

**6<sup>th</sup> September 2016****Agenda Item: 7****REPORT OF THE CORPORATE DIRECTOR, PLACE****BASIC BROADBAND FOR ALL: BETTER BROADBAND SUBSIDY  
SCHEME****Purpose of the Report**

1. To update Committee on the changes to the basic broadband subsidy scheme (in operation until 2017) and which:
  - a) in addition to satellite broadband, now includes wireless broadband - thereby extending choice for eligible businesses and residents, and;
  - b) will see costs being met from BDUK's funds, rather than the Councils' Better Broadband for Nottinghamshire (BBfN) fund - allowing the majority of the funds set aside for the scheme to be utilised to further extend the fibre broadband roll out.
2. Residents and businesses of Nottinghamshire have access to an improved voucher scheme with more technologies and more providers. The monies previously allocated by the council for the voucher scheme will be used to further extend fibre broadband coverage within the county ensuring more homes and business can access superfast broadband

**Background**

3. The Better Broadband for All Scheme was reported to this Committee on 19<sup>th</sup> January 2016. Developed by the UK government to support the Universal Service Commitment, the scheme provided access to a subsidised broadband installation to homes and businesses that were unable to access a broadband service with a download speed of at least 2Mbps and who would not be benefitting from the superfast broadband roll-out. Funds (referred to as the 'infill' commitment) were set aside within the Council's contract with BT.
4. BDUK have also been operating a separate scheme to provide for Local Bodies that didn't have an infill commitment as part of their broadband contracts and to support individuals who did not qualify for a local body scheme. The scheme differed from the local government schemes in that it was not procured via BT and included wireless broadband provision.
5. In May 2016, BDUK reviewed both schemes. As illustrated in Table 1, the BDUK supplementary scheme has been more successful.

**Table 1: Stats from the BDUK review of existing schemes**

	Codes issued nationally	Orders placed	Take-up rate
Better Broadband for All Scheme	3133	300	9.5%
BDUK supplementary scheme	1361	335	24.7%

6. As a result, from 1 June BDUK amended delivery of the Universal Service Commitment so that orders are fulfilled through the BDUK supplementary scheme (now entitled 'The Better Broadband Subsidy Scheme') rather than the original scheme.
7. Department for Culture, Media and Sport (DCMS) Ministers have now confirmed to BT that this change is required and that the existing commitments should end. This will remove any requirement for BT to deliver 'infill' premises.
8. BDUK will provide funding of up to £10m for infill delivery, using existing funding allocated for the BDUK supplementary scheme. Ministers have also established that if BT agree to this change, 80% of the current 'infill' budget in local body contracts can be made available immediately for further superfast delivery. This funding has State Aid clearance and can be modelled with gainshare and underspend funds. The remaining 20% needs to be retained by the council as a contingency should the demand exceed the £10m allocated nationally to the subsidy (voucher) scheme. Should such an event occur, the funds would need to be provided to BDUK.
9. This Council's 'infill' commitment is £411,674. In practice, £329,339 will be released for modelling alongside the Contract 1 gainshare and underspend, specifically for further fibre deployment.
10. The modelling is underway, expected to complete by the autumn, whereby the Council will have a better understanding as to where further coverage will be achieved and the expected timescale for delivery.

#### The Better Broadband Subsidy Scheme

11. The Better Broadband Subsidy Scheme will ensure no-one is left behind, by subsidising the cost of installing satellite or wireless broadband services to homes and businesses across the county. These are premises that fit within the following two categories of: (a) not deemed economically viable for fibre deployment and not included in the publically-funded BBfN programme or (b) those to be included in the BBfN programme but not scheduled for delivery with the next 12 months.
12. The Better Broadband Subsidy Scheme will cover most of the installation costs and commissioning of the satellite or wireless broadband service, (subject to availability in the area). 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.

13. Satellite broadband is different to standard copper or fibre broadband. The connection to the internet is made using a satellite. This means a phone line is not required. Wireless broadband performs in a similar way to broadband delivered over the telephone network using specific frequencies of the radio spectrum to transmit the signal. Wireless broadband relies on direct line of sight between the transceiver mounted on the premise and the central transmitter. Line of sight is very important as wireless broadband does not work well through trees or buildings. Wireless broadband is only available in certain parts of the county. Satellite and wireless broadband can deliver speeds of 10Mbps (or significantly more).
14. The Better Broadband Subsidy Scheme will ensure that no household or business will need to pay more than £400 to access a basic broadband service over a 12-month period. Households and businesses that are eligible for the Better Broadband Subsidy Scheme will be provided, on application, with a unique code. They will be required to enter into a contract for a minimum of 12-months with one of the suppliers registered under the scheme and pay any remaining cost of installation (if any), the monthly charge for the service they select and any VAT payable.
15. If we believe a household or business is likely to be able to access superfast broadband within 12 months, we will not issue an eligibility code. However, if superfast broadband availability is more than 12 months away, or not yet planned, we will issue a code.
16. Applications to the Better Broadband Subsidy Scheme can be made until the end of 2017. As part of the application process, homes and businesses will be asked to confirm the following three criterion:
  - there are no alternative affordable broadband services available to them that offer a broadband speed of at least 2Mbps;
  - there is no satellite or wireless broadband service installed, and;
  - that the applicant is the owner or occupier at the address given on the application form.
17. Customers that have already taken a service through the Nottinghamshire scheme are unaffected; their service will continue as arranged with their chosen provider. BDUK will contact all customers who have previously had a code and not taken a service and will provide details of a wider supplier list. All outstanding codes will be ended and customers will be provided with a new code.
18. The BBfN team are promoting the new scheme with revised webpage resources by BDUK (i.e. revised guidelines, FAQs and website banner) to ensure that all communications about the revised scheme are consistent at both a national and local level.

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

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

## **Statutory and Policy Implications**

20. 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**

21. The Overall budget for the programme remains unchanged. The council will use 80% of the £411,674 infill budget, already included within the contract, to provide further superfast coverage. The remaining 20% of this infill budget will not be released to ensure sufficiency of funds in the event of higher than expected take-up via the voucher scheme.

## **RECOMMENDATION**

22. That Committee notes the changes to the basic broadband subsidy scheme (open until the end of 2017) which now includes access to wireless broadband and will allow the majority of the funds set aside for the voucher scheme to be utilised to further the fibre broadband roll out in Nottinghamshire.

**Tim Gregory**  
**Corporate Director, Place**

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

Ceren Clulow, ext. 72822

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

This report is for noting only.

## **Financial Comments [SES 19/08/16]**

The financial implications are set out in the 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
- *Basic Broadband For All: Satellite Broadband Subsidy Scheme* - quarterly update on report to Economic Development Committee, 19-01-2016, published
- *Broadband Petition* - report to Economic Development Committee, 23-02-2016, published
- *Broadband Petition* - report to Economic Development Committee, 22-03-2016, published

- *Better Broadband for Nottinghamshire – quarterly update on the rollout – 07-06-2016*, published

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

All