

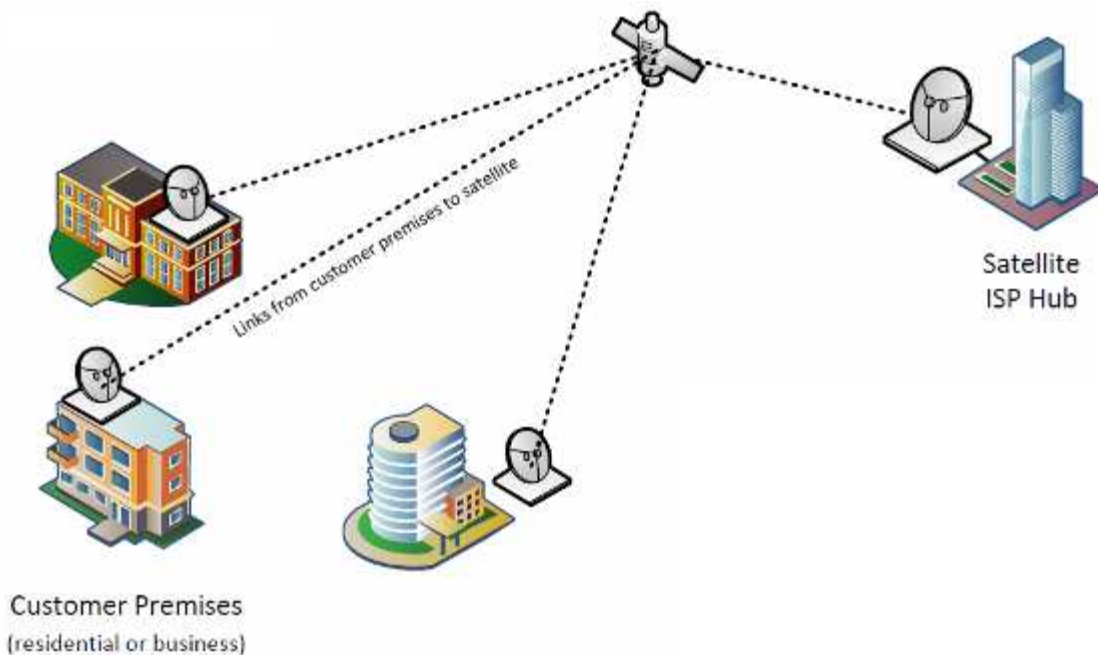
**19<sup>th</sup> January 2016****Agenda Item:****REPORT OF THE CORPORATE DIRECTOR, PLACE****BASIC BROADBAND FOR ALL: SATELLITE BROADBAND SUBSIDY  
SCHEME****Purpose of the Report**

1. This report delivers an update to Committee on the satellite broadband subsidy scheme which provides immediate support to Nottinghamshire homes and businesses that are unable to receive broadband speeds in excess of 2 megabits per second (2Mbps) and who will not be benefiting from the Better Broadband for Nottinghamshire (BBfN) superfast broadband roll out.

**Background**

2. The Ministerial commitment to have universal availability of basic broadband by the end of the year was reported as part of 3<sup>rd</sup> November 2015 Quarterly Update Report to this Committee. Members will recall that funds have already been set aside within the contract with BT to address those premises which are unable to receive basic broadband speeds of 2Mbps and will not gain high-speed connectivity by either commercial rollouts or the existing publicly-funded BBfN programme. This is referred to as the 'infill' commitment.
3. This infill commitment originally consisted of both satellite broadband and Broadband Enabling Technology (BET) as a solution. However, BET's high cost and slow maximum speed of 2Mbps (requiring two telephone lines), meant this option was discounted as a solution for implementation as part of the BBfN rollout. Instead, funds for BET in the contract have been diverted to bolster the funds allocated towards satellite broadband.
4. Satellite broadband is different to standard copper or fibre broadband. The connection to the internet is made using a satellite in space. This means you do not need to have a phone line. Download speeds are currently up to 22Mbps and a new superfast satellite service will be available offering speeds in excess of 24Mbps (the government's definition of superfast). Satellite broadband is ideally suited for areas where the roll out of fibre broadband could be challenging in terms of building or the geography and where standard broadband is unable to provide good speeds.
5. This figure overleaf illustrates how satellite broadband works in practice. A satellite dish is used to provide two-way access to broadband services. The main

advantage of satellite broadband is that it can be provided virtually anywhere in the world, so long as there is a clear line of sight.



Source: <http://www.thinkbroadband.com/guide/satellite-broadband.html>

6. The satellite broadband subsidy scheme will ensure no one is left behind by subsidising the cost of installing superfast capable satellite services to homes and businesses across the county, not deemed economically viable for fibre deployment and not included in the publically-funded Better Broadband for Nottinghamshire programme (BBfN).
7. Members will recall that the government initially floated the idea of a subsidised satellite service in the March 2015 budget and put a test scheme into operation in parts of East Anglia and Yorkshire early in the Autumn. The government has now expanded the satellite broadband voucher scheme across the UK.
8. The cost of reaching many of those in that final 2% of the County with a fibre solution would be so disproportionately expensive that it has quickly become a very challenging problem to resolve, particularly as the County Council faces challenging economic times. The subsidised satellite broadband scheme plugs that gap and will service the needs of 2,496 homes and businesses throughout Nottinghamshire that as at 31<sup>st</sup> December 2015 could not obtain a 2Mbps service.
9. The Department for Culture, Media and Sport (DCMS) through its delivery vehicle, Broadband Delivery UK (BDUK), implemented the scheme in December 2015 in collaboration with Nottinghamshire County Council, BT, and a number of local satellite broadband providers.
10. The offer forms part of a previous commitment to guarantee a 2Mbps service to everybody who wants one by the end of 2015. It does not however, reflect the new universal service obligation of 10Mbps, announced in November 2015.

11. The intention is to help people with the slowest connections by boosting their speed immediately, ahead of any future improvements planned under the BBfN Programme.
12. The BBfN rollout of superfast broadband has already reached an additional 63,539 homes and businesses who would otherwise have missed out. Tremendous progress is already being made, but it's a massive civil-engineering project and won't happen overnight.

### The Subsidy Scheme

13. The Council's where and when checker shows whether homes and businesses are likely to gain access to superfast broadband:

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

14. If a home and business does not have access to broadband speeds of more than 2Mbps at an affordable price and they will not gain better access within 12 months, they can apply to the subsidy scheme.
15. The scheme which is called 'Better Broadband for all' will provide a code (which does not have a specific fixed value) but when used to obtain a satellite broadband service from one of the selected retail service providers, the use of the code will reduce the total cost (i.e. installation and commissioning costs plus 12 monthly subscriptions) by around £350. The code has no other value and cannot be redeemed in any other way than through the scheme.
16. There are currently seven providers who have been approved by BDUK to provide services through the scheme. Applications are submitted via an online form (see Appendix B), which can be accessed at:  
  
<http://www.nottinghamshire.gov.uk/business-employment-and-benefits/better-broadband-for-nottinghamshire-programme/basic-broadband-for-all/apply>
17. The available packages will vary in price depending on the retailer and the amount of data the home or business would like access to. At present satellite broadband customers subscribe on average to between 10 and 20GB of data per month.
18. The scheme will cover most of the cost of installation and commissioning of the satellite broadband service. Homes and businesses will be responsible for paying any remaining cost of installation and commissioning (if any), for choosing the amount of data and speed they require, and for paying the monthly subscription fees.
19. Monthly subscriptions will start at about £20 and go up to £60-£70 depending on the monthly data cap and speeds selected. The basic requirement is that premises should not have to pay more than £400 over a 12 month period to access a service.
20. Homes and businesses will sign a contract with their chosen retailer, for which they will need to commit to a minimum 12 month contract. Should they wish to terminate

their contract within the first 12 months, they may be required to pay an early termination fee to their supplier and may be required to repay the government subsidy that they have benefitted from (up to £350).

21. If a home or business is included in future BBfN plans for fibre broadband but at present they cannot access 2Mbps, these premises may still be entitled to a subsidised satellite connection. Crucially though, there are strict rules around spending public funding to support the delivery of services, in particular spending twice on a solution. The BBfN team will need to avoid providing two publically-funded solutions to a premise within 12 months.
22. The subsidy scheme will only provide access to a satellite broadband service. However, premises may be able to access the internet through other technologies including a mobile 4G broadband solution or a local fixed wireless network. If these are available to an area, they might be a better solution for the business or home requirements. As part of the application process, homes and businesses will be asked to confirm that no other, affordable, basic broadband service is available to their premise.
23. For further detail on the application and implementation process, please see Appendix A.

#### **Reasons for recommendation(s)**

24. This report is offered for noting and forms part of the Council's transformation of Nottinghamshire's digital landscape.

#### **Statutory and Policy Implications**

25. 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 within the body of the report.

#### **Financial implications**

26. There are no additional financial implications. Based on a 20% take-up at £350 per premise, £174,720 of 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. All contract changes arising from commercial/legal amendments have been approved by the Council's legal services team and a change request from BT duly approved to avoid any delay to adopting the solution.

### **RECOMMENDATIONS**

27. It is recommended that Economic Development Committee notes this immediate support to homes and businesses that are unable to receive broadband speeds in

excess of 2Mbps and who will not be benefiting from the Better Broadband for Nottinghamshire (BBfN) superfast broadband roll out immediately.

**Tim Gregory**

**Corporate Director, Place**

**For any enquiries about this report please contact:**

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### **Constitutional Comments [SLB 08/01/2016]**

This report is for noting only.

### **Financial Comments [SES 07/01/16]**

There are no specific financial implications arising directly from this report.

### **Background Papers**

- Nottinghamshire Local Broadband Plan ([www.nottinghamshire.gov.uk/broadband](http://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](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](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
- *Better Broadband for Nottinghamshire – quarterly update on the rollout* – 03-11-2015, published

**Electoral Division(s) and Member(s) Affected**

All

## Appendix A: The application and implementation process

- A resident or business will be able to apply to benefit from the Scheme by completing a simple online application form.
- The application form will ask whether the premises currently has a broadband service at the address, and what broadband speeds are currently experienced.
- A check will also be carried out to confirm whether the home or business will feature in the BBfN superfast broadband roll out. Based on these checks, BBfN will advise whether or not the premises will be eligible to benefit from this scheme.
- If the premises is eligible, the applicant will be provided with an eligibility code and a list of participating satellite service providers.

### ***Implementation process***

- Once the applicant has received their unique eligibility code, and the list of satellite broadband retail service providers currently operating under the scheme, they should review the products and prices available from each provider and select the product that best meets their performance and cost requirements.
- The customer will then need to approach the chosen satellite broadband retail service provider to order the service they require, and provide them with the eligibility code.
- The scheme will cover most or all of the cost of installation and commissioning of the satellite broadband service. The end user will be responsible for paying any remaining cost of installation and commissioning (if any), and paying the monthly subscription for the service selected, including VAT.

### ***Can a code be used with a different retail service provider?***

- The code can only be used with satellite broadband retail service providers who have signed up to participate in the scheme. Other satellite broadband retail service providers may join the scheme after launch.
- If a customer wishes to use a satellite broadband retail service provider which is not participating in the scheme, they will have to pay the full costs themselves.

### ***Who will operate the scheme?***

- The scheme is operated by a partnership between Broadband Delivery UK (BDUK), Nottinghamshire County Council, BT, a number of satellite broadband retail service providers, and a number of satellite broadband platform providers.

## Appendix B: Scheme Application Form



Application  
Form.pdf

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