



DORSET
Local Enterprise Partnership

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Dorset Smart Place Investment Plan
End of Project Report

Local Growth Fund (LGF)

PROJECT SUMMARY

Project start date	18 th May 2020
Project construction start date	N/A
Project completion date	30 th April 2021

The project delivered The NEW SMART PLACE Investment Plan. At the heart of our plan is the vision to build [Smart Places](#) that are financially successful.

The aim of the project was to develop the Investment Plan, such that it can subsequently be used to make a robust case for inward investment from UK and overseas investors, generating new, high-skilled jobs in Dorset. This aim was successfully achieved.

Considering the Investment Plan in more detail, it identified the following four programmes:

- Gigabit Speed Fibre
- 5G Solution
- Place-based Data Insight System
- Place-based Integrated Applications

For each of these programmes business model assessments, financial forecasts and, where appropriate, high level architectures, were completed. In addition, an investor prospectus was prepared along with overarching documentation covering special purpose vehicle options and legal and procurement assurance. All work was informed by a public engagement survey that was commissioned from independent specialists. Where appropriate, external consultants were engaged to assist in the preparation of the plan.

The Plan focused on gathering evidence around the digital agenda supporting both the UK's and Dorset's Local Industrial Strategy. The plan is aligned to the Dorset Local Industrial Strategy, Dorset Council's Plan, BCP Council's Corporate Strategy and BCP Council's Big Plan.

Creating the Plan doesn't have any immediate ROI but it is vital to secure the required inward investment which could be missed without it.

CHANGE REQUESTS

There were no change requests submitted.

OUTPUTS AND OUTCOMES

The key output of the project was to produce a Smart Place Investment Plan that will subsequently be used to attract significant inward investment of up to £1bn to create a Smart Place, implementing associated digital connectivity and technologies. This output was achieved in full through research, analysis and modelling that resulted in the creation of following set of documents:

- New Smart Place Investment Plan Overview
- New Smart Place Prospectus
- Gigabit Speed Fibre Business Model Assessment
- Gigabit Speed Fibre Finance Model
- Gigabit Speed Fibre Network Route
- 5G Solution Business Model Assessment
- 5G Solution Finance Model
- 5G Solution High Level Network Plan
- Place Based Data Insight System Business Model Assessment
- Place Based Data Insight System Finance Model
- Place Based Data Insight System Architecture
- Place Based Integrated Applications Business Model Assessment
- Place Based Integrated Applications Finance Model
- SPV Options
- Legal and Procurement Assurance
- Legal and Procurement Assurance Schedules
- Smart Place Public Consultation Survey Results

The outcomes are as follows:

Outcome	Use the Smart Place Investment Plan during 2021 to seek to secure significant inward investment of up to £1bn (to be made available over the anticipated 5-7 year deployment period) to fund Smart Place deployment across the Dorset area.
Evaluation	<p>This outcome is now being achieved, with the Investment Plan currently being used to seek to secure investment. The Investment Plan identified initial investment opportunities of approximately £150m, across four programmes. Post Plan publication we undertook an early market engagement exercise (EME) with investors. 17 potential investors were engaged and 6 are considered qualified with ongoing discussions.</p> <p>A successful webinar with the DIT attracted around thirty investors from around the world.</p>

Outcome	Subject to inward investment deploy Smart Place technologies across Dorset over a 5 to 7-year period in order to deliver significant economic and social benefits, as set out in the proposed Investment Plan of a Smart Place.
Evaluation	Conversations with investors are continuing across all four programmes contained within the Investment Plan. In particular there is a current strong opportunity for the creation of a pan BCP neutral host fibre network. The network has the potential to generate net revenue of ~ £20m over 20 years, to deliver public sector savings in excess of £200k per year, to improve business connectivity and hence productivity, and to facilitate more equitable availability of internet connectivity.

In addition, the project delivered a webinar in conjunction with the Department for International Trade, which was successful in attracting significant investor interest.

Evidence will be submitted annually as an Outputs and Outcomes Certificate.

BENEFITS REALISED TO DATE

Benefits realisation is obviously still at an early stage given the Investment Plan was completed in April. Notwithstanding this, there has been a high level of investor engagement, and discussions are ongoing across all four programmes.

The Investment Plan has enabled market engagement with investors, potential partners and suppliers. It has been critical in steering this market engagement and framing the intentions of the Council.

The most rapidly progressing opportunity is with the gigabit speed fibre programme. Early market engagement has identified an opportunity to deploy a pan BCP neutral host fibre network, with an investment requirement of ~£7m. The opportunity is enhanced through alignment with the DfT Transforming Cities Fund (TCF), with the intention being to install ducting and fibre at the same time as the TCF work is being completed. Such a network would deliver socio-economic value as well as commercial return.

FINANCES

The original budget was £380k and the actual spend matches this.

Matched funding of £20k was provided by BCP Council and £60k was provided from partners.

No savings within the Dorset LEP budget realised and reinvested, note this was not an aim of the project.

LESSONS LEARNT

The project commencement date was delayed by three months and this made timely completion more difficult. Whilst the reasons for the delay were out of our control and we were able to pull back about two months, the commencement delay did result in a delay of about one month to completion. Next time, doing everything possible to ensure a timely start, and if this is not possible, agreeing to a revised delivery plan early on in the project would have been beneficial.

Recruiting new people into the Council for delivery of the project was beneficial in many ways, for example in terms of fresh ideas and approaches. However, it was sometimes challenging for these new team members to know who to engage with within the Council, particularly with Covid and remote working. With hindsight, a more structured approach to Council engagement could have been taken. Whilst this would not have changed outputs or outcomes, it may have saved some time.

Engaging early with businesses through the Smart Place R&D Consortium and particularly through a structured Early Market Technical Engagement was invaluable and should be repeated in future projects.

To summarise the major risks and their mitigation:

- Inability to procure specialist consultants. Successfully mitigated through early engagement with the procurement team and proactive identification of suitable candidates
- Investment Plan fails to make the investment case. Mitigated through preliminary cost-benefit analyses being made at the start of the project.
- Incorrect assumptions made in financial models. The assumptions made are stated clearly within the models.

SUCCESS STORY

The project has been highly successful in terms of identifying and assessing areas for investment within the Smart Place Programme, as evidenced by the ongoing discussions with six credible investors and numerous potential partners.

In addition, it has driven engagement with national government including The Cabinet Office, DCMS, DIT, IPA and NCSC. A webinar aimed at attracting investors was co-hosted with the DIT in March, with the DIT contributing and providing high profile speakers. The webinar secured around 30 attendees and directly led to ongoing investor engagement.

One aspect of the Investment Plan that was developed during the course of the project was the opportunity to engage with other local authorities, for mutual benefit. Although still at an early stage and not yet promoted widely, we are currently discussing our plans with three other local authorities,

The Investment Plan and subsequent investor discussions have directly led to an immediate opportunity for a novel "Neutral Host" pan BCP fibre network that could be installed at the same time as the roadworks already planned for Transforming Cities Fund work.

Dorset LEP

Laura Zisa-Swann
lzisa@bournemouth.ac.uk
07708 510464
www.dorsetlep.co.uk

Bournemouth, Christchurch and Poole council

Adrian Hale

Adrian Hale
Adrian.hale@bcpcouncil.gov.uk
07745 331139
www.bcpcouncil.gov.uk