

REPORT OF THE LEADER OF THE COUNCIL

BETTER BROADBAND FOR NOTTINGHAMSHIRE – RESOURCES TO 31 MARCH 2020

Purpose of the Report

1. This report sets out the current performance of the Better Broadband for Nottinghamshire Project and:
 - a) seeks permission to extend the contract of the existing Broadband Engagement Officer post by four months
 - b) requests approval to accept the grant funding to extend broadband coverage in Nottinghamshire, in the event of a successful European Regional Development Fund (ERDF) bid submission
 - c) informs Policy Committee of the intention to bring a further report, should an internal review of the contract performance and emerging opportunities aligned to the Council's digital priorities determine a review of staffing resources

Information

2. The Council Plan, *Your Nottinghamshire, Your Future* (2017-2021), prioritises improving broadband services by completing the roll-out of a fibre-based digital network and creating the environment to support the next generation of fixed and mobile digital connectivity. Place-based infrastructure is critical to delivering growth and productivity now and, in the future, and directly benefits Nottinghamshire businesses and residents by providing access to new jobs and improved services.
3. The Council's Better Broadband for Nottinghamshire project has benefitted from Members' support since its inception in May 2011. In the intervening eight years, Nottinghamshire has maintained its vanguard position as the leader of the Derby, Derbyshire, Nottingham and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) pack for full fibre coverage. The latest figures for the county are:
 - 98.37% superfast coverage (>24 Megabits per second)
 - 72.18% ultrafast coverage (>100 Megabits per second)
 - 9% full fibre coverage (fibre to the premises/home)
4. Mindful that the county does not yet have ubiquitous full fibre coverage, the Council continues to seek all additional funding opportunities to extend the reach of fibre. This is in areas where the telecommunications infrastructure providers have no plans to cover and is typically in some of Nottinghamshire's most remote and rurally isolated areas.

5. A submission has been made to the European Regional Development Fund (ERDF), seeking £236,732 to cover an additional 750 businesses that otherwise would not receive fibre broadband. No additional County Council match funding is required. Policy Committee approval is being sought to sign the grant agreement in the event of the submission proving successful.
6. To date, 85,000 premises (a mixture of both businesses and homes) can now make the switch to fibre-based broadband connectivity. However, this does not happen automatically and there remains a lack of awareness of this in our communities. In response, the County Council has employed a Broadband Engagement Officer since December 2014. This role works with businesses and residents to encourage take up of our new digital infrastructure.
7. Reaching out to Nottinghamshire businesses and homes is important because the contract held with BT Openreach is based on a gap funded model, where public subsidy is used to fund the gap between what the private sector believes the cost of delivery to be and what they are prepared to invest from their own resources. Part of the decision on the level of investment from the supplier is based on the baseline and forecasted levels of take up and revenues generated by the supplier. Where this baseline is exceeded, a clawback provision was set out in the contract for excess subsidy to be paid back to the local body. This “Clawback” is calculated at the end of the deployment phase of the contract (years 1-3) and then subsequently every two years, with a final year calculation.
8. BT Openreach’s bid was based on a 20% take up level which has already been exceeded, with the current Take Up across the project standing at 60%. As previously reported to this Committee, BT Openreach chose to make an early offer to each local body up to an agreed value of £129m across the UK against the future pot of clawback owed. In the case of Nottinghamshire, the confirmed amount offered was £2.2m based on the Total Homes passed and Take Up levels for the project. This early clawback is known as the Gainshare.
9. The Broadband Engagement Officer post is fixed-term, ceasing on 4 December 2019. Due to the positive progress made on broadband adoption, an extension to the post to 31 March 2020 is being sought. This would bring the current staffing resources for the broadband project in line, as the existing Broadband Project Manager’s post is due to terminate at the end of March 2020.
10. In the intervening period, it is proposed that a review is undertaken to determine the level of staffing resources required to meet the Council’s place-based infrastructure ambitions into the new financial year and beyond. Should there be resource implications, any proposed amendments would be the subject of a further report to this Committee.

Other Options Considered

11. The Broadband Engagement Officer post is essential to driving the profile and take up of new digital services and has proved extremely effective in driving measurable performance which in turn has enabled additional, cost-effective investment in building the new infrastructure. It is for this reason, the ‘do nothing’ option was discounted.

Reasons for Recommendations

12. The post extension and funding bid are deemed critical to drive stimulation for, and take up of, better and more stable broadband connections in the county. Experience has shown that by having an appropriate level of staffing resources, Nottinghamshire has maintained its position as one of the most digitally connected counties in the UK.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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

14. Funding to cover the costs of the post extension are contained within the existing broadband reserves.
15. Should the ERDF grant application prove successful, the mandatory match funding will also be contained with the existing capital budget envelope and therefore no additional Council money is required.

RECOMMENDATIONS

It is recommended that Policy Committee:

- 1) Approves the extension of the existing Broadband Engagement Officer post to 31 March 2020;
- 2) In the event of the ERDF bid proving successful, agrees to delegate authority for the Corporate Director of Place, in consultation with the Chair of Policy Committee, to sign the grant agreement;
- 3) Receives a further report, should the internal review of the contract performance and emerging opportunities aligned to the Council's digital priorities, determine a review of staffing resources

COUNCILLOR MRS KAY CUTTS, MBE
Leader of the County Council

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Constitutional Comments [EP – 15/10/19]

16. The recommendations fall within the remit of the Policy Committee by virtue of its terms of reference.

Financial Comments [SES 16/10/19]

17. The financial implications are set out in paragraphs 14 and 15 of the report. A reserve of £96,000 is available to support the proposed Broadband expenditure.

18. There is £3.430m capital funding for Superfast Broadband in the capital programme.

HR Comments [JP 17/10/2019]

19. The HR implications are set out at Para 9. The temporary post will be extended to 31.3.2020.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- *Superfast Broadband in Nottinghamshire* – Report to Policy Committee, published 19 December 2018

Electoral Division(s) and Member(s) Affected

All