

3rd November 2015**Agenda Item: 5****REPORT OF THE CORPORATE DIRECTOR, PLACE****BETTER BROADBAND FOR NOTTINGHAMSHIRE – QUARTERLY
UPDATE ON THE ROLLOUT****Purpose of the Report**

1. This report provides the regular quarterly update for Economic Development Committee on the Better Broadband for Nottinghamshire programme (BBfN) covering:
 - a) progress to date (technology deployed, take-up and value for money);
 - b) the Ministerial commitment to have universal availability of basic broadband by the end of the year;
 - c) contract 2 update and an indicative view of reaching 100% coverage;
 - d) an update on the Business Broadband Connection Scheme, the Nottinghamshire Digital Champion Network and the Stakeholder Engagement Strategy.
2. This report also provides details on a response submitted under the urgency procedure to the Culture, Media and Sport Select Committee's inquiry into world-class connectivity in the UK.

Information and advice*Progress to date*

3. Nottinghamshire recently came in the top three counties for superfast broadband, according to a league table created by the Country Land and Business Association (CLA)¹. The CLA, which represents landowners, farmers and rural businesses, scored counties on digital connectivity – broken down into scores for superfast broadband and 3G coverage – for its Rural Business County League Table. Nottinghamshire neared the top of the table for superfast broadband, scoring 11.9 out of 15 alongside West Sussex, with just Hertfordshire and Surrey scoring higher.

¹ <https://www.cable.co.uk/news/rural-businesses-losing-out-in-broadband-and-mobile-postcode-lottery-700001029/>

4. Since the first cabinet was set up in June last year, engineers from BT's local network business, Openreach, have been working very hard on rolling out the technology at a very high pace, reaching more premises every week. It's worth remembering that without the multi-million pound public and private sector investment in this programme, people living and working in these areas would not have access to superfast broadband services – leaving major chunks of the county behind.
5. More than 57,000 homes and businesses are now able to access a fibre broadband network - thanks to the incredible progress of the Better Broadband for Nottinghamshire programme (BBfN). This milestone marks a significant achievement within the first stage of this ambitious programme, led by Nottinghamshire County Council in partnership with BT.
6. This report is being published at a time when Contract 1 of BBfN is set to complete, as planned, by the end of March 2016. Meanwhile for Contract 2, advanced discussions are underway with BT to bring forward the delivery to commence in April 2016.
7. So far, more than 320 green roadside fibre cabinets have been installed, connected and switched on and by September 2015 more than 300km of optical fibre cable had been rolled out – almost enough to stretch from Nottinghamshire to Edinburgh.
8. When this major fibre roll out is complete in 2018 (alongside the private sector's commercial rollout), over 98% of premises in the county will be able to take up superfast broadband services. The benefits to families and businesses will be transformational.
9. To access the benefits of superfast broadband, residents and businesses should contact their internet service provider and enquire about an upgrade - it will not happen automatically.

Technology deployed - All in One Cabinets – the Onesie

10. On the programme's first anniversary in August, the first 'All in One' fibre broadband cabinet in the market town of Warsop was switched on. The 'Warsop onesie' (pictured below) combines the existing copper service with the new fibre technology into one cabinet and helps reduce the number of street cabinets, as well as being less expensive to maintain.



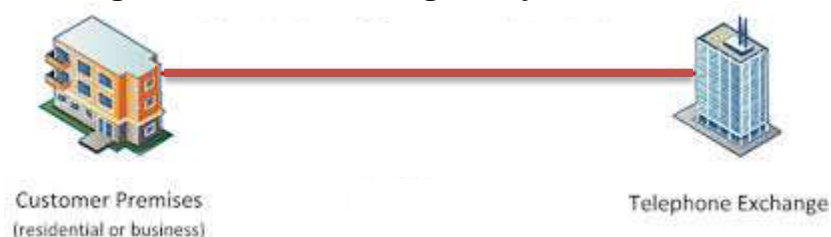
Photograph of Warsop Exchange
(All In One) Cabinet 15

11. Further 'onesie' cabinets are planned for the following exchange areas: Arkwright, Bawtry, Beeston, Caunton, Dunham on Trent, East Bridgford, East Stoke, Edwalton, Hucknall, Mansfield, Misterton, New Ollerton, Newark, Plumtree, Radcliffe on Trent, Retford, Saxilby, Tuxford, Warsop, Whatton and Worksop.

Technology deployed - Exchange Only Lines (EOLs)

12. Lately, BBfN has started to tackle premises served by an Exchange Only Line (EOL). In an EOL setup, the copper phone line for a home or business is connected directly to a telephone exchange and does not go through a local street cabinet.
13. Regrettably, EOLs are common in rural as well as some urban areas. Upgrading EOLs can be very expensive because BT Openreach needs to reconstruct part of the local infrastructure and build new street cabinets from scratch, which is a lot more work than their usual approach of upgrading existing cabinets with a new 'up to' 80Mbps² capable Fibre to the Cabinet (FTTC) twin. In the future it is possible that Fibre-to-the-Basement (FTTB) and Fibre-to-the-Remote-Node (FTTrN) may provide for a cheaper fix, but those are still going through trials.
14. Following months of planning, EOL work has completed on the following Exchange areas of: Arkwright, Arnold, Basford, Bawtry, Beeston, Bilsthorpe, Bingham, Bleasby, Blyth, Burton Joyce, Caunton, Collingham, Cotgrave, Dunham on Trent, East Bridgford, East Leake, East Stoke, Edwalton, Edwinstowe, Farnsfield, Gedling, Gotham, Hathern, Hucknall, Kimberley, Kinoulton, Kirkby in Ashfield, Lowdham, Mansfield, Misterton, New Ollerton, Newark, North Carlton, Nottingham Longbow, Plumtree, Radcliffe on Trent, Ranskill, Retford, Ruddington, Sandiacre, Saunby, Saxilby, Southwell, Sutton in Ashfield, Sutton on Trent, Trentside, Tuxford, Warsop, Whatton, Woodborough and Worksop.

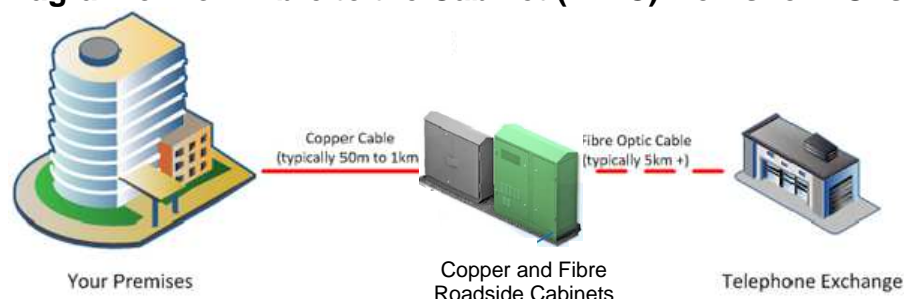
Diagram of how Exchange Only Lines work³



² Note: Megabit per second (Mbps) refers to the amount of information transferred through the broadband connection in a second. This is sometimes referred to as the download or upload speed.

³ Adapted from www.thinkbroadband.com

Diagram of how Fibre to the Cabinet (FTTC) works for EOLs⁴



Take-up

15. Understanding take-up is important because it links into a key gain share (clawback) clause in the contract, which requires BT to return part of the investment when adoption of the new service passes beyond the 20% mark across the investment area.
16. This could trigger a return of some of the original investment, which can then be used to extend coverage or improve service performance. This means that both BT and Nottinghamshire County Council will share the benefits of any extra profit resulting from higher take-up for the first 7 years after rollout, through the contract's gain share clause. After these 7 years, BT will keep all of the extra wholesale profit.
17. In July 2015, Broadband Delivery UK (BDUK – the government arm administering national broadband policies) confirmed take-up nationally of superfast broadband so far has been significantly faster than forecast by BT in Contract 1. As a result, the gain share mechanism has been activated in order to reinvest up to £129m across the UK.
18. The appointment of the Broadband Engagement Officer and the promotional activities undertaken by the County Council are clearly working. When placed in the national ranking⁵, between March and June 2015, BBfN had the biggest jump at 4.5% in take-up over that three month period which excludes any uptake achieved through purely commercial deployments.
19. Between 800 and 1,000 people every month are signing up for fibre broadband in areas where BBfN has been rolled out. Latest take-up figures published to the end of September 2015 shows that BBfN has achieved 18.56% and is edging ever closer to the crucial 20% threshold. This is significantly earlier than originally planned and as a result should mean that funds from the above-mentioned £129m pot could be made available to further extend the reach of fibre broadband across Nottinghamshire.

⁴ Adapted from www.onesourcecommunications.co.uk and www.ispreview.co.uk

⁵ Source: <http://www.ispreview.co.uk/index.php/2015/08/the-q2-2015-bduk-and-bt-uk-fibre-broadband-take-up-figures.html>

20. Clarifying how to make the most of such funding is a key issue for the BBfN Programme Delivery Board, particularly as Nottinghamshire County Council approaches the completion of Contract 1 and reconciles the capital expenditure.
21. Take-up performance varies across the County and there are number of reasons behind this, including: demographics, how long cabinets have been 'live' and the speed uplift delivered by the fibre solution. The table below shows take-up by district to the end of September for cabinets delivered through BBfN.

Area	Take-up
Ashfield	13.20%
Bassetlaw	23.30%
Broxtowe	9.40%
Gedling	14.90%

Area	Take-up
Mansfield	14.90%
Newark and Sherwood	19.50%
Nottingham City	10.70%
Rushcliffe	23.30%

Ministerial commitment to have universal availability of basic broadband by the end of the year

22. Unfortunately bringing coverage into some areas can be fraught with difficulty, such as the high cost of building new infrastructure and capacity. Members will recall that funds have been set aside in the contract with BT to address those premises which are unable to receive basic broadband speeds of 2Mbps and will not be brought high-speed connectivity by either commercial rollouts or the existing publicly-funded BBfN programme. This is referred to as the 'infill' commitment.
23. Two pilots for the Universal Service Commitment (USC) got underway on 28 September in West Yorkshire and Suffolk. These ran for a period of one month, during which they were scaled-up to test the process end-to-end. An evaluation and any necessary adjustments to the processes has started as BDUK want to go live with all other projects (BBfN included) who have an Infill commitment in their contract with BT by mid-December, so that the Ministerial commitment to have universal availability by the end of the year is met.
24. BBfN will be pursuing the satellite scheme and will be supported by BDUK's Project Director for Nottinghamshire to ensure that the Council is business ready to deliver the scheme to meet this timetable. BDUK will provide supporting guidance and templates to help with this.
25. Some key facts about the scheme:
- It will run for two years from December 2015
 - The initial subsidy will be £350 [covering the cost of the kit and initial connection – although it must be stressed that there will be ongoing rental costs in line with 'standard' broadband]. This will allow a first year cost to the customer for a basic satellite broadband package of not more that £400.
 - Eligible customers will be able to select the package that suits them, taking account of the service they want and the price they are willing to pay.

- Eligible premises will be those that only have access to speeds of below 2Mbps and, for those premises in the Council's deployment plan, where they have not reached the Survey and Planning stage.
- Access to the scheme is intended to be straightforward. A customer self-certifies and the County Council checks their availability and issues a subsidy code. Applicants select a retail service provider and choose a package, contacting the supplier to book an installation.

Contract 2 update and an indicative view of reaching 100% coverage

26. The table overleaf confirms that by the end of Contract 1, Bassetlaw, Newark and Sherwood and Rushcliffe would not have achieved 95% superfast coverage. The welcome introduction of the superfast extension programme (which we refer to as Contract 2), whilst beneficial to Rushcliffe in terms of raising its coverage to above 95%, would have meant that even with further investment, Bassetlaw and Newark & Sherwood would have been trailing behind.
27. Accordingly, additional monies were secured from BDUK, which the County Council agreed to match, to ensure that these two areas achieved 95% superfast coverage (referred to as Contract 2 phase 2). To reiterate, this money was additional to the original money identified to fund the Contract 2 build.

	A	B	C	D	E	F
	District	Total prems	Contract 1 % NGA	Contract 2 [excl. Phase 2 extra monies]	Contract 2 [incl. Phase 2 extra monies]	100% variance [no of premises]
1	Ashfield	55,706	97%	97.98%	97.98%	1,124
2	Bassetlaw	52,864	88%	93.19%	95.00%	2,642
3	Broxtowe	51,601	98%	99.20%	99.20%	415
4	Gedling	53,152	99%	99.61%	99.61%	207
5	Mansfield	50,216	98%	98.73%	98.73%	637
6	Newark and Sherwood	54,470	89%	93.19%	96.07%	2,142
7	Nttm City Council (excl. City Centre)	129,056	97%	99.49%	99.49%	664
8	Rushcliffe	49,409	92%	95.64%	95.64%	2,153
9		496,474			98%	9,983

28. Residents and businesses alike can visit the council's online 'where and when' checker⁶ to see whether their postcode is eligible for this additional funding. Unfortunately BDUK are yet to agree the mechanism for incorporating these funds.

⁶ <http://www.nottinghamshire.gov.uk/business-employment-and-benefits/better-broadband-for-nottinghamshire-programme/where-and-when>

29. As things currently stand, the Contract 2 build is scheduled to take place between October 2016 to March 2018 so we are working hard behind the scenes to accelerate all timelines and bring forward the entire Contract 2 rollout.

Business Broadband Connection Scheme

30. The £40m national funding pot available to the Connection Vouchers Scheme is close to being fully committed and BDUK have suspended the Scheme with immediate effect. A notification has been sent to all registered suppliers.
31. In excess of 330 businesses in the County and City benefited from the scheme which provided up to £3,000 grant funding to pay for costs such as new routers and connection fees.

Nottinghamshire Digital Champions Network

32. The Nottinghamshire Digital Champions Network (NDCN) continues to gain momentum with 44 registered Digital Champions as at the end of September. The contract with Digital Unite remains on track to exceed the expected profile of the recruitment of 60 Digital Champions (DC's) by March 2016.
33. Recently the network has undergone a quality exercise to further build the relationships with the registered DC's to understand how they are feeling as a Champion and identify what further support needs they may have and also to encourage them to fully utilise the Network's courses and resources. Results from this exercise were extremely positive, with 30 Champions already working through the courses available, many of whom have already completed and are actively seeking their own learners.
34. Feedback remains positive about the Network and what it offers and as a result 2 extra events have been organised to encourage further engagement with both new and existing DCs.
35. National Get Online Week is a national campaign that took place during 12th to 18th October. To support this initiative and to further promote the network, DU organised a press release which highlighted the great work one of the Digital Champions was achieving in his community.

BBfN Stakeholder Engagement Strategy

36. Over the lifetime of the BBfN programme many individuals, businesses and groups, with an interest or involvement with the programme, will be affected by its activities and outcomes. It is essential that the stakeholders are effectively communicated within order to create positive relationships and to manage expectations.
37. A stakeholder engagement strategy has been developed to consult, collaborate and inform key groups and individuals about the benefits and opportunities being created by the BBfN programme, in particular the adoption of digital technologies. This strategy aims to engage with internal and external stakeholders to:

- Deliver relevant and consistent messages in order to increase the understanding of the BBfN programme;
- Inform and encourage consumers to take advantage of the benefits and opportunities generated by a fibre broadband network;
- Encourage public sector organisations to utilise digital technologies to transform the delivery of public services;
- Encourage digital inclusion by inspiring consumers to seek digital skills training;
- Drive superfast broadband uptake amongst consumers in order to activate the contractual claw-back mechanism thus enabling re-investment into the network;
- Enable stakeholders to engage with the BBfN programme.

38. As a result of the strategy, a number of stakeholder engagement projects will be established, which will be outlined to the Committee in future reports.

Culture, Media and Sport Select Committee's inquiry into world-class connectivity in the UK

39. The Culture, Media and Sport Select Committee launched an inquiry into world-class digital and telecommunications connectivity in the UK on 27th July 2015. The closing date for responses to this inquiry was 30th September 2015. Officers discussed the inquiry with the Chair of Economic Development Committee in early September and it was agreed that the County Council should submit a response.

40. A copy of the launch note for the inquiry is attached to this report (Appendix A). It outlines the key questions that the Committee will consider in developing proposals for future policy around connectivity in the UK.

41. A response was prepared and submitted by the deadline. A copy of the response is attached (Appendix B). The Leader, Chair of Economic Development Committee and the Leader of the opposition group were consulted. It was signed off through the provisions for urgent decisions by the Chief Executive (Option C, Part C of the Constitution – decision by the Chief Executive) due to the submission deadlines being outside of the Committee cycle.

Reasons for recommendation(s)

42. Economic Development Committee receives a quarterly update on the Council's Better Broadband for Nottinghamshire programme and is responsible for agreeing revenue resources and staffing requirements for the programme.

Statutory and Policy implications

43. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the public sector equality duty, safeguarding of children and vulnerable adults, service users,

sustainability and the environment and ways of working and where such implications are material they are described in the body of the report.

Financial implications

44. Where material these are noted in the report.

RECOMMENDATIONS

45. That Economic Development Committee:

- a) notes the progress of the BBfN programme and in particular the prospect of achieving 98% superfast coverage by 2018
- b) notes the Ministerial commitment to have universal availability of basic broadband by the end of the year and notes that the BBfN programme Delivery Board will consider the appropriateness of pursuing the satellite scheme
- c) welcomes the prospect of Nottinghamshire benefiting from the national gain share announcement
- d) notes the Council's response to the Culture, Media and Sport Select Committee inquiry into establishing world-class connectivity throughout the United Kingdom, which was taken as an urgent decision due to the deadlines involved.

Report of the Corporate Director, Place, Tim Gregory

For any enquiries about this report please contact: Nicola M^cCoy-Brown, 72580

Constitutional Comments [SLB 19.10.2015]

Economic Development Committee is the appropriate body to consider the content of this report.

Financial Comments [SES 20.10.2015]

The financial implications are set out in the report.

Background Papers and Published Reports

- Nottinghamshire Local Broadband Plan (www.nottinghamshire.gov.uk/broadband)
- *Nottinghamshire Local Broadband Plan* – report to Full Council, 15-12-2011, published
- *Update on Nottinghamshire Local Broadband Plan* – report to Policy Committee, 20-06-2012, published
- *Response to Petitions presented to Economic Development Committee* – report to Economic Development Committee, 20-09-2012, published
- *Nottinghamshire Local Broadband Plan* – report to Full Council, 28-02-2013, published
- ERDF Funding Agreement, 14-05-2013
- Investing in Britain's future – Presented to Parliament by the Chief Secretary to the Treasury by Command of Her Majesty, 6-2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_IUK_new_template.pdf

- *Superfast Broadband for Nottinghamshire* – report to Policy Committee 17-07-2013, published
- *Superfast Broadband for Nottinghamshire* – report to Economic Development Committee 09-07-2013, published
- UK Broadband Impact Study – Impact Report, SQW, 11-2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257006/UK_Broadband_Impact_Study_-_Impact_Report_-_Nov_2013_-_Final.pdf
- *Better Broadband for Nottinghamshire – Resource Requirements for Delivery Phase* – report to Economic Development Committee, 12-12-2013, published
- *Better Broadband for Nottinghamshire* – report to Economic Development Committee 14-01-2014, published
- Superfast Extension Programme indicative funding allocation letter – BDUK on behalf of the Department for Culture Media and Sports, 25-2-2014, published
- *Better Broadband for Nottinghamshire – Superfast Extension Programme* – report To Economic Development Committee, 11-03-2014, published
- *Better Broadband for Nottinghamshire – Phase One* – report to Economic Development Committee, 1-4-2014, published
- *Better Broadband for Nottinghamshire Superfast Extension Programme* – report to Policy Committee, 4-6-2014, published
- *Update on D2N2 Strategic Economic Plan and Local Growth Deal* – report to Economic Development Committee, 1-7-2014, published
- *Better Broadband for Nottinghamshire – Additional Staffing Resource* – report to Economic Development Committee, 16-09-2014, published
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – report to Economic Development Committee, 18-11-2014, published
- *Better Broadband for Nottinghamshire Contract 2* – report to Policy Committee, 07-01-2015, published
- *Better Broadband for Nottinghamshire: authorisation for contract 2* – report to Economic Development Committee, 31-03-2015, published
- *Nottinghamshire Digital Champions Network* – report to Economic Development Committee, 31-03-2015, published
- *Broadband Petitions* – report to the Economic Development Committee, 31-03-2015, published
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – report to Economic Development Committee, 07-07-2015, published
- *Broadband Petition* – report to Economic Development Committee, 07-07-2015, published

Electoral Division(s) and Member(s) Affected

All

Appendix A

Culture, Media and Sport Select Committee

Inquiry into establishing world-class connectivity throughout the UK announced

27 July 2015

A key function of the Department of Culture, Media and Sport is to manage the delivery of the superfast broadband programme and improve digital connectivity. It is widely acknowledged that proper digital connectivity plays an essential role in people's family, social and business lives, and in their access to public services.

The Government aims to ensure that superfast broadband is available to 95% of UK premises by the end of 2017. Earlier this year the National Audit Office reported that the Government's programme was on track to meet the revised targets, with superfast broadband likely to reach 90% coverage of premises ahead of December 2016.

The Government has also intervened to improve coverage of mobile networks and Ofcom, the communications regulator, has attached coverage obligations to mobile network operators' licences. Under an agreement last year all four of the main mobile network operators agreed to a £5 billion investment programme to improve mobile infrastructure by 2017.

Extending broadband coverage

The challenge now is extending broadband coverage, including to the hardest-to-reach rural areas and pockets of poor connectivity in inner cities. The remaining 5% (approximately 1.5 million of premises) is dispersed across 70% of the UK's landmass. Approximately 1% (i.e. 20% of the final 5%) is in urban areas. Problems of connectivity and lack of access are frequently made worse by poor mobile services in the affected areas.

There is marked concern both in Parliament and among the general public that many individuals, households and businesses in these areas may never have access to adequate broadband and mobile services, and that is already having a serious impact on them and the communities around them.

Inquiry into coverage, delivery and performance of superfast broadband

In that context, the Culture, Media and Sport Committee launches an inquiry into the coverage, delivery and performance of superfast broadband in the UK, and into progress being made in extending and improving mobile coverage and services. During the course of the inquiry the Committee may also hold regional hearings to learn what challenges exist in different parts of the UK.

The Committee invites written evidence in response to the following questions:

- What role should Government, Ofcom and industry play in extending superfast broadband to hard-to-reach premises?
- Is there sufficient competition in these markets? If not, how can any market failures best be addressed given the investments already made?

- What are the commercial, financial and technical challenges the programme faces in reaching the final 5%? What technologies exist to overcome them? What investment is required, by whom and for what return?
- Given that in practice a Universal Service Obligation could not capture 100% of households, what should a USO for broadband look like?
- What are other countries doing to reach 'not-spots'? How affordable are their solutions?
- Should Government be investing more in research and development into finding innovative solutions to meet the communication needs of remote communities?
- Are BT and other communication companies investing sufficiently themselves in reaching these groups?
- What investment and progress are the mobile network operators making in improving mobile coverage across the UK and enabling a swifter process when users choose to change provider? How could these best be improved?
- How have the existing Government broadband programmes been delivered?

Respondents may of course wish to comment on other aspects relevant to these issues.

Chair's comments

"Proper digital connectivity is key both to the well-being of many communities and to Britain's economic future. Yet many people and businesses are unable to receive the digital access and services they need. This inquiry is designed to find out exactly why that is, and how to fix it."

How to respond

Written submissions should be sent online via the "Establishing world-class connectivity" inquiry page. The Committee accepts submissions from Monday 27 July. Submissions should be received by Wednesday 30 September 2015.

Appendix B

Written evidence submitted by Nottinghamshire County Council

Culture, Media and Sport Select Committee: Inquiry into establishing world-class connectivity throughout the UK

Submission sent on behalf of Nottinghamshire County Council (30/09/2015)

Executive summary

1. As part of the Better Broadband for Nottinghamshire Programme, Nottinghamshire County Council has adopted the BDUK Framework; contracting twice with BT in order to achieve 98% superfast coverage across the county.
2. A strong recommendation to government is for blanket superfast broadband coverage of an area, not restricting itself to County boundaries. Nottinghamshire is a rural county, but as it is in the middle of England every area in the county should be able to receive superfast broadband, being served by its neighbouring counties by an overlap system.
3. Letting 40 separate contracts has left significant gaps between the peripheries of each contract.

Nottinghamshire County Council response

4. In Nottinghamshire, there has been real progress however gaps persist in next generation access (NGA) network coverage. It is clear that extending a ubiquitous fixed network represents an ambitious challenge but given local and national government has now intervened twice (resulting in 98% coverage) the county is within touching distance of universal availability. However, it presents a difficult message to manage that the final 2% will be left out. There is a political will and public desire to ensure equality of access to a fixed NGA network but availability of sufficient funds has always been an issue along with the provision of cost effective innovative communications solutions. Government should also be targeting public policy intervention to ensure that all SMEs have access to suitable superfast broadband products.
5. From a wholesale network perspective, BT Openreach and Virgin Media are the predominant suppliers across Nottinghamshire. The deployment of the NGA network has opened up the superfast broadband retail market to areas previously unserved. Unfortunately, market failure remains in the unserved areas of the county. Although there are at least two wireless solutions operating across various locations throughout the county, they do not offer a state aid compliant solution.
6. While getting to some of the rural parts presents issues in relation to a legacy and ageing network and typically there are long lines to contend with, it is primarily a funding issue that is presenting an issue for addressing the final 2%. Satellite is the obvious solution but this is less cost-effective and does not offer the stability or resilience of the (preferred and future proofed) fibre-based solution. BT has been asked to issue an estimation of the cost of providing full coverage but have demonstrated reticence to providing this. It is highly probable

that further multi-million pound gap funding will be required. It is suggested that Government contract directly with the telecommunications market to address the final %. Additionally, an extension of the Broadband Voucher Scheme would offer a business-focussed solution.

7. If a USO cannot capture 100% of premises then it cannot be labelled as such. As the Digital Agenda for Europe 2020 suggests, to match world leaders like South Korea and Japan, Nottinghamshire needs download rates of 30Mbps for all of its citizens and at least 50% of households subscribing to internet connections above 100Mbps by 2020. The Government should use the 30Mbps as its USO for 2020, and should clarify what this commitment means if the Government accepts that it will not be possible to deliver to 100% of premises.
8. Further research and development is unnecessary as solutions already exist: mobile, satellite and fibre to the home. However, affordability is key to implementing these solutions.
9. Commercial providers argue that the return on investment does not stack up for the final 2-5% of UK premises. However this should be considered in the context of BT's monopoly take-up of BDUK investment and also the BT Group's annual profits, which exceeded £2.6 billion [pre-tax] in 2014.
10. It is understood that mobile network operators are committed to expanding their network and staying at the forefront of innovation. They have invested over £1 billion in both the fixed and mobile network already. The issue is that the much lauded 4G network requires a suitable fibre backhaul and for customers to have 4G enabled devices.
11. In general terms, progress of the BDUK programme has been good and in Nottinghamshire the contract is proceeding to schedule. However the artificial splitting of the BDUK scheme into 40+ separate contracts has proven to be a reckless decision by the Government, particularly given that there is a single supplier framework in place. This latter point has led to a number of issues with the monopoly provider, BT – not least the ability of individual authorities (the contract holders) to effectively challenge BT and hold them to account. BDUK's relationship with BT is also ineffective in terms of supporting contract holders to challenge BT's performance.
12. The splitting of what could have been a single national contract into 40+ smaller contracts has also meant that local authorities have had to invest significant revenue resources into contract management and in activities to promote the investment in broadband, drive take-up and address digital inclusion. Had the Government pursued a single national contract, much of this revenue expenditure (particularly at the contract/programme management level) could have been avoided or invested in further demand stimulation/digital inclusion activity.

- Ends -