

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC  
PROSPERITY COMMITTEE – 21 MARCH 2014**

<b>Subject:</b>	Better Broadband for Nottinghamshire (BBfN) Programme update and Superfast Extension Programme (SEP)		
<b>Presenting authority / representative):</b>	Mick Burrows, Chief Executive, Nottinghamshire County Council		
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<b>Key Decision</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>Subject to call-in</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>Value of decision:</b> Not applicable	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Authorities affected:</b> Nottinghamshire local authorities	<b>Date of consultation with relevant authorities:</b> N/A		
<b>Summary of issues (including benefits to citizens/constituent authorities):</b>			
<p>a) Currently 5.2% of Nottinghamshire premises have been excluded from both the Better Broadband for Nottinghamshire (BBfN) programme and the commercial telecommunications companies' rollout plans. In spite of the BBfN programme delivering close to 95% coverage across the County, there are discrepancies within this figure with some Districts only receiving coverage of between 80-85%.</p> <p>b) Broadband Delivery UK (BDUK) announced on 25 February 2014 the long-awaited indicative allocations from the £250m of government funding that had been promised for the expansion of superfast broadband. The objective of the Superfast Extension Programme (SEP) is to extend fibre broadband beyond 95% which will require additional costs to tackle the most isolated communities.</p> <p>c) This could mark the second major wave of the BBfN programme and complements the more innovative solutions to maximise commercial investment.</p> <p>d) Nottinghamshire's allocation (which includes the City) is £2.63m. This needs to be matched from local sources, with the money then used to help secure further private sector investment via a telecommunications supplier. SEP funds will come on stream relatively quickly as the Government's ambition is to hit the 95% target by 2017.</p> <p>e) As a matter of urgency, the County Council now needs to establish from BDUK the methodology behind the allocation and its constraints.</p> <p>f) In order to access the grant, the existing co-investment local authority partnership (in advance of a full application required by 30 June 2014) now needs to consider the collective ability to provide the match funding from local public sector sources. If partners were minded to progress with a full application, a minimum requirement would be an underwriting commitment whilst the County Council actively seeks other sources of funding (such as EU and LEP funds).</p> <p>g) The current BBfN programme runs to March 2016 and the Superfast Extension Programme would take the broadband programme to 2017.</p>			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
a) The Economic Prosperity Committee notes the progress update on the Better Broadband for Nottinghamshire Programme			
b) The existing co-investment local authority partnership (in advance of any full application required by 30 June 2014) considers the collective ability to provide the conditional match funding from local public money			
c) The existing co-investment local authority partnership (in advance of any full application required by 30 June 2014) considers the collective ability to underwrite the £2.63m allocation whilst the County Council actively seeks other sources of funding (such as EU and LEP funds).			

d) Nottinghamshire County Council actively pursues all external and other funding opportunities (such as EU, LEP and New Homes Bonus) with a view to sourcing the requisite £ for £ £2.63m

## **1 REASONS FOR RECOMMENDATIONS**

1.1 The announcement of an extra £2.63million funding from the Superfast Extension Programme is positive news for Nottinghamshire and will help achieve our ambition of providing as much fibre-based broadband as possible. But the funding being made available to improve broadband speeds across Nottinghamshire could be under threat if the existing co-investment partnership of councils cannot afford to match fund it. A decision needs to be taken by the Joint Economic Prosperity Committee as the County Council requires financial support from various sources to get the necessary match funding to draw down this additional investment and realise the opportunity it gives to get Nottinghamshire better connected to faster fibre-based broadband, help narrow the digital divide and boost local growth.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

### BBfN Progress Update

- 2.1 The existing £19.8m (capital and revenue) co-investment partnership builds on BT's own commercial plans (as well as the on-going commercial fibre roll-out from other telecommunication infrastructure providers) which has already made fibre-based broadband available to 226,000 Nottinghamshire homes and businesses. When this existing commercial fibre-based broadband rollout plan is combined with the Better Broadband for Nottinghamshire (BBfN) Programme, over 94.8% of Nottinghamshire's homes and businesses are expected to be able to access a superfast broadband network.
- 2.2 The BBfN programme involves a very large and technically complex rollout. The programme build will involve laying over 1million metres of fibre optic cable, installing over 2,500 fibre distribution points and more than 92,000 hours of construction time. We are only at the beginning of an intensive programme of work, which under the current contract, will run until 2016. In order for the County Council to achieve its stated universal goal of a minimum of 2 Megabits per second (2Mbps) by 2016, once the BBfN programme has achieved as much of the fibre rollout as it can for the investment funding available, it will implement the most effective 'in-fill' broadband technology available at the time (currently these will be solutions such as advanced copper broadband or satellite, which are capable of supporting a minimum of 2 Mbps broadband service).
- 2.3 The BBfN programme is on track but the scale and complexity of the rollout has meant that an earlier start is now unlikely, although the County Council continues to press BT for a speedier rollout. A total of 111 site surveys will be complete by the end of May. Announcements will be made in April regarding the phase one locations.
- 2.4 The contract commits BT to providing access to better broadband for at least 10,959 homes and businesses during this phase. Therefore, by summer 2014, these first exchange area locations (funded through the BBfN programme) will be able to connect to fibre-based broadband.

## Superfast Extension Programme (SEP)

- 2.5 The Government announced local allocations from its 'Superfast Extension Programme' on 25<sup>th</sup> February. The objectives of the programme are to extend fibre broadband coverage beyond 95%, which will require additional costs to tackle the most isolated communities. Nottinghamshire's allocation (which includes an allocation for Nottingham City of £800,000) is £2.63 million.
- 2.6 The County Council has requested further detail from the Government as to how this figure was arrived at particularly as Nottinghamshire's existing programme will deliver close to 95% coverage for the County. However there are discrepancies within this figure, with some Districts only receiving coverage of between 80-85%.
- 2.7 The Government allocation needs to be matched locally on a £ for £ basis. The County Council are considering potential sources of match funding (i.e. D2N2, EU funds, New Homes Bonus).
- 2.8 The County Council's Economic Development Committee approved the submission of a non-committal Expression of Interest for the Superfast Extension Programme to BDUK by 25<sup>th</sup> March. This does not commit the Council (or co-investors to the existing BBfN programme) to any financial involvement at this stage.
- 2.9 Full applications have to be submitted to BDUK by 30<sup>th</sup> June.
- 2.10 The current BBfN programme runs to March 2016, and the Superfast Extension would run through to 2017.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Do nothing option – the existing BBfN programme already almost achieves the government coverage targets. However, this has been discounted at this stage. The Expression of Interest stage requires no financial commitment and the submission of the full application not being required until the end of June 2014 gives the co-investment partnership sufficient time to explore all funding avenues.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 £2.63m of match funding required. The illustrative total superfast extension programme funding package is expected to be:

BDUK	£2.63m
Local £ for £ Match	£2.63m
Private Sector telecommunications supplier match	£2.63m
<b>TOTAL INVESTMENT IN THE NOTTS SEP</b>	<b>£7.89m</b>

- 4.2 Any appointed telecommunications supplier will deliver value for money via the BDUK process in addition to various auditing measures to ensure that this is the case.

**5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 Nottinghamshire County Council will be leading the tendering and/or extending the existing contract and will be acting as lead authority should the superfast extension programme come to fruition.
- 5.2 The County Council will be asking co-investment partners to sign a collaboration agreement – committing to a proportion of the required grant match.

**6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The County Council is likely to utilise the BDUK Framework for any additional funds secured. This process considers the economic, environmental and social benefits of any approach to procurement.

**7 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

**8 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

N/A

**9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- Nottinghamshire County Council [Economic Development Committee Report](#) on the Superfast Extension Programme [11 March 2014]
- BDUK Superfast Extension Programme Funding Guidance

**10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

N/A