

NORTH LINCOLNSHIRE COUNCIL

**REGENERATION
CABINET MEMBER**

**UPDATE ON NORTHERN LINCOLNSHIRE BROADBAND PROGRAMME AND
THE FINAL 10**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This reports sets out the progress on the Northern Lincolnshire Broadband Infrastructure Programme and the Northern Lincolnshire Business Support Programme.
- 1.2 Approval is requested to progress with the provision of the final 10% of Broadband Coverage subject to funding.
- 1.3 Key points in this report are:
 - The Broadband Infrastructure Programme has now moved into the delivery phase.
 - The Business Support Programme is going from strength to strength with over 50 businesses signed up.
 - Government have announced a further £250m to support the final 10% of coverage.

2. BACKGROUND INFORMATION

- 2.1 The council has championed the delivery of the infrastructure element of the programme. This will enable delivery of fibre broadband services to the areas covered by North Lincolnshire Council and North East Lincolnshire Council.
- 2.2 The project aims to “ensure that homes and businesses can access super fast broadband and make use of the benefits it offers, no matter where they are located in the county.” The project plan is based on achieving the most technically efficient rollout as this will achieve the greatest level of coverage and speed uplift possible for the investment available.

2.3 The rollout will achieve the following outcomes:

Commercial deployment

Enabled 79 cabinets:	37,000 premises
95 in progress by Spring 2014:	40,000 more premises

Contract delivery for the Northern Lincolnshire Broadband Programme

- Enable another 154 new green cabinets
- Enable an extra 31,000 premises
- Employ 175,000+ engineering man-hours
- Lay 275 Km fibre – equivalent of Brigg to Grimsby times 10
- All completed by Summer 2015

2.4 The Business Support Programme has operated since May 2013 following a successful ERDF bid of £953,000. Regeneration and IT Services are delivering this programme jointly, enabling internal delivery to maximise further commercial and support opportunities for both services.

2.5 The programme is offering 12 hours free support to eligible businesses. We currently have 78 businesses engaged in the programme and 15 businesses had completed the full programme by the end of September 2013, ensuring that the programme continues to meet/beat the outputs agreed with CLG.

2.6 The businesses involved to date in the programme have received a wide range of support through the project team. A total of 491 hours have been spent supporting businesses. Feedback from the businesses has been extremely positive.

Positive quotes include:

- "Would recommend very strongly. Every small business would benefit from your help."
- "Amazing service, very helpful. Highly recommend you invest your time taking your business to the next level with the NLB project."
- "Excellent workshop, presented in a very engaging but fun way!"
- "No small business should be without the friendly help and support offered by Northern Lincs Broadband. Highest recommendation!"

More quotes and information from those participating in the programme can be found at <https://www.facebook.com/NorthernLincsBroadband>.

- 2.7 Broadband Delivery UK (BDUK), the government team tasked with overseeing delivery of the local broadband projects, has made available an additional £250m to local projects. This funding is to extend super fast broadband provision from current coverage plans, so that 95% of UK premises will have access to super fast broadband by 2017. The funding is available from April 2015 to March 2017.
- 2.8 BDUK are currently determining the process and timescales for allocation of this funding.

The three options are as follows:

- New central procurement.
 - Multiple procurements at a local level – facilitate smaller procurements inviting suppliers to bid to cover as much as possible of the remaining premises in a given area. Size could vary – regional, local or both.
 - Extend current arrangements – increase coverage through existing contracts with new call off activity.
- 2.9 The Secretary of State will determine the preferred option in his autumn budget statement.

3. OPTIONS FOR CONSIDERATION

- 3.1 To approve the development of an ERDF bid to support further BDUK funding to increase super fast broadband coverage pending the statement of intent from the Secretary of State.
- 3.2 To continue with the agreed programme, and not progress any new interest, or bids for additional funding and coverage.

4. ANALYSIS OF OPTIONS

- 4.1 The match requirements could be in excess of £1m capital. The current rollout will deliver super fast broadband to 92.5% of Northern Lincolnshire. Those premises remaining un-served are located in the hardest to reach areas with typically exchange only lines, or those a significant distance from the nearest cabinet. Some of these premises will be extremely expensive to upgrade. It may be better for these premises to seek broadband alternatives such as wireless technologies.
- 4.2 The Council has already contributed £150,000 capital towards the current rollout.

- 4.3 The Council has used ERDF as the primary source of its current match. £2.119m capital was awarded towards the costs of the rollout. It is possible to submit a further bid to ERDF to serve as match against any future rollout. However, the issues with ERDF are:
- The next Operational Programme for ERDF will run from 2014-20. The application process for this is lengthy and takes a minimum of 6 months to get through outline and full application stages.
 - ERDF will only fund to their defined intervention rate. The maximum intervention rate in the previous 2007-13 programme was 46.4%. If this were the same, some council match would be required making the match up to 50%.
 - Any future ERDF would also require a programme of business support to run concurrently. ERDF will fund the vast majority of this. However, some match may be required from revenue budgets.
- 4.4 Option 1 is suggested as the preferred option. We would seek ERDF funding as match for the additional BDUK allocation. We would further seek a full 50% match from CLG. If ERDF match proves to be unviable, we would look to promoting local wireless solutions for those areas not covered by the rollout.
- 4.5 Option 2 will see the current programme delivered achieving over 92.5% coverage.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 There may be financial implications but these will be the subject of a further report once BDUK/ERDF funding options have been explored.
- 5.2 Existing staffing resources will develop and submit the bid following the statement from the Secretary of State.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 There is an impact assessment for the Northern Lincolnshire Broadband Programme, there are no issues arising from the assessment.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 A wide range of officers were consulted on this report. Their comments have been included in the report.

7.2 There are no known conflicts of interest to highlight.

8. RECOMMENDATIONS

- 8.1 That the Cabinet Member notes the progress with the Infrastructure element of the Northern Lincolnshire Broadband Programme.
- 8.2 That the Cabinet Member agrees to the development of an ERDF bid to support the final 10.
- 8.3 That the Cabinet Member notes the significant achievement made with the Northern Lincolnshire Broadband Business Support Programme.

DIRECTOR OF PLACES

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Background Papers used in the preparation of this report:

Northern Lincolnshire Broadband approved PID
Northern Lincolnshire Broadband Strategic Broad notes