GREATER**LONDON**AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2530

Funding for full fibre connections

Executive Summary:

The Connected London team are requesting Mayoral approval for £11m of the Greater London Authority's Strategic Investment Fund to be made available for delivering full fibre in London.

£10m will be used to grant fund full fibre installations to public assets, prioritising London boroughs not in receipt of grant funding from other sources. The Connected London team will look to use the concession agreement delivered by the TfL Telecommunications Project (TCP) to deliver these connections. Other methods of delivery may also be possible.

£1m will be used to fund regional Connected London officers. These roles will be developed collaboratively with stakeholders and sub-regional borough partnerships.

This funding continues the GLA's work mobilising public assets to make London more connected, stimulating private investment to move from a largely copper infrastructure to full fibre.

Decision:

That the Mayor

1) Approves the following expenditure, to be funded from the Strategic Investment Fund:
    a) £10m to fund capital projects that will deliver full fibre connections to public buildings, street furniture or other council assets. London boroughs not in receipt of existing grant funding will be prioritised. (See Appendix 1); and
    b) £1m to fund up to 10 officers for a two-year period. The posts will be developed collaboratively with stakeholders and sub-regional borough partnerships, employed externally, and be based regionally. They will be a resource to boroughs to help them with digital connectivity delivery and maximise capital investment;

2) Delegates authority to the Executive Director, DEE to agree the most suitable delivery method for the allocation of the £10 million for full fibre connection, in line with Contracts and Funding Code as set out in para 1.13.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature: 

Date: 22/10/19

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

Introduction

1.1. In order to encourage investment in London for full fibre connections, the Connected London team put forward this proposal to the Strategic Investment Fund (SIF) to:

- invest £10 million to connect public-sector assets across London with a full fibre connection, by looking to use the concession delivered by the TfL Telecommunications project to deliver these connections. This will enable nearby additional properties in the areas to get connected with a FTTP connection, part of a wider investment programme which will support connections to across London.
- use £1 million to establish regional Connected London regional officer roles to stimulate further investment.

1.2. Together with other investments detailed in this paper, this could bring gigabit digital connectivity to an estimated 50% of London properties, from 10.68%[1] according to Ofcom's Summer 2019 Connected Nations report.

1.3. The Connected London team, established in August 2017, has worked extensively with London's Local Authorities, fibre and mobile network operators, strategic partnerships, TfL, landlords, developers, and other stakeholders in order to develop and deliver the Connected London work programme. Since 2017 the team has gathered insights from 24 regional workshops with boroughs, and many meetings with sub-regional partnerships, Department for Digital, Culture, Media and Sport (DCMS), and industry, developing the GLA's understanding of the issues involved and informing this proposal.

1.4. The Mayor, the London boroughs and the City of London Corporation (collectively referred to as 'London government'), with the agreement of the then Secretary of State for Communities and Local Government, established a London Business Rates Pool ('the pool') for 2018-19. The Mayor's agreement to the GLA's participation in the pool was set out in MD2217.

1.5. It was agreed by the Mayor and the government that he would commit all the GLA's share of the net additional benefit of pooling on strategic investment projects. In accordance with this agreement, the Mayor created a £112 million Strategic Investment Fund (SIF) to fund strategic investment projects. Phase one of the approval for SIF funding for 2018-2019 was approved through MD2363. Further projects were approved as part of MD2493 and MD2325.

1.6. This proposal will look to use the opportunity arising from the network to be delivered through the concession awarded as part of the TCP project and other methods of delivery, and was developed in response to the initial internal call for projects to be funded by SIF from across the GLA Group. Since that time the proposal has been developed further in consultation with TfL, stakeholders, and the Mayor's Chief of Staff. The proposal is now ready to be taken forward and the project could be aligned with the wider delivery of LFFN and SIP grant funding (1.10, 1.11).

Project description

1.7. **Connected London proposal for Strategic Investment Funds** – The Connected London team now put forward a proposal for £11m of Strategic Investment Funds. £10 million would be used to

[1] Ofcom Connection Nations report summer 2019 - https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-summer-2019

fund full fibre connections to public sector assets. We would look to use the TfL Telecommunications Project. Other methods of delivery may also be possible.

1.8. **TfL Telecommunications Project** – In 2016, TfL began taking forward a project to deliver improved connectivity across London, by commercialising TfL assets to deliver cellular (4G) services on the London Underground, a new fibre network for London, improved access to streetscape assets to deliver 5G and an improved Wi-Fi service on London Underground stations. This project is referred to as the Telecommunications Commercialisation Project (TCP). The procurement of a concessionaire is underway, with the Invitation to Tender released on 26 July 2019. The projected completion for procurement is summer 2020.

1.9. The network being delivered by the concessionaire would open the London market to new fibre operators that will be able to agree access and make the final, short, fibre connections to customers. The resulting competitive environment will encourage new entrants but most importantly will deliver better connectivity for residents and businesses.

1.10. **Connecting council and other public-sector assets with full fibre** – TfL's draft contract schedules for the TCP currently includes a mandatory option for the concessionaire to install full fibre connections to suitable public buildings (owned by councils and others) across London using grant funding that has or may be awarded. Public Sector Building Upgrade uses full fibre connections to service public sector needs by achieving cost savings for the public sector through cost effective connections, or savings realised through enabling intervention programmes and transactional savings from delivering services within the setting. This also has the indirect benefit of providing fibre connectivity to areas that are poorly served, making them more commercially viable for private sector network operators. See Appendix 2 for the model that will be adopted.

1.11. **DCMS LFFN Funding** – In 2017 the GLA's Connected London team worked in partnership with TfL to build a consortium of 8 London Boroughs and the Old Oak and Park Royal Development Corporation (OPDC) to bid for funding to upgrade of public buildings and assets with fibre connections. The buildings were chosen as they were within the key 'not spots' in London, such as Rotherhithe. In the Spring Statement it was announced that the application had secured £8.5m to link the future concessionaire's fibre network to the public buildings by April 2021. **The 8 boroughs benefitting from LFFN funding are** Camden, City of London, Hammersmith & Fulham, Kensington & Chelsea, Lambeth, Southwark, Tower Hamlets, Westminster and OPDC. See Appendix 3.

1.12. **Strategic Investment Pool** – In September 2018, the West London Alliance (WLA) and Local London (LL) secured funding through the Strategic Investment Pool (SIP) for digital infrastructure. They each secured £7.7m for the delivery of full fibre, total £15.4m. Their bids were supported by the Connected London team and the WLA included in their proposal the intention to use their funding to support the extension of the Connected London Full Fibre Network into their West London boroughs. The LL funding differs, in that it has been devolved individually to each of the boroughs. We have discussed the Connected London Full Fibre Network at regional meetings and five LL boroughs are in conversations as to whether to use their funding to extend the network into their boroughs. Both WLA and LL SIP funding must also be delivered by April 2021. **The 15 boroughs (6 WLA, 9 LL) in receipt of SIP funding are** Barnet, Brent, Ealing, Harrow, Hillingdon, Hounslow (WLA), Barking & Dagenham, Bexley, Enfield, Greenwich, Haringey, Havering, Newham, Redbridge, Waltham Forest (LL).

1.13. **£10m for funding connections to public sector assets** – £10million of the fund would grant fund further Public Sector Building Upgrade connections. In light of the complementary funding that has been secured over the last 12 months, this request would ensure that all of London can be provided for. The Connected London Fund would prioritise the boroughs in south and inner London currently not in receipt of either LFFN or SIP funding. **The 10 boroughs not in receipt of either LFFN or SIP funding are** Bromley, Croydon, Hackney, Islington, Kingston upon Thames,

Lewisham, Merton, Richmond upon Thames, Sutton and Wandsworth. See Appendix 1. Building on experience from working with TfL and boroughs on developing the LFFN and SIP grant funded connection, we now have many templates and practices in place that can ensure swift inclusion of new partner boroughs. We will be adopting models and assurance processes that are currently in place for LFFN, which is being continually assessed for eligibility and state aid compliance.

1.14. **Delivering the grant funding** – An assessment will be made of the funding allocation options for delivering the SIF grant funding. The assessment will follow the Contracts and Funding Code and consider value for money, alignment with strategic objectives of the GLA and participatory boroughs, and timescales for delivery. If the network delivered by the concessionaire, who has been awarded through the TCP, is considered the most appropriate method of procurement for the identified connections, then the grant funding can be delivered once the TCP project is complete, and the concessionaire has been awarded the contract. If the assessment determines alignment with the TCP and delivery with the concessionaire is not the best option, then alternatives will be considered, including using existing frameworks, or undertaking a separate procurement. Through this decision delegated authority is provided to the Executive Director, DEE to agree the most suitable delivery method.

1.15. **Working with more boroughs** – The Connected London team will be able to provide examples and advice on eligible sites, as well as case studies from their experience working with the LFFN and SIP grant funding. The infrastructure this investment funds will belong to the Local Authority. There is an option for the Local Authority to work with TfL to identify ways to commercialise the assets in future, but this will be explored in partnership with the concessionaire to ensure State Aid compliance.

1.16. **Developing the site list** – Eligible sites are those where a connection is required to deliver a public service that is being provided free or at nominal cost. These can include, but are not limited to:

- Council offices
- Town Halls
- Libraries
- Schools
- Hospitals
- GP Surgeries
- Lampposts for CCTV
- Housing Offices
- Job Centres
- Prisons
- Traffic Control
- Fire Stations
- Police Stations
- Park buildings
- Civic centres
- Toilets
- Youth Centres
- Adult Day Care Centres
- Children's Homes
- Court Houses

1.17. **£1m for funding regional officers to align approaches across London** – £1m will be used to fund up to 10 FTE posts for a two-year period. The posts will be developed collaboratively with stakeholders and sub-regional borough partnerships, employed externally, and be based regionally. They will be a resource to boroughs to help them with digital connectivity delivery and maximise capital investment.

1.18. Through work on the TfL Connected London network, and the broader Connected London programme it has been identified that several Local Authorities are not able to provide a dedicated resource to manage digital connectivity projects. Further to this, assets teams within Local Authorities are increasingly strained by the increasing number of connection requests from providers.

1.19. Whilst the functions and responsibilities of the regional officers may vary depending upon the region's need, the posts could act as a resource for boroughs by providing project management of digital connectivity projects. On a practical level this would involve developing an understanding of the key contacts in each of the relevant teams in the Local Authorities they work with in the region in order to address any delivery issues. The officers can identify and promote the use of public sector assets for digital connectivity. This would ensure access to assets is achieved in a way that works for boroughs as well as providers. They would help provide regional-level awareness of localised

underserved areas in order to provide coordination within the region. They would develop relationships with key developers and regeneration projects.

1.20. By having these roles based at a regional level they would be able to best align and disseminate best practice approaches and experience. We would agree with the sub regions a level of coordination with the Connected London team and work programme to ensure a pan London network of information sharing.

1.21. As well as aligning approaches across London this resource is required to ensure that boroughs have the roles required to complement existing efforts, assist them with delivering the connections to the assets funded through grant funding, as well as enabling private sector investment to maximise coverage.

1.22. In developing the functions and responsibilities of these roles, we will seek to work with London Councils, the Strategic partnerships, and Local Authorities. Some boroughs are concerned that the TfL network is too far from their priority areas, which is why a key element of the proposal is to devote £1m of revenue funding to enable regional teams to be set up, which can help to identify assets and delivery partners.

1.23. The officers will be employed externally to the GLA by the sub regional partnership or another relevant local body stakeholder identified through the collaborative development process, such as a borough or representative body. A portion of the £1m will be grant funded to each body employing officers to cover two years of employment.

2. Objectives and expected outcomes

Objectives

2.1. **Delivering an uplift in business rates –** The project will be delivering outcomes that will lead to an increase in business rates but delivering more viable commercial space (2.6), and better business productivity (2.7).

2.2. **Addressing business need –** Tech London Advocates first identified digital connectivity as an issue for their members in their report 'Joining the Dots: Building the Infrastructure for London Tech' 2015 and continue to discuss the lack of universal high-performance digital infrastructure as 'posing a significant risk to London's leadership in the tech sector'. FTTP offers reliability for a constant connection which doesn't drop out due to weather, human or electrical interference and therefore provides businesses with the service they need and deserve. Speeds are not capped, and businesses have the flexibility to increase or decrease speeds depending on their needs. Businesses are becoming more reliant on storing data in the cloud, FTTP offers businesses symmetrical upload and download speeds to store data easily and securely. Unlike copper lines, FTTP offers the highest standard of security as the dedicated fibre lines cannot be penetrated by hackers. FTTP also attracts new businesses to the area and breeds the next generation of start-ups, that are reliant on the digital technology. This offers local authorities an opportunity to attract and create new businesses whilst also uplifting business rates collection.

2.3. **Aligning different boroughs' way of working –** Providing transparency and alignment of different Local Authority approaches to reduce the cost of deployment, ensuring investment goes further to provide greater coverage. The project will provide boroughs with resources and a framework that not only enables the delivery of the connections but puts in place processes that will facilitate relationships with providers beyond 2021.

2.4. More can be done to better address the needs of Londoners and London business, and make areas more commercially viable for the private sector's investment to go further. London First's recent report Enhancing Digital Connectivity calls for a 'step change' to make full fibre a reality across

London. It calls out two key barriers at a local level, being coordination, and access and ownership. These are issues regional Connected London officers, embedded within strategic partnerships, could help to address.

2.5. **Resolving areas with poor connectivity, making areas more commercially viable** – We have identified that there is £2bn investment need to deliver coverage of FTTP to 100% of properties. Current availability is 11%, or 440,000 properties. This figure will not be met if there continues to be the level of 'overbuild' by providers we are already seeing, where providers build on top of each other's networks to reach the most commercially viable areas. Underserved areas can be better met and even enhanced through closer work with London's boroughs.

2.6. We have estimated that private sector investment would deliver availability to around 50% or 2,000,000 of properties (if there is no overbuild) in the next 5-10 years. This is based on 5-year business cycles and a 10 year roll out of FTTC. By upgrading public sector buildings and assets we can bring the fibre backhaul across London into difficult to reach areas. Our investment would catalyse private sector investment by reducing the capital cost to reach these areas, reducing delivery time, and ensuring less overbuild and greater coverage.

2.7. Efforts will be focussed on improving connectivity in not spot areas where commercial intervention is unlikely. We will work with all London boroughs to target these difficult areas such as Creative Enterprise Zones, and Business Improvement Districts. See Appendix 4.

2.8. **Future proofing with full fibre** – The UK ranks as one of the worst countries in the Organisation for Economic Co-operation and Development (OECD) for FTTP (1000Mbps capable connection) availability. Out of 4m properties in London, we estimate 440,000, 10.68%[2], can access residential FTTP - compared with 89% in Portugal and 71% in Spain. Current delivery of digital connectivity is reliant upon copper, with 95.59%[3] of London having coverage of 'Fibre to the Cabinet', which uses copper connections from the cabinet to the home. 63.62%[4] of London has coverage of 'Ultrafast' broadband. This is where connections are delivered through coaxial cable or G.fast to the home. G.fast and coaxial cable are copper based connections. Coaxial connections are largely delivered exclusively through Virgin Media's DOCSIS network, which other providers are unable to access. A copper based network relies on sharing availability across network, which results in reduced services at peak times, and poor upload speeds. It also suffers from degradation of signal, so the further away from the cabinet or exchange a property connected by copper is, the slower speeds they will experience. Copper is also adversely affected by weather and temperature changes.

2.9. The Government have recently made clear that their announcement regarding 'full fibre for all by 2025' now can include 'gigabit capable' connections. By changing the commitment to include 'gigabit capable' they are allowing what are currently Ultrafast connections delivered through G.Fast or coaxial cable, copper based networks, to be considered 'full fibre'. While copper-based networks provide adequate connectivity for now, they are legacy systems and not fit for future connectivity and productivity requirements. This is a significant watering down of the previous commitment and does not meet London's and the UK's future capability needs, and therefore our intervention to support full fibre connectivity is required.

Outcomes

2.10. **An increase in connected and viable commercial spaces** – The proposed regional officers will work with boroughs to target areas of where lack of connectivity is impacting economic activity. In a survey developed by Cluttons[5][6] they found:

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[2] Ofcom Connected Nations report summer 2019 - https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-update-summer-2019
[3] Ibid
[4] Ibid
[5] https://www.cluttons.com/images/PDFs/The-commercial-connectivity-impact-report.pdf
[6] https://www.cluttons.com/images/research/pdf/the-london-connectivity-report-part-2-commercial.pdf

- Connectivity to be the third most important factor for tenants considering office space;
- 72% of tenants believe poor connected office spaces will become obsolete; and
- 85% of tenants consider strong connectivity a standard offering for commercial space.

2.11. By delivering connectivity to a site in poorly served area, commercial spaces around the site will become more viable as they are able to access full fibre connectivity.

2.12. **Uplift in business productivity** – In a report developed by Adroit Economics in June 2016, they found London SMEs with improved broadband availability (primarily >100Mbps) experienced benefits of up to 47.8% of current turnover including:

- cost savings of 7.3%;
- staff time savings of 6.1%;
- sales increases of 5.2%;
- home working and mobile working productivity benefits of 11.1%; and
- skills and proficiency improvement benefits of 18.1%.

2.13. A recent report by Oxera commissioned by think-tank, Broadband Stakeholder Group, titled 'Impact at Local Level of Full Fibre and 5G Investment', found that businesses with FTTP connections would have an increased productivity of up to 3.8%, whilst expanding and creating new jobs. A report titled 'Mind the Gap' by Greenwood Strategic Advisors estimated that through improvements to business productivity an enhanced digital infrastructure environment in London, with FTTP available everywhere and a 30% take up, could increase London's GVA by up to £5bn a year for the next 20 years.

2.14. **Public sector properties connected** – The number of properties that could be connected is highly dependent upon the type of location of sites selected in the boroughs, and existing levels of connectivity in the area. Sites that are further away from the TfL network and without existing connectivity that can be reused will cost more to connect. Indicatively we would aim to connect between 10-15 public sector properties per borough. This would deliver around 100 connections.

2.15. **Bringing coverage to properties in route** – The cost to connect properties that are either on route or nearby to the public will be reduced for private sector providers. These properties will be able to order a FTTP connection and so will have 'coverage' of FTTP. Whilst it is dependent on sites selected and the density of properties surrounding the site and route, we estimate that through SIF funding a further 118,000 properties may be within coverage of a FTTP connection.

2.16. **Public sector productivity uplift** – In developing the value for money assessment for sites being connected using the LFFN funding, DCMS assign a 2% productivity increase for the public-sector workers in sites with FTTP connections. Full fibre connections to public sector sites can also achieve cost savings for the public sector through cost effective connections, or savings realised through enabling intervention programmes and transactional savings from delivering services within the setting.

2.17. **Putting in place best practice and guidance for boroughs and providers** – Using the Connected London work to develop common approaches across multiple boroughs to digital infrastructure delivery, we are establishing practices that will assist providers with their deployment. By working closely with London's boroughs, these common approaches make London more investment-ready, ensuring we are making all of London addressable, not just 50% that may be addressed through existing private sector funding.

2.18. **Enhanced asset and borough coordination** – Through our work with boroughs we have been able to identify key contacts within all the local authorities and establish regional groups. This has

led to the spread of best practice such as master wayleaves for local authority properties and training on using template documents. Approximately 750,000 Londoners live near a borough boundary, we know that these corridors are often underserved as providers find it difficult to get wayleaves from multiple boroughs to start consecutively. A Connected London Fund that addresses areas not currently in receipt of funding would bring closer working relationships with these boroughs and greater enable us to spread best practice. The establishment of regional officers would ensure this links policy with delivery.

3. Equality Comments

3.1. The Connected London team is implementing a work programme to address the infrastructure needs of all Londoners. The investment is designed to positively impact London through improving the digital divide faced by Londoners in not spot areas where commercial investment is unlikely.

3.2. Some identified sites for connections by boroughs include social housing, youth centres, and sheltered accommodation, and services will be delivered at these sites that will be designed to improve accessibility and reduce costs to address digital inclusion, as well as developing interventional programmes.

3.3. In line with the policies of the Mayor, the objectives of Connected London aim to improve all Londoners access to digital infrastructure, and the work programme is to address areas that are underserved, or only served with expensive leased line connectivity. The team will work closely with the Digital Skills team who are developing a programme to tackle Digital Inclusion issues.

3.4. Specific proposals for individual workstreams undertaken by the team will undergo an individual assessment to ensure that, in accordance with the public sector equality duty under the Equality Act 2010, due regard is had to the effect of such workstreams on all groups with relevant protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation), and in particular that due regard is had to the elimination of conduct prohibited under the Equality Act 2010, and the advancement of equality of opportunity and the fostering of good relations between people who share a relevant protected characteristic and those who do not.

4. Other considerations

Declaration of any conflict of interests

4.1. There are no conflicts of interest to declare for anyone involved in either the drafting or clearance of this decision form.

Table of risks

Risk	Impact	Mitigation	Post mitigation RAG rating
1. **Borough engagement** Boroughs do not engage with GLA or TfL during delivery, or struggle to work with key timelines.	a. Key deadlines in delivery timelines are not met. For example, boroughs need to provide a final list of sites by 13th December in order to receive quotes as part of the	i. The Connected London has been building connectivity contacts within boroughs since August 2017 and regularly meet with these contacts individually and	Green

	procurement process. Any sites not provided by this time will have to wait until after the procurement is complete and this will delay delivery. b. Boroughs who do not engage do not receive any or equal allocations of funding.	regionally on a quarterly basis. ii. Should further intervention be required, the team will seek support from the Chief Digital Officer for senior intervention. iii. Working with London Councils to ensure engagement across different teams within boroughs. iv. Bidders have been informed that addresses will be updated during ISFT stage of the TCP project. They will be introduced in dialogue stage.	
2. **Interdependency of other grant funding** Grant funding for full fibre connections is coming from a variety of sources including DCMS Local Full Fibre Networks Wave 2, Strategic Investment Pot, and Strategic Investment Fund. These pots have different requirements and deadlines that may impact the overall project	a. LFFN funding has a requirement to deliver by April 2021, so this funding will have to be prioritised if there is any decision on order of delivery. b. This would impact the timeline for the delivery of the other funding.	i. The deadline for LFFN funding has been included in the current procurement. ii. The delivery partner will work with boroughs to ensure alignment of the different funding methods.	Orange
3. **Varying cost of connecting assets** Some boroughs have assets that are based further away	a. The varying availability and distance of assets among boroughs, could potentially mean that some	i. The team will work with boroughs to understand available assets.	Orange

from the network or other infrastructure. Those based further away will require more digs or partnerships, which will cost more to connected.	boroughs receive more funding that others for connections.	ii. If using the TfL concessionaire for delivery, they can provide an assessment of and costs. iii. There is precedent in the LFFN programme, where some connections will cost more than others. We have worked with boroughs to implement priority orders, so that a decision can be made on the number of connections once costs have been assessed. iv. The regional teams will also work to identify potential partners that could ensure cost effective delivery through the agreement of wayleaves. v. Should engagement with the programme be low for some areas (Risk 1), then funding can be reallocated from their indicative allocations to areas where engagement is high, but costs are also high.	
4. **Difficulty establishing regional roles** As the regional roles will not be roles based at the GLA there is a risk that it may be difficult to get agreement from stakeholders to host these roles and establish a	a. As mentioned in risk 3, there may be some assets that require partnerships to be developed in order to delivery connections. Without these roles the relationships will be difficult to develop, and the assets may prove difficult to connect when it comes to delivery.	i. The roles will be developed in partnership with London Councils, Strategic Partnerships, and others to ensure the roles are suitable. ii. The Connected London team have had in principle discussion with Strategic Partnerships	Green

cohesive approach across the regions.	b. The roles could also be aiding coordination of the identification of eligible assets, so delay to the establishment of the roles could lead to a delay in delivery of the full fibre connections.	who have been amenable to the proposal.	
5. **Delays to wayleaves and approval processes** Boroughs will need to sign an access agreement or wayleave for sites that are due to be connected through grant funding. Wayleaves can be difficult to negotiate and take some time to deliver, as well as incur legal costs.	1. If agreement regarding wayleaves cannot be reached, then the project will not be able to connect up the sites and new sites will have to be identified. 2. Alternatively delays in obtaining wayleaves can result in delays to delivery.	i. Sites due to be upgraded will be owned or on a long lease to local authorities who are direct recipients of the grant funding. It is unlikely that local authorities will delay signing agreements that would affect their ability to benefit from the funding and deliver services. ii. The Connected London team will promote the use of the City of London Standardised Wayleave agreement. iii. There is an established Steering Group which convenes quarterly and is attended by all grant funding recipients.	Green
6. **Using the appropriate procurement route** The contract delivered through TCP may not be the most cost-effective method of delivering the connections or may	1. Using an inappropriate procurement route may result in a delivery that doesn't meet a borough's broader objectives, for example aligning with other interventions, or relationships and projects with other providers.	i. An assessment of the procurement options will be undertaken. ii. The concession contract is one route to market, it is optional and flexibility of using other options is available.	Green

not align with an asset owner's broader objectives.	2. The delivery may not prove to be cost effective depending on the location of assets.	iii. Other options include pre-existing frameworks or other competitions.	
7. **Risk of legal challenge** Public sector funded telecommunications projects have in the past been at risk of challenge under State aid rules. Eg Birmingham's funded superfast broadband project in 2012 was challenged by BT and Virgin.	1. A legal challenge would potentially stop or significantly delay delivery. 2. Significant legal costs would be incurred.	i. All three grant funding elements, SIP, SIF, LFFN use the DCMS State aid model which applies nationally and is considered the most appropriate way to ensure State aid compliance. ii. The Connected London team will work with boroughs to establish eligibility of sites and ensure State aid is considered from the outset. iii. TfL's model for managing risk involves transferring appropriate risk to the concessionaire contractually and will be considered as part of delivery.	Green

Mayoral commitments

4.2. The manifesto pledges to "improve our connectivity, making it a priority to tackle London's 'not spots', ensuring better access to public-sector property for digital infrastructure.

4.3. The Smarter London Roadmap launched the Connected London programme mobilising public-sector property across London to reduce the costs of full fibre deployment and prioritise investment.

4.4. The Connected London programme includes

- Working with Transport for London (TfL) on the Connected London Full Fibre Network - This scheme will use TfL assets to deliver a full fibre backhaul network, connecting up 400 km of underground tunnels, 580 km of roads and 80,000 street furniture assets. It will also make use of public sector property to make surrounding areas more commercially viable by funding connections through grant funding
- Connected London Regional Working Groups – addressing coordination challenges and sharing knowledge across boundaries. The working groups are: North Central, North East, South Central, South and West London.

- Working with providers – the team works with providers to understand their priorities and issues, to improve connectivity across London.
- London Plan – developing and implementing the strongest digital connectivity planning policies ever.
- Sharing best practice and resources – providing data, mapping, templates and case studies relevant to digital connectivity in London. These are provided through our workshops, in our newsletters and on our webpages.

4.5. The Economic Development Strategy states: "The Mayor will, tackle the barriers to provision of fast, reliable digital connectivity through a comprehensive programme including: appointing a dedicated team in City Hall, promoting best practice and innovation, developing guidance, advocating the use of public sector assets for digital connectivity and championing the use of standardised agreements".

4.6. The new London Plan creates the strongest digital connectivity policies ever. Policy SI6 (with minor suggested changes) states:

To ensure London's global competitiveness now and in the future, development proposals should:

- ensure that sufficient ducting space for full fibre connectivity infrastructure is provided to all end users within new developments, unless an affordable alternative 1GB/s-capable connection is made available to all end users;
- meet expected demand for mobile connectivity within generated by the development;
- take appropriate measures to avoid reducing mobile connectivity in surrounding areas; where that is not possible, any potential reduction would require mitigation; and
- support the effective use of rooftops and the public realm (such as street furniture and bins) to accommodate well-designed and suitably located mobile digital infrastructure.

5. Financial comments

5.1. Approval is being sought to grant £11m from the Mayor's Strategic Investment Fund to be made available for delivering full fibre in London. £10m of this will be used as capital grants to create full fibre connections in 10 London Boroughs and up to £1m is needed to fund external regional officer roles to support the delivery of this digital connectivity.

5.2. All associated costs for maintenance and management for these installations will be incurred by the concessionaires and not the GLA.

5.3. It is anticipated the expenditure will take place between 2019/20 –2021/22.

6. Legal comments

6.1. The decision sought concerns proposal to i) grant fund full fibre installation to public assets to a value of £10m and ii) fund regionally connected London officer roles at a value of £1m.

6.2. Under sections 30 and 34 of the Greater London Authority Act 1999 (the GLA Act) the GLA (acting through the Mayor) has power to do anything which it considers will further its purposes, including the promotion of economic development and wealth creation, and social development, in Greater London, and to do anything which is calculated to facilitate, or is conducive or incidental to the exercise of its functions.

6.3. It appears that the expenditure proposed in this paper is intended to deliver greater connectivity which would tend to promote economic development and wealth creation and social development ins Greater London.

6.4. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this decision form.

6.5. The allocation of funding has not yet been determined so officers must ensure the proposed specific funding is disbursed in a fair and transparent manner in accordance with the Paragraph 6.4 of GLA's Contracts and Funding Code as set out in 1.13 above and appropriate funding agreements are put in place between and executed by the GLA and recipients of funding before any commitment to the provide funding is made. The proposed grants may be viewed as a conditional gift rather than a contract for services and supplies.

6.6. Any function exercisable by the Mayor on behalf of the Authority may also be exercised by any member of staff of the Authority albeit subject to any conditions, which the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation Executive Director, DEE if he so chooses.

7. Planned delivery approach and next steps

7.1. TfL's Telecommunication Project is commercialising TfL assets, which will deliver cellular (4G) services on the London Underground, a new fibre network for London, improved access to streetscape assets to deliver 5G and an improved Wi-Fi service on London Underground stations. This project is referred to as the Telecommunications Commercialisation Project (TCP). The procurement is underway, with the Invitation to Tender released on 26 July 2019. The projected completion of procurement is Summer 2020. Fibre delivery from stations to public sites will commence once the concessionaire is appointed. Regional teams will provide support to ensure smooth delivery by ensuring that local authorities are prepared and ready to allow necessary permissions to allow the concessionaire on site and access to the roads.

Activity	**Timeline**
Announcement	October 2019
Identification of priority sites with boroughs	December 2019
Developing delivery plans with boroughs	March 2020
Value for Money assessment	May 2020
Assessment of procurement options	June 2020
First quarterly review (after delivery begins) Quarterly reviews to consider progress against site list, projected spend for the quarter, remaining budget, and potential new sites.	September 2020
Projected delivery end date	March 2022
Final evaluation	June 2022
Project Closure	September 2022

Appendices and supporting papers:

Appendix 1 - London boroughs not in receipt of existing grant funding
Appendix 2 – Delivery model
Appendix 3 - Boroughs benefitting from LFFN funding
Appendix 4 – Focus areas where commercial intervention is unlikely

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note**: This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:	Drafting officer to confirm the following (✓)
Drafting officer: Sara Kelly has drafted this report in accordance with GLA procedures and confirms the following:	✓
Sponsoring Director: Debbie Jackson and Theo Blackwell have reviewed the request and are satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
Mayoral Adviser: Nick Bowes has been consulted about the proposal and agrees the recommendations.	✓
Advice: The Finance and Legal teams have commented on this proposal.	✓

Corporate Investment Board
This decision was agreed by the Corporate Investment Board on 21 October 2019.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature M.D. Rlle **Date** 21.10.19

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature p/ NBowes **Date** 22-10-19.