

**9 July 2013****Agenda Item:****REPORT OF THE CORPORATE DIRECTOR, POLICY, PLANNING AND  
CORPORATE SERVICES****SUPERFAST BROADBAND FOR NOTTINGHAMSHIRE****Purpose of the Report**

1. The purpose of this report is to update Committee on the progress towards securing a delivery partner for the Superfast Broadband in Nottinghamshire project, and to advise of the next steps in terms of implementation.

**Information and Advice**

2. Previous reports to Economic Development and Policy Committees and Full Council have updated Members on progress towards the procurement of a delivery partner for the Superfast Broadband programme in Nottinghamshire. Whilst this process is now nearing its conclusion, there have been a number of changes to the project which are worthy of note:
  - a. BDUK (the Government's broadband delivery arm) has increased its allocation to Nottinghamshire to £4.5 million (up from £4.25 million) to enable superfast broadband to be delivered to the Nottingham Enterprise Zone and eligible City area sub 2Mbps premises;
  - b. The overall project cost is now estimated to be in the region of £14 million, lower than the previous forecast of £17 million. This is largely due to a reduction in the level of private sector funding that is anticipated. The Government's initial modelling suggested that the private sector contribution would be 50% of the project cost. However, during supplier engagement and dialogue, it became clear that the funding model is likely to be 33% BDUK; 33% local public sector match and 33% private sector;
  - c. The project focus has been amended slightly to prioritise connectivity for the business community, following a successful bid for European Regional Development Fund. The ambition remains for the project to be completed in full by December 2015.

**ERDF funding and impact on timelines**

3. In April, the Council received the positive news that it had been successful in a bid for European Regional Development Fund (ERDF) monies to the value of £2.7 million, the highest such award in the East Midlands. Due to the significant scale of the ERDF award, the procurement process had to be paused to enable the

tender documents to be amended. This resulted in an amended procurement timetable as detailed overleaf:

<b>Amended timeline</b>	
<b>Activity</b>	<b>Date</b>
Amended ITT launch	Tues 21 May 2013
Full eight week tender response period	Tues 21 May 2013 to Tues 16 July 2013
Deadline for submission of tenders	Tues 16 July 2013
Tender evaluation and moderation complete	Fri 26 July 2013
State Aid clearance, DCMS and other funding approvals i.e. call off contract award, grant award	Tues 16 July 2013 to Fri 26 July 2013
Bidder(s) notified of evaluation outcome	Mon 29 July 2013
Contract award	Monday 5 August 2013

### **Implementation and roll-out**

4. Once the tender is received, the Council will be in a much clearer position in terms of understanding when and where superfast broadband speeds will be delivered to Nottinghamshire communities. The lack of information has been a cause of some frustration from both residents and businesses. The Council has done what it can to release information relating to the programme, but the lack of detail in terms of timescales and roll-out will remain until the tender is submitted. Once the information is received, the intention is for the roll-out plan to be made available on the County Council website, probably in the form of a postcode checker.
5. The Broadband Project Delivery Board is currently considering project management requirements post tender award. It is likely that a Programme Management Office (PMO) will be established with the successful bidder to oversee delivery of the project up to its conclusion. Costs associated with the PMO will be met from the existing County Council revenue budget allocated to the broadband programme.

### **Economic impact and benefits from broadband**

6. As confirmed by data released by the Office of National Statistics (ONS, 2010), Nottinghamshire's rural economy is dominated by small businesses employing 0-4 employees (i.e. 84.2%). It is strongly believed that providing a future-proofed digital infrastructure will help to realise the true potential of the Nottinghamshire rural economy.
7. The project will contribute significantly to economic growth by enabling at least 90% of all premises in the Nottinghamshire area to have access to a next generation access (NGA) broadband network. Independently commissioned socio-economic modelling based on the 14% of premises within the intervention

area, quantified the following benefits that businesses and the public sector can yield:

- Increase the area's Gross Value Added (GVA) by an estimated £129 million over the next 15 years
  - Circa 7,000 additional jobs over the next 15 years
8. Children in rural areas can be disadvantaged because they do not have access to broadband at home; this impacts on both their ability to do homework and learn independently, but also deprives them of the social networking world that young people rely on. Improved broadband will have a significant impact on educational and wider well-being for children in rural communities.
9. Compared with the rest of England, the area within the project's scope has a relatively high elderly age profile. Figures sourced from 2011 Census of population conclude that 18.1% of the population is aged 65+ compared to 17.1% in the East Midlands and 16.3% in England. 8.3% of the population is aged 75+ compared to 7.9% in the East Midlands and 7.7% in England. Broadband services will play an increasingly important role in supporting older people by:
- Providing access to on-line services, shopping and banking etc
  - Enabling people to stay in touch with family and friends
  - Supporting people to stay at home for longer by supporting the introduction of new Health and Social Care services, such as telemedicine and tele-care
10. Carbon dioxide as a result of road transit is higher in the project area than the national average. Based on 2008 data, the percentage CO<sub>2</sub> of total emissions (based on traffic) was 30 for Nottinghamshire, 28 for East Midlands and 20 nationally. Data released by the Office of National Statistics (ONS, 2010) shows that 84.2% of Nottinghamshire's 27,338 businesses employ between 1 to 10 employees. 64% of the business respondents to the demand registration survey stated that the current speed of their internet connection significantly constrains the way they use the internet and internet based applications, with 37% identifying poor broadband coverage in rural areas as a key constraint to their aspiration to encourage more home working.

### **Next steps**

11. Given that there is an urgent requirement to get to the contract award stage (so that delivery can commence as soon as possible), a report will be taken to Policy Committee in July seeking delegated authority for the Corporate Director, Policy, Planning and Corporate Services to agree any clarifications to the bid(s), provided these do not materially alter the parameters of the eventual contract offering, and have general authority to commit the County Council in contract at the conclusion of the approval processes. With documents sent for sealing to Legal Services.

### **Other Options Considered**

12. None. This report is for noting only.

## Reason for Recommendation

13. To update the Committee on progress with the Superfast Broadband project.

## Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## Financial Implications

15. The overall cost of the programme is anticipated to be in the region of £13.5 million to £14 million. Further details on the exact cost will be tabled at Committee. The funding breakdown is as follows:

Contributor	Amount
Nottinghamshire County Council	£2.15 million
BDUK	£4.5 million
European Regional Development Fund	£2.7 million
Ashfield District Council	£70,000
Bassetlaw District Council	£150,000
Broxtowe Borough Council	£33,754
Gedling Borough Council	£89,777
Mansfield District Council	£157,464
Newark and Sherwood District Council	£250,000
Nottingham City Council	£140,000
Rushcliffe Borough Council	£245,000
Preferred supplier (tbc)	£3.5 million (tbc)
<b>Total</b>	<b>£13,985,995</b>

16. The County Council approved its capital contribution of £2.15 million at Full Council on 15<sup>th</sup> December 2011. This forms part of the current capital programme to 2015-16. In addition to this, revenue funds of up to £450,000 were also approved to support the project management process.

## Ways of Working Implications

17. During the pre-procurement supplier engagement process, potential suppliers proposed that should they be successful, their preference is for the establishment of a Programme Management Office (PMO). Accommodation availability and suitability is currently being explored with the Ways of Working Project Manager - Office Accommodation.

## Equalities Implications

18. The deployment of improved broadband connectivity will help ensure that all Nottinghamshire residents and businesses have access to a range of online digital services. A full equality impact assessment (EqIA) has already been published and is anticipated will be reviewed post contract award.

## **RECOMMENDATION/S**

19. That Committee note the report and the revised project timeline.

**Report of the Corporate Director, Policy, Planning and Corporate Services – Jayne Francis-Ward**

**For any enquiries about this report please contact: Nicola M<sup>c</sup>Coy-Brown Tel: 0115 977 2580**

### **Constitutional Comments (NAB 26.06.13)**

The Economic Development Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

### **Financial Comments (SEM 28/06/13)**

The financial implications are set out in the report.

### **Background Papers and Published Documents**

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

Update on Nottinghamshire Local Broadband Plan – report to Policy Committee, 20-06-2012

Nottinghamshire Local Broadband Plan – report to Full Council, 28-02-2013

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

All