

**Forward Plan reference number: FP/574/11/19**

<b>Report title:</b> Ultrafast GPs broadband project	
<b>Report to:</b> Cllr Kevin Bentley, Cabinet Member for Infrastructure	
<b>Report author:</b> Dominic Collins, Director of Economic Growth and Localities (dominic.collins@essex.gov.uk)	
<b>Report Date:</b> 29 January 2020	<b>For:</b> Decision
<b>Enquiries to:</b> Connie Kerbst, Senior Programme Manager (connie.kerbst@essex.gov.uk)	
<b>County Divisions affected:</b> Buckhurst Hill and Loughton South; Chigwell and Loughton Broadway; Epping and Theydon Bois; Loughton Central; North Weald and Nazeing; Ongar and Rural; Waltham Abbey; Ongar and Rural, Harlow North; Harlow South East; Harlow West; Dunmow; Saffron Walden; Stansted; Thaxted	

## 1. Purpose of Report

- 1.1 A project team including ECC, two NHS IT organisations and Epping Forest District Council, working together as part of the Essex and Herts Digital Innovation Zone (DIZ), has secured a grant of £2.1 million from DCMS (the Grant) to upgrade all GP surgeries in the catchment area of Princess Alexandra Hospital in Harlow to full-fibre internet connectivity. The proposed 'Ultrafast GPs project' will reinforce Harlow's economic reputation for health innovation.
- 1.2 It is proposed in this report that ECC will act as the recipient of the Grant from DCMS (the DIZ is not an organisational entity) and will pass the funds through as appropriate to the two NHS IT organisations who will deliver the infrastructure upgrades. This arrangement will be supported by a Grant Agreement with DCMS and bilateral funding agreements between ECC and the two NHS IT organisations.
- 1.3 The cost of the installations will be funded by the Grant. The project delivery, including managing the risk of cost escalation will be the responsibility of the NHS organisations. ECC is not responsible for funding any cost escalation.

## 2. Recommendations

- 2.1 to agree to enter into a Grant Agreement with DCMS in respect of funding for the Ultrafast GPs project of £2.1million.
- 2.2 to agree to enter into two bilateral agreements with Essex Partnership University Trust (EPUT) and Herts, Bucks and Luton ICT (HBL ICT) respectively, which will set out the arrangements for the management of the DCMS funding in line with the Grant Agreement (approx. 60% to go to Essex and 40% to go to Herts).
- 2.3 to agree to enter into a Non-Disclosure Agreement ("NDA") with the DCMS and mirror NDA with the EPUT, HBL ICT and Epping Forest District Council ("EFDC").

### **3. Summary of issue**

- 3.1 ECC is a partner in the Essex and Herts Digital Innovation Zone (DIZ), a collaborative group of five local districts in West Essex and East Hertfordshire working with local businesses, voluntary organisations and other public sector organisations to create an area where digital connectivity and technology are actively driven to improve economic productivity and deliver social benefits.
- 3.2 Working with two NHS IT organisations: EPUT and HBL ICT, the DIZ has secured a grant of £2.1 million from DCMS to upgrade all GP surgeries in the DIZ area to full-fibre internet connectivity under the Ultrafast GPs project. The project will provide full-fibre internet connections for 113 GP practices – covering the catchment area of Princess Alexandra Hospital in Harlow.
- 3.3 The Grant has been awarded in principle by DCMS under their Local Full Fibre Networks Challenge Fund, Wave 3. The fund was open for applications from any public sector organisation. The bidding process on behalf of the DIZ was led by Superfast Essex. The bid team successfully met a full set of requirements for the LFFN Challenge Fund as part of a stringent selection process.
- 3.4 In addition to driving digital innovation within the NHS, the DIZ partnership will drive the delivery of socio-economic benefits under this initiative: A further 565 residential and business premises in the areas around the GPs will also be connected as part of the proposed project.
- 3.5 Furthermore, the project will bring full fibre connectivity within a commercially sustainable distance of up to 8,000 premises in the local area. As part of the project, the DIZ will drive further fibre deployment to these premises via the DCMS Gigabit Voucher Scheme.
- 3.6 The project will be implemented directly by NHS IT organisations in Essex and Herts via a Change Request to existing contracts for the deployment of the new Health and Social Care Network (HSCN). The two commercial partners delivering the HSCN rollout under these contracts, Redcentric in Herts and Capita in Essex, are fully engaged in the project. The commercial contracts have been reviewed and can support the proposed scope change.
- 3.7 The NHS organisations will integrate the infrastructure delivery into their current HSCN rollout and will provide quarterly delivery completion reporting against the project milestones to ECC. Once these reports are received, ECC will use these reports to claim the DCMS grant and once received pass the funds to the NHS organisations for payment to the suppliers.
- 3.8 ECC will enter into a Grant Agreement with DCMS and into supporting Funding Agreements with the two NHS IT organisations.
- 3.9 The project supports the rollout of greater full-fibre internet connectivity in West Essex, which will

- improve the health of people by supporting innovation and greater access to services in the NHS by providing high-capacity connectivity for the GP surgeries serving the area
- enable more vulnerable adults to live independent of social care
- support initiatives seeking to re-imagine how residents' needs can be met in a digital world, such as the provision of remote GP consultations, or integrated care including at-home health monitoring;
- target economic development by providing enhanced digital connectivity and thus making the area more attractive for more productive businesses to operate and an associated skilled work force to live in.

## **4. Options**

### **4.1 Option 1 - ECC to act as the grant recipient on behalf of the DIZ (Recommended)**

ECC has experience in providing the pass-through service being planned here and by taking on the role will ensure that proper assurance and governance is carried out. One of the other ECC contributions to the project is milestone delivery assurance – being delivered by the Superfast Essex team.

### **4.2 Option 2 - Grant to be claimed by another organisation**

The DIZ is a collaboration group and not an organisation in its own right, so cannot claim the grant itself. At the bid stage DCMS indicated that due to the track record of the Superfast Essex programme, the funding bid would receive stronger support if ECC was to act as the recipient of the grant – hence the funding bid was submitted on that understanding.

### **4.3 Option 3 – do nothing**

Project would not be implemented and the opportunity to secure government investment in Essex & Herts broadband infrastructure would be lost.

## **5. Next steps**

### **5.1. Subject to approval of the recommendations in this report, the next steps for this project would be as follows:**

February 2020

- ECC to enter into NDAs with the DCMS, EPUT, HBL ICT and Epping Forest District Council
- ECC to enter into a Grant Agreement with DCMS
- ECC to enter into two bilateral funding agreements, with EPUT and HBL ICT respectively
- Completion of the final assurance checkpoint for the project with DCMS

March 2020

- EPUT and HBL ICT to complete the contract changes to commission the additional infrastructure to be delivered under the project

April 2020-April 2021

- Project delivery period: ECC to receive milestone completion reports, then claim the DCMS grant and pass this to EPUT and HBL ICT respectively
- Project delivery to complete by 31<sup>st</sup> March 2021, last grant claim in April 2021

## **6. Issues for consideration**

### **6.1 Financial implications**

- 6.1.1 The project cost of £2.1m is reflected in the draft 2020/21 capital programme presented to Cabinet in January 2020 and due to be formally approved at Full Council in February 2020. The £2.1m is 100% funded by DCMS grant, there are no borrowing implications to ECC.
- 6.1.2 The grant will be paid to ECC under a grant agreement with DCMS which ECC will then passport to EPUT and HBL ICT under bilateral funding agreements
- 6.1.3 The NHS organisations will submit quarterly delivery completion reporting against the project milestones to ECC which will allow the grant to be claimed from DCMS and ensure that only eligible expenditure is being claimed by the organisations.
- 6.1.4 The risk of cost escalation is the responsibility of the NHS organisations delivering the project and will be managed through the contract change mechanism within the individual contracts. ECC is not responsible for funding any cost escalation.
- 6.1.5 The revenue staff resource required to administer the quarterly milestone reporting and grant claim process can be managed within existing resources.

### **6.2 Legal implications**

- 6.2.1 All projects are vetted by authorised officers against published qualifying criteria and all must demonstrate that the project delivers against at least one of the council's priorities and outcomes.
- 6.2.2 For State Aid rules to apply four criteria must be met as follows: the assistance must be granted through state resources; give an advantage to one or more undertakings over others; distort or have the potential to distort competition and; affect trade between member states. Whilst ECC is likely to be considered an economic undertaker for the purposes of state aid, a full application process for securing the funds was run by the DCMS and the project is therefore unlikely to distort competition. Further it is not understood that EPUT and HBL ICT are engaged in economic activity and the project is potentially therefore permissible under the State Aid rules.
- 6.2.3 Grant funds from the DCMS under this scheme will be made to ECC from the DCMS and from ECC to EPUT and ECC to HBL ICT. A grant agreement will be put in place between the DCMS and ECC. In turn a funding agreement will be put in place between ECC and EPUT and ECC and HBL ICT. These will be

*Ultrafast GPs broadband project*

back to back agreements with all conditions and requirements from the DCMS reflected in ECC's agreement with EPUT and HBL ICT.

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Kevin Bentley, Cabinet Member for Infrastructure</b>	20.02.2020

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Mark Carroll, executive Director for Place and Public Health</b>	30.01.2020
<b>Stephanie Mitchener on behalf of Executive Director for Finance and Technology (S151 Officer) Nicole Wood</b>	07.02.2020
<b>Laura Edwards on behalf of Director, Legal and Assurance (Monitoring Officer) Paul Turner</b>	29.01.2020