

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE– 16 MAY 2014**

Subject:	Broadband - Superfast Extension Programme (SEP)		
Presenting authority / representative):	Mick Burrows, Chief Executive, Nottinghamshire County Council		
Report author and contact details:	Matt Lockley & Nicola M ^c Coy-Brown ☎ 0115 977 2580 nicola.mccoybrown@nottscc.gov.uk		
Key Decision <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Value of decision: £2.63 million			<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Authorities affected: Nottinghamshire local authorities	Date of consultation with relevant authorities: N/A		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) Broadband Delivery UK (BDUK) announced the Superfast Extension Programme on 25 February 2014. 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>b) As the Economic Prosperity Committee is aware, 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>c) At the March meeting of the Economic Prosperity Committee, in principle support was secured for the submission of an expression of interest for the SEP monies along with an in principle commitment to explore further a potential under-write from the Nottingham and Nottinghamshire local authority community.</p> <p>d) The deadline for applications to the SEP is 30th June 2014. A firm match funding package must be evidenced by this date.</p>			
Exempt information:			
Recommendation(s):			
The Economic Prosperity Committee agrees to:			
<p>a) continue to lobby D2N2 to secure match funding resources through the Local Growth Deal;</p> <p>b) under-write the formal submission to the Government for the Superfast Extension Programme for the full amount of £2.63 million;</p> <p>c) note that Nottingham City Council's element of the under-write is estimated to be £800,000;</p> <p>d) note that further discussion and negotiation will need to take place in terms of apportioning the remaining under-write once the second Open Market Review has been concluded.</p>			

1 REASONS FOR RECOMMENDATIONS

- 1.1 The submission of a formal application to the Government for Superfast Extension resources requires the County Council to be able to evidence that match funding commitments are in place. The Government will match local resources on a £ for £ basis. Therefore if a commitment to the full £2.63 million cannot be secured, the amount of Government funding available will decrease accordingly.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Government announced local allocations from its 'Superfast Extension Programme' on 25th 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 is £2.63 million. Further detail on how this allocation was calculated has been requested but is not forthcoming from the Government. The only additional detail that they have confirmed is that £800,000 of the £2.63 million allocation is predicated on the Nottingham City Council area.
- 2.2 It is therefore proposed that the commitment to under-write will need to recognise this and that should Nottingham City Council wish to proceed, it will need to under-write the £800,000 match required for the Nottingham City Council area.
- 2.3 The remaining £1.63 million will need to be under-written by the County Council and its Borough and District Council partners. The apportionment of this under-write cannot be considered at this stage, as the extent of investment required in each Borough / District Council area is not known. The County Council will shortly be conducting a second 'Open Market Review' which will provide up-to-date and accurate figures in terms of the extent and scope of the Superfast Extension Programme.
- 2.4 The Open Market Review requests information from telecoms providers on their commercial roll-out plans over the next three years and analyses this against likely broadband speed outcomes by postcode. This second Open Market Review will include investment planned through the existing Better Broadband for Nottinghamshire programme and will therefore provide a detailed picture of where the Superfast Extension investment is required.
- 2.5 It is proposed that a separate discussion between Nottinghamshire County Council and all of the Borough and District Councils is convened once the outcomes of the Open Market Review are known. This will inform the individual levels of under-write required.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing option – at its March meeting, the Economic Prosperity Committee offered in principle support to the Superfast Extension application and to the notion of under-writing the final submission. The do nothing option has therefore been discounted.
- 3.2 Whilst the under-write is required for the submission of the application by the 30th June deadline, every effort will continue to be made to secure the required funds through the D2N2 Local Growth Deal. Should this not be possible, the Economic Prosperity Committee may

wish to consider options relating to top-slicing New Homes Bonus funds or the pooled business rates in terms of meeting the Superfast Extension funding requirements.

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
TOTAL INVESTMENT IN SUPERFAST EXTENSION	£7.89m

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 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)

- BDUK Superfast Extension Programme Funding Guidance

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

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

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

None.