

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 11 JUNE 2013

Title of report	SUPERFAST BROADBAND
Key Decision	a) Financial No b) Community Yes
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Purpose of report	To seek Cabinet's approval of the Council's involvement in the Leicestershire Superfast Broadband programme and delegate authority to invest in the programme
Reason for Decision	The proposed commitments exceed the thresholds in the Scheme of Delegation and so delegated authority is requested to facilitate the Council's involvement in the programme
Council Priorities	Business and Jobs Value for Money
Implications:	
Financial/Staff	Commitment of £54,000 from the Value for Money reserve
Link to relevant CAT	None.
Risk Management	There is a risk that by not supporting the programme the businesses and residents of North West Leicestershire will not benefit from the County-wide roll-out of Superfast Broadband. There is also the risk that our investment will not be reflected in the roll-out of Superfast Broadband in the Council's area. Cabinet are being asked to consider this risk and determine whether they are happy to proceed in light of this.
Equalities Impact Assessment	Not applicable
Human Rights	Not applicable

Transformational Government	The Leicestershire Districts, Boroughs and County Councils are working together with the private sector to facilitate the roll-out of Superfast Broadband to the majority of rural and urban areas in the County, using a combination of local and national investment.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Legal Services
Background papers	http://www.leics.gov.uk/leicestershire_broadband_connectivity_maps.pdf .
Recommendations	<p>1) THAT CABINET NOTE THE WORK UNDERTAKEN BY THE CHIEF EXECUTIVE IN RELATION TO THE COUNTY-WIDE SUPERFAST BROADBAND PROGRAMME</p> <p>2) THAT CABINET DELEGATES AUTHORITY TO THE DIRECTOR OF SERVICES IN CONSULTATION WITH THE BUSINESS PORTFOLIO HOLDER TO COMMIT £54,000 FROM THE VALUE FOR MONEY RESERVE TO THE PROGRAMME</p> <p>3) THAT CABINET DELEGATES AUTHORITY TO THE DIRECTOR OF SERVICES TO CONCLUDE AND SIGN THE COLLABORATION AGREEMENT ON BEHALF OF THE COUNCIL</p>

1.0 BDUK SUPERFAST BROADBAND PROGRAMME

- 1.1 Broadband Delivery UK (BDUK) is the Department for Culture Media and Sport's plan to deliver the government's goal of providing superfast broadband (SFBB – of at least 24Mbps) to at least 90% of premises in the UK by 2015 and universal access to standard broadband with speeds of at least 2Mbps.
- 1.2 BDUK has provided for a framework contract with BT and Fujitsu for county and unitary level local authorities to call-off upgrade services to facilitate the roll out of SFBB within their area. Fujitsu has now reportedly withdrawn from the framework and so BT will be the sole supplier.
- 1.3 The government believes that SFBB internet access is essential for individuals to benefit from online services and for UK businesses to compete globally. Some areas, particularly cities, already have access to SFBB, but there are large areas where broadband is not available at all.

2.0 SUPERFAST BROADBAND LEICESTERSHIRE

- 2.1 Leicestershire County Council (“LCC”) has pledged to deliver SFBB to all premises in Leicestershire by 2017 (“the Programme”) in order to achieve the following:
 - 2.1.1 Ensure access to significantly faster broadband for every business and community by the end of September 2015, with a minimum of 90% of premises receiving superfast broadband;
 - 2.1.2 Deliver competitively priced broadband services through an open access network attracting, where possible, a wide range of service providers. Work with public and voluntary sectors to deliver digital inclusion and transform access to services;
 - 2.1.3 Unlock Leicestershire’s economic growth potential, deliver digital inclusion and transform access to public services through the effective use of digital technologies;
 - 2.1.4 Close the Digital Divide between rural and urban areas in the county;
 - 2.1.5 Ensure deployment supports the county’s ambitious environmental sustainability targets – including cutting carbon and improving the environment.
- 2.2 A summary of so called broadband ‘Slow Spots’ and ‘Not Spots’ in Leicestershire can be viewed at http://www.leics.gov.uk/leicestershire_broadband_connectivity_maps.pdf.
- 2.3 It is anticipated that the private sector (companies such as Virgin Media) will upgrade approximately 73% of the county which does not currently receive SFBB. Accordingly, the services to be called off the BDUK framework will be to address providing SFBB to the remainder of these premises.
- 2.4 LCC is the responsible body for procuring services through the DCMS framework and are currently in the pre-procurement stage. The County Council is also coordinating the districts and boroughs of Leicestershire and working with Leicester City Council on the Programme.
- 2.5 A legal agreement is required to be entered into between the districts and boroughs and LCC to take the Programme forward and secure the external funding. As lead, LCC initially intended for the agreement to be completed prior to the procurement process which is due to begin in June. The agreement has been the subject of extended negotiation due to the number of parties and there has been detailed work on modelling (see below) conducted by LCC to establish the benefits to each district and borough. Due to the timescales for all partners committing to the project the details of the collaboration agreement, including claw back arrangements, will need to be delegated to the Director of Services for resolution.
- 2.6 Subject to agreeing the contractual arrangements, it is anticipated that the procurement will commence during the summer 2013, with delivery from summer 2014.

3.0 FINANCE AND MODELLING

- 3.1 LCC has allocated £4 million to match £3.3 million allocated to the county by the Department for Culture, Media and Sport. LCC is currently discussing whether to invest more. A European Regional Development Fund bid for significant additional funding has been submitted; which could potentially result in securing a total programme in the region of £1.2 million for the benefit of accelerating SFBB across the County.
- 3.2 The Council was initially asked to contribute £270,000 which realistically was determined to be an amount which the Council would not be in a position to raise. After some negotiations, the LCC has proposed the following contributions from the districts and boroughs:

Blaby	£50,000
Charnwood	£100,000
Harborough	£530,000
Hinckley and Bosworth	£40,000
Melton	£360,000
North West Leicestershire	£54,000
Oadby and Wigston	£0

- 3.3 The amount the Council is being asked to contribute is proportionate to other similar authorities in terms of their need and demand for SFBB. It is important to note that the district contributions represent a small proportion of the SFBB 'pot', but can be seen as "levering" in additional resources for the benefit of the District.
- 3.4 Although the Council's funding is a "lever" to receive further funding for the county-wide programme and hopefully greater benefits for the district, the modelling carried out by LCC as to which areas of Leicestershire will receive what and when is not clear. It is a risk that the Council's contribution will not be reflected in the proportion of roll out in the district. The Council will be contributing an amount to have the opportunity to receive some benefit, the scale of which is to be determined, under the Programme. In order to ensure that the District secures a fair proportion of the investment available, the District will fully engage in the project delivery to identify and facilitate investment from the Programme. To this end it is intended to test the information on "slow" and "not spots" with the local business communities.

4.0 COLLABORATION AGREEMENT

- 4.1 To secure the financial support of the Department for Culture Media and Sport, the districts and LCC are required to enter into a legal agreement (or "collaboration agreement") governing the financial contributions, governance and how LCC will lead on the programme.
- 4.2 The collaboration agreement has seen various iterations and is an evolving agreement, as each authority party to it seeks to protect their interests. Legal Services have been advising on this to protect the Council's position.
- 4.3 It is anticipated that a final form of the collaboration agreement, acceptable to all parties, will be prepared shortly and will need to be signed on behalf of the Council as a matter of urgency to allow LCC to progress with the procurement under the BDUK framework.