



**REPORT OF THE CHAIRMAN OF ECONOMIC DEVELOPMENT COMMITTEE**

**SUPERFAST BROADBAND FOR NOTTINGHAMSHIRE**

**Purpose of the Report**

1. The purpose of this report is to seek approval for delegated authority for the County Council to enter into a contract with the preferred supplier for the Superfast Broadband for Nottinghamshire programme.

**Information and Advice**

2. Previous reports to Policy Committee and Full Council have updated Members on progress towards the procurement of a delivery partner for the Superfast Broadband programme in Nottinghamshire. In recent months, 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 below:

<b>Amended timeline Activity</b>	<b>Date</b>
Amended Invitation To Tender (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, Department of Culture Media and Sport (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	Mon 5 August 2013

3. Given that there is an urgent requirement to get to the contract award stage (so that delivery can commence as soon as possible), this report will be accompanied at the meeting by details of the tender submission from the Framework Supplier(s) in terms of costs, outputs and delivery timescale. This information will not be available beforehand due to the deadline for return of tenders being Tuesday 16<sup>th</sup> July. It should also be noted that details relating to the tender submission(s) should be classed as exempt.

4. Any delays to awarding the contract by August 2013 are likely to put at risk both ERDF and BDUK (Government) funding. The timescale is already very short given the amount of infrastructure that needs to be installed to meet ERDF and Government targets by 2015.
5. On the understanding that the contents of the tender are tabled on the day of the Policy Committee meeting and subject to the outcome of the evaluation and moderation process, this report seeks Committee approval to delegate authority to the Corporate Director for Policy, Planning & Corporate Services (as the programme's Senior Responsible Officer) to:
  - a) agree any amendments to the contract arising from the clarification process, provided these do not materially alter the parameters of the eventual contract offering, and;
  - b) authorise the County Council to enter in to contract at the conclusion of the approval processes.

### **Other Options Considered**

6. One option could be to delay the contract award process to the next Policy Committee on 18 September 2013. But given there are 43 other local authorities with local broadband plans, it is imperative that the County Council preserves its position in the national pipeline. As indicated earlier, a delay of two months between committee meetings would result in three consequential impacts:
  - It would most certainly put at risk part of both the ERDF and BDUK funding, ultimately delaying the programme's mobilisation and implementation and possibly impacting on its reach;
  - There is a risk that a later position in the procurement pipeline will equate to less funds being made available by the preferred supplier through their contribution to the investment pot; and
  - The chances of the rollout plan delivering the Government's aspirations of 90% superfast coverage by 2015 would be significantly reduced.
7. Members' attention is also drawn to the fact that there is already heightened public discourse over the length of time it is taking the programme to reach its 'first dig'. The fact that the timing, location and mix of technologies suggested for deployment can only be confirmed upon receipt of a tender already causes consternation amongst those individuals within the programme scope. Any further delays could therefore have reputational consequences. For that reason, on balance, the option for further delay has been discounted.

### **Reason for Recommendation**

8. To enable the Superfast Broadband for Nottinghamshire contract to be signed with the preferred supplier in a timely way that will meet programme milestones.

### **Statutory and Policy Implications**

9. 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

10. 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>

11. 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

12. 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

13. 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.

## Implications for Sustainability and the Environment

14. The programme could deliver significant positive social impacts through public sector transformation and supporting the vitality of our communities which take the existing programme (which is effectively a civil engineering scheme) beyond its current scope. The

programme presents the authority with the opportunity to support the drive for the transformation and efficiency improvement of the local authority and other public bodies operating across Nottinghamshire. It is expected that these benefits could be realised through cost savings that mitigate the impact of reducing public sector budgets on service delivery and in improving accessibility of services to residents and businesses. This includes the role of next generation broadband access in increasing flexible and home-based working, modernising working practices and reducing office space across our public sector partners.

15. Benefits for residents and businesses could include improved access to information and services on-line, with particular benefits to the inclusion of remote communities and key customer groups including older people. Key wider public sector benefits could include developing e-health and e-learning. Implementation of the programme will increase social capital by extending voluntary networks, creating new opportunities for communications within communities and extending the 'reach' of third sector bodies that we expect to have an increasing role to play in the delivery of local services. As with the public and private sectors, access to a next generation broadband network will bring efficiency benefits too.

## **RECOMMENDATION/S**

16. That approval be given for delegated authority to be granted to the Corporate Director for Policy, Planning & Corporate Services (as the programme's Senior Responsible Officer) to:
- i. agree any amendments to the contract arising from the clarification process, provided these do not materially alter the parameters of the eventual contract offering;
  - ii. authorise the County Council to enter into the contract at the conclusion of the approval processes.

**Councillor Diana Meale**  
**Chairman of Economic Development Committee**

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

### **Constitutional Comments (NAB 27.06.13)**

Policy Committee has authority to approve the recommendations 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  
ERDF Funding Agreement, 14-05-2013

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

All