

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	16 March 2020
Executive Member/ Reporting Officer:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth) Kathy Roe, Director of Finance.
Subject	FINANCE & IT CAPITAL PROGRAMME
Report Summary:	<p>This report provides a summary of progress to date in relation to the delivery of the Council's capital investment programme in the Finance and IT Directorate.</p> <p>Appendix 1 attached shows the list of approved capital schemes within the Finance and IT Directorate capital programme along with budget monitoring completed as at period 10. Milestones have also been included for larger schemes to reflect the progress of these.</p>
Recommendations:	<ul style="list-style-type: none"> (i) To note the report and the details of the status of the schemes in the programme. (ii) To accept the additional grant funding of £2.5m from the Department of Digital, Culture, Media and Sport and add this to the Capital Programme.
Financial Implications: (Authorised By the Section 151 Officer)	<p>The report provides an update on the approved and planned capital expenditure for Finance and IT.</p> <p>The Finance investment in Manchester Airport is in line with the approved budget and is expected to complete in April 2020. Future revenue income will be generated from this investment but no revenue income has been assumed in the MTFP at this stage.</p> <p>The Digital Tameside Investment programme includes significant grant funding from the Department of Digital, Culture, Media and Sport. This grant funding requires the Council to submit quarterly returns to the Department and to comply with the terms and conditions of grant, which is time limited. Failure to progress schemes and drawdown grant within the agreed timescales may result in a loss of available funding.</p>
Legal Implications: (Authorised By Borough Solicitor)	<p>The projects currently being funded have complex legal agreements codifying legal obligations and liabilities and consequently have been subject to separate governance. Governance will be required There needs to be a clear commitment from officers that the Council can achieve the deliverables before accepting the additional grant funding of £2.5m from the Department of Digital, Culture, Media and Sport.</p>
Risk Management:	<p>Delays to the commissioning of the new data centre in Ashton Old Baths could lead to alternative hosting arrangements for Council computer systems, which are currently located in Rochdale MBC's data centre, being required. This would potentially lead to significant disruption to computer systems and increased costs.</p>
Background Information:	<p>The background papers relating to this report can be inspected by contacting :</p>

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1 INTRODUCTION

- 1.1 The approved Finance and IT Capital Programme for 2019/20 is £8.715m, which includes £5.6m for additional investment in Manchester Airport and £3.115m for Digital Tameside. Also included within this report is detail of a further £2.5m of grant funding from the Department of Digital, Culture, Media and Sport (DCMS) which is to be added to the Capital Programme.

2 FINANCE CAPITAL SCHEMES

- 2.1 In February 2019, Executive Cabinet approved an equity investment of £5.6m in Manchester Airport which will be funded by prudential borrowing. The investment is expected to generate revenue income through returns of around 3.25% (after taking account of borrowing costs and debt repayment) from 2021/21 onwards, although no amounts are yet assumed in the Medium Term Financial Plan (MTFP). The investment is expected to be drawn down in three tranches in February, March and April 2020.

3 DIGITAL TAMESIDE SCHEMES

Fibre Infrastructure

- 3.1 A corporately funded capital scheme for Fibre Infrastructure (£1.725m) was approved by the Executive Cabinet in December 2017. Work to construct the resilient figure of 8 fibre network to connect 22 key council sites and a further 30 health sites is now complete and all the connections to council buildings are live and in-use.
- 3.2 A Local Full Fibre Network (LFFN) Grant of £2.262m was also awarded to the council in 2018 by the Department of Digital, Culture, Media and Sport (DCMS) with the intention to both accelerate the deployment of fibre across Tameside and support its commercialisation. The money was to pay for additional fibre cable to be installed around the core figure of 8 network to provide additional capacity, an additional 13.5km of ducting and fibre optic cables to connect high employment and industrial sites across Tameside, contribute towards the costs of a Digital Exchange facility in the new Data Centre being built at Ashton Old Baths and a further 8 mini digital exchanges located across Tameside and finally a new resilient fibre link to Manchester from Tameside. Most of these works are now complete and the final grant claim will be submitted at the end of February 2020.
- 3.3 In January 2018 the DCMS announced a second round of LFFN funding. Greater Manchester Combined Authority coordinated a pan-Manchester £23.8m bid involving 10 local authorities, Police, Transport for Greater Manchester and Greater Manchester Health & Social Care Partnership with aim of increasing fibre to the premise coverage across Greater Manchester from 2% to 25% by 2020.
- 3.4 The Tameside element of the successful bid is £2.500m and is based on expanding our existing re-use of public assets model, with the further commercialisation through the Digital Cooperative. Working with Network Rail and using their track side troughs, the submission involves expanding the fibre infrastructure to additional sites and public sector buildings in Mossley, Hattersley, Broadbottom, Mottram, Hadfield and Glossop.
- 3.5 The Grant Funding Agreement with DCMS for the Tameside funding has now been approved and signed. Key elements and deliverables of the successful Wave 2 bid include:
- Provision of a second diverse direct fibre route from the Tameside Digital Exchange into LINX Manchester Via Network Rail Infrastructure.
 - Provision of a new direct fibre route from the Tameside Digital Exchange into Leeds Peering point with provision for 10 meet me access points along the route.

- Provision of a new direct fibre route from Tameside Digital Infrastructure to Glossop with meet me points at Hattersley, Hyde, Broadbottom, Hadfield and Glossop.
- Installation 10km of ducting and dark fibre infrastructure to connect Health and Public sector buildings in Hadfield and Glossop.
- Installation of 5km of ducting, dark fibre and a mini DX in Mossley and Hattersley to connect health and public sector buildings and CCTV equipment.
- Installation of a new cross city centre fibre optic cable from Piccadilly Station to meet me point at Oxford Road Corridor project.

3.6 Once the Wave 2 work is complete over 50km of new ducting will have been installed across Tameside and Glossop. 42% of business and residential properties in Tameside will be within economical connection distance of the fibre network and also any potential 5G roll-out. This compares with the national figure of 5%.

Property type	Total Number	Number within 200m of Fibre	
Business	7,406	4,406	59%
Residential	101,730	41,608	41%
Total	109,136	46,014	42%

ICT Vision Tameside

3.7 This project is nearing completion with the building now fully occupied. A review of technology use across the building is being undertaken to identify any remaining requirements and to complete the investment in the Library area. A small underspend is forecast on this budget (£116k).

Laptop Replacement Programme

3.8 The laptop replacement programme took place between May and December 2019 and the scheme is now complete. All older laptops have now been replaced with Windows 10 devices.

Microsoft Licensing

3.9 This scheme is to purchase second-user on premise perpetual licenses for replacement Microsoft desktop Office 2016 and associated software, server operating systems and SQL databases. The scheme is in the initial phase of procurement, design and delivery, with all user licences and main Data Centre licences expected to be purchased by the end of March 2020. Licences for the Disaster Recovery site are expected to be purchased from July 2020.

3 RECOMMENDATIONS

3.1 As set out on front of report.