

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 21 OCTOBER 2014

Title of report	SUPERFAST BROADBAND
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Tony Gillard 01530 452930 tony.gillard@nwleicestershire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk Head of Legal and Support Services 01530 454762 elizabeth.warhurst@nwleicestershire.gov.uk
Purpose of report	To seek Cabinet's approval of the Council's involvement in the Leicestershire Broadband – Superfast extension 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 any further investment in the programme
Council Priorities	Business and Jobs Value for Money Homes and Communities
Implications:	
Financial/Staff	Commitment of £214,000 from the Value for Money reserve
Link to relevant CAT	Business CAT.
Risk Management	There is a risk that by not supporting the extension programme the 2,363 businesses and residents of North West Leicestershire outside of the current programme of works will not benefit from the County-wide roll-out of Superfast Broadband. Cabinet is being asked to consider this risk.
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	None
Background papers	Broadband - Superfast Extension Programme - Cabinet 15 July 2014. Leicestershire County Council Broadband Leicestershire. (Atkins) Impact Assessment. 19 December 2013 (Commercially sensitive) (Atkins report)
Recommendations	<p>1) CABINET NOTES THE WORK UNDERTAKEN TO DATE IN RELATION TO THE COUNTY-WIDE SUPERFAST BROADBAND PROGRAMME</p> <p>2) CABINET DECIDES WHETHER IT WISHES TO MAKE A FURTHER INVESTMENT OF £214,000 IN THE COUNTY-WIDE BROADBAND – SUPERFAST EXTENSION PROGRAMME</p> <p>3) THAT IF CABINET AGREES TO INVEST, IT DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE IN CONSULTATION WITH THE PORTFOLIO HOLDER TO COMMIT FURTHER INVESTMENT FROM THE VALUE FOR MONEY RESERVE AND TO CONCLUDE AND SIGN THE COLLABORATION AGREEMENT ON BEHALF OF THE COUNCIL</p>

1.0 BACKGROUND ‘SUPERFAST LEICESTERSHIRE’

- 1.1 Super-fast broadband (SFBB – of at least 24Mbps) is a critically important infrastructure which will drive economic growth and innovation, improve access to services and help transform the delivery of public services. Within North West Leicestershire (NWL), BT and Virgin Media have or will commercially deliver SFBB to 77.2% of premises without the need for public investment. The Leicestershire average is 75%.
- 1.2 The Government set an initial objective to ensure 90% of UK premises have access to SFBB by 2015, supported by investment of £0.5 billion. Government has revised its objective to 95% coverage by 2017 supported by a further £250 million of investment.
- 1.3 Leicestershire County Council (LCC) are leading the Superfast Leicestershire partnership programme to reduce the “Digital Divide” and increase take-up of digital services. In August 2013 LCC awarded a £16.9 million contract to BT to extend super-fast broadband

coverage to 92.3% of Leicestershire business and residential premises. Investment includes £4 million (LCC), £1.2 million (European Regional Development Fund), £3.3 million (Department for Culture, Media and Sport (DCMS) and £8.3 million (BT).

- 1.4 LCC have stated that within NWL it is expected that 6,883 additional premises will have access to SFBB through the contract, increasing coverage to 93.2%.

2.0 OUR £54,000 INVESTMENT

- 2.1 In February 2014, using LCC's contract with BT as a vehicle for delivery, the Leicestershire District Councils agreed to raise a further £1,162,000 to further increase the roll out of superfast broadband to isolated rural communities. This investment leveraged an additional £376,686 from BT. Our investment of £54,000 was considered and approved by Cabinet in June 2013. A breakdown of investment by District is set out below:

District	Investment Requested by LCC (£)	Secured investment (£)	Predicted number of additional premises receiving SFBB (Atkins report)
Blaby DC	340,000	50,000	230
Charnwood BC	420,000	100,000	448
Harborough DC	530,000	530,000	1,380
Hinckley & Bosworth BC	440,000	58,820	572
Melton BC	370,000	370,000	1,440
NW Leicestershire DC	270,000	54,000	577
Oadby & Wigston BC	70,000	0	0
Total	2,440,000	1,162,820	4,647

- 2.2 At the time of considering this investment, the Council did endeavour to seek clarity from LCC on the return on investment in terms of seeking a guarantee (through legal contract) detailing how and where the investment is spent. This was not possible as the Atkins report which detailed the properties to receive SFBB had not been published at this time.
- 2.3 Since committing the £54,000 investment, a report produced by a company called Atkins on behalf of BT forecasts that an additional 577 properties in NWL (principally within the forest communities of Newbold and Griffydam) will receive SFBB. These properties are scheduled to receive SFBB by Summer 2015. If realised the investment equates to a return of approximately £93.59 per additional premises connected. This is considered good value for money as, by comparison, the average return on investment was £250 per additional premises (the Atkins report)

3.0 SUPERFAST EXTENSION PROGRAMME

- 3.1 LCC is proposing to increase the coverage of SFBB across Leicestershire through the delivery of a £9.2million 'Superfast Extension Programme'. The extension programme will build upon the initial Superfast Leicestershire project. To finance the extension The Department for Culture, Media & Sport have provisionally allocated £3.7 million, LCC have allocated £1.7 million and the LLEP are likely to provide £2 million from the Local Growth Fund. LCC has stated that, subject to procurement, the supplier will contribute an additional £1.8 million to the extension project.
- 3.2 Without further investment from the Districts, LCC has stated that the extension project will aim to increase Leicestershire coverage from 94% to circa 97-98% of premises. If delivered, this would reduce the number of premises without superfast provision from 18,000 to about 9,000. Of the 18,000 premises not receiving SFBB, 2,363 are within NWL. A proportion of these premises will be covered, however LCC have not been able to say how many.
- 3.3 To enable 98-100% provision to be achieved, the Leicestershire District Councils have been invited to further invest. The Council has been asked to invest a further £214,000. The following table provides a breakdown of the requested investment, by District.

District	Premises not receiving SFBB	Extension funding requested by LCC (£)
Blaby DC	1,470	133,000
Charnwood BC	3,453	313,000
Hinckley & Bosworth BC	3,359	304,000
NW Leicestershire DC	2,363	214,000
Oadby & Wigston BC	397	36,000
Melton BC	3,131	Amount not specified
Harborough DC	3,836	Amount not specified
Total	18,009	1,000,000

3.4 Value for Money Assessment

Once again clarification has been sought from LCC regarding the return on any further investment. The following questions have been asked:

- How many of the remaining 2,363 properties in NWL would receive superfast broadband if the full investment was made?*
LCC response: We could confirm, once the mapping work is completed. LCC aspires to achieve 100% and our investment will target some of these properties.
- If a further investment was made, would LCC guarantee that NWLDC would be able to decide where our investment will be targeted?*
Response: Provisionally, yes. This will be raised in early discussions with BT and then written into a collaboration agreement. If NWLDC agrees to finance a targeted area we would guarantee that all of these properties will be connected (subject the cost of works and the value of any investment we make). Should a level of investment be made, less than the full £214,000, the finance could be used to target priority communities (subject to the level of investment made covering the cost of the works).

- 3.5 A further investment of £214,000 resulting in all 2,363 properties receiving SFBB would realise a return of investment of £90 per property. However, although it is not known how many, some of the 2,363 properties will receive SFBB without further investment being made by NWLDC (paragraph 3.2)

4.0 OTHER SOLUTIONS OUTSIDE OF THE SUPERFAST LEICESTERSHIRE PROGRAMME

4.1 Bardon Industrial Estate

The Council has identified a need to improve superfast broadband coverage for businesses on Bardon Industrial Estate. However, it is hoped that this need will be met through a commercial solution. In July 2013 officers of LCC and the Council met with WarwickNet to discuss a commercial solution to deliver SFBB solutions to the business on Bardon Industrial Estate.

WarwickNet are a private company who specialise in providing SFBB facilities. WarwickNet have since announced via their website (<http://www.warwicknet.com/business-park-broadband>) that they are rolling out SFBB to Bardon Business Park, Coalville later this year 2014, to approximately 100 premises. The Council have agreed to support WarwickNet by engaging with businesses on Bardon Business Park. There are no cost implications for NWLDC.

4.2 Diseworth

To help increase the SFBB coverage beyond the 90% government have challenged Councils and community groups to identify local solutions to enable the 'Final 10%' to access SFBB. One such project is Diseworth Village's Disewired.

In 2010 a number of Diseworth residents formed the community group Disewired to address the slow broadband speeds that the village receives. Initially unsuccessful in securing funding with a Rural Community Broadband Fund application, in June 2014 Disewired was successful in securing £119,000 from the Department for Culture, Media and Sport. This funding will bring SFBB to more than 250 residential and business premises in the village by the end of 2015. Our Business Focus team wrote letters of support on behalf of Councillor Rushton and Councillor Gillard.

5.0 COMMUNICATIONS

- 5.1 LCC have stated that they will continue to deliver a comprehensive communications plan to highlight the investment into SFBB. The communications plan will be delivered in coordination with communications teams from each of the District partners.
- 5.2 In February 2014, LCC launched a demand campaign to support the Superfast Leicestershire deployment programme, including a new website. This will encourage take up and articulate the benefits of fibre broadband to businesses and communities.
- 5.3 The Council will continue to communicate the public sector investment in approving new high speed connectivity and advise businesses to get the most out of SFBB.

6.0 SUMMARY

- 6.1 The Government has set an objective to ensure 95% of UK premises have access to SFBB by 2017. The Superfast Leicestershire Programme (already commissioned) is predicted to provide 94.5% coverage in NWL.
- 6.2 Without additional investment from NWL, the proposed Superfast Extension Programme will provide 97-98% coverage across Leicestershire. The coverage in NWL will increase from 94.5%, however it is not known how many of the remaining 2,363 premises will receive SFBB.
- 6.3 Should a decision be made to further invest, NWLDC:
- Would have some influence over how and where the investment is spent. Priority communities could be identified. Commitments would be written into a collaboration agreement.
 - The exact number of properties to receive SFBB would not be guaranteed

The following table summarises the anticipated SFBB coverage for each of the project stages.

Project Stage	Investment by NWLDC	Anticipated Outcome
Pre 2013 – Private sector investment (BT/Virgin Media)	None	77.2% coverage (NWL)
Superfast Leicestershire (August 2013)	None	93.2% coverage (NWL) Estimated that additional 6,883 properties in NWL with receive coverage
Superfast Leicestershire 'District Council intervention' (February 2014)	£54,000	94.5% coverage (NWL) 577 properties (Newbold & Griffydam)
Superfast Extension Programme (August 2014)	None	Aim to increase Leicestershire coverage from 94% to 97-98% 2,363 NWL properties are without SFBB. It is not known how many of these properties would receive SFBB
Superfast Extension Programme (August 2014)	Request for £214,000	To increase coverage above 97-98% It is not clear how many of the 2,363 NWL properties would receive SFBB (LCC aspire to 100%) 100 of the 2,363 properties will receive a connection through the Warwick Net solution (Bardon Industrial Estate) Guarantee that further investment will be made in NWL Opportunity to identify priority communities for inclusion

6.4 Next Steps and Timeline

LCC is seeking an indication regarding further investment from Districts by December 2014 and a firm commitment by February 2015. Should Cabinet decide to invest in the Superfast Broadband Extension programme, commitments would be written into a collaboration agreement.