

**12 December 2013****Agenda Item: 7****REPORT OF THE CORPORATE DIRECTOR, POLICY, PLANNING AND  
CORPORATE SERVICES****BETTER BROADBAND FOR NOTTINGHAMSHIRE – RESOURCE  
REQUIREMENTS FOR DELIVERY PHASE****Purpose of the Report**

1. To secure approval for the establishment of a Programme Management Office (PMO) for the Council's *Better Broadband for Nottinghamshire* programme in line with the commencement of the delivery phase.

**Information and Advice**

2. At its meeting in December 2011, the County Council meeting approved plans for revenue funding to support the development and subsequent delivery of the Nottinghamshire Broadband Programme. A revenue budget of £450,000 to 2014-15 was established, as were two new posts of Broadband Project Manager and Broadband Project Support Officer. These posts were recruited to in the spring of 2012, and are hosted within the Economic Development team. The posts were advertised as fixed-term to March 2015, with a review scheduled for December 2013. This report forms the basis of the outcome of the scheduled review.
3. Alongside the dedicated resource, ad hoc support from the following areas of the County Council has been required to progress the programme through the procurement phase:
  - Economic development
  - Legal services
  - Communications
  - Procurement
  - Finance
  - Research and information
  - Improvement Programme
  - Internal audit

Some of this ad hoc support was particularly intensive (i.e. procurement, legal and Improvement Programme) during the pre-tender and contract negotiation phases.

4. The County Council has now concluded the procurement phase proper, with the contract with BT signed in early August 2013. The mobilisation phase commenced in September 2013, with Phase One survey work beginning in October 2013.

5. Given the requirements of programme implementation, particularly those that fall to the Council as the contract holder and recipient of grants from both the UK Government and ERDF, the Project Sponsor and Project Director have reviewed the appropriateness and effectiveness of core programme resource requirements going forward. Proposals in this report outline changes to the core roles of the programme team during the delivery phase related to the complex legal and financial aspects of programme delivery.

### Scale and scope of programme

6. The contract has a value in the region of £15 million, two-thirds of which will come from the public sector. Programme delivery will take place over the period September 2013 – March 2016. A total of just over 52,000 premises will be targeted across Nottinghamshire and Nottingham City. According to BT's tender submission, over 94% of premises in the County will have access to superfast broadband (>24 Mbps), with the remaining 6% having access to 'basic' broadband which guarantees speeds of >2 Mbps.
7. The programme is high-profile both within the public sector community and with the wider community of businesses and residents. It regularly attracts press coverage, including from local TV news providers. It is a politically driven initiative, and has robust governance arrangements in place to ensure political and financial accountability.
8. The highest level of governance is the Strategic Management Board, which is made up of the Leaders and Chief Executives of all Nottinghamshire Councils, Nottingham City Council and the Rural Community Action Network. Beneath this there will be a Programme Delivery Board, chaired by the Council's Corporate Director for Policy, Planning and Corporate Services. This Board will include senior experts from across the Council, BDUK and BT.

### Resource requirements

9. During the supplier engagement dialogue, the supplier made it clear that their preference would be to establish a joint Programme Management Office with the County Council to ensure a clear and consistent approach to implementation and a shared understanding of objectives, milestones and process. The diagram below outlines what the supplier will bring to a co-located PMO, and also the roles that the Council needs to establish to ensure programme delivery and maximisation of the benefits of the programme in Nottinghamshire. Key tasks outlined for the County Council during the implementation phase are (as a minimum):

- Contract monitoring and management
- Financial management
- Demand stimulation
- Communications and PR (including the creation and maintenance of a dedicated website)
- Governance support
- Stakeholder relations
- Reporting to BDUK / ERDF / Council

Supplier PMO team

Network deployment manager  
Delivery project manager(s)  
Programme manager

Ad hoc (centralised) support

Finance  
Solution design  
Demand stimulation

Proposed Council PMO team

Programme manager  
Programme officer – implementation  
and monitoring  
Programme officer – demand  
stimulation / comms  
Admin support

Ad hoc (centralised) support

Finance  
Legal  
Procurement  
Planning and highways

10. An outline of some of the core requirements (related to the BDUK funding agreement, governance and ERDF claims) that will be expected of the Council is attached at appendices 1 and 2.
11. The review identified a lack of appropriate capacity as a risk for the programme going forward, particularly given the high levels of external funding involved. When the roles were originally established, it was not clear how much funding the Council would receive from central Government, whether any European funds would be secured and what the impact of these would be in terms of programme management. The review assessed existing role descriptions against the demands of the delivery phase of the programme and concluded that the existing Grade 4 Broadband Project Support Officer post does not deliver sufficiently senior or skilled support for the complex requirements of the programme. The existing Support Officer post is focussed on business support processes and supporting the operational / administrative requirements of the programme, rather than managing funding processes and leading on discrete workstreams, as is now required.
12. In order to ensure that the appropriate level of staff resource is allocated to the broadband programme, it is recommended that 1 FTE new programme officer (implementation and monitoring) post be established, at Band B. This is an indicative grade from the job evaluation process. The existing Broadband Project Support Officer post will be disestablished. Business admin support will be set at Grade 2, 0.5 FTE, to ensure that the programme has robust and compliant document management and retention practices in place. Job descriptions for the proposed new posts of Programme Officer (Implementation and Monitoring) and business administration support officer are attached to this report as appendices 3 and 4. Subject to Committee approval to establish the two new posts, these will be offered on a temporary fixed-term basis until March 2016, with a review scheduled for March 2015.
13. The Programme Manager role remains central to the delivery of the Nottinghamshire programme, and has been considered as part of the structure review. This confirmed the continued requirement for a discrete managerial role. In light of the nature of the role in terms of managing a number of work-streams, a discrete budget, external relations and ongoing liaison with senior politicians, the role has been evaluated at Band E. As with the proposal at paragraph 12, this arrangement will be reviewed in March 2015.

14. A further 0.5 FTE for the demand stimulation / communications work will be delivered through an existing Economic Development Officer and absorbed within the economic development staffing budget. These new posts have the following impact on the overall revenue costs of the programme:

Post	Grade	Cost/annum	2013-14	2014-15	2015-16
Programme Manager	E	£10,000 (uplift from substantive post only is charged to the project)	£10,000	£10,000	£10,000
Prog Officer 1	B	£41,750	Feb-Mar £6,960	£41,750	£41,750
Prog Officer 2 (0.5 FTE)	C	£23,439 (absorbed by economic development)	Nil	Nil	Nil
Business Support Officer (0.5 FTE)	2	£9,000	Feb-Mar £1,500	£9,000	£9,000
<b>Total</b>			<b>£18,460</b>	<b>£60,750</b>	<b>£60,750</b>
<b>Cumulative</b>				<b>£79,210</b>	<b>£139,960</b>

15. Additional revenue costs associated with the co-location of a team such as this need to be taken into account, alongside supplementary costs such as travel. An estimate for these costs is provided below:

Item	2013-14	2014-15	2015-16
Office overheads	£1,500	£3,000	£3,000
IT	£3,000	£2,000	£2,000
Travel	£2,000	£2,000	£2,000
<b>Total</b>	<b>£6,500</b>	<b>£7,000</b>	<b>£7,000</b>

Additional total revenue costs, therefore, of £20,500, taking the total PMO budget to March 2016 to £160,460. This can be met from the broadband revenue budget.

16. The new PMO structure has implications for the existing post-holder of Broadband Project Support Officer. This is a grade 4 post that was recruited to in the spring of 2012, with a review scheduled for December 2013. Given that the requirements of the programme have changed substantially and that the new job role has an indicative evaluation of Band B, the existing post will be disestablished and the post-holder will be served notice of termination of their employment with the Council. This will result in redundancy unless alternative employment can be identified through the redeployment process.

## Other Options Considered

17. The programme management structure has been reviewed in line with PRINCE2 guidelines. The proposed structure is considered to be the most effective model for the County Council in terms of its ability to deliver the Better Broadband for Nottinghamshire programme. Maintaining the status quo was considered and discounted due to the changed requirements as the programme enters the delivery phase, and the requirement for more senior programme management support to address these requirements.

### **Reason/s for Recommendation/s**

18. To enable a revised programme management structure (including revised job roles) to be implemented with immediate effect.

### **Statutory and Policy Implications**

19. 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 below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

The financial implications of these proposals are detailed at paragraphs 11 and 12. These will be contained within the existing budget allocation of £450,000 over the programme period to support revenue costs.

### **Human Resources Implications**

The proposed changes to the programme management structure have implications for the post of Broadband Project Support Officer. Under the proposed structure this post will be disestablished and 2 new posts of Programme Officer (Band B) and Business Support Administrator (Gr 2) will be established. Any affected employees will be supported through the Local Authority's redeployment process.

### **Ways of Working Implications**

A Programme Management Office (PMO) has been established in the CLASP building which provides sufficient accommodation for the Council's programme management team and BT counterparts.

## **RECOMMENDATION/S**

1) That Committee approve the resource requirements and establishment of the Programme Management Office (PMO) for the broadband programme as outlined above.

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**Constitutional Comments (NAB 29.11.13)**

Economic Development Committee has authority to approve the recommendation set out in this report by virtue of its terms of reference.

**Financial Comments (SEM 02/12/2013)**

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

ERDF Funding Agreement, 14-05-2013

Superfast Broadband for Nottinghamshire – report to Policy Committee, 17-07-2013

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

All

## Appendix 1 – BDUK contractual requirements

### SCHEDULE 1

#### OTHER REPORTS

The Recipient shall provide the following reports to the Authority. The reporting shall commence when such information is first made available from the Supplier and thereafter provided to the Authority at the frequency referred to in the table below.

	Description	Detail	Submit to Authority
1	Build & Roll-Out Report	Report providing detail for the relevant coverage area on: <ul style="list-style-type: none"> <li>- Coverage achieved against plan</li> <li>- Details of survey work undertaken</li> <li>- Local authority planning requests</li> <li>- Implementation progress report (including details of superfast and standard broadband geographic coverage achieved against plan)</li> <li>- 'Snagging' report – highlight any significant issues with network deployment</li> <li>- Milestone testing and achievement</li> <li>- Summary of design or implementation changes during period</li> </ul>	Quarterly
2	Customer Report	Report that identifies: <ul style="list-style-type: none"> <li>- "Retail-Ready" wholesale access products and services availability (by town/village, post code, Street and house ID)</li> <li>- Names of retail service providers offering retail services</li> <li>- Wholesale access products and services</li> <li>- Total new active wholesale connections</li> <li>- Total cancelling wholesale connections</li> <li>- Total numbers of active wholesale connections <ul style="list-style-type: none"> <li>• Split into business/residential (or appropriate proxy)</li> <li>• Split by geographic take-up</li> <li>• Split by wholesale product type</li> <li>• Split by RSP (subject to any applicable regulatory constraint)</li> </ul> </li> <li>- Average end user product pricing (this data provided only once per annum in this report)</li> </ul>	Quarterly
3a	State Aid Report – Implementation phase	Report that identifies: <ul style="list-style-type: none"> <li>- State Aid leverage (i.e. % of project funding coming from state aided sources as a proportion of total eligible expenditure and detailing the reasons for any changes to this during the Project)</li> <li>- Asset re-use information (i.e. where existing assets are being leveraged)</li> <li>- Confirmation that the Recipient has (to the extent possible) assessed and challenged how the Supplier has cost-effectively targeted white areas with reduced spill-over effects into grey and black areas</li> </ul>	One-off report covering entirety of implementation (provided following achievement of the final M2 type Milestone)
3b	State Aid Report – Operational phase	Report to summarise: <ul style="list-style-type: none"> <li>- any agreed change to the wholesale access requirements set out in the Contract and/or the Supplier's solution in respect of such requirements</li> <li>- whether the benchmarking mechanism set out in the Contract has been applied, and if so the outcome of this application</li> <li>- whether the reinvestment and/or claw back</li> </ul>	Annually

	Description	Detail	Submit to Authority
		mechanism set out in the Contract has been applied, and if so the outcome of this application	
4	SME Inclusion Report	Report to monitor SME supply chain inclusion: <ul style="list-style-type: none"> <li>- % of <i>total Contract value</i> flowing down to SMEs in the supply chain</li> <li>- % of <i>allocated public funds</i> flowing down to SMEs in the supply chain</li> <li>- number of new sub-contractor opportunities arising in previous Quarter, and where these were advertised (e.g. "Contracts Finder" website)</li> </ul>	Quarterly
5	Marketing Report	Report that identifies (where applicable): <ul style="list-style-type: none"> <li>- Marketing activities undertaken within the reporting period, and planned marketing activities for next three (3) months</li> <li>- PR generated (e.g. press clippings, broadcast/internet media coverage)</li> <li>- Effectiveness of marketing activities (e.g. AVE - advertising value equivalent; effectiveness of marketing - judge in terms of reach, opportunities to view and CPR - cost per reply / sale; customer survey, brand recognition)</li> </ul>	Quarterly
6	SLA Report	Report that identifies: <ul style="list-style-type: none"> <li>- Aggregated across the relevant coverage area, actual: <ul style="list-style-type: none"> <li>• Access line speed in both directions measured at the wholesale level</li> <li>• Busy hour committed rate available to RSPs</li> </ul> </li> <li>- Performance against any network ordering, installation, availability and support service level requirements set out in the Contract</li> </ul>	Quarterly
7	Change Report	Report on any agreed change to the Contract in respect of the scope and/or scale of the Project (including any change to the target areas of the Project)	Quarterly



## Appendix 2 – ERDF requirements

ERDF requirements that will fall to the Programme Officer

Claims	<ul style="list-style-type: none"> <li>• Submission of monthly or quarterly claims in line with the schedule set out in the Funding Agreement</li> <li>• Reporting achievement against financial and output profiles</li> <li>• Submit all claims via the national management information system known as Management and Control Information System (MCIS)</li> <li>• Make claims in arrears and for defrayed expenditure only which must be listed on a standard transaction listing on each claim</li> <li>• Provide (upon request) copy invoices of some expenditure items as part of the desk checks undertaken by DCLG</li> </ul>
Project Engagement Visits (PEV)	<ul style="list-style-type: none"> <li>• Ensure that all the required systems are in place to meet the monitoring and audit requirements as confirmed in the PEV report.</li> </ul>
Progress Report and Verification Visit (PAV)	<ul style="list-style-type: none"> <li>• Attend the main compliance check visit based on claims and performance to date.</li> <li>• Ensure that the Authority successfully passes the assessment in terms of delivery and spend and compliance with national and European requirements including publicity</li> <li>• </li> </ul>
Article 16 visit	<ul style="list-style-type: none"> <li>• Assist the inspector with verifying expenditure, outputs and compliance with European Regulations.</li> <li>• <i>NOTE: The project may also be subject to visits from the European Court of Auditors, DG Region and the National Audit Office although this is not an exhaustive list</i></li> </ul>
Project Monitoring and Record Keeping	<ul style="list-style-type: none"> <li>• To provide records to evidence claims and prove compliance with EC requirements – this includes working papers showing how claims were calculated, including methodologies</li> <li>• Keep orderly and comprehensive records in order to facilitate easy access and reporting on the project status and progress i.e. monitoring the project such as (but not limited to): <ul style="list-style-type: none"> <li>○ Evidence of all project expenditure. This must include invoices and bank statements or equivalent to show the payments were made</li> <li>○ Compliance with publicity requirements. Copies of all publicity materials, including press releases and marketing must be retained to demonstrate the correct use of the EU logo and required text</li> <li>○ Compliance with equal opportunities and environmental sustainability requirements</li> <li>○ Documentary evidence substantiating the outputs and results declared in ERDF claims and on completions of the project(s)</li> </ul> </li> <li>• Development and delivery of robust record retention (estimated to be at least until 31 December 2025)</li> <li>• Clear audit trail and robust systems in place to verify and quality assure the information used as part of the claims submission</li> <li>• <i>NOTE: Projects can be subject to an audit at any time up to three years after Programme closure and it is therefore a requirements of grant that original documents are retained and available for inspection over the entire period</i></li> </ul>

## Project Management Systems

- Preparation of written procedures describing:
  - Project management and governance processes including:
    - Monitoring of project activity
    - Approval and monitoring of spend
    - Recording and monitoring of deliverables, including collecting evidence requirement for outputs and results
  - Records and document management
  - Financial management processes, including:
    - The compilation and approval of claims
    - Recording of match funding
    - Recording of revenue/income
    - Apportionment methodologies

## **Appendices 3 and 4**

Job descriptions – Broadband Programme Officer (implementation and monitoring)  
Broadband Business Support Officer