatives.

Promoters are expected to present a sufficiently broad range of options which avoid variations (scaled-up or scaled-down version) of the main options. The key to a well scoped and planned scheme is the identification of the right range of options, or choices, in the first instance. If the wrong options are appraised the scheme will be sub-optimal from the onset.]

##### Long list of options considered:

Description of all options which have been considered to address the problem(s) identified in the **Need for Intervention** section above, including options which were considered at an early stage, but not taken forward.

In order to achieve the strategic objective of 99% connectivity across Essex, further state intervention is needed. ECC has considered the following options to secure funding to support a further rollout:

1. Invest additional ECC capital
2. Work with Essex districts and boroughs to secure local investment
3. Seek external grant that does not require local match funding
4. Do nothing

##### Options assessment:

Describe how the long list of options has been assessed (assessment approach), rationale behind shortlisting/discarding each option.

Option	Commentary	Conclusion
1. Invest additional ECC capital	ECC has already committed some £12million of investment towards the broadband programme. Capital budgets are under increasing pressure. As the overall county council budgets are being reduced, funds need to be focused on statutory services and top priority areas. While broadband remains a key priority, no additional funds can be freed for further capital investment.	Do not pursue at this time
2. Work with Essex districts and boroughs to secure local investment	Throughout Phases 2,3 and 4, ECC has worked with local district and borough councils to identify local investment contributions to boost local broadband connectivity as part of the Superfast Essex programme. Five Essex authorities have committed a total of £2.3million towards the programme. However, Essex councils now also face increasing financial pressures and no further local contributions have been identified.	Do not pursue at this time
3. Seek external grant that does not require local match funding	There are limited external funding opportunities for broadband investment. ECC has tried to access DCSM funding under the LFFN initiative, but this has proved incompatible. ECC has however, been successful in securing £5million from DEFRA to support the deployment of superfast broadband to specific business premises that meet the grant criteria, and this has been incorporated into the programme. No additional funds will be available from this source. More funding is needed to reach the remaining unserved premises and hence, this application is being made for the current SELEP / MHCLG funding offer.	Being pursued under the current funding bid
4. Do nothing	The ECC broadband programme has delivered greatly enhanced access to superfast broadband across Essex, having reached 138,000 premises already and with firm plans to enable a further 15,000. Not continuing the programme to close the gap for the remaining 2% of Essex premises, which are currently unserved, would put the impacted areas at an economic disadvantage within Essex and beyond and reduce the compounded benefits of the overall programme in terms of a stronger digital economy and use of online services.	Not acceptable



### 3.2. Preferred option:

*[Describe the Preferred Option and identify how the scheme aligns with the objectives. Include evidence of stakeholder support for the Preferred Option either through consultation on the scheme itself or on the strategy the scheme forms part of; max. 1 page.]*

3. Seek external grant that does not require local match funding	There are limited external funding opportunities for broadband investment. ECC has tried to access DCSM funding under the LFFN initiative, but this has proved incompatible. ECC has however, been successful in securing £5million from DEFRA to support the deployment of superfast broadband to specific business premises that meet the grant criteria, and this is currently being incorporated into the programme. However, more funding is needed to reach the remaining unserved premises and hence, this application is being made for the current MHCLG funding offer.	Being pursued under the current funding bid
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Building on the success of the DEFRA funding application, the proposed project seeks to augment the funding secured from DEFRA and extend superfast broadband coverage to reach the unserved areas not eligible for the DEFRA grant. These are rural residential areas and semi-urban residential and business premises.

### 3.3. Assessment approach:

*[Describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used, and specify the Do Minimum and Do Something scenarios. The assessment approach should be a proportionate application of the DCLG guidance; max. 1.5 pages.]*

In August 2018, the national BDUK programme published a study that explores in depth the economic impact and public value of the superfast broadband programme. Its key conclusions apply across Essex. These include, for instance:

**Better performance of local businesses** – the report evidences that areas benefitting from subsidised coverage saw employment rise by 0.8%, turnover grow by 1.2% and productivity increase by 0.3% p.a. as a result of the infrastructure upgrades. There was also evidence that over 80% of these impacts were driven by the relocation of firms to areas receiving subsidised broadband upgrades.

**Business relocations** – according to the report, superfast connectivity proved influential in firm relocation decisions, with a high share of the local economic impacts driven by firms moving to postcodes with subsidised coverage.

**Reduced unemployment** – subsidised coverage also supported a reduction in unemployment in the areas benefitting from the programme. The report documents an overall reduction in individuals claiming job seekers allowance (JSA) and a fall in the number of long-term claimants of JSA in the areas where connectivity was improved.

The report also notes that the development and rollout of transformative technologies using faster internet connectivity is at an early stage, with many of the benefits still to emerge in the future. It adds that the subsidised rollout may also contribute actively to accelerating the development and adoption of these new technologies by expanding the addressable market.

The full report and supporting evidence, which highlights a variety of immediate, medium-term and longer-term benefits of the subsidised superfast rollout programme, can be found [here](#).

### 3.4. Economic appraisal assumptions:

*[Provide details of the key appraisal assumptions by filling in the table in Appendix A, expand if necessary. Key appraisal assumptions as set out in Appendix providing justification for the figures used and any local evidence, where appropriate (different from the standard assumptions or the ones with the greatest influence on the estimation of benefits). Explain the rationale behind displacement and deadweight assumptions.]*

*Smaller schemes (less than £2 million) are not required to complete this section].*

Appraisal Assumptions	Details
QRA and Risk allowance	25% increase in subsidy requirement for business and residential premises
Optimism Bias	36% optimism bias included (midpoint for non-standard civil engineering projects)
Discounting	3.5%
Sensitivity Tests	20% and 50% reduction in premises connected
Appraisal period	10 years
Employment	1 job created for every business premises connected.
GVA	£43,900 per job created.
Present value year	2020/21

### 3.5. Costs:

*[Provide details of the costs of the scheme. All public-sector costs should be included:*

- *Public sector grant or loan*
- *[Public sector loan repayments] (negative value)*
- *Other public sector costs*
- *[Other public sector revenues] (negative value)*

*If the land is owned by the public sector, then the public sector will be incurring holding costs assumed to be 2% of the existing value of the land per year. Should the land be used for non-residential development these holding costs will be avoided. This needs to be reflected in the appraisal as a negative cost.*

*Please note that any private costs associated with the development should be included in the appraisal as a dis-benefit and therefore feature in the numerator of the BCR calculation rather than the enumerator.*

*Additional details regarding the consideration of costs as well as standard assumptions that can be used in the absence of local data can be found in the [DCLG appraisal data book](#).]*

Capital Cost	2020/2021
<b>Capital [to be accounted for in line with the BDUK process for Qualifying Capital Expenditure for broadband infrastructure deployments] *</b>	<b>£1,820,000</b>
Supplier contribution	
Revenue cost	
Total project cost	

The cost estimate for the scheme has been based on direct feedback from the existing supplier on the potential cost to deliver the scope defined under this scheme under the current contract,

No additional funding is being sought to cover project management costs. Essex County Council has an existing project team, which manages the delivery of the Superfast Essex programme. As the proposed project represents an extension to this programme the team will be available to manage all aspects of the operational delivery, contract management, milestone validation & assurance and payment processes. The team is currently resourced to cover the duration of the proposed project and will also carry out the Monitoring and Evaluation of the scheme, for which a nominal costs of £21,000 has been included in the Financial Case.

### 3.6. Benefits:

*[Provide details of the benefits of the scheme identifying the 'initial' and adjusted benefits that were used to calculate the 'initial' and 'adjusted' BCR. The DCLG Appraisal Guidance provides additional details regarding the initial and adjusted benefit calculations on page 17.*

'Initial' Benefits

All impacts quantified based on the Green Book Guidance and Green Book Supplementary and Departmental Guidance should feature in the 'initial' BCR calculation. These impacts currently include:

- Air quality
- Crime
- Private Finance Initiatives
- Environmental
- Transport (see WebTAG guidance)
- Public Service Transformation
- Asset valuation
- Competition
- Energy use and greenhouse gas emissions
- Private benefits e.g. land value uplift
- Private sector costs if not captured in land value
- Public sector grant or loan if not captured in land value
- Public sector loan repayments if not captured in land value

'Adjusted' Benefits

There are several external impacts to the users or entities already present in a development area or to the society that are additional to the impacts included in the Green Book Supplementary and Departmental Guidance.

Such external impacts include potential agglomeration impacts on third parties, health impacts of additional affordable housing and brownfield land clean-up, educational impacts of additional housing, transport externalities, public realm impacts, environmental impacts, and cultural and amenity impacts of development. Such externalities should still form part of the appraisal and included in the 'adjusted' BCR.

Promoter should present here additional estimates of impacts based on their own evidence. These estimates might be based on tentative assumptions where the evidence base is not well established. Additional guidance regarding the identification of externalities and ways of estimating the 'adjusted' impacts are available in Annex F of the [DCLG Appraisal Guidance](#).]

The deployment of superfast broadband infrastructure for use by the public and businesses is expected to result in the creation of 300 new jobs..

Please refer to the statements and evidence on benefits of the proposed programme as shown in sections 2.2, 2.8 and 3.7 of this application.

**3.7. Local impact:**

*[If the scheme has a significant level of local impacts these should be set out in this section.]*

Potential economic benefit

The [UK Broadband Impact study](#) commissioned by DCMS in the early stages of the national BDUK programme concluded that approximately £20 in net economic impact is likely to be achieved for every £1 of public investment (*page 3*), and that the bulk of this economic impact comes from the improvements in the productivity of broadband-using-firms. There are also significant benefits from safeguarding employment in areas which would otherwise be at an unfair disadvantage, from productivity-enhancing time-savings for teleworkers and from increased participation in the labour force. A more recent study by [NESTA](#) summarises the evidence found in a number of studies in the UK and elsewhere detailing the potential impact of superfast broadband investment.

In addition, a [report by the Essex Economic Commission](#) evidenced that “Greater Essex had an average of 235 start-ups for each £1bn of GVA between 2009 and 2014, well ahead of the UK average of 175 and above other counties in the region and major metropolitan areas”, and also noted that “survival rates for new enterprises in Greater Essex are slightly ahead of the UK average. After five years 43.0% have survived compared with 41.7% for the UK”. However, this strong contribution to the Essex economy from start-ups is under threat unless they are able to access adequate internet connectivity.

The beneficial impact of faster broadband connectivity on the tourism and leisure industry has been documented and observed by the Connecting Devon and Somerset broadband project – an area with a significant focus on tourism, where [local businesses welcomed](#) the arrival of the new technology. Within Essex, the County Council's [Visit Essex](#) initiative already offers local

businesses in the industry a focal point for reaching their customers. The proposed project will ensure that those in the remaining remote parts of the county can effectively access this and other similar services to boost their competitiveness.

More recently the COVID 19 pandemic and associated lockdown has demonstrated clearly the need for Essex businesses to access

### Removing competitive barriers

The proposed project is as much about stimulating economic growth in the target areas as it is about ensuring that existing businesses in these areas are not left behind in terms of superfast broadband connectivity, and put into a position where they are less able to compete due to lack of a service which is increasingly being considered as a 'utility' and which most of their local, national and global competitors are already taking for granted and exploiting for commercial advantage.

### 3.8. Economic appraisal results:

*[Please provide details of the key appraisal results (BCR and sensitivity tests) by completing the table below. Please note, not all sections of the table may require completion.]*

*Promoters should also include a statement which identifies other schemes which may have potentially contributed to the same benefits/impacts. Smaller schemes (less than £2 million) are not required to complete a quantified economic appraisal but are required to include a Value for Money rationale.]*

	<b>DCLG Appraisal Sections</b>	<b>Option 1 relative to status quo (Do Something)</b>	<b>Option 2 relative to status quo (Do Minimum)</b>
<b>A</b>	Present Value Benefits [based on Green Book principles and Green Book Supplementary and Departmental Guidance (£m)]	£74.5m	£0.0m
<b>B</b>	Present Value Costs (£m)	£2.4m	£0.0m
<b>C</b>	Present Value of other quantified impacts (£m)	£0.0m	£0.0m
<b>D</b>	Net Present Public Value (£m) [A-B] or [A-B+C]	£72.1m	£0.0m
<b>E</b>	'Initial' Benefit-Cost Ratio [A/B]	31.2	0
<b>F</b>	'Adjusted' Benefit Cost Ration [(A+C)/B]		
<b>G</b>	Significant Non-monetised Impacts	<i>Fast broadband connectivity is a main contributing factor to a wide range of socio-economic benefits. The 2018 BDUK study referenced in 3.3. above also found that overall benefits for wellbeing would be achieved in areas with a new broadband upgrade, and these were valued at £222.25 per annum per premises upgraded. This value has not been included in the financial appraisal.</i>	
<b>H</b>	Value for Money (VfM) Category	High Value for Money	

	<b>DCLG Appraisal Sections</b>	<b>Option 1 relative to status quo (Do Something)</b>	<b>Option 2 relative to status quo (Do Minimum)</b>
<b>I</b>	Switching Values & Rationale for VfM Category	The BCR will fall below 1 if less than 12 new jobs are created. The project has a very high BCR of 31.2, reducing to 24.9 if 80% of expected jobs are created and 15.4 if only 50% of jobs are created	
<b>J</b>	DCLG Financial Cost (£m)	£1.82m	
<b>K</b>	Risks		
<b>L</b>	Other Issues		

Please note, the economic impact appraisal has been conducted based on baseline data compiled prior to the Covid-19 pandemic.

The lockdown during summer 2020 has provided an unprecedented boost to the take-up of digital and online technologies for business. These developments are too recent to be documented in studies and formal forecasts, but they are expected to create step-change in the way businesses use the internet and an exponential increase in demand for faster connections.

Recognising this trend, and the imperative for virtually all businesses to begin conducting at least basic customer engagement via online channels an assumption has been made here that on average, each business newly enabled for fast internet access will add one additional job over the next two years.

BCR as calculated below will still remain high, even if only half that expectation of 300 jobs is achieved.

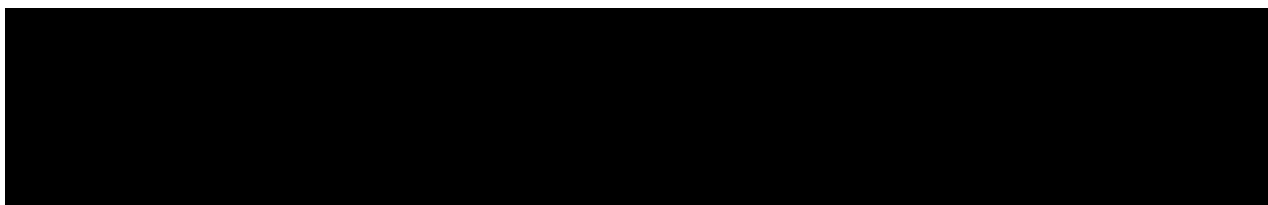
## 4. COMMERCIAL CASE

*The commercial case determines whether the scheme is commercially viable and will result in a viable procurement and well-structured deal. It sets out the planning and management of the procurement process, contractual arrangements, and the allocation of risk in each of the design, build, funding, and operational phases.*

### 4.1. Procurement options:

*[Present the results of your assessment of procurement and contracting route options and the supplier market, and describe lessons learned from others or experience; max. 1 page.]*

Superfast Essex has conducted extensive and ongoing market engagement to gain an understanding of supplier plans, deployment strategies and also preferences for engagement in public sector procurement. As a result of this activity (most recent comprehensive review was conducted in 2017 (with follow-up updates in 2018 and 2019), the programme has determined that the preferred procurement approach is via an OJEU open procedure, with a project requirement focused on a gap-funded delivery model. Under this model the potential delivery partner shows, as part of the bid, their commercial business case for infrastructure deployment and clearly identifies the investment gap between the commercial requirement and the actual deployment costs, with that gap then being funded via public subsidy.



The contracts to be used for the proposed project also contain a subsidy clawback clause, which ensures that future changes in market conditions, where these result in the investment gap becoming smaller than anticipated at contract award, are recognised at set contractual review points and excess public subsidy funds are returned to the public sector partner.

### 4.2. Preferred procurement and contracting strategy:

*[Define the procurement strategy and contracting strategy (e.g. traditional, (design and build, early contractor involvement) and justify, ensuring this aligns with the spend programme in the Financial Case and the project programme defined in the Management Case; max. 2 pages.]*

Procurement activity for the proposed project will consist of the implementation of a contractual contract Change Request (CR) to existing Superfast Essex Phase 4b contract. This CR will be implemented in line with the contractual change process set out in the contract.

All Superfast Essex contracts are based on templates created by Broadband Delivery UK (BDUK), the section within DCMS tasked with coordinating the UK broadband rollout activity, following extensive market research and engagement. These templates also include the change process to be employed for the proposed project and this process can be found [here](#).

### 4.3. Procurement experience:

*[Describe promoter (and advisor) experience of the proposed approach including any lessons learnt from previous procurement exercises of a similar scale and scope; max. 0.5 pages.]*

The project will be implemented by Superfast Essex, ECC's broadband programme, which has been in existence since 2012 and so far has completed four Phases of procurement activity including the associated State Aid approval processes. These activities have so far resulted in nine separate contracts with two suppliers. All contracts are currently delivering within the contractual schedules. In total, broadband infrastructure upgrades to over 138,000 premises in Essex have already been delivered, with a further 15,000 firmly programmed. The proposed project would expand this delivery programme by some 1,500 additional premises.



#### 4.4. Competition issues:

*[Describe any competition issues within the supply chain; max. 0.5 page.]*

Competition issues have been dealt with as part of the OJEU procurement and State Aid approval process.

#### 4.5. Human resources issues:

*[Where possible, describe what you have done to identify and mitigate against any human resource issues; max. 0.5 pages.]*

There are no HR issues associated with this work. The delivery is commissioned from outside private sector partners.

#### 4.6. Risks and mitigation:

*[Specify the allocation of commercial risks (e.g. delivery body, federated area, scheme promoters) and describe how risk is transferred between parties, ensuring this is consistent with the cost estimate and Risk Management Strategy in the Management Case; max. 1 page.]*

Commercial risks and their mitigation are managed mainly via the template-based approach to procurement and template-based contracts. All Superfast Essex projects use the BDUK procurement and contract templates, which have been created based on extensive market engagement as well as specialist legal and commercial review to mitigate commercial and legal risks for the public sector.

In addition, all Superfast Essex documentation is reviewed by Essex County Council procurement, commercial and legal colleagues.

Once in delivery, all contracts are managed in line with the nationally agreed processes under the BDUK programme, primarily the now tried-and-tested Milestone-to-Cash process covering detailed milestone delivery and payment assurance, and BDUK oversight at all key points.

In addition, the Superfast Essex programme is overseen as part of Essex County Council's capital Delivery Programme and its associated governance points.

The Superfast Essex team also maintains a programme risk register, and this is actively managed during regular weekly and monthly governance meetings/calls with the delivery partners.

#### 4.7. Maximising social value:

*[Where possible, provide a description of how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses); max. 0.5 page.]*

Social Value is one of the areas that is actively assessed by the team during the procurement process for all Superfast Essex contracts. Bidders are required to complete a response that "demonstrates suitable relevant experience, showing a track record in delivering similar services and demonstrates how the Bidder's delivery of these services demonstrates improvements to the economic, social or environmental wellbeing of the relevant areas". Bidder responses to this question form part of the bid evaluation.

The supplier to be used for the proposed project has provided satisfactory responses to the above evaluated question.

## 5. FINANCIAL CASE

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values<sup>1</sup>.

The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

### 5.1. Total project value and funding sources:

[Specify the total project value and how this is split by funding sources by year, as per the table below (expand as appropriate). This should align with the total funding requirement described within the Project Overview section. Please include details of other sources of funding, and any conditions associated with the release of that funding. LGF can only be sought to 2020/21.]

Capital Cost	2020/2021
Public investment Source: MHCLG funding via SELEP under this funding applications	£1,820,000
Supplier contribution [REDACTED]	[REDACTED]
Revenue cost	[REDACTED]
Total project cost	[REDACTED]

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

[Specify the amount and type of SELEP funding sought to deliver the project. This should align with the SELEP funding requirement described within the Project Overview section.]

This application requests £1,820,000 of SELEP funding – capital funding.

### 5.3. Costs by type:

Detail the cost estimates for the project by year as per the table below (expand as appropriate) and specify how the inclusion of the Quantitative Risk Assessment (QRA) and other overheads aggregate to the total funding requirement. Where conversion has been made between nominal and real cost estimates (and vice versa) please provide details of any inflation assumptions applied. The Financial Case should not include Optimism Bias. Please confirm that optimism bias has not been applied in the Financial Case. Also, include details of the agreed budget set aside for Monitoring and Evaluation, and ensure this aligns with the relevant section in the Management Case. Please note, not all sections of the table may require completion.]

Cost type	2020/21
Capital [to be accounted for in line with the BDUK process for Qualifying Capital Expenditure for broadband infrastructure deployments] *	[REDACTED]
Non-capital	[REDACTED]
QRA	[REDACTED]
Monitoring and Evaluation (Non Capital - ECC Funded)	[REDACTED]
<b>Total funding requirement</b>	[REDACTED]
Inflation (%)	[REDACTED]

\*Delivery costs under the proposed project will be recorded, managed, assessed and funded in line with the nationally approved BDUK process employed for the national Superfast Broadband programme. Under this process, specific cost categories have been identified as 'qualifying capital expenditure' (QCE). As part of the Impact Assessment for any Contractual Change Notice – as to be used for the proposed project – the delivery partner is required to quantify the expected QCE

<sup>1</sup> Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.



for the project and - under the gap funding model - break this down into investment elements of public and private funds.

#### 5.4. Quantitative risk assessment (QRA):

*[Provide justification for the unit costs and a Quantitative Risk Assessment (QRA) provisions (detailed in the capital and non-capital tables above); max. 2 pages. Please provide supporting documents if appropriate.]*

Unit costs are based on existing contracts. As it is expected that further delivery is likely to address premises in even more rural or hard to reach areas, an assumption has been made that costs per premises served (i.e. unit costs) will be 25% higher than the current level. Hence a QRA provision of 25% has been made in the financial assessment.

#### 5.5. Funding profile (capital and non-capital):

*[Where possible, explain the assumed capital and non-capital funding profile, summarise the total funding requirement by year, and funding source (add rows / columns as appropriate). Please note, not all sections of the table may require completion. Also, explain the external factors which influence/determine the funding profile, describe the extent of any flexibility associated with the funding profile, and describe non-capital liabilities generated by the scheme; max. 1 page.]*

	<b>Expenditure Forecast</b>
<b>Funding source</b>	<b>20/21</b>
Capital source public funding (this bid)	£1,820,000
Capital source private funding	
Non-capital source revenue ECC	
<b>Total funding requirement</b>	

#### 5.6. Funding commitment:

*[Provide signed assurance from the Section 151 officer to confirm the lead applicant will cover any cost overruns relating to expenditure and programme delivery, as per the template in Appendix B. Please also confirm whether the funding is assured or subject to future decision making.]*

Whilst ECC accepts the ultimate risk of cost overruns over and above the £1.82m funding request, and over and above the ██████████ project value, the project will be managed to avoid the cost overrun eventuality. Options of value engineering (but managed to minimise effect on outcome delivery) would be explored in preference to a cost overrun situation.

#### 5.7. Risk and constraints:

*[Specify project and funding risks and constraints. Describe how these risks have, where appropriate, been quantified within the QRA/contingency provisions; max 0.5 pages.]*

<b>Risks description</b>	<b>Chance of risk occurring</b>	<b>Impact of risk</b>	<b>Planned action to manage or mitigate against the risk or impact</b>
1. Failure to secure MHCLG funding for the project	Medium	High	Comprehensive application, Internal consultation and dialogue with SELEP team
2. Failure to secure State Aid approval for the Project	Low	High	Contract to be used already has State Aid approval. Use of BDUK templates and close collaboration and communication with BDUK throughout the CCN process.
3. Failure to deliver the project on time due to operator failure to meet contractual commitment	Medium	High	Superfast Essex will work with the supplier/s to agree a realistic delivery plan (similar to that set out in this application) as part of the CR finalisation and will then actively manage the delivery via a full governance process - this will highlight problems in time to take action to mitigate any impact.



4. Unforeseen cost increases for the delivery of the project	Medium	Low	The programme operates a detailed delivery assurance process, and the contract includes a cost cap. If there is a likelihood that this will be breached, proactive discussions will take place between ECC and the delivery partner to mitigate the impact of this cost, or in extreme cases consider removing the impacted premises from the scope of the project.
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## 6. MANAGEMENT CASE

The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.

### 6.1. Governance:

[Nominate the project sponsor and Senior Responsible Officer, explain the project governance structure (ideally as a diagram with accompanying text) and describe responsibilities, project accountability, meeting schedules etc.; max. 1 page.]

Project Sponsor:

Cllr Tony Ball, Cabinet Member for Economic Growth, Essex County Council

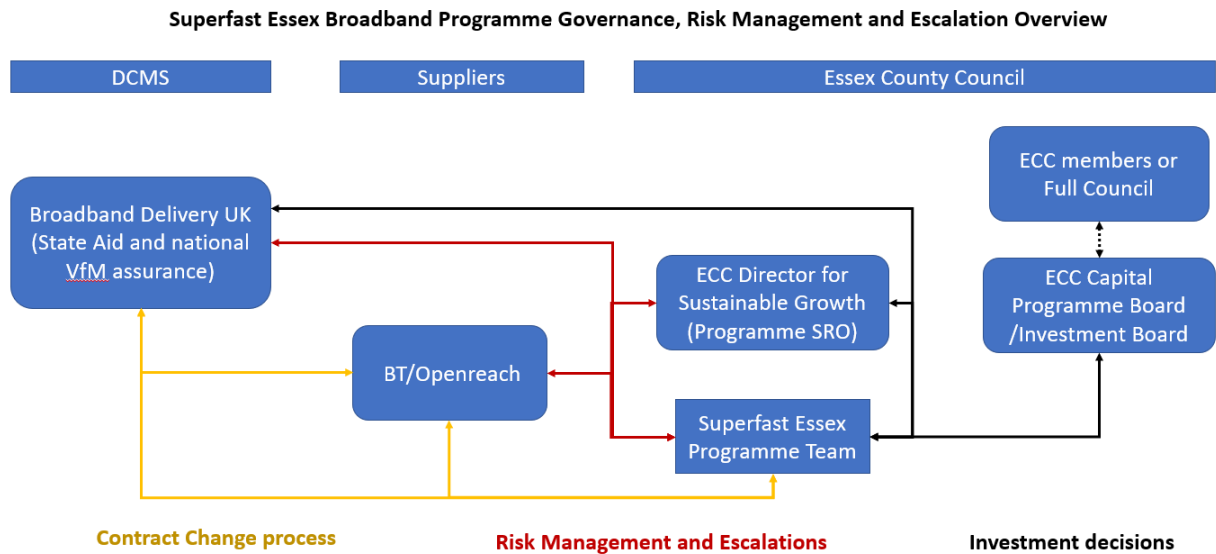
Senior Responsible Officer:

Steve Evison, Director for Sustainable Economic Growth, Essex County Council

### 6.2. Approvals and escalation procedures:

[Specify the reporting and approval process; max. 0.5 pages.]

Defined in detail in the existing delivery contracts and ECC governance processes. An overview is shown below:



Key processes applicable for this scheme are:

- Contractual change control process as defined in the delivery contracts and the associated Change Assurance process (for State Aid and also VfM review) by Broadband Delivery UK (BDUK, the DCMS department for digital connectivity). This process is defined, and comprehensive engagement channels exist to allow for speedy completion.
- Risk management and Escalations process via the Programme SRO
- Essex County Council investment decisions via our capital programme governance

### 6.3. Contract management:

[Explain your approach to ensuring that outputs are delivered in line with contract scope, timescale and quality; max. 0.5 pages.]

Active contract management is part of the Superfast Essex programme's BAU activity. This includes weekly supplier meetings, monthly project boards and periodic strategic Project Boards, in addition to active ad-hoc engagement with the supplier when needed.

#### 6.4. Key stakeholders:

*[Describe key stakeholders, including any past or planned public engagement activities. The stakeholder management and engagement plan should be provided alongside the Business Case; max. 0.5 pages.]*

Superfast Essex is an established ECC programme, which has been working on the subsidised superfast broadband rollout since 2012. In addition to managing the infrastructure deployment, the team also conducts a broad range of stakeholder engagement activities. Key programme stakeholders are the funding partners – currently DCMS, ECC, five Essex district/borough Councils, DEFRA, elected Members and political representatives in the parish, district/borough and county councils of Essex – and the Essex public and business community in general.

In addition to regular governance meetings and ad-hoc briefings for programme stakeholders, the Superfast Essex programme maintains a comprehensive [website](#), which includes an interactive rollout map and other helpful information, as well as a contact form for residents and businesses to submit specific queries. The programme also publishes a quarterly online [newsletter](#) and regularly holds face-to-face engagement events, such as broadband champion sessions, parish council meetings and briefings as well as business and community events. The programme's [press releases](#) provide a chronological snapshot of the programme's rollout progress and engagement activities. There is also engagement via [social media](#).

The above activities comprehensively mitigate against any risk of stakeholders being unaware of the programme and its impacts or unable to obtain information on an ad-hoc basis.

#### 6.5. Equality Impact:

*[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered as part of the project's development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the accountability board; max. 0.5 pages.]*

There is no adverse impact on any of the protected groups as a result of this project. A number of Equality Impact assessments have been completed, at each Phase of the project. These can be supplied.

#### 6.6. Risk management strategy:

*[Define the Risk Management Strategy referring to the example provided in Appendix C (expand as appropriate), ensuring this aligns with the relevant sections in the Financial and Commercial Case. Please provide supporting commentary here; max. 0.5 pages.]*

See Appendix C

#### 6.7. Work programme:

*[Provide a high-level work programme in the form of a Gantt Chart which is realistic and achievable, by completing the table in Appendix D (expand as appropriate). Please describe the critical path and provide details regarding resource availability and suitability here; max. 0.5 pages.]*

See Appendix D

#### 6.8. Previous project experience:

*[Describe previous project experience and the track record of the project delivery team (as specified above) in delivering projects of similar scale and scope, including whether they were completed to time and budget and if they were successful in achieving objectives and in securing the expected benefits; max. 0.5 pages.]*

The Superfast Essex programme is being managed by an established team within Essex County Council. The team is currently well resourced to manage the existing contracts, including the proposed addition, and – unusually in the BDUK national programme – includes resourcing for

stakeholder engagement and communications. This team would also manage the proposed project, as part of the wider programme.

Superfast Essex has an excellent delivery track record and maintains a strong and constructive working relationship with its two current delivery partners, Openreach and Gigaclear. Phase 1 of the Superfast Essex programme was completed in 2016, three months early and with significant project implementation savings. Phases 2, 3 and emerging Phase 4 are all progressing on track and in line with the original project timescale and budgets.

Superfast Essex also works in regular contact and consultation with the BDUK National competency Centre for State Aid and has also been cited by BDUK as an example of good practice for its collaboration with Essex Highways. Last year, Openreach won the ECC Supplier of the Year award, based on the partnership with Superfast Essex.

Superfast Essex is often cited by BDUK as one of the best delivery teams among the 44 similar schemes in the country. In 2016, while many of the other programmes encountered long delays, Essex was the only BBUK programme in the country that completed delivery of the first deployment phase (BDUK Phase 1) six months ahead of schedule, and this track record has been maintained. In 2019 Superfast Essex won the Best Superfast Programme Team at the national industry conference Connected Britain.

Project Management of the programme is well structured, with weekly operational meetings, monthly project boards and quarterly milestone assurance activity. In addition, the programme team maintains a close overview of the delivery progress across all contracts to ensure progress against the overall programme deliverables. Much of the delivery update detail is published on the Superfast Essex website, where the team also maintain a very comprehensive interactive rollout map.

#### **6.9. Monitoring and evaluation:**

*[Complete the Logic Map over the page. This provides a read across between the objectives, inputs, outputs, outcome and impacts of the scheme and is based on the Logic Map established in the Strategic Case. A guide to what is required for each of these is included in Appendix E. Note that the number of outcomes and impacts is proportionate to the size of funding requested.]*

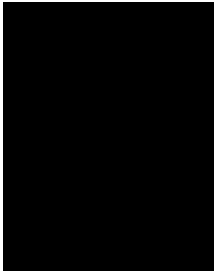
*Complete the Monitoring and Evaluation Report template and Baseline Report template in Appendix F.]*

**To follow**

### 6.9.1 Logic Map

#### Problems the project is seeking to address

- Lack of adequate internet connectivity is expected to hamper economic growth for the county and is likely to deepen existing challenges for businesses operating in the county’s rural environments – commercial rollout is unlikely to reach these areas
- Adequate internet connectivity for all residents and businesses is a key foundation for the further development of digital public and commercial services to support local government channel shift, remote working and skills development as well as economic growth in rural areas.
- Lack of fibre infrastructure in the target areas is likely to hold back the deployment of 4G and later 5G mobile communications technology (most of these areas are also mobile/4G not-spots)

<b>Inputs</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Im pa ct s</b>
<p><i>For all schemes:</i> Take from section 1.10 / Financial Case</p> <p>Grant Spend £1,820,000</p> 	<p><i>For all schemes:</i> Influenced by detail in section 3.2. Also refer to metrics output metrics within Appendix E</p> <p>As a result of this scheme, at least 1,500 homes or businesses which currently have poor internet connectivity will be upgraded to provide access to ultrafast broadband</p> <p>Some 300 of these premises will be business premises, and it is expected that the significant improvement of broadband connectivity will enable each of these businesses to create at least one additional job.</p> <p>It is expected that the significant improvement of broadband connectivity paired with the greatly increased reliance on the internet by businesses in all sectors due to Covid 19 impacts will enable each of these businesses to create at least one additional job within two years of the broadband upgrade.</p>	<p><i>Influenced by details in sections 2.1, 3.4, 3.5, 3.10 - For schemes of £2m of funding or less: -Jobs -Houses</i></p> <p><b>As a result of this scheme it is expected that</b></p> <p>- <b>Up to 300 jobs will be created</b></p>	n/a

## 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>	Connie Kerbst
<i>Designation</i>	Senior Programme Manager Essex County Council

## 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.]*

See section 3.4

Appraisal Assumptions	Details
QRA and Risk allowance	
Real Growth	
Discounting	
Sensitivity Tests	
Additionality	
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

Description	Likelihood 1 – Very Low 2- Low 3 – Medium 4 – High 5 – Very High	Impact 1 – Very Low 2- Low 3 – Medium 4 – High 5 – Very High	Rating Likelihood score x Impact score	Mitigation	Risk Owner
1. Failure to secure MHCLG funding for this project	3	5	15	Comprehensive application internal review prior to submission; securing senior stakeholder support for the project and strategic alignment with ECC and SELEP objectives.	ECC
2. Failure to secure State Aid approval for the Project	2	5	10	Use of BDUK templates and close collaboration and communication with BDUK throughout the procurement process; Phase 4 is already pre-approved by BDUK under stage 1 of the State Aid application process.	ECC
3. Delivery does not reach the planned number of premises	2	2	4	The CR will clearly identify the target premises and the team will work with the delivery partner to agree a realistic and compliant deployment plan.	ECC
4. Failure to secure a suitable private sector supplier to deliver the project within required timescale	3	5	15	Private sector partner is already identified and engaged – project to be implemented as a CR.	ECC
5. Failure to deliver the project on time due to operator failure to meet contractual commitment	3	5	15	Superfast Essex will work with the existing delivery partners to agree a realistic delivery plan (similar to that set out in this application) and will then actively manage the delivery via a full governance process - this will highlight problems in time to take action to mitigate any impact.	ECC
6. Available public funds (including this grant) are not sufficient to reach all premises in scope	3	3	9	Assumptions have been tested against previous experience and local context. It is accepted that the funds requested for the proposed project will not deliver the full strategic objective of the project.	ECC
7. Competing work by other utilities being prioritised by Essex Highways could result in delays to the rollout	2	3	6	Superfast Essex maintains regular operational dialogue with Essex Highways which also includes close coordination of work by our delivery partners with Essex Highways and as part of the wider Essex utility companies council (HAUC).	Supplier
8. The delivery partner is unable to secure one or several key wayleave agreements preventing them from reaching a target area	3	3	9	Superfast Essex runs a comprehensive community and business engagement programme, which will help ensure all parties understand the importance and potential benefits to be derived from the programme. The ongoing engagement activity also offers the opportunity for ECC officers as well as senior stakeholders or elected Members to help resolve any such issues.	Supplier
9. Unforeseen cost increases for the delivery of the project	3	2	6	The programme operates a detailed delivery assurance process, which follows the deployment from design stage all the way through to final customer connectivity. The contract includes a cost cap and if there is a likelihood that this will be breached, proactive discussions will take place between ECC and the delivery partner to mitigate the impact of this cost, or in extreme cases consider removing the impacted premises from the scope of the project.	Supplier
10. Potential further Covid 19 restrictions or lockdown impact scheme delivery	3	3	9	Suppliers have arrangements in place to work in compliance with any Covid 19 restrictions. These arrangements have been tested during the summer 2020 lockdown where telecoms works were classed as key workers and deployment activities continued with virtually no lockdown-related delays.	Supplier

11. APPENDIX D – GANTT CHART

Tasks	Start date	Finish date	2020			2021												2022		
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Change Request signed		Nov 20																		
Delivery Planning Phase		May 21																		
Deployment		Dec 21																		
Contract Closure		Mar 22																		

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

A Logic Map has been provided in section 2.2.

This is a broadband project and will result in 300 additional businesses and 1,200 homes gaining access to 30Mb/s broadband speeds. It is likely that speeds achieved will be ultrafast, i.e. up to 900Mb/s.

After delivery of the new broadband connections, it is expected that up to 300 additional jobs will be created within two years, to support online trading, online customer engagement and or the management home/remote working arrangements.

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

This Monitoring and Evaluation Plan provides the details of the inputs, outputs and outcomes of the Broadband Acceleration Project and how they will be measured.

The objectives of the scheme are as described in section 2.8:

Objective 1: expand access to superfast broadband connectivity to as many of the remaining unserved areas of Essex as possible within the available funding, working towards 99% coverage.

Objective 2: drive the installation of full-fibre internet connections as soon as possible, in line with the ambitious government target to reach 95% of the UK by 2025.

Objective 3: Kickstart business recovery: fast internet connectivity will be a cornerstone of the economic recovery post Covid 19 and opportunities presented by the spike in take-up of online trading, learning and customer engagement platforms require further infrastructure improvements to as many premises as possible as soon as possible

The geography of the scheme is shown in the map under section 2.3.

### INPUTS

The funding inputs to the project are as set out in section 5.3:

The Project Delivery Plan is as set out in section 11. APPENDIX D.

The approach to Risk Mitigation has been set out in sections 2.12, 4.6, 5.7 and in section 10. APPENDIX C.

## OUTPUTS and OUTCOMES

Under this scheme, 1,500 premises will be retained in the existing superfast broadband rollout programme and benefit from obtaining access to broadband speeds of 30Mb/s or above.

Outputs	Outcomes
300 business premises gain access to fast broadband	On average it is expected that each upgraded business will add one additional job over two years – 300 jobs added
1,200 residential premises gain access to fast broadband	1,200 homes will have sufficient broadband speeds to support remote working and home learning – unquantified improvements for skills and employability as well as social wellbeing will be achieved

## MONITORING

Outputs will be monitored via contractual delivery reporting from the supplier, which will confirm the exact number and address of each premises upgraded and the resulting broadband speeds.

Outcomes will be monitored as part of the wider periodic reviews of economic activity and skills development in Essex by Essex County Council. It should be noted that broadband connectivity is an underpinning factor for a wide variety of socio-economic outcomes.

## 14. APPENDIX G - CATEGORIES OF EXEMPT INFORMATION

*There is a clear public interest in publishing information and being open and transparent. But sometimes there is information which we can't publish because it would cause significant harm to the Council - for example by damaging a commercial deal or harming our position in a court case. Equally sometimes publishing information can harm someone who receives a service from us or one of our partners.*

*The law recognises this and allows us to place information in a confidential appendix if:*

*(a) it falls within any of paragraphs 1 to 7 below; and  
(b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

- 1. Information relating to any individual.*
- 2. Information which is likely to reveal the identity of an individual.*
- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)*
- 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.*
- 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*



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6. *Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.*
7. *Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*