Coast to Capital

COAST TO CAPITAL LOCAL GROWTH FUND
FULL BUSINESS CASE

Project Title:	**Converged Fibre Connectivity Project**
Lead delivery organisation:	**West Sussex County Council**
Organisation Address:	**WSCC, County Hall, West Street, Chichester, PO19 1RQ**
Lead contact name:	**Sarah Bazen – Digital Infrastructure Manager.**
Issue Date:	16 August 2019

This document provides a template for a Full Business Case (FBC) for Coast to Capital to invest in a project through the Local Growth Fund (LGF). Please ensure you read the full guidance document to assist you in completing this form.

Projects funded from the Growth Deal are expected to contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities listed in the SEP, or to support the medium-term delivery of our Strategy.

Projects can only request funding as stated within the EOI application; from **£500,000 and up to £2,000,000,** and must demonstrate a minimum of a 50% matched funding contribution.

The information provided in this form will help our Investment Committee, determine the eligibility of your project, and formally decide which projects called for the FBC stage have been successful following a presentation from applicants, that will allow opportunity for Committee members to ask questions. As part of this scrutiny Croydon Council as the acting Accountable Body for Coast to Capital will be ensuring all projects are State Aid compliant and therefore sufficient evidence is required.

The Investment Committee have delegated authority from Coast to Capital Board to make funding awards up to £2million, and make decisions on full or partial funding awards, or any funding conditions. Decisions made would be noted to the October Board meeting, following which funding awards will be announced.

FBC must submitted any time before: **12noon on Friday 16th August 2019. Any FBC not received after this deadline will NOT be accepted and will be returned to the applicant.** FBC submissions will be acknowledged by email within 24 hours.

Applicants must be able to evidence as part of the FBC that they are able to incur full LGF project costs (to include elements of matched funding), by **31st December 2020**.

Coast to Capital also reserves the right to withdraw / reclaim and re-allocate, all funding, if at any point in the delivery of successful projects, our Board believes that the full draw down will not be made.

If you have any queries or require further information please contact Coast to Capital on **localgrowthfund@coast2capital.org.uk**

Coast to Capital Disclaimer

By submitting this FBC, Project Applicants are agreeing to the following;

- Grant payment (in arrears) will not be made until a funding agreement is signed by both parties.
- All funds provided by Coast to Capital must be used for capital expenditure under the definition of capital provided within HM Treasury, CIPFA and International accounting standards.
- All costs and charges incurred as a result of making this application cannot be claimed as part of the project.

- All FBC submissions will be treated in the strictest confidence and will only be shared with those involved with the evaluation and the processing of your application (Coast to Capital Officers, London Borough or Croydon Accountable Body, Coast to Capital Investment Committee Members, and Board members).
- Successful FBC submissions who are awarded funding are required to agree as a condition of applying for this funding that their business case will be published in the public domain in full.
- Coast to Capital will keep a record of your contact details, and application on file. We may use your contact details to send you further information, notify you of further funding opportunities, and/or invite you to events organised by Coast to Capital or its partners. Your personal and business information will remain confidential.
- Applicants submitting an FBC will in doing so warrant to have agreed to be bound by the following conditions:

1. Applicants will indemnify Coast to Capital against any claim for loss, costs or damages as a result of being unsuccessful at FBC stage.
2. Applicants who are successful in obtaining a grant funding award following scrutiny of the FBC, agree to pay a fee to Coast to Capital to cover the cost of processing and preparing the funding agreement. This fee will be payable in advance and is set at a flat rate of **£9,500.00**, to cover legal and administration costs. This fee cannot be recovered through applications.
3. Applicants who are unsuccessful following their submission and scrutiny of the full business case, accept that they will be informed in writing on the reasons for this decision in accordance with the attached Guidance, with further feedback only being provided to the extent and discretion decided by Coast to Capital officers.
4. Applicants agree to not issue any written or verbal statements to any third party which could reasonably be seen to be designed to defame, discredit, or to undermine the decision reached by Coast to Capital in not awarding grant funding following their submission and scrutiny of the FBC.
5. That the decision of the Coast to Capital Investment Committee and/or Board is final in deciding what FBC submissions are awarded funding, and there is no right of appeal.
6. That no applications for information under the Freedom of Information Act (FOI) will be accepted from the applicant or any other party, as to the reasons for an application not being invited to full business case stage, or for feedback on the reasons why funding has not been awarded following the submission of an FBC, as Coast to Capital is not bound by this Act.
7. The applicant warrants that they have not colluded with any other applicant to attempt to benefit their own application through falsification of information or reliance on other applications being successful.
8. That applications made are on an unconditional basis.
   The applicant warrants that their application is state aid compliant. Applications at FBC submission must provide evidence and/or will be asked if they have taken independent legal advice that their application is state aid compliant. Applicants must accept that if subsequently at any point their project is established to not be state aid compliant, Coast to Capital, solely at the discretion of its Board, will withdraw and reclaim any funding awarded.

I Matt Davey on behalf of West Sussex County Council confirm that we agree to be bound by the above application contractual terms.	**Signed:** 	**Dated:** **16th August 2019**

1. Executive Summary

1.1) Overview of the project including what opportunity or barrier the investment will unlock:

Gigabit-capable full fibre broadband is the next generation of digital infrastructure, capable of delivering unlimited speeds in both directions in excess of 1Gbps (1,000Mbps) using pure optical fibre. Full fibre infrastructure is crucial to support future digital technologies, which will in turn attract in the longer term, higher value business clusters and drive exponential GVA growth and stronger economic productivity levels.

This project will provide this infrastructure in a key economic/business growth hub, linking Crawley and the Manor Royal Business District to Horsham, Haywards Heath and Burgess Hill, thereby linking the fibre spine to Brighton (the Brighton Digital Exchange).

This business case will demonstrate how the gigabit-capable full fibre infrastructure will support increases in productivity across a range of topologies and urban, semi urban and rural economies. It will identify how this benefits the wider region, allowing this project to be more than the "sum of the parts", multiplying and scaling investments already made by Government, business and public bodies. It will focus on:

- Providing the core infrastructure required to support the roll out of gigabit-capable full fibre and future technologies such as 5G and increase the resilience of the fibre network across all economic areas in the sub region.
- Enabling Manor Royal Business Improvement District to realise its ambition to continue to provide cutting-edge connectivity at the South East region's largest business park, which is critical if Manor Royal is to unlock successfully high quality commercial space schemes such as Gatwick Park and continue to attract major corporate investment and jobs growth, building on recent arrivals like Boeing, L3 and Wilmott Dixon.
- Supporting the plans for substantial residential and business growth to the north of Horsham and reaching eastward (along the A264) to the north-west of Crawley. Significant housing is proposed in the area with potentially over 3 million square feet of new business premises in addition to two new train stations which will need access to a choice of high-quality digital infrastructure.
- Supporting the urban areas of Crawley and Horsham in their acceleration towards becoming a smart city and town, critical to attracting higher quality residential developments and Grade A business / employment space. Full fibre infrastructure will enable Crawley / Horsham to unlock future technologies.
- Increasing the resilience of core digital infrastructure to support significant economic hubs within the sub region, for example Gatwick.
- Facilitating gigabit-capable full fibre infrastructure and the potential for future 5G connectivity throughout the north-eastern part of the county helping create innovative start-ups and the productivity of small or home-based businesses as well as the more traditional business park based parts of the economy.
- Linking investments in Digital Exchanges and clusters in the region (the Brighton Digital Exchange and the Burgess Hill Digital Exchange) and extend this link to Crawley, a potential digital hub, as well as a potential future link to the London Digital Exchange (LINX).

The spine will be centred on a geography where there is clear evidence of the need to address economic and productivity stagnation since the economic crisis. Additionally, the

route of the spine will provide an innovative test bed for rural telecommunications implementation, by allowing us to develop an approach with suppliers that commercialises new access network to reach rural homes and businesses.

The C2C Strategic Economic Plan vision is significantly compromised without the presence of the digital infrastructure to enable the digital connectivity, with the SEP clearly stating "we will prioritise investment in a new standard of full fibre broadband connectivity between our economic hubs, to make us the first area of the UK with full 21st century fibre infrastructure`. This project fully delivers on this commitment.

Specifically, the Converged Fibre Connectivity project (CFCP) will enable an extensive open-access fibre network, which will provide additional backhaul (and ultimately, resilience and market interest) in both our urban and rural areas, especially in key business parks. The extra capacity provided will be the "scaffold infrastructure" from which new or improved connections can be made (getting future-ready). This overall aspiration and infrastructure will help to make a compelling case for further economic investment in our area, enhancing land values and unlocking growth opportunities.

1.2) Please choose a priority area that is most appropriate to your project. For further information around each priority area please review our Gatwick 360 Strategic Economic Plan.	Priority 1: Deliver Prosperous Urban Centres ☐ Priority 2: Develop Business Infrastructure and Support ☐ Priority 3: Invest in Sustainable Growth ☐ Priority 4: Create Skills for the Future ☐ Priority 5: Pioneer Innovation in Core Strengths ☐ Priority 6: Promote better transport and Mobility ☐ Priority 7: Improve digital network capability ■ Priority 8: Build a strong National and International profile ☐

1.3) The fit with Coast to Capital Strategic Economic Plan: Gatwick 360, and the chosen priority above. Please identify if this project fits in with other priorities as above.

Gatwick 360 – the C2C Strategic Economic Plan has a stated vision "for our towns and cities to be known around the world as fantastic places to live, to grow and to succeed". For our places to be more prosperous and productive, the SEP highlights the need to build the facilities for growing businesses and to enhance connectivity across the region, including digital connectivity. **The SEP vision is significantly compromised without the presence of the digital infrastructure to enable the digital connectivity** to address key challenges including: business productivity; digital transformation and digital skills; the future of our urban centres; sustaining and unlocking commercial floor space; and carbon and congestion reduction.

The focus of the CFC project is on one of the LEPs' **key functional economic areas**, linking the major urban centres of Brighton to Crawley, including Manor Royal Business District, a geography where there is clear evidence of the need both to fulfil the fantastic potential of high growth areas like Manor Royal, and to address economic and productivity

stagnation (with the exception of the city of Brighton) since the economic crisis. Full fibre and potentially enabled technologies e.g. 5G are key to economic growth, innovation and productivity improvements, including in 'knowledge industries' such as digital, telecommunications, IT, electronic engineering and med tech sectors which have a strong presence in the geography covered by the project. The route will ultimately complement the SEP's ambition to support the development of the Brighton mainline as a digital railway, and thereby create the opportunity for a fibre ring in the economic hub around Gatwick.

The digital infrastructure spine joins significant urban centres, eg Crawley and Horsham and will serve the digital transformation of these town centre businesses and living environments. This will open up access to transformative digital applications such as 5G technologies, which will attract high quality residential development and new Grade A business space investment, critical to the long term economic sustainability of the town centres.

The route will also provide an with the route also providing an **innovative test bed for rural** telecommunications implementation, by allowing us to develop an approach with suppliers that commercialises new access network to reach rural homes and businesses. This will inform our ambitious plans for future investment to build a new rural 'spine' linking Chichester to Horsham and passing through the protected area of the South Downs National Park. The SEP recognises the importance of rural digital connectivity, to promote economic capacity across our area, and this project provides an early opportunity to deliver on that commitment.

This project directly supports the SEP's ***Priority 7 – Improve Digital Network Capability*** **- we will prioritise investment in a new standard of full fibre broadband connectivity between our economic hubs, to make us the first area of the UK with full 21st century fibre infrastructure`.** Priority 7 makes clear that the Coast to Capital LEP's *"focus is now on full-fibre networking across our area"* (p.49).

Specifically, the project will deliver on the SEPs `improve digital network capability` priority by:

- Accelerating delivery of resilient fixed fibre infrastructure to support local businesses.
- Providing a link to the Brighton Digital Exchange and the Burgess Hill Fibre Exchange (BHFX), and improving digital connectivity across the spine up to and including the Manor Royal Business District in Crawley.
- Improving digital connectivity in the Coast to Capital's rural areas in proximity to the spine and preparing for the Government's Outside In Programme (further extension to rural areas).
- Providing open access infrastructure that lowers the cost in the roll-out of full-fibre network for businesses and households along the proposed route.
- Providing the infrastructure and capacity to support potential future technologies, supporting the SEP longer-term ambitions to support the growth of SMARTconnectivity.

Whilst this project directly supports Priority 7, better digital infrastructure and connectivity itself will directly contribute to other strategic priorities identified in the Strategic Economic Plan (SEP):

- ***Priority 1: Deliver Prosperous Urban Centres*** – improvements in the region's digital infrastructure will strengthen key urban centres around Gatwick Airport,

including Horsham, Crawley, Haywards Heath and Burgess Hill, making them more attractive to high value investors and visitors, and enabling businesses to operate more flexibly and more productively;

- ***Priority 2: Develop Business Infrastructure and Support*** – there are more than 700 SMEs along the spine that could directly benefit from this project by accessing the network. This will improve business spaces along the route and enable businesses better equipped to compete effectively within a digital environment. In particular, it will enable SMEs and start-ups along the route to access the digital connectivity that they need to grow, whilst the improved digital infrastructure will support the LEP's ambition to attract more high value businesses to the region. It will support some of the LEP's key economic powerhouses, including businesses at Manor Royal, the planned Horsham Enterprise Park, and help facilitate the growth plans for Burgess Hill.
- ***Priority 3: Invest in Sustainable Growth*** – improving the region's digital infrastructure is an essential component of delivering sustainable economic growth, alongside more clearly identifiable environmental initiatives. The SEP recognises the need to *"develop a model of prosperity and growth that works for our area".* This project will enable the LEP to do this by enabling businesses and households in rural areas, in particular, to access services and complete transactions remotely. This project will make a significant contribution towards the ambition to deliver economic growth whilst protecting and enhancing the region's natural assets, and it will provide a test bed for the planned roll out of a rural digital spine from Chichester into the South Downs National Park.
- ***Priority 4: Create Skills for the Future*** – this is not directly a skills project, but the SEP has a strong "focus on STEM, digital and basic skills", including developing a Local Digital Skills Partnership and ensuring that the skills of the region's residents are up to date. There are opportunities for this project to support Haywards Heath College (opening soon) and Crawley College and the STEM centre and planned innovation centre. There will also be skills and apprenticeship benefits through the procurement arrangements for the infrastructure build. Developing the infrastructure to enable more services to be delivered digitally will provide the incentive and demand to improve digital skills within the region's resident and working population. The LEP has a clear ambition to develop skills to improve productivity, but unless the infrastructure is in place to deploy these skills effectively, that investment risks being wasted or lost to other regions of the country.
- ***Priority 5: Pioneer Innovation in Core Strengths*** – this priority emphasises the importance of supporting innovative and growth-oriented SMEs, digital clusters and the region's technology economy. It is difficult to deliver this unless the digital infrastructure is in place to support it. Whilst some businesses may have access to the latest digital technology, this is not yet the case for all the region's businesses. This project will extend this from its current focus in and around Brighton. Improving digital connectivity is essential to creating the *"conditions for innovation to continue to flourish"* and this project makes a significant contribution towards doing this by developing the infrastructure that will ultimately enable 5G connectivity.
- ***Priority 6: Promote Better Transport and Mobility*** – this project supports this priority indirectly by improving the region's digital infrastructure, potentially reducing unnecessary car journeys, enabling people to access services and

undertake business remotely, and supporting zero-emission led growth. This will also support infrastructure provision for autonomous vehicles.

- ***Priority 8: Building a Strong National and International Profile*** – having the best and most efficient digital infrastructure is a pre-requisite for delivering this priority. The Government states in its Industrial Strategy that better and more efficient digital technology will improve opportunities for international trade. This improved connectivity makes the region more attractive as a proposition from an inward investment perspective.

1.4) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet. A Matched funding contribution of at least 50% is required (percentage of the total project costs). (Please name the source of match funding). **(Please name the source of match funding).**

	Amount	**% of Total Cost**
Total Project Cost	**£4200000**	**100%**
Applicant own funds	**£1600000**	**38%**
Other public funds	**£600000 DCMS**	**14%**
Private sector funds	**£0**	**0%**
Funding requested from Coast to Capital LEP*	**£2000000**	**48%**

*Funding requested from Coast to Capital must be more than £500,000 but cannot exceed £2,000,000.

1.5) Expected tangible core outputs/outcomes: Please also complete the outputs tab of the supporting spreadsheet – add or delete where appropriate. - see appendix 1.5.
*Applicants should add in outputs that link directly with the SEP priority they are applying for.

Output/outcome	**Metric**	**Number to be delivered**
Employment- created and/or safeguarded	No.	863 created and 449 safeguarded
Employment unlocked	No.	0
Businesses assisted- financial and non- financial	No.	3758
Skills- new apprentices	No.	0
Skills – Training for high value skill	No.	0
New housing unit completions	Units	0
New housing unlocked	Units	0
New floor space constructed/Refurbished-	Sqm	0
Commercial floor space unlocked	Sqm	0
GVA impact - based on jobs created/safeguarded	Value (£)	£70.7m
Network build impacts	Value (£)	£1.8m
Business Productivity Impacts – Existing Businesses	Value (£)	£1.9m
Innovation Impacts – Existing Businesses	Value (£)	£2.0m
Flexible Working Impacts – Existing Businesses	Value (£)	£1.8m
GVA Impact (based on 1000m buffer in medium term)	Value (£)	£78.1m
Households given the opportunity to access the network	No.	37,500

Financial Figures have been rounded to the closest £100k.

It is important to recognise that this project is about building the essential infrastructure that will enable digital operators to invest in new networks that will improve digital connectivity for businesses and residents along the proposed spine in both urban and rural areas. The wider outcomes are considered in terms of proximity to the spine at "buffers" of 1000m in the first instance, with the expectation that further impact will be extended in a "daisy chain " effect out from the last point to which the "build out" from the spine occurs

at a point in time. It could therefore be envisaged that the entire area could benefit over time as it is further unlocked by other initiatives in proximity. It should also be noted that in urban areas where density of premises is high, the 1000m buffer will not be a limiting factor as a supplier would look at cost of deployment versus premises that could take up a service. As such, this is an enabling project and the benefits will be delivered through productivity and business innovation improvements, greater opportunities for flexible working, and new business start-ups as outlined below in more detail.

The outputs and outcomes have been worked up using a mix of two key approaches namely:

- The 2018 "Economic Impact of Full Fibre Infrastructure in 100 UK Towns and Cities report" (aka the Regeneris report) outlining the economic benefits of full fibre in towns and cities. This report is largely urban focussed and provides a methodology that has been applied to calculate financial value from the project.
- The June 2019 "Superfast Cornwall Project Evaluation Project report" (aka the Cornwall report), detailing the economic, social and environmental benefits of 'superfast' broadband roll out in the county. This report provides a methodology to estimate the number of net jobs created and the number of businesses assisted and the GVA impacts associated with these. While this report is based on the "superfast" project, it is relevant not only because the Cornwall project has focused on Full Fibre to achieve its outcomes, but also because the behaviours associated with the "speed jump" to superfast are comparable, albeit conservative, when applied to the step change in technology that full fibre can unlock (i.e. not just the next "speed jump").

The approach used in the CFC Project Expression Of Interest considered the "Regeneris" report primarily. This approach has now been more fully developed by also using the "Cornwall" report. This hybrid approach allows us to show the impact in both urban and rural economies within the project scope; the outputs focused on jobs, and business resilience and growth; the outputs focused on productivity that align with the Coast 2 Capital SEP.

Immediate impacts (1000m buffer)

The CFC project will create the conditions to realise the outcomes outlined in this business case as a result of commercialisation. The estimates of the number of net jobs created and the number of businesses assisted and the GVA impacts associated with these are based on methodologies and impacts in the Cornwall report.

Jobs Created

We estimate that, in our central case, the project will create 108 direct jobs. There are 719 businesses that are located within the 1000m buffer of the spine that are likely to benefit most from the project. Businesses in the Superfast Cornwall project (aka Cornwall project) have created an average of 0.82 jobs each since the commencement of the project and 0.18 of these they attribute directly to a step change in connectivity. Based on these formulae, we could expect businesses benefitting from the CFCP to create an additional 597 jobs, 108 of which would be directly attributable to better connectivity.

Jobs Safeguarded

The project is expected to safeguard existing jobs. Businesses benefitting from the Cornwall project reported that, on average, 0.62 jobs per connected business were safeguarded as a result of better connectivity. If this is applied to the CFC Project, this would result in 449 jobs being safeguarded within the 1000m buffer of the spine.

New Start Up Businesses

The project is also expected to result in an increase in the number of home-based start-

ups. The Cornwall report found that new businesses were started 0.09 of all households that benefited from improved connectivity. Applying this to our central case would result in 3372 additional business start-ups (the start-up data is based on a household survey, and whilst the figures may seem generous we are assuming they include the full range of `start-up` activity, including small scale on-line buying and selling). This is in addition to the 719 businesses located within the 1000m buffer zone that will be assisted by the project.

New Jobs in Start Ups
The Cornwall report found that 0.02 new jobs were created in newly connected households. There are 37464 homes within the 1000m buffer from the Spine. This means that we could expect there to be an additional 755 FTE jobs in these households as a result of better digital connectivity.

GVA Impact from Additional Jobs
The Cornwall report estimates the economic impact by multiplying the GVA per job in Cornwall by the number of additional (108) and safeguarded (449) FTE jobs and the number of FTE jobs in newly connected households (755) that the project has created. If we apply the same approach to the CFCP (using GVA per job in north east West Sussex NUTS 3 area) the total economic benefits could be expected to be £70.7m.

Network Build Impacts
The Regeneris report found that, on average, the economic impact of Network Build equated to £2,461 per business. When this is multiplied by the 719 businesses within the 1000m buffer, the economic impact is £1.8m.

Business Productivity
The same Regeneris report found that the impact of full fibre connectivity on business productivity equated to £2,623 per business. When this is applied to the 719 businesses within the 1000m buffer the economic impact on business productivity is £1.9m.

Innovation
The Regeneris report found that the impact of full fibre connectivity on business innovation equated to £2,813 per business. When this is applied to the 719 businesses within the 1000m buffer the economic impact on business productivity is £2.0m.

Flexible Working
The same Regeneris report found that the impact of full fibre connectivity on business flexible working equated to £2,461 per business. When this is applied to the 719 businesses within the 1000m buffer the economic impact on business productivity is £1.8m.

***Wider Impacts* (1000m buffer)**

In addition to these impacts, businesses will be eligible to access Government Gigabit Vouchers - £3,500 for rural businesses and £2,500 for businesses in built up areas - to enable them to access the fibre network. If all businesses in the 1000 metre were to access these vouchers, this would be worth between £1.8m and £2.1m to the local economy.

1.6) Main risks and issues the project will need to manage? Explain contingency plans to ensure full draw down of funding if ultimately awarded. **Please also submit a full risk register as an annex to this document**

The 2 key main risks below relate to the timely delivery of the spine itself given that the project is a large-scale engineering project:

1. Given the volume of fibre delivery work in the area at present, there is a risk that

there will be insufficient available contractor resources in order to deliver the work to schedule. There is a national shortage of skilled workers in this industry. This may be exacerbated by BREXIT. This is mitigated by using the SCAPE procurement framework which enables access to a very broad supply chain with significant social value.

2. Access to highways will be a risk to delivery which will be mitigated by early engagement with Highways and Streetworks teams to ensure effective coordination of any road space and traffic management. A dig once approach will also be adopted to minimise the risk by sharing road space.

In terms of contingency plans to ensure full draw down of funding if ultimately awarded, the authority:

- Would first seek to draw down the LGF funds ahead of any match funding spend as set out in our proposed spend profile
- Consider with the LEP the option to use funding flexibilities across authority's capital programme, in the very unlikely event that a proportion of LGF funding cannot be drawn down.

2. Strategic Case

2.1) Describe the compelling case for change.

The Case for Change

The Coast to Capital region's economic growth has been in "*continued decline and is not recovering from the economic crisis like some comparable LEP areas*". Low productivity, which peaked in 1999, is identified as a key contributor to the region's economic growth. This picture contrasts hugely with the LEP's ambitions for the Coast to Capital region to become the *"most dynamic non-city region in the UK"*, based on international trade and technological innovation.

The region faces a challenge to ensure that it remains an attractive and desirable investment destination, particularly within the context of the greater transport connectivity that projects such as HS2 will bring to other areas. In short, the region will be less able to rely on its physical proximity to London and other markets and will need to develop its attractiveness to investors and businesses in other ways, notably by ensuring that it is amongst the best digitally connected regions in England and London itself.

However, the SEP argues can you that the region's digital infrastructure is currently at an *"uncertain phase of its development"* and that the quality of the infrastructure *"remains inconsistent",* with ultra-fast broadband *"only accessible to premises in limited parts of the Coast to Capital area"* and the region's business infrastructure *"has failed to keep pace with the growing expectations of investors and businesses".*

The LEP's bold ambition can only be delivered if the right digital infrastructure is in place to enable businesses to grow and compete internationally, for employees to work more productively, so that the region can compete with the best as an attractive investment location.

The Coast to Capital LEP's SEP identifies West Sussex as having some of the region's *"most striking opportunities for growth and investment"*, but its digital infrastructure is not currently good enough to enable these opportunities to be fully realised. The geography of West Sussex provides us with both challenges and opportunities across both rural and

urban areas and West Sussex County Council and all 7 District and Borough Councils in West Sussex are committed to improving digital connectivity as a priority. All 8 West Sussex Councils formed a partnership in 2018 to work together on delivering a future ready, pervasive and high-quality digital infrastructure and subsequently won funding in wave 1 and wave 2 of the Local Full Fibre Networks (LFFN) Challenge Fund. Building on these achievements, the councils of West Sussex are developing a Digital Infrastructure Strategy that will create new initiatives to deliver a high capacity, future ready and sustainable connectivity infrastructure across the region.

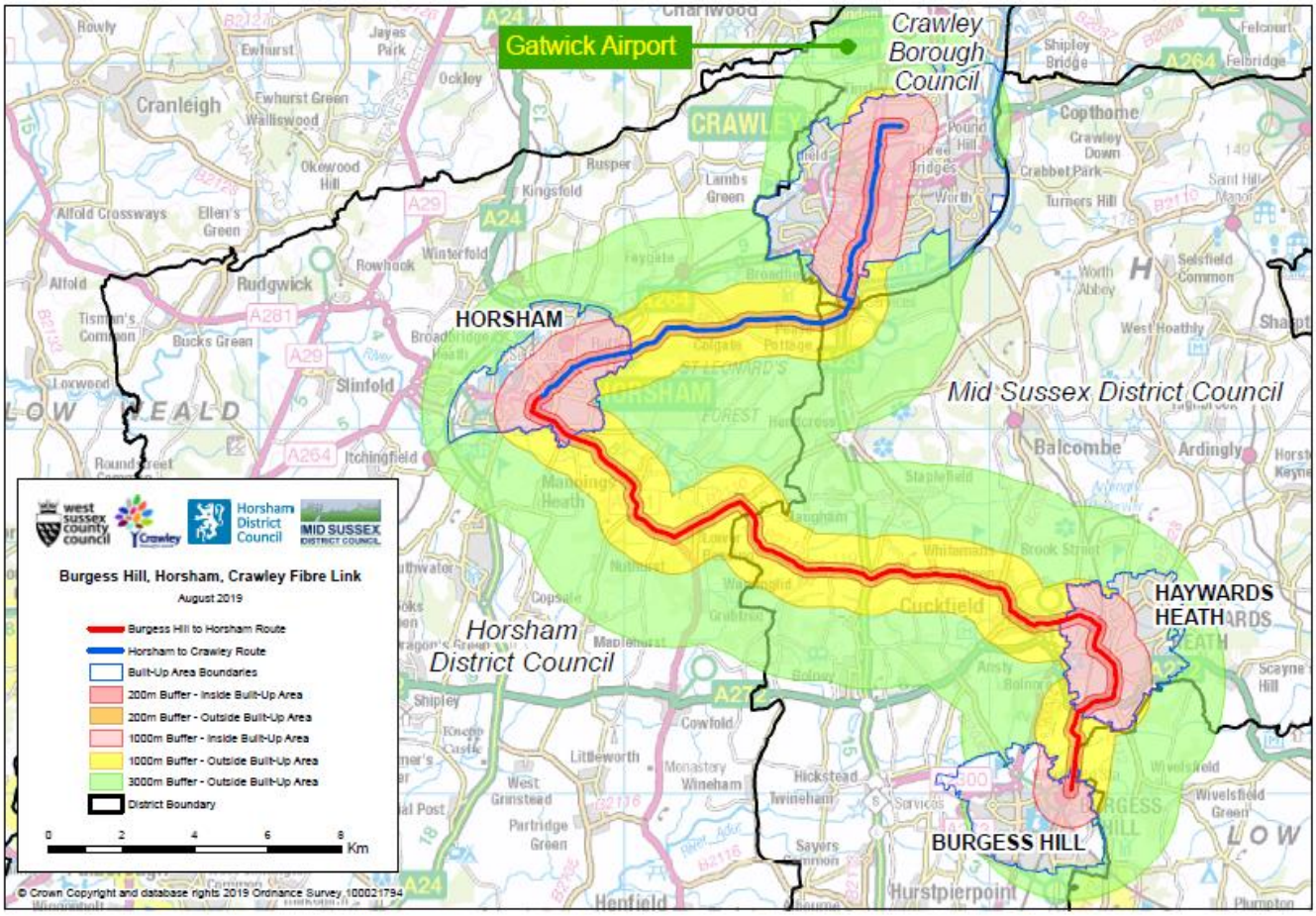
How this Project will address these issues

This project will connect major urban centres and rural areas in the north east of the county that form part of the growth corridor between London and Brighton. It will support urban business' need for connectivity to compete nationally, globally and address the risk of rural businesses risk missing out on growth opportunities as a result of poor digital connectivity. It will also attract new business investment and higher value jobs growth.

This project will extend access to fibre connectivity within a key economic growth hub from the existing Burgess Hill Fibre Exchange through Haywards Heath, Horsham and Crawley, including Manor Royal Business District, by re-using this public sector asset at market rates. This will provide greater opportunities for businesses and residents to access high speed digital connectivity and be a key enabler to addressing challenges of business productivity; digital transformation and digital skills; the future of our urban centres; sustaining and unlocking commercial floor space; and carbon and congestion reduction.

The route is based on a number of criteria, however there is flexibility to optimise it as strategic development sites are identified within the sub region. For example, if there is an opportunity to strengthen the connectivity of major new regeneration sites coming forward along the corridor between Brighton / Burgess Hill, Horsham and Crawley, including Manor Royal. This will form part of the detailed design phase within the SCAPE contract agreement.

The proposed route can be viewed in detail here: https://shared.xmap.cloud?map=6d42c7d4-e4d4-4937-95fd-ff541b0e2980



The project will stimulate investment in full fibre across the region and a 'converged' network will enable a 'step change' maximising opportunities for future. New fast, affordable, Internet and point-to-point services will encourage local businesses and public sector agencies to invest in digital.

It will also provide a test bed for rural telecommunications implementation, developing a new access network to reach rural homes and businesses, where connectivity is currently either non-existent or slow. The project will allow us to develop an approach with suppliers that commercialises new access network to reach rural homes and businesses. Our aim is to expand both the availability of gigabit-capable full fibre services from suppliers (including where there is no or slow existing rural broadband provision) and to provide extra choice for more consumers by attracting commercial investment to build 'access networks' to connect individual premises to new full fibre infrastructure. This early test bed will help us to develop the most commercially attractive offer for the market's consideration as well as to pilot potential technology solutions along previously rural routes that have lacked commercial viability.

This project will also help us to unlock the potential of the Government's rural and business connection voucher schemes, both of which require accessible backhaul to be available for suppliers in order for them to build publicly-subsidised access network to reach previously unconnected premises (either providing a 'superfast' or gigabit-capable broadband service). To assist commercial investors understand demand for services in West Sussex, the project will also test how to aggregate clusters of qualifying rural and business premises effectively in order to build a strong case of demand from potential customers. We will also explore methods of engaging public interest in the voucher schemes in order to build new services and present the case for the market's investment.

Where is the gap?

The current fibre deployment models are funded through private equity capital, funding

provided by the DCMS through National Productivity Infrastructure fund, and development contribution. There is currently a funding gap to enable the interconnectivity between these networks to be completed.

We have considered other funding streams for the CFCP. This includes the DCMS using the Wave 3 Challenge Fund for rural connectivity programme; Gigabit Vouchers with local communities building individual scaffold networks that create an aggregated spine; and additionality through commercialisation of the BHFX network through the CNI (Cooperative Network Infrastructure). All these options are not considered realistic as the delivery benefits would be achieved at a much later date. Discussions with DCMS have highlighted that Wave 3 will be targeted in areas of poor rural connectivity, with access networks already served by fibre spine and backhaul network. Accessible infrastructure will be a pre-requisite of leveraging this funding (e.g. gigabit vouchers and public sector building upgrade funding).

Working together in the partnership, all the West Sussex Councils we have been successful in securing a Retained Business Rates Pilot Scheme for 2019/20 with MHCLG to support our collective digital ambitions. The pilot will invest the additional 25% of retained business rates growth to facilitate and expand further investments in digital connectivity across the area supporting the county's emerging digital infrastructure strategy. This is currently estimated at circa £19m although this can only be confirmed at the end of the year. The West Sussex Full Fibre Programme Board was set up to provide the governance for these funds and other potential funding streams for investment in four priority areas;

- stimulating the densification of the network within and between key towns and cities (increasing the availability of optical fibre);
- enabling the extension of the network into rural areas;
- supporting new models of delivery; and
- significantly accelerating readiness to Internet of Things and 5G investments.

It is acknowledged by the WSFF Programme Board that the current funding earmarked will not be enough to achieve all the ambitions for the county across all of the strands of work and it is over-subscribed. Therefore the WSFF Programme Board is committed to securing match funding across potential new funding streams, and has fully endorsed the CFC project.

If LGF is not provided, the benefits for digital connectivity will be significantly compromised across one of the key economic hubs in the Coast to Capital region, limiting the number of commercial digital operators prepared to invest in new networks. Individual networks may add some value in the immediate locality, but these are unlikely to be gigabit and the value in harnessing connected technologies and digital clusters will be lost. This includes losing the ability to create a 5G ready infrastructure with masts and transit duct networks remaining largely unconnected; and limiting the number of suppliers who will see the region as an attractive place to invest and extend their existing networks, including Virgin, Openreach, City Fibre, SSE.

2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes.

The objective is, that by allowing telecoms players to use our duct network at market rate to access full fibre which is a public sector asset, also used for our own requirements, this lowers the barrier to market for telecoms players to commercially invest in the area, allowing them to build out from the spine that is already in situ to the benefit of businesses and households.

The investment objectives to achieve the outcomes are to:

- Connect public sector assets to high quality, high capacity infrastructure that will allow Councils to deliver future ready public services
- Accelerate commercial roll outs of FTTH in Horsham, Crawley and Manor Royal that connects every residential and business premises within 1-2 years of the spine build
- Provide access networks leading to full fibre solutions being built out to smaller towns within 1000m of the spine, some of which will be designed in alignment with spine construction
- Further access being built out from initial access networks re-using the same fibre and extending it with DCMS gigabit vouchers to SMEs, leveraging the Inside/Out model when funding is released by DCMS.

We would expect to see the outcomes linked to commercialisation of the spine from between 6 months (for residential) and 1 year (for businesses) from the time that services for faster speeds are taken up by customers, following the build out of access network and increasing over a number of years as demand for gigabit services increase.

In addition, it is widely understood that the emerging 5G market is reliant on full fibre connectivity to primary and secondary mast sites as well as within premises where the technology will be used. The objective is to accelerate the plans that mobile network operators have to fibre up mast sites in the area by attracting them with a low capital investment fibre deployment option through using the spine.

The outcomes attributed to the use of new technologies such as 5G, IOT (smart homes and smart energy) and Industry 4.0 are difficult to fully quantify but a 2017 report (by the Future Communications Challenge Group) suggested that 5G investment could deliver £173bn in UK GDP growth between 2020 and 2030. The European commission, in 2016, expected its member countries to generate €113bn socio-economic benefits annually from 5G by 2025. When we add in Smart Energy, Smart Transport and Smart homes (IOT) opportunities then the benefits would be even greater.

2.3) Stakeholder Engagement carried out.

We have engaged with key contacts and representative business groups as part of our usual practice of stakeholder management to support delivery of the county's digital ambitions.

The West Sussex Full Fibre Programme Board is a key stakeholder in the project under whose governance it will fall. The Programme Board meeting in May 2019 recommended the LGF Expression of Interest be taken forward under the WSFF programme and will match fund the CFCP via the retained business rates pool. Members of the WSFF Programme Board are Lee Harris, WSCC Director of Place Services (chair); Glen Chipp, HDC Chief Executive (rural strand SRO); Kathryn Hall, MSDC Chief Executive (north/south growth corridor strand SRO); Alex Bailey, Adur and Worthing Chief Executive (coastal strand SRO); Paul Brewer, Adur and Worthing Digital Lead; Joe Mildred, CDC Digital Lead; Jane Eaton, HDC Digital Lead; Simon Hughes, MSDC Digital Lead; Sarah Bazen, WSCC Digital Infrastructure Manager; Jo Furber, WSCC Digital Relationship Manager.

We have discussed with the lead officers of each local area partnership (Gatwick Diamond, Rural West Sussex and Coastal West Sussex) our ambition to build countywide resilience using new publicly-funded and owned broadband infrastructure and explored the potential benefits for SMEs. They are supportive of our plans.

Working with Economic Development leads at Crawley and Horsham Councils, we have highlighted how building accessible backhaul could benefit rural SMEs, flexible working and homeworking, as well as new gigabit-capable fibre broadband connection opportunities for business parks including Manor Royal.

We have also involved potential local suppliers as the approach to fibre delivery is intended to support the Government's aspirations from its Future Telecoms Infrastructure review (July 2018) and support market entry and expansion by alternative network operators. The approach to design, construction and commercialisation of the asset supports opportunities for smaller and more innovative players to take part and to contribute to the service value chain it creates. Local businesses are supportive of this opportunity to innovate and capture more of the value chain associated with the construction and operation of this fibre asset.

We have specifically promoted the government's connection vouchers opportunity with SME and rural representative groups by meeting appropriate networks and making use of their varying communications channels to reach individual businesses.

2.4) List the key stakeholders and their interest areas.

Stakeholder	Interest Areas
West Sussex CC	Lead authority of the WSFF Programme Board and the Lead delivery organisation for the CFC project
Mid Sussex DC	Senior Responsible Officer of the North/South Growth Corridor strand within the WSFF Programme and contracting body for the SCAPE contract and member of the CNI who will manage the asset. Benefit owner for commercialisation within the district.
Horsham DC	Senior Responsible Officer of the Rural strand within the WSFF Programme and benefit owner for commercialisation within the district.
Crawley BC	Senior Responsible Officer of the North/South Growth Corridor strand with the WSFF Programme and benefit owner for commercialisation within the borough.
Gatwick Diamond Initiative	Gatwick Diamond Initiative is a business-led public/private Area Partnership committed to working with West Sussex County Council and partners to ensure the CFCP is fully maximised to achieve the economic ambitions of the area.
Rural West Sussex Partnership	Area Partnership committed to working with West Sussex County Council and partners to ensure the CFCP is fully maximised within our rural towns, businesses and communities.
Wired Sussex	Representative body fully supportive of project which aligns with Wired Sussex's strategy for digital infrastructure in the region developed with business stakeholders.
Manor Royal Business District Ltd	Key stakeholder committed to working with us to ensure Manor Royal Business District is "future ready" in terms of expectations for ultrafast, fibre-based broadband connectivity to become an "Ultrafast Business Park".

2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

1. The lack of coverage in some areas of high-quality Broadband and mobile connectivity reported by users will continue to be a subject of vocal and high public and political scrutiny. There is a strategic communications risk to the project that it will be perceived by the public and politicians as delivering the expectation newly set by the government that full fibre will be equably available in all areas at an accelerated rate. This is not the case and will be mitigated by clear communication to all stakeholders of the parameters of the project's delivery and supported with public messaging where required.

2. Linked to risk 1, the rate of commercialisation is a key success factor for the project. This is the wider outcome that we hope to achieve. The commercialisation will be led by the Co-operative but will be linked to market interest in the area. It is hoped that the spine, by its very nature, will lower the barrier to entry for all interested parties, however the Project and the wider WSFF Programme will also work to encourage commercialisation, particularly within rural communities and by continuing to engage with all interested telecoms stakeholders.

3. The true GVA and productivity increases will be realised once "end users" (businesses, public sector services users, residential premises) have taken up a service and are using it within their own context. This "take up rate" is not easily forecastable as different users will adopt services in their own time and the market for gigabit services and other enabling technologies is still immature. However, there is enough evidence that demonstrates the gains that can be made once a region has good quality connectivity and this project will enable the infrastructure to be ready ahead of demand. The project will also align with the WSFF Programme to oversee a strand of work within Local Authority Economic Development teams to promote digital participation that supports SMEs in particular, and opportunities to work with the LEP to promote a culture of digital transformation and digital skills will be sought, including through the work of the Employment and Skills Board.

2.6) Project Dependencies

1. The spine route linking Burgess Hill to Crawley and Manor Royal is a further piece (the northern section) in the shared regional connectivity aspirations that would see Crawley linked to Brighton. The southern section linking Burgess Hill to Brighton is already subject to a separate initiative led by Mid-Sussex District Council that will include Brighton's Fibre ring. The initiatives are linked together via the governance structure and while mutually beneficial, are not hard dependencies. Taken together, these projects provide the opportunity to scale the investments already made along the route by the Government, LEP and local authorities in economic development initiatives. For example, the Brighton Digital Exchange (mirroring the set-up of the London Internet Exchange), Digital Catapult, Homes England investment in housing and employment space in Burgess Hill as part of the Northern Arc, the redevelopment of the former Novartis site in Horsham, the STEM centre and planned innovation centre at Crawley College, and the regeneration of Crawley town centre.

2. The delivery approach proposed is to build on the Burgess Hill Fibre Exchange project and use the SCAPE framework to align the two projects in terms of technical specification,

timescales and commercials. This will allow the CFC project to benefit from the work already undertaken on the BHFX project and potentially realise efficiencies (financial and wider benefits) through extending the call off to cover the CFC Project. If this is not possible, there is the potential for a new call off to deliver the CFC project as a standalone project still benefitting from the Intellectual Property and design work delivered though the BHFX project.

3. There is a dependency on commercial suppliers to use the spine to commercialise adjacent areas by providing access networks through their own commercial investment and/or in conjunction with other funding e.g. Gigabit vouchers or central government future funding. This will be undertaken by the CNI alongside the relevant district and borough councils. This is key to unlocking wider economic impacts.

2.7) Project disruption

West Sussex Councils have proactively adopted a 'dig once' approach whereby we identify if any civil digging is planned in an area, we bring stakeholders together to agree if the same trench can be used for multiple purposes. An example might be, that spare ducting that can hold fibre is installed while a trench is being dug for another purpose e.g. to install electric vehicle charging points. This allows some cost savings in some instances and can significantly reduce timescales due to sharing road space slots but it also minimises traffic disruption,

The WSCC project team will facilitate early engagement with highways and streetworks teams to ensure effective coordination of any road space and traffic management.

There is the potential for vocal complaint about the route of the proposed technology, either in relation to physical disruption described above or regarding concerns about the safety of any future technologies.

Mitigating actions will include local engagement with key stakeholders in communities where digging is required and wider communication with the public where necessary to explain the benefits of the project and to share national guidance around emerging future technology. Joint working with other authorities will inform thinking around lines to take to ensure consistency.

West Sussex County Council's own decision process will both guide the project's approval and authorise the route to be taken and built.

3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.5)
Do nothing, minimum or status quo	A fibre spine is not built and the digital infrastructure between Burgess Hill and Crawley remains the same until the market shows interest which will be at a later stage for more commercially viable areas and not without further funding for non-viable areas.	**Nil**	**Nil**	**Nil**
Proposed option	A 41.2 km fibre spine is laid along a route from the Burgess Hill Fibre Exchange through Horsham to Crawley, including Manor Royal. Outputs are likely to be achieved in the short term to 200m, and in the medium term to 1000m of the spine.	£4,200,000	£2,000,000	127 public sector buildings fully connected to the network 719 businesses located within 1,000 metres of the proposed fibre spine given opportunity to access the network 37,464 households within 1,000m of the proposed fibre-spine given the opportunity to access the network Suitable infrastructure in place to attract commercial suppliers to invest in extending networks Resilient connectivity with Brighton Digital Exchange
Alternative options:	A 25.8 km fibre spine is laid along a route from Burgess Hill Fibre Exchange but ends at the periphery of Horsham	£2,630,000	£1,250,000	28 public sector buildings fully connected to the network 76 businesses located within 1,000 metres of the proposed fibre spine given opportunity to access the network 12,309 households within 1,000 of the proposed fibre-spine given the opportunity to access the network

				Suitable infrastructure in place to attract commercial suppliers to invest in extending networks Resilient connectivity with Brighton Digital Exchange

Option Name:	Advantages:	Disadvantages:
Do nothing, minimum or status quo	No investment costs	No enhancements to digital connectivity until the more commercially attractive areas have been addressed (prioritised on a national level). Missed opportunity to accelerate improved digital connections in Manor Royal, Horsham, Crawley and rural areas as well as resilient connectivity between the Brighton Digital Exchange and Crawley. Area remains unattractive to commercial digital operators Missed opportunity to create 5G ready digital infrastructure West Sussex economy will fall behind other connected areas
Proposed option	Acceleration of Commercial roll out of FTTH in Horsham, Crawley and Manor Royal that connects every residential and business premises and sets a foundation for a future smart town and city including the new business and residential developments proposed in the growth arc north of Horsham reaching north west of Crawley (A264) Acceleration of access networks leading to full fibre solutions being built out to smaller towns within 1000m of the spine Further access being built out from initial access networks re-using the same fibre and extending it with DCMS gigabit vouchers to	

	SMEs	
Alternative options:	Lower capital costs than preferred options	Limited market choice in Horsham and Crawley. Reduced digital connectivity across the area and significantly lower level of benefit Less attractive to commercial suppliers. Limited opportunity to develop digital clusters Resilient connectivity between Crawley and Brighton will not be accelerated, unlocking more regional opportunities

3.2) The preferred option

The preferred option is to build a duct spine and make these available through a cooperative alliance which offers the passive infrastructure as a wholesale open access product. Multiple service providers are then able to use the infrastructure to develop their own products and services.

The preferred option will allow Horsham, Crawley, including Manor Royal to benefit from the spine by increasing backhaul options for potential FTTH network builders and allowing the whole urban area to be part of a single commercial business case. A commercial roll out of full fibre to this whole area would be of significant impact. The impact on Manor Royal business park alone would allow it to go from a superfast park to one in which gigabit connectivity is ubiquitous.

The proposed route is based on a number of criteria, however there is flexibility to optimise it as strategic development sites are identified within the sub region. For example, if there is an opportunity to strengthen the connectivity of major new regeneration sites coming forward along the corridor between Brighton / Burgess Hill, Horsham and Crawley, including Manor Royal. This will form part of the detailed design phase within the SCAPE contract agreement.

One such consideration could be to seek to optimise the "link" between Horsham and Crawley to extend its reach into this growth corridor; this would be done within the funding envelope.

The preferred option will also open rural areas firstly via build out from access points and then more widely by daisy chaining out further to harder to reach areas.

The preferred option will also link Brighton to Crawley by building on the Burgess Hill fibre Exchange.

The delivery model proposed is a model that is supported by DCMS under the LFFN programme. The approach has been pilot funded by DCMS in Tameside, Blackpool and Burgess Hill. The latter involved Mid Sussex being awarded wave 2 LFFN funding. The Tameside programme is complete, while the Blackpool and Burgess Hill programmes are underway. Extending the existing model out from Burgess Hill up through Horsham and Crawley will allow a truly open access opportunity that can accelerate inward investment from market players.

By building on the wave 2 Burgess Hill fibre ring co-operative, the CFC project can benefit

from the design and procurement work-strands of the in-flight project, sharing learning, methodology and procurement approach, thereby reducing delivery timescales and project risk.

3.3) Issues with preferred option.

While there are no issues that will prevent the option proceeding there are milestones within the project that will influence aspects of delivery of the option.

For example, the SCAPE framework requires a detailed design stage which will identify a target cost. This cost will be dependent on the route which in turn has been modelled to ensure commercialisation opportunities and proximity to public sites. This detailed work is dependent on agreement between the local authority partners and on interfaces with the West Gigabit Framework. To mitigate this risk work has been completed on route mapping that includes premises passed and likely developable sites in the public authority areas.

3.4) What are the top 5 risks of this option?

The top 5 risks are:

Risk	Summary description and mitigation
1. Commercialisation of the open-access duct network is not as anticipated	Business Case and design does not sufficiently consider business models within the market or meet outline requirements of the Governments Outside-In Programme. The wider WSFF Programme will continuously assess need and demand as the fixed fibre and mobile markets develop. Additionally, market engagement as an ongoing process is being facilitated through the Brighton Digital Exchange, the Cooperative Network Infrastructure (CNI) and Independent Networks Co-operative Association (INCA)
2. Use of SCAPE and Crown commercial services (CCS) Frameworks create additional complications in management and establishing Target Price	Our initial assessment included risks around the complexity of the commercial model and the market appetite for the provision. However, in aggregating the programme, these are much reduced as the models have been successfully implemented elsewhere, particularly in Tameside and Blackpool Too many organisations involved in delivery and reliant on established framework structure which requires extensive redesign. The SCAPE framework is an established procurement route. The target price model allows a process of 'betterment' which will include alternative route options and using cheaper dig options.
3. Risk of project being perceived as state aid by market operators.	The project has been assessed and confirmed to be state aid neutral and will continue to seek legal advice to ensure that

	the approach remains state aid compliant.
4. The programme may suffer from congestion due to additional works on the Highways network.	There are other projects running concurrently on the Highways network. WSCC is adopting a 'Dig Once' approach. The Streetworks and Highways Team will work together to ensure the delivery timeline and that the project takes advantage of dig once opportunities.
5. Increased risk of costs due to supply-chain problems, due to BREXIT.	Incorporate cost increase through target price and contingency in Scape framework. This is a small part of the overall cost, so the risk is low.

Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. Please also complete the outputs tab of the supporting excel spreadsheet.

3.5) Economic impact

The CFC project will have significant quantitative and qualitative impacts, based on evidence of evaluations of the impact of full fibre connectivity from elsewhere. As indicated in Section 1.5 of this application, we estimate the core quantitative economic impacts to be as follows:

- GVA Impact: £78.1m
- Jobs created in existing companies: 108
- Jobs created in new start-ups 755
- Jobs safeguarded in existing companies 449
- Businesses assisted 719
- New start-ups created 3372

Note: these estimates are based on findings from the Superfast Cornwall Project Evaluation Report which found that 0.09 businesses were created in newly connected households. This is likely to cover a wide range of business/trading activity, probably including a significant amount of small-scale on-line business activity.

The Regeneris report found that, across the fifty UK cities, there were significant employment and economic impacts associated with Network Build, Business Productivity, Innovation, Flexible Working, as set out in section 1.5. We have assessed the impact the project will have on these as (which are included in the GVA impact estimate, above):

- Network Build £1.8m
- Business Productivity £1.9m
- Innovation £2.0m
- Flexible Working £1.8m

In addition, the report found that access to a step change in digital connectivity resulted in increased land values and housing wealth. Over the longer term, having the right digital architecture in place delivers other wider benefits in terms of reduced traffic congestion and lower energy use; enhanced manufacturing productivity and health care cost savings. The Cornwall Report found that access to improved broadband had the following economic impacts for businesses:

- Significant time saving
- Improved productivity

- Increase in turnover and sales, including more international trade
- Better retention of staff
- More remote and flexible working
- Reductions in journey times.

We would expect the same types of impacts to occur as a result of CFCP, resulting in improved GVA and more and better employment opportunities, particularly in rural areas, as set out above.

3.6) Environmental Impact

Infrastructure will be largely unseen as it will be underground. Access points will be visible in the form of cabinets or underground chambers with manhole type coverings in the first instance. Further commercialisation will see further street furniture as would be expected in any commercial roll out of digital infrastructure. WSCC has a long history of these types of roll outs having delivered fibre broadband to more than 60,000 premises which otherwise would not have benefited from any commercial roll out. In doing so, the operating team has established effective links within the authority, the planning authorities, representative councils and the broader community to manage and minimise interim disruption.

Full fibre connectivity will unlock the potential for more of the population to work or run a business from home, reducing the number of commuters entering cities each day and having a positive impact on the number of cars on the roads and reducing pressure on public transport.

A study carried out for Ofcom by WIK-Consult in 2018 concluded that 'ultrafast' broadband (e.g. broadband at speeds of over 100mbps) is associated with two main environmental benefits. Firstly, the increased use of telecommuting contributes to reductions in pollution. In addition, the technologies used to provide broadband over FTTP are more efficient than those used for copper and cable networks, and therefore lead to reduced emissions for similar bandwidths.

SQW 2013 UK Broadband Impact Study report estimated that faster broadband will lead to a reduction in the UK's annual commuting distance of about 2.3 billion kms by 2024, predominantly in car use. This is about 2% of the current total annual UK commuting distance. Annual net carbon dioxide equivalent (CO2e) savings from increased teleworking, attributable to faster broadband, are estimated to be 0.24 million tonnes by 2024.

Users with faster broadband also tend to make more use of teleworking which can in turn create significant environmental benefits through reduced commuting. Further environmental benefits can be derived from the fact that FTTP is associated with lower energy requirements than copper and cable technologies (SQW).

It was estimated that increased broadband use will lead to a reduction in the UK's annual commuting distance of about 2.3billion kms by 2024, predominantly in car use. In 2013 this was about 2% of the then current total annual UK commuting distance. Annual net carbon dioxide equivalent (CO2e) savings from increased teleworking, attributable to faster broadband, were estimated to be 0.24 million tonnes by 2024. Adding to that the CO2e savings from the changes in business travel and server emissions, SQW (2013) estimated the total net carbon savings from faster broadband to be 1.6 million tonnes of CO2e per annum by 2024 (Figure 3-2) which equates to a value of about £100 million. The Cornwall report suggested an average weekly saving of 134 commuter miles per

homeworker.

Full fibre is also a pre-requisite for future Artificial intelligence, IOT and 5G technologies which have already developed environmental use cases requiring massive data capture, transfer and analysis for environmental monitoring, predicting, alerting uses.

3.7) Social Impact

Better connectivity means our residents can be better connected at home, at work and on the move. For workers this means opportunities and freedoms to make work/life choices and for our county it means we are better able to attract and retain skilled and talented workers.

Our schoolchildren will be empowered with the skills they need for the jobs of the future, ensuring we have a sustainable employment base as well as enabling today's entrepreneurs to build the businesses of tomorrow. By providing access to new skills and learning we can offer our residents a better quality of life, and potential employment opportunities.

To realise the full benefits we need to ensure that the digital culture of our county is one of digital inclusion. There is a danger that if we do not find ways of engaging digitally disenfranchised groups and individuals we will exacerbate, or even create, a digital divide. Digital skills and learning must be fully enabled and targeted at users in meaningful ways. Above all, we want to care for our residents in a smart, digital environment.

The project will also improve opportunities for delivering educational outcomes by enabling people who cannot currently access on-line content to do so and by supporting Haywards Heath and Crawley Colleges and ensuring that STEM and planned Innovation Centre have access to high speed connectivity.

Widening access to a step change in connectivity will also enable people to work more flexibly (as demonstrated in both the Regeneris and Cornwall reports). This project will, therefore, enable people who are less mobile for social or physical reasons to access and retain work more easily than would otherwise be the case.

A key challenge that this project aims to address is improving digital access to people in rural areas – indeed, this is much of the focus of this project, which will provide a roll-out of a wider fibre network across rural West Sussex.

3.8) The number of people and businesses positively impacted by the intervention?

We have based our estimates on the assumption that all households and businesses within 200 metres of the Spine will be able to access vastly improved digital connectivity:

Businesses

- Number of existing businesses benefitting: 719
- Number of new start-ups benefitting*: 3,372
- NUMBER OF BUSINESSES BENEFITTING 4,091

*see note in section 3.5

Households/People

- Number of households benefitting 37,464
- Number of residents benefitting[1] 82,421

We have not included any of the employees in our estimates of the number of people who will benefit from the project to avoid the risk of double counting.

Significantly greater numbers of businesses and people are expected to benefit over the long term as the impact extends to beyond 1,000 from then Spine.

[1] Based on an estimated average household size of 2.2

3.9) Follow on Investment

We know that expansion of pure fibre infrastructure requires greater commercial investment by suppliers. By delivering the CFCP we can potentially support increased investment by suppliers in building more full fibre 'open access' network at reduced costs.

By providing a choice of new backhaul in optimum condition and open for suppliers' use as well as stimulating and aggregating demand by surrounding businesses and rural residents for new gigabit-capable broadband services, we can show suppliers a challenging case for their commercial investment. As a result we may enable investment faster and enjoy its benefits sooner, than would have been the case if left to normal market conditions.

3.10) Skills projects only- Impact on Skills Provision

NA

3.11) Business and enterprise projects only- Impact on business growth

NA

3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?

NA

3.13) If your project results in service and other improvements then please provide baseline data below.

This digital infrastructure project is an enabling project, with clear outputs, outcomes and benefits as set out in the full business case. The project will not in itself determine specific service improvements.

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

The following existing frameworks and/or contracts are available for the Authority to use:

- SCAPE Procure – Civil Engineering and Infrastructure 2018

Design, Build, maintenance of the spine

- Crown Commercial Services Framework Lot RM1045 for Technology Services

Additional network hardware (eg racks etc)

The table below provides further assessment that the CCS and SCAPE frameworks offer a suitable option for the delivery of the CFC Project compared to an OJEU procurement;

Requirements	OJEU	Framework
Supports Local Engagement / Social Value	✓	✓
Politically / Corporately Acceptable	✓	✓
Encourages Industry Additionality	✓	×
Delivers Value for Money and Affordability	✓	✓
Supports longer-term Asset ownership	✓	✓
Attractiveness to the regional market	✓	✓
Reduces potential for future Litigation	×	✓
Supports Sustainable Delivery	✓	✓
Speed to Market and Programme delivery	×	✓
Negotiated Scope and Approach	×	✓

This would conclude using an existing Framework delivery model offers a viable contracting approach and would significantly reduce time to market and the preparatory cost element.

4.2) Involvement of private development partners.

Discussions have been held with the SCAPE framework administering body and supplier who have provided the initial costs, outline project plan and route at risk. They have confirmed the availability of resource and supply chain to deliver the project subject to any unforeseen changes in the market.

Cooperative Network Infrastructure is incorporated as a Co-operative Society, under the Co-operative and Community Benefit Societies Act 2014. This form is widely used as the legal form for cooperatives in the UK and is also the form used by the London Internet Exchange (LINX) which is one of the largest Internet exchanges in the world, connecting over 880 members from over 80 countries around the globe.
CNI has been constituted as a 'co-operative consortium'. This form of cooperative has members that are corporate bodies that use the cooperative for mutual trading. The rules are based on the standard co-operative consortium rules devised by the trade body Co-operatives UK.

Discussions with CNI are well underway as an extension of their wider work within the LFFN programme. CNI has confirmed that it will ensure there is an open and fluid market for duct access, accessible to smaller as well as larger businesses and public sector organisations that have the competence to use it. It will support the development of our growing digital and tech sector encouraging and supporting membership. This will enable collaborating operators, investors and public-sector bodies to meet needs using marginal investment, using open access shared infrastructure to remove barriers. In particular:

1. Public sector demand can be aggregated over time, to achieve long term efficiencies and service transformations taking advantage of the West Sussex Gigabit framework, the Governments Voucher Schemes or other
2. Investment can be made in new access infrastructure case-by-case, either for short run connections, or FTTP mini-networks.

This can be delivered through investment opportunities such as:

1. Direct fibre connections to some buildings and facilities;
2. Private and public investment in short 'tail' fibre connections to buildings and facilities

within reach of the spine;

3. Private and public investment in new access networks, generally with a tail connection to a fibre concentration point (FCP), where access fibres are aggregated.

4.3) Procurement plan and timescales.

Procurement Plan

The SCAPE Framework is a nationally procured framework for the Public Sector. It has Framework lots, with single and multiple supplier arrangements. The most relevant Lot (and covered through CPV codes – for telecoms and Infrastructure) is the Civil Engineering Framework Lot – which is single supplier with Balfour Beatty (BB).
The new Civil Engineering framework (2018) suite features two unique, direct award frameworks that optimise speed of delivery, local SME engagement and the latest techniques in social value measurement. The Framework is designed to deliver single projects or programmes of work, between £50,000 and upwards of £100m+.

Several factors have been considered around the use of pre-established frameworks (SCAPE Framework) in-lieu of other regional and National frameworks, and or Open OJEU. These include no secondary competitions required with SCAPE, the immediately available resources without using telecoms traditional supply chain and local social value requirements.

The use of the SCAPE framework will enable faster deployment of the Scaffold Duct and BDX Fibre Link element for this MSDC LFFN programme. The delivery is not dependant on external influences and is also not subject to market appetite, supplier capacity to respond to an open tender, or other programme delivery.

Summarised commentary has been tabulated as below:

Consideration	Benefits Delivered	Monitoring / Assessment
Value for Money	SCAPE is a recently open procured and market tested framework – having gone through a competitive process – in any case SCAPE Contractor will offer three tenders from supply chain partners – which will provide current local market rates	Target Price development and testing against other recently let contracts – i.e. BBLP West Sussex Highways / East Sussex CC Highways and WSCC Gigabit Project
Resources	By using SCAPE rather than a traditional Telecom supplier – we have access to a wider Civil Engineering pool of resources – to fundamentally deliver a civils ducting programme, but with the ability to bring Telecoms expertise for fibre and connectivity aspects	Planning and Programming. Performance Framework Monitoring
Budget Certainty	SCAPE works with Clients to define fixed price budget through the development of Target Costs – other frameworks are mini-bid basis	Target Price
Resilience and Scalability	SCAPE provides greater resource pool and able to be scaled / flexed up and down, without the need for secondary mini-comps. BBCE have a Telecoms business. The Minor Works Framework delivered by Kier do not have the same in-house expertise.	Engagement with BB Telecoms expertise and using Code Powers already in-place through BBT
Fee and Overhead	The fee and overhead for SCAPE is fixed for the duration of the contract at 1.95% for initial enquiry / design and 5.95% for works	Budgeted into the Target Price The fixed fee/OH is low in comparison with 6% Fee and up to 10% OH on traditional works contracts
Reporting and MI	SCAPE has the flexibility to include Client reporting requirements in the Project Request / Order and can accommodate the DCMS MI requirements in the Grant Agreement	To be Agreed at TC stage and included within Order Monitored Monthly

On this basis the optimal procurement and contracting approach is for a simple duct and access network to be installed under a civil engineering contract; and for the "systems" element to be delivered through established technology services frameworks. The SCAPE and CCS framework contracts described earlier provides the optimal approach for this work and is accessible for MSDC to utilise as a partner Local Authority to the framework.

Timeline

Milestone	Start date	Completion date
Pre-development stage	July 2019	October 2019
Market Engagement for commercialisation	June 2019	July 2021
Mobilisation	October 2019	November 2019
Detailed Design Stage	November 2019	January 2020
Network Build	January 2020	September 2020
Fibre exchanges completed	September 2020	October 2020
Network commercialisation	September 2020	July 2021 (second phase linked to Government's Outside-In Programme)

4.4) How will the project contribute towards social value?

The use of the SCAPE framework incorporates requirements for delivering social value. The table below details these.

Consideration	Benefits Delivered	Monitoring / Assessment	Comments
Social Value	SCAPE Procure requires Contractors to deliver a 50% SV contribution.	Performance Framework / Dashboard and Social Value Portal	
Supply Chain	SCAPE Contractors are required to demonstrate pre-established supply chain or secure supply through local companies within 12.5 miles radius of works location	Social Value Commitments and Performance Framework	MSDC will promote to SCAPE Contractor
Design	The SCAPE contract enables the design work to be tendered with local SME's and interested parties- the Main Contractor still retains design responsibility as works progress	Design Specification delivered against requirements	Main Contractor maintains Design Authority – but can use local expertise.
Resilience and Scalability	SCAPE provides greater resource pool and able to be scaled / flexed up and down, without the need for secondary mini-	Engagement with BB Telecoms expertise and using Code Powers already in-place through BBT	

	comps. BBCE have a Telecoms business. The Minor Works Framework delivered by Kier do not have the same in-house expertise.		

In addition, the social value added via the SCAPE contract in respect of skilling local workforce is significant, by utilising this contract which requires Contractors to deliver a 50% SV contribution, to demonstrate pre-established supply chain or secure supply through local companies, within 12.5m radius of works location and enables the design work to be tendered with local SME's and interested parties whilst the Main Contractor still retains design responsibility as works progress.

In community led projects that build out from the spine, e.g. B4RN (Broadband for the rural north) model, the community that benefits from new fibre, will generally continue to be involved in the operation and maintenance of the infrastructure, thus creating new job opportunities locally as well as skills that can be employed in neighbouring "daisy chain" community projects**.**

4.5) State Aid Compliance.

The project proposes to use a state aid neutral approach that draws on a variety of tested models and the legal framework used by PwC outlined in its report entitled "State aid Advice in relation to an infrastructure sharing co-operative, PwC January 2018 and available in a redacted form for LFFN projects (see **appendix to 4.5** entitled ***State aid Letter 15.8.19***). This legal work has been updated and supported through LFFN Wave 2 projects.

The approach used by Tameside, Blackpool, Mid Sussex is Public Sector Asset Re-Use through the thin layer mutual model and the market economy operator principle (MEOP). These models have been assessed and tested by DCMS and MSDC through Legal and/or Counsel advice during the development of the Burgess Hill LFFN wave 2 project, and been deemed as State Aid Neutral.

In support of the above please provide as an annex to this business case

- **Practising solicitor's letter or counsel's advice/ independent legal advice setting out compliance with state aid tests set out in the summary document provided.**

5. The Financial Case

5.1) what is the estimated total project cost and the amount of LGF being applied for? Please complete the funding breakdown tab in the supporting excel spreadsheet.

LGF financial year starts from 1st April – 31st March (Q1 would therefore be April-June). **No rounding up.**

Quarter	Matched Funding Contribution	LGF
19/20 – Q1		
19/20 – Q2		
19/20 – Q3		
19/20 – Q4		**£200,000**
20/21 – Q1		**£1,400,000**
20/21 – Q2	**£900,000**	**£400,000**
20/21 – Q3	**£1,300,000**	

Total	**£2,200,000**	**£2,000,000**

5.2) Please set out the project expenditure items – No rounding up.

Please state the date of this estimate- 28/06/2019

Projects costs (delete or add as appropriate)	**Total cost (£)** (LGF plus Matched funding)	**LGF (£)** Capital items only.	**Match funding (£)**
Land Acquisition	**N/A**	**N/A**	**N/A**
Planning and Feasibility studies	**N/A**	**N/A**	**N/A**
Surveys	**N/A**	**N/A**	**N/A**
Construction, inc-materials, equipment and labour	**£3,499,392**	**£1,749,696**	**£1,749,696**
Fit out (inc. equipment and furnishings not included in construction)	**N/A**	**N/A**	**N/A**
Project management	**N/A**	**N/A**	**N/A**
Consultancy	**£54,600**	**£0**	**£54,600**
Traffic Management	**£217,516**	**£44,544**	**£172,972**
Boxes & POP units	**£411,520**	**£205,760**	**£205,760**
Contingency	**£16,972**	**£0**	**£16,972**
Total Net Cost	**£4,200,000**	**£2,000,000**	**£2,200,000**
VAT	**£840,000**	**£400,000**	**£440,000**
Total Gross Cost	**£5,040,000**	**£2,400,000**	**£2,640,000**

Please ensure the matched funding and LGF amount to the total costs and that the LGF requested does not exceed the 50% percentage allowed.

5.3) Net Present Value cash flow analysis.

Options	**NPV**
Do nothing, minimum or status quo	£0
Proposed option	£58,864,692
Alternative option	£11,458,139

Please detail your project assumptions and discount rate used – **see Appendix to 5.3 NPV Assumptions and Method and Appendix to 5.3 NPV Spreadsheet**

"The CFCP will have wider public benefits, rather than direct benefits to the Council or other investors. The Direct Benefits in both nominal and PV terms are, therefore, small. We have, therefore, included in our calculations, the Net Present **Public** Benefits (NPPV) that will accrue to the region as a result of the project, but will not be captured in cashflow terms. We have attached an NPV spreadsheet and an Assumptions and Methodology paper that outlines the approach that we have taken to assessing NPV and NPPV.

5.4) Value for money

We have based our Value for Money assessment on the outputs set out in Section 3.5. They include a displacement estimate of 19.5% and a multiplier effect of 1.25. These are the estimates that were used in the Cornwall report, which themselves come from BIS Occasional Paper No 1. We have assumed zero deadweight on the basis that no businesses will benefit in the absence of the project and we have also assumed zero leakage and substitution effects.

The table below sets out the value for money for the proposed outputs, against the total project costs and the Local Growth Fund investment for the 200m buffer base case. We have assumed the total costs are applied to all outputs.

		Project Costs	**LGF Costs**
	Outputs	**£4,200,000**	**£2,000,000**
Jobs Created/Safeguarded	1,312	£3,201	£1,524
Business Assisted	4,091	£1,026	£488
New Start Ups Created	3,372	£1,246	£593
GVA/BCR	£78.1m	18.05	39.05

Based on the proposed outputs, the project will create or safeguard 1.312 jobs (including those created in new start-ups) at a cost of £3,201 per job to the project and of £1,524 per job to the Local Growth Fund. A total of 4,091 businesses (including start-ups in connected households) that are within 1000 metres of the spine will be assisted at a cost of £1,246 per assisted business to the project and £593 per assisted business to the LGF. We estimate that 3,372 new start-ups in connected households will be created at a cost of £1,246 per start up to the project and £593 per start up to the LGF.

Overall, we estimate that the total value of the project in GVA terms is £78.1m, equating to a benefit cost ratio of 18.05 for the project as a whole and 39.05 for LGF costs. A more detailed assessment of the Net Present Public Benefits of the project is set out in the accompanying spreadsheet and methods and assumptions paper.

5.5) VAT status

As a local authority, West Sussex County Council is VAT exempt.

5.6) Financial Sustainability

The only ongoing cost of the project will be in maintenance of the asset. This will be funded through the duct fees paid by CNI in the years after the defects period and ongoing liability for the asset expires under the scape framework

Subsequent maintenance can simply be procured through a supplier framework. This type of ongoing strategic asset management and duct maintenance would support direct local engagement and provide further access for local supply chain partners. The Project Team will determine the best approach during design development.

The SCAPE framework includes a 1-year post-delivery maintenance requirement. The Project Team will determine an optimal longer-term approach to future maintenance and strategic asset management linked to the emerging West Sussex digital infrastructure strategy during the design stage and will discuss pricing and options during the development stage. The team will also appraise other alternatives for maintenance including procuring its own contract using local supply chain partners, or by establishing a growth fund to develop skills and expertise in this area. The preferred approach will be confirmed prior to network build.

6. The Management Case

6.1) In which financial year do you expect your project to commence?	The mobilisation will start in October 2019 at the latest (Quarter 4 of FY 19/20) however project development has already started
6.2) In which financial year do you expect your project to complete?	September 2020 (Quarter 3 of FY 20/21) will mark the completion of network build however commercialisation of the network will run beyond this.

6.3) Please set out the key milestones related to the project. Please include planning permissions, funding secured, PR and events.

Milestone	Start date	Completion date
Pre-development stage	**July 2019**	**October 2019**
Market Engagement for commercialisation	**June 2019**	**July 2021**
Mobilisation	**October 2019**	**November 2019**
Detailed Design Stage	**November 2019**	**January 2020**
Network Build	**January 2020**	**September 2020**
Fibre exchanges completed	**September 2020**	**October 2020**
Network commercialisation	**September 2020**	**July 2021 (second phase linked to Government's Outside-In Programme)**

At the Detailed Design-Stage the capital project plan will be produced alongside a target price. The project plan for commercialisation will run alongside the capital build to ensure the design of the network enables opportunities for Network Providers to deliver access networks and to facilitate the use of the Government's Voucher Scheme.

6.4) Project management arrangements

The West Sussex Full Fibre Programme Board (WSFF Programme Board) was set up in early 2019 to manage strategic digital infrastructure projects. The WSFF Programme Board is comprised of Digital Leads, Economy Leads and Chief Executives from all West Sussex Councils, namely West Sussex County Council (WSCC), Mid Sussex District Council (MSDC), Adur and Worthing Councils (AWC), Arun District Council (ADC), Horsham District Council, Chichester District Council (CDC) and Crawley Borough Council (CBC).

The WSFF programme Terms of Reference are summarised below:
Purpose:
- To drive forward and deliver the outcomes and benefits of the West Sussex Full Fibre Programme.

- Provide resource and specific commitment to enable delivery
- Work closely with the Chief Executives Board to ensure that any key decisions are agreed with this board

Key roles and responsibilities:
- Functional and financial authority to support the programme
- Ensure projects are aligned and delivering to the agreed programme design principles
- Make key decisions and agree same with the Chief Executives Board
- The WSFF Programme Board will agree tolerances to which the constituent projects will adhere
- Ensure that the projects are working towards the Digital Infrastructure Roadmap

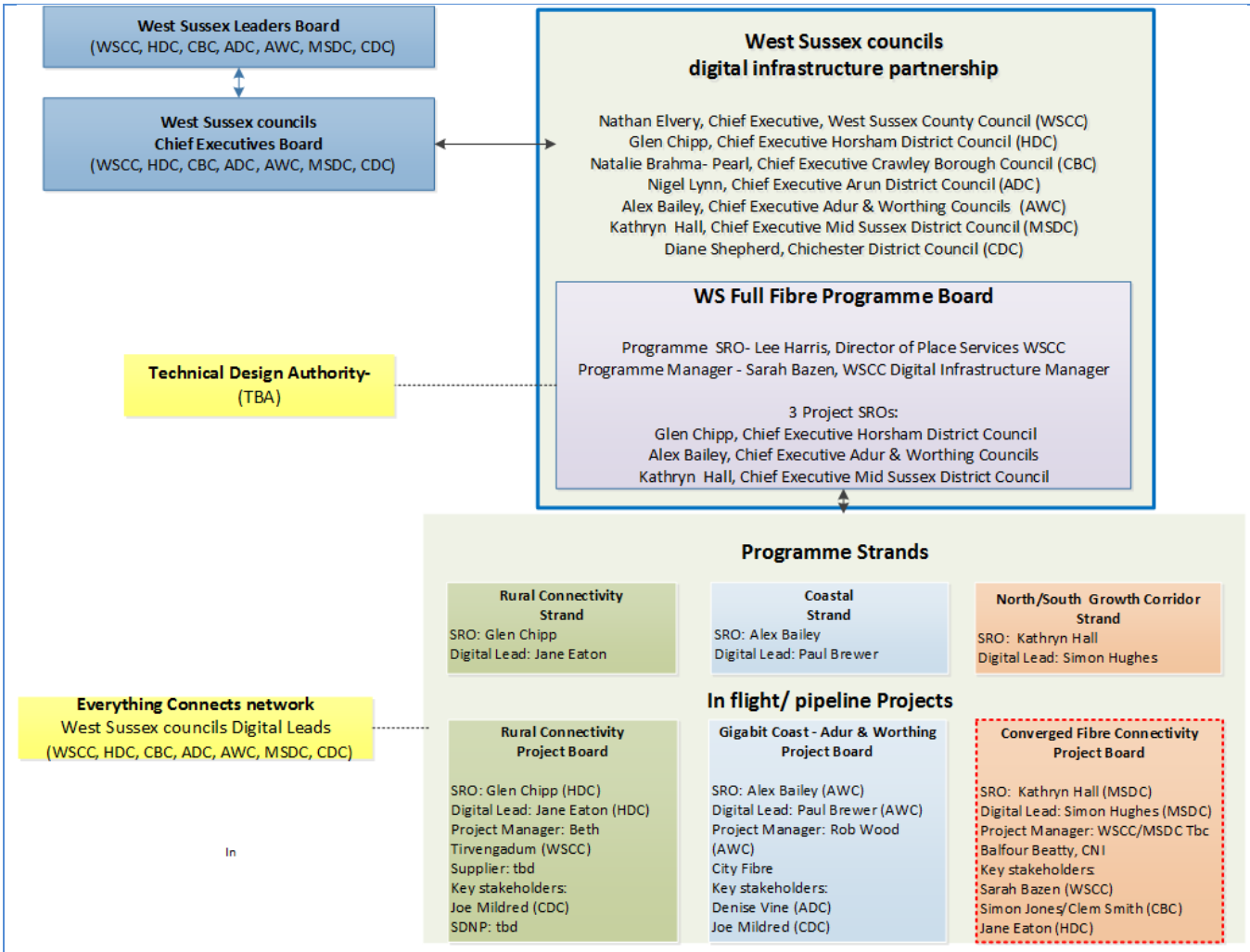
A Joint Project Team comprising MSDC and WSCC will be set up to lead the project, extending to Crawley Borough Council and Horsham District Council to both deliver the project and own the benefits. WSCC will be the accountable body with MSDC certifying the completion of the capital works on a staged basis.

The WSFF programme is split into strands, namely Coastal, Rural and the North/South growth corridor. Within each of these strands, a number or projects are in flight or within a pipeline and are resourced through "joint project teams" comprising project and programme management professionals and subject matter experts across various operational areas and technical disciplines. Additional consultancy agreements are also available for professional services as required to supplement the project management capability.

The Converged Fibre Connectivity Project sits within the North/South growth corridor strand and is linked to the Burgess Hill Fibre Exchange Wave 2 LFFN project and the extension of this initiative connecting with Brighton. The CFC project builds on the inflight and pipeline projects within the wider WSFF programme making use of lessons learned, design approach, and resources.

A Project Manager will be identified to work across MSDC and WSCC with colleagues in HDC and CBC on phases, particularly benefits realisation. The WSCC Digital Infrastructure team in WSCC will facilitate WSCC Highways engagement. Additional Project support, as required, will be supplied by MSDC.

(See diagram below showing programme structure.)



6.5) Key project roles and responsibilities

The design and delivery phase will be led by the Project Manager within the joint project team at Mid Sussex DC and West Sussex County Council. This team will be responsible for the contract management with the prime contractor to be identified under the SCAPE framework. This will include contract assurance to ensure value for money, quality assurance and timely milestone achievement.

The project Manager will certify milestone achievement evidence for the WSCC team (as part of the joint team) to then manage the governance process required as part of its "Capital Program" and make the appropriate grant claims to the LEP and to the Business rates pilot fund as appropriate.

The WSCC team will also provide general support with governance, communication and engagement. A key role in the facilitation of Highways and Streetworks teams to enable access to highways and minimise disruption through the coordination of civil engineering projects and particularly through the application of "dig once" principle to maximise duct build and minimise costs.

The wider commercialisation of the spine itself (i.e. the building out of networks from the spine to residents and businesses) will be the primary responsibility of the Co-operative (the CNI) using its wider membership. In addition, the joint project team and the wider benefit owners across Mid Sussex District Council, West Sussex County Council, Horsham District Council and Crawley Borough Council will also work with communities and suppliers to facilitate connectivity for business, residential and public sector premises.

6.6) Governance, oversight and accountability

The governance surrounding this project is considered at various levels i.e. Strategic, Programme, Strand, project.

The Strategic level is via the Growth Programme Board concerned with managing the effective, efficient and timely delivery of the strategic growth location and the necessary associated infrastructure, in line with the District Deal, Coast To Capital Strategic Economic Plan, the Greater Brighton City Deal, the Authorities District Plan and wider strategies.

At a strategic level, the West Sussex Chief Executives Board also plays a governance role, having adopted a "digital infrastructure partnership" way of working that supports the WSFF Programme Board, providing leadership, resources and funding. The match funding allocated for the CFCP is held by the Chief Executives Board in the form of the retained business rates pilot funding and is one of the funding sources as the disposal of the West Sussex Full Fibre Programme board.

At Programme level, the West Sussex Full Fibre Programme Board (WSFF Programme Board) is already in situ and provides the governance for strategic infrastructure projects. The WSFF Programme executive is Lee Harris, Director for Place Service, WSCC and comprises Digital and Economic Leads from across Councils and relevant Chief Executives in their capacity as Senior Responsible Officers (SROs) for their respective strands.

The projects within the WSFF programme currently fall within 3 strands; the rural connectivity strand; the coastal strand; the North/South growth corridor strand under which, falls the Converged Fibre Connectivity project (CFCP).

At project level, the CFC Project will be a joint project, primarily delivered by Mid Sussex District Council (MSDC) team as an extension to the work already underway for the BHFX and the Brighton digital link with support from the WSCC team. In addition, the project team will be extended to include Horsham DC and Crawley BC who will become key delivery partners alongside WSCC and MSDC. We have well established management processes and stakeholder engagement protocols in-place through the existing wave 1 Gigabit and wave 2 LFFN programmes, which demonstrate a genuine partnership approach.

6.7) Communications and stakeholder management

A Communications strategy will underpin the delivery of this exciting project by assisting in managing expectations of stakeholders and protecting the reputation of all partners, managing risks and celebrating success.

Shared communications principles will be to understand and hold communications risks together. Use agreed key messages and lines to take to minimise risk and ensure consistency. Ensure approvals processes are adhered to. Plan joint communications for project milestones. Share detailed information about delivery with public and stakeholders when confident in the greatest degree of accuracy.

Communications objectives will be to:

Manage expectation about how, when and where – complex project in outline, commercial models and delivery detail not yet fully understood, high public and political interest.

- Protect and enhance partners' and programme's reputation.
- Promote digital successes and the benefits of gigabit-capable fibre broadband.
- Operational PR management of infrastructure build issues when necessary.

Communications risks will be:

- Misinterpretation of benefits opens the Council and partners to challenge Central government messaging counters local communication or is misinterpreted or is unhelpful in setting expectations.
- Counterproductive media reporting based on misinformation or a lack of understanding.
- Increasing public correspondence and enquiries for project team to respond to

Mitigating actions will include:

- Clear communication to all stakeholders about delivery – why, how and when.
- Building on bedrock of shared communications principles and understanding between communications leads at councils.
- Reviewing and aligning key messages and making consistent use of them.
- Jointly agreed approvals process and media protocol.
- State Aid legal advice informing communication of key messages.
- Timely proactive communication with media and considered responses to enquiries.

6.8) Benefits management

Benefits will be managed using the Councils benefits management approach with benefit owners being the senior responsible officers of the CFC project board. In this case it will be the Chief Executives of MSDC, CBC and HDC.

The CNI will have the key role in terms of benefits realisation in terms of commercialisation of the network. Discussions with CNI are well underway as an extension of their wider work within the Governments LFFN programme. CNI has confirmed that it will ensure there is an open and fluid market for duct access, accessible to smaller as well as larger businesses and public sector organisations that have the competence to use it. This will enable collaborating operators, investors and public-sector bodies to meet needs using marginal investment, using open access shared infrastructure to remove barriers.

Public sector demand can be aggregated over time, to achieve long term efficiencies and service transformations taking advantage of the West Sussex Gigabit framework and the Governments Voucher Schemes.

Other Investment can be made in new spine infrastructure on a case-by-case basis, either for short run connections, or FTTP mini-networks These can be delivered through investment opportunities such as:

- Direct fibre connections to some buildings and facilities;
- Private and public investment in short 'tail' fibre connections to buildings and facilities within reach of the spine;
- Private and public investment (for example Gigabit Vouchers) in new access networks, generally with a tail connection to a fibre concentration point (FCP), where access fibres are aggregated.

6.9) Project evaluation – This will be a requirement at the completion of a project.

The project board will ensure that an end of project report is undertaken including lessons learned and arrangements for follow on benefits realisation tracking.

The benefit realisation owners will be engaged during the implementation phase of the project to plan how benefits will be realised and measured which will include initiatives such as:

- Working closely with the market to understand opportunities for commercialisation
- Working closely with communities for community projects
- Working closely with larger business parks to ensure that landowners work with access network builders so they can take advantage
- Work with SMES to support them with digital participation and understand barriers (skills etc)

Targeted surveys across the region may also be undertaken following commercialisation of the spine, as it progresses.

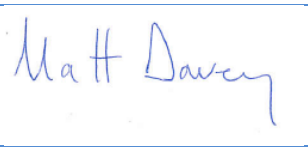
Both benefit realisation owners and project team resources will remain within WSCC and within the WS Full Fibre programme after project delivery has completed as this project is within a wider, more strategic programme approach.

Recommendation & Declaration

Recommendation- please state clearly the recommended action this business case supports.

That the LEP approves a £2,000,000 Local Growth Fund award to West Sussex County Council, towards the capital costs to create and establish a gigabit-capable full fibre broadband spine in a key growth corridor from Crawley to Burgess Hill, and thereby to Brighton through an existing planned route. The investment would make a significant contribution to establishing new digital infrastructure in a key economic hub, which would bring significant benefits to businesses, householders, productivity and GVA.

You must ensure that the person signing the form is authorised to do so on behalf of your organisation
Please sign, print date and include the title of the person signing.
Please attached all relevant documentation needed.

Declaration:	**I certify that the information provided in this Business Case is complete and correct at the time of submission.**
Signature:	
Print Name:	**Matt Davey**
Title:	**Acting Executive Director, Place Services**
Date:	**16th August 2019**

Before submitting your Business Case ensure you have all the required supporting documentation:

- **One electronic copy of the business case template, signed and dated**
- **Excel Spreadsheet (both tabs completed)**
- **Full risk register**
- **Any other Supporting documents and evidence required (e.g. letter of support from Area Partnership**
- **Written evidence to the satisfaction of the Coast to Capital Accountable Body from a practicing solicitor / Counsel that the project is compliant with the EU state aid rules.**
- **VAT external advice if applicable.**