

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1884

Author:

John Connelly

Department:

Development

Contact:

John Connelly

(Job Title: Digital Infrastructure Manager, Email: john.connelly@nottinghamcity.gov.uk, Phone: 01158764490)

Subject:

Participation in the 'Superfast Britain' voucher scheme to make available connectivity vouchers valued up to £3k to Nottingham businesses

Total Value:

£800k (Type: Revenue)

Decision Being Taken:

To approve expenditure of up to £3k per voucher directly to internet service providers who are upgrading eligible business internet connections under the terms of the scheme, to be re-imbursed in arrears by government.

To agree to Nottingham City Council (NCC) as the accountable body, awarding grants in the form of vouchers and entering into contractual arrangements in respect of these specific activities.

To agree to work with Nottinghamshire County Council to extend the scheme to include specific business clusters in the county area, with the City Council acting as the accountable body, though subject to suitable administrative arrangements and assignment of risk being agreed with the County Council.

Reasons for the Decision(s)

***** ERROR *** - CONTAINS CHANGES THAT HAVE NOT BEEN ACCEPTED BY THE DECISION AUTHOR**

The new 'Superfast Britain' Voucher scheme is being extended beyond the existing 'Superfast' cities, and Nottingham has been invited to become part of the scheme initially for the 2015/16 financial year. The government wish to make an official announcement in its next Budgetment Statement. It is business support delivered under Small and Medium Size Enterprise (SME) 'de minimis' and is operated by local authorities who are required to commit to a funding

agreement with government. Under the terms of the agreement an SME can apply for a voucher directly to the accountable local authority, who checks eligibility and registered supplier quote, issues the voucher and pays supplier, and claims back 100% of the cost from government. Under the terms of the scheme it is possible for local authorities to outsource the administration of the scheme to another local authority.

Cities can also determine how far geographically their schemes can extend, and this can include business clusters in their wider N2 LEP area. Consideration is being given to how far we should extend the scheme into the county area and what administrative arrangements can be made with the county council to ensure the city council is not burdend with additional workload or financial risk.

Other Options Considered:

- 1. Doing Nothing.**
Rejected. NCC should act as an accountable body on behalf of its growing businesses who would lose the opportunity to benefit from vouchers if the council did not agree to particiapte.
- 2. Outsource administration of scheme to anouther local authority.**
Rejected. The council cannot rely on another local authority targetting and marketing vouchers in the right areas and to its key growth sectors.
- 3. Limiting vouchers to SMEs in the city area.**
Rejected. Extending the scheme into the Nottighamshire County area should bring additional benefits and reinforce existing LEP work and joint initiatives to enhance broadband services across the whole city and county area.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	There are no implications
Equality:	EIA not required. Reasons: There are no equality implications.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	19/03/2015
Advice Sought:	Legal, Finance
Legal Advice:	This report does not raise significant legal issues. The City will be responsible for administering the scheme and will need applicants to sign a de minimis certificate to ensure there is no state aid. It is assumed that the terms of the scheme will be set out in an agreement with DCMS. Legal Services team will assist the Development team as required with the preparation of documentation with DCMS and applicants as necessary. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 03/03/2015.

Finance Advice:

This decision seeks approval for the Council to participate in the 'Superfast Britain' voucher scheme to make more available faster broadband connectivity to companies. It is estimated expenditure to be incurred will be £0.800m. Broadband Delivery UK (BDUK) acting on behalf of the Department for Culture, Media and Sport, will reimburse the Council's expenditure for this scheme subject to having met all the capital grant conditions. The scheme will operate between 1 April 2015 to 31 March 2016.

The scheme will be available to companies within the Nottingham City Council geographical boundaries and also parts of Rushcliffe, Gedling and Broxtowe Borough Council areas. Regarding the areas outside the City Council's boundaries, there will be an agreement in place with Nottinghamshire County Council to cover administrative arrangements and assignment of risk associated with the grant funding of this scheme.

The voucher scheme will operate as follows:

1. Each voucher will have a value of up to £3k, subject to the upgrade required in connectivity.
2. The Council will review details of each applicant to ensure eligibility criteria are met before issuing a voucher in accordance with the grant conditions.
3. The applicant will redeem the voucher from an approved broadband company as determined by BDUK.
4. The Council will pay the broadband company on production of the voucher after confirmation of the completion of the works by the applicant.

Companies may approach an approved broadband company directly, in which case the Council will still need to be satisfied the works have been completed and the applicant meets the criteria of this scheme.

The Economic Development team will put in place the appropriate monitoring, record keeping and performance reporting measures to ensure all expenditure in relation to the vouchers are recovered and minimise the risk of grant non payment and grant clawback. At the end of the scheme the Council will be required to submit a financial statement and an assurance statement signed by the Council's chief internal audit, Section 151 officer and Chief Executive Officer.

Only capital funding is available and so administration of this scheme will have to be contained within existing resources in Economic Development.

Advice provided by Maria Balchin (Finance Analyst) on 09/03/2015.

Signatures

Nick McDonald (Portfolio Holder for Jobs and Growth)
SIGNED and Dated: 12/03/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 12/03/2015