AGENDA

Committee - JOINT PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL

Date & Time - Tuesday, 26 April 2016 at 6.30 pm

Venue - Council Chamber, Council Offices, Priory Road, Spalding

Membership of the Joint Performance Monitoring Panel and Policy Development Panel:


Revised quorum 9

Persons attending the meeting are requested to turn mobile telephones to silent mode

Democratic Services
Council Offices, Priory Road
Spalding, Lincs PE11 2XE

Date: 18 April 2016

Please ask for Christine Morgan: Telephone 01775 764454
e-mail: cmorgan@sholland.gov.uk
AGENDA

1. Election of Chairman

2. Apologies for absence

3. Declaration of Interests - Where a Councillor has a Disclosable Pecuniary Interest, the Councillor must declare the interest to the meeting and leave the room without participating in any discussion or making a statement on the item, except where a Councillor is permitted to remain as a result of a grant of dispensation.

4. Superfast Broadband contribution by SHDC - To consider South Holland District Council’s contribution to the roll out of Superfast Broadband across South Holland (report of the Executive Director Commercialisation enclosed)

5. Any other items which the Chairman decides are urgent
**SOUTH HOLLAND DISTRICT COUNCIL**

Report of: Julie Kennealy - Executive Director Commercialisation

To: Joint meeting of the Policy Development Panel and Performance Monitoring Panel – 26 April 2016

(Author: Tim Mills Executive Manager Growth)

Subject: Superfast Broadband contribution by SHDC

Purpose: To consider South Holland District Council's contribution to the roll out of Superfast Broadband across South Holland

**Recommendations:**

The Policy Development Panel's and Performance Monitoring Panel's views are sought on the following proposed recommendations to Cabinet:-

1) To agree, subject to target performance being met, and satisfactory contract conditions being negotiated that a contribution of £606,910 will be made to Lincolnshire County Council in respect of the roll out of Superfast Broadband in the District.

2) To agree in principle to a payment of £546,219 (90% of the contribution of the Council) to Lincolnshire County Council.

3) To delegate authority to the Chief Executive in consultation with the Portfolio Holder for Commercialisation to negotiate contractual terms with Lincolnshire County Council and other authorities in Greater Lincolnshire and release the 90% payment when negotiations have been satisfactorily concluded.

4) To delegate authority to the Chief Executive in consultation with the Portfolio Holder for Commercialisation to agree a final payment, up to a maximum contribution of £606,910, subject to contractual performance targets being met.

1. **BACKGROUND**

1.1 On 6 October 2011, a letter was received by the Chief Executive from Tony McArdle, Chief Executive at Lincolnshire County Council, asking that South Holland District Council contribute between £409,670 and £606,910, to help the County Council to match fund the £14.3m allocated to Lincolnshire by the Government in August 2011 in order to bring superfast broadband to 90% of the County by 2015.

1.2 As part of the comprehensive spending review, the Government announced its vision for the UK to have the best superfast broadband network in Europe by 2015. The first part of this vision is that at least 90% of UK premises would have a minimum of 2Mbps, and to that end, committed £530m to support the rollout of superfast broadband by Broadband Delivery UK (BDUK). The Lincolnshire vision has been to try and achieve as near universal access to superfast broadband as possible.

1.3 On 8 July 2011, Lincolnshire County Council agreed in principle to provide £10m match funding for the Lincolnshire Broadband Delivery Plan to BDUK. In August 2011 the Government announced their national funding allocations which included £14.3m for
1.4 District Councils were asked to sign a memorandum of understanding, a copy of which was sent to the Economic Development Officer by David O'Connor. The MOU set out an aim to achieve Superfast Broadband (at least 24mbps) to at least 90% of premises in the County by the end of 2015, and coverage of the remaining 10% of premises at 2mbps by the end of 2015. It also included the aim of providing 90% mobile telephony coverage by the end of 2015. These aims were all county wide, not specific or exclusive to any one area or district.

1.5 Information supplied by David O'Conner on 25 January 2012 in response to additional questions asked showed that SHDC had 30,124 premises in the “White Areas” which are those eligible for state aid (15.2% of the whole county's "white area" premises). SHDC was also shown to have 12.3% of the county's "white area" premises under 2mbps. The programme (and National) target is to get 90% of premises to Superfast Broadband by 2015 and the rest to 2mbps by then with Superfast across the whole County by 2017. Some of those parts will be covered by satellite etc. rather than fixed connections. The roll out was pretty aggressive. So, taking it very simply, over 30,000 premises in South Holland will benefit from this programme by 2017 with most benefiting by 2015.

1.6 At the Cabinet meeting held on 3 April 2012, approval was sought from members to recommend to Council that the Memorandum of Understanding be signed in principle subject to consideration of points raised by the joint PMP/PDP. These were:

- That value for money must be achieved, and a paper on the funding of the project considered – This paper was not produced. However, funding details are set out in this report.
- That the funding for the project should be found by the district in the most efficient way possible. – Funding from the capital reserve was subsequently approved in the 2015/16 Capital Budget
- That when entering into any agreement, members should be clear that although the target was for 90% of premises to have access to Superfast Broadband, it should be established that this service must be available to the actual premises rather than just to the street. This requirement was not in the original tender put out to contract, as it was not considered to be achievable. However, as the project has progressed, limited fibre to the premises is being rolled out. Lincolnshire County Council/BT will not release locations due to commercial confidentiality.
- That a map of the district showing the ‘white areas’ be made available to members – the map is available as part of the appendix to this report titled ‘Lincolnshire’s campaign for faster broadband’

1.7 Following the Stakeholder meeting on 20 January 2016, the following information has been supplied as the latest update for South Holland:

The element of the Lincolnshire Broadband Programme specific to South Holland remains on course to deliver a substantial improvement in broadband coverage across the District by 31 March 2016. The full extent of Superfast coverage will be finalised shortly after the programme finishes, but all indications are that we will exceed the original expectations. At the time of writing, we have completed 104 cabinets in South Holland which represents 16.27% of the completed cabinets across the county to date. This equates to 25,612 additional premises in South Holland that are now able to benefit from fibre optic broadband. This figure represents 17.34% of the overall project total to date. We still have 19 cabinets to complete before 31 March and there are no reasons to believe we will not
achieve this. Please note these figures are relevant to this programme only and do not include any commercial coverage from BT or any other provider.

In addition, we have asked BT to survey a number of cabinet areas in South Holland that didn't benefit from the original deployment. When the surveys are returned and costs put together, we will hopefully see that this additional work proves to be cost effective in terms of delivering additional coverage. It is worth noting that the same scenario is ongoing in the other Districts and that this is only a start in terms of utilising underspend.

Phase 2:

An additional £4.6M has now been added to the original Phase 2 funds of £4.2M. In addition any underspend from Phase 1 will be added to Phase 2 and on that basis, BT are currently re-modelling their Phase 2 deployment plan. We hope to see this shortly and subject to final agreement, we will then publish details in line with the contractual agreement. In the event of underspend at the end of Phase 2 this will be held as an investment fund and has to be used for the further extension of Broadband. In the event of any shortfall of funding against the agreed programme there would be a requirement to repay BDUK their match funding.

BT has assured us that Phase 2 will start early and finish well before the 31/12/2017 deadline. Consideration of the implications of this are detailed at 3.4.

1.8 The maps as requested are appended to this report. The reference to 90% mobile coverage was an early aspiration. However when the programme evolved with BDUK, there was no funding for mobile coverage and it never formed a part of the Framework agreement with BT. BDUK did subsequently allocate £150M UK wide to try to make some improvements, but sadly that project has delivered virtually nothing to Lincolnshire and has been effectively shelved by BDUK. Reference to minimum speeds has now been removed but replaced by reference to ‘next generation’ broadband. This is logical as minimum speed is dependent on many factors including distance of the cabinet from the exchange, distance of the premises from the cabinet, quality of the copper wire from the cabinet to the premises, and a number of other factors, all of which can affect the speed obtained at the recipients computer. The 25612 premises that are now able to connect to superfast broadband equates to 85% of the total 30124 premises that are eligible in South Holland, and it should be noted that the target was to reach 90% by the end of 2015. This target has not been reached but the rollout was always considered ambitious – though our recommendation is to withhold some of the allocated funding until this target is fully met.

2. OPTIONS

2.1 Release the sum of £606,910 as requested for the South Holland contribution to the Superfast Broadband rollout.

2.2 Release a reduced amount if it is considered that not all the promised outputs have been met with potentially a further release if the full outputs are subsequently met.

2.3 Decline to contribute. (Do nothing)

3. REASONS FOR RECOMMENDATIONS

3.1 The programme has substantially completed as originally envisaged with 85% of the total premises completed by the end of 2015 compared to a target of 90%. It is probable that given the intentions to complete a further 19 Cabinets prior to 31 March 2016 that the target will be met albeit 3 months late and maybe exceeded. Delivery in South Holland has as far as can be ascertained equalled or exceeded that in other Districts.
3.2 Given the far higher cost of providing Superfast Broadband to the premises and the organisation of the Broadband market it was never likely to be possible for this programme to primarily provide Broadband to the premises. However it is positive that some element of Broadband to the premises has been provided. The extent has not been disclosed. It is understandable that the location and customers are commercially confidential. We have received assurance that the numbers can be made available after the end of Phase 1 of the programme.

3.3 Detailed data on speed to premises would be affected by the wide range of variables that effect speed from Cabinet to premises, but superfast fibre broadband has been installed as detailed elsewhere in this report.

3.4 There is significant underspend on the current programme which will allow additional investment in Phase 2. This has resulted in a very substantial 2nd Phase of the programme which will significantly exceed £9m designed to deliver before 31/12/2017. This second phase will include the programme currently being developed by BT. However the options of including Fibre to the remote node and Superfast Broadband using wireless are under active consideration. The former involves using a node that serves a much smaller number of premises (16) than is usual for Cabinets and is therefore appropriate for much smaller clusters of dwellings. The Government has recently approved two wireless systems for provision of next generation access. This approval process has taken far longer than anticipated and has prevented deployment of this solution previously. Given these developments Phase 2 offers particular opportunities for improving South Holland’s broadband infrastructure given the rural and isolated nature of many dwellings. It is considered important that the Council is seen to support the programme overall and not to potentially prejudice deployment in our area nor to create a risk of repayment to BDUK of the match funding already provided against the promised contributions.

3.5 As the programme has substantially delivered its primary target and there is potentially substantial further investment into the broadband infrastructure for South Holland it is proposed that release of 90% of the contribution from South Holland and that the remaining 10% be released once confirmation of whether 90% coverage is achieved by 31/3/16 and the relevant numbers for provision to cabinet and direct to premises are provided.

4. **EXPECTED BENEFITS**

4.1 The availability of Superfast Broadband is vital to the wellbeing of both the economy and the residents of South Holland. Businesses need to be able to access the internet at high speed for a number of reasons. Amongst those reasons is the fact that many companies now trade online so access to and from their website, including the e-commerce side, is vital. Many websites change content on a regular basis, even in real time, and this needs to be a seamless operation.

4.2 Many businesses now use cloud services to store and back up information, as well as increasingly turning to online software applications such as Microsoft Office 365.

4.3 Superfast Broadband is also vital for residents, increasingly services, including those involving the District Council, will be provided online. In fact there is now a school of thought that says that the provision of Superfast Broadband should be considered a basic human right along with basic utilities like water and electricity. It is a fact that when advertising houses and commercial premises for sale, the availability and speed of broadband is an important factor for consideration.

4.4 A substantial area of the District will not receive coverage through commercial means. This
programme will therefore provide advantage to the district as a whole by enabling the availability of Superfast Broadband more consistently particularly in the rural areas.

5. IMPLICATIONS

5.1 Carbon Footprint / Environmental Issues

5.1.1 Provision of Superfast Broadband has the potential to reduce travel through the use of video-conferencing and similar applications.

5.2 Constitution & Legal

5.2.1 This is an executive function and the decision therefore rests with the Cabinet. The Council has statutory power to contribute to this project, including its general powers of competence under s1 Localism Act 2011. At present no formal agreement has been entered into which sets the terms of the £606,910 contribution. Suitable contractual arrangements will be possible once the decision has been made.

5.3 Contracts

5.3.1 There is currently a memorandum of understanding between the parties, but no formal contract setting out the terms of the Council’s contribution. If the recommendations in this report are approved, the Chief Executive will agree the terms of the contract (taking advice as necessary) and issue a purchase order before any contribution is actioned.

5.4 Corporate Priorities

5.4.1 A contribution to the rollout of Superfast Broadband in South Holland would align with the Corporate priorities of:

- To develop safer, stronger, healthier and more independent communities, whilst protecting the most vulnerable.
- To provide the right services, at the right time, and in the right way.
- To encourage the local economy to be vibrant with continued growth

5.5 Financial

5.5.1 On 25 February 2015 council approved a capital project for Broadband Lincolnshire at a cost of £607,000

5.5.2 Financing for this project was approved at £607,000 of Direct Revenue Contributions to be transferred from the Capital Reserve.

5.5.3 The 2015/16 estimate for the capital programme as reported to cabinet on 16 February 2016 includes £607,000 for this project and funding from the capital reserve has been earmarked accordingly. Progress on installations will be measured at the end of March 2016 and the negotiated contractual contribution will reported as part of the 2015/16 outturn on this basis

5.5.4 Current progress includes 25,612 (94% of target) premises in the district that are likely to benefit from a connection to fibre optic broadband. The revised target figure for March 2016 was 90% of 30,124 premises (27,112)

5.5.5 Phase 2 of the project will increase the number of premises in the district benefitting from fibre optic broadband to 28,618 (95% of 30,124 premises).
5.5.6 Phase 2 funding of £8.8m+ will be managed by Lincolnshire County Council and no further contributions are required from the Council. Any underspend in Phase 1 of the project will be carried forward as additional funding for phase 2 which is planned to be completed by the end of 2017.

5.5.7 Project finances and performance targets will be examined at the end of Phase 2 by all partners to the original Memorandum of Understanding.

5.6 Stakeholders / Consultation / Timescales

5.6.1 Lincolnshire County Council is a key stakeholder and failure to pay the sum agreed in principle would impact on the relationship. There is also the potential impact on relationships with the other districts in Lincolnshire who have signed up and are contributing the figures as agreed in the MOU.

6. WARDS/COMMUNITIES AFFECTED

6.1 All Wards in the district

7. ACRONYMS

FTTP – Fibre to the Premises
FTTC – Fibre to the Cabinet
FTTRN – Fibre to the remote node
ISP – Internet Service Provider
BDUK – Broadband UK
BT – British Telecom
SHDC – South Holland District Council
PMP - Performance Monitoring Panel
PDP – Policy Development Panel

Background papers:-

Lead Contact Officer
Name and Post: Tim Mills – Executive Manager (Growth)
Telephone Number: 01775 761161
Email: Tim.Mills@breckland-sholland.gov.uk

Key Decision: Yes
Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A - SFB Lincolnshire June 2013
Appendix B - Lincolnshire’s campaign for faster broadband (maps showing areas eligible for faster broadband)
Appendix C - 21 March 2012, Joint Performance Monitoring Panel and Policy Development Panel
Appendix D - Broadband FAQ’s
Bringing Superfast broadband to Lincolnshire
Bringing Superfast broadband to Lincolnshire
The internet is transforming our lives – at home, at work and at school.

Whether it’s catching up with your favourite TV show, getting help with your homework or buying new clothes, the internet is quickly becoming the first port of call.

But many parts of Lincolnshire are still missing out on all that digital technology has to offer because of poor broadband speeds.

Thankfully, that’s all about to change.

Led by the county council, the onlincolnshire project aims to build on the existing telecoms infrastructure in the county so that by April 2016 at least 88 per cent of all county properties should have access to superfast broadband, with everyone else being able to get a minimum of 2Mb/s basic broadband as standard. For the first time ever, broadband should be available everywhere in Lincolnshire. To find out initial information on what’s planned in your area, visit www.onlincolnshire.org and type in your post code. Please be aware all details may be subject to change.

The improvements will be carried out by the council’s private sector partner BT, and will see around £48m of public and private sector money invested in improving the county’s broadband infrastructure. The cash includes £11.2m from the county council, £4m from the district authorities, £14.3m from national government and £18.8m from BT.

In addition, £300,000 from the European Regional Development Fund will be used to bring faster speeds sooner to east coast communities in and around Ingoldmells and Wrangle through wireless technology, with the improvements being carried out by Lincoln firm AB Internet. A further £1.6 million has been approved by ERDF to make further improvements for eligible SMEs.

Superfast broadband will bring a wealth of new opportunities for residents and businesses alike. People will be able to stream HD movies, download music in seconds, play online games and keep in touch with friends and family via video calls. Businesses will enjoy improved efficiency, better connections with customers and exposure to an expanding global market.

And the onlincolnshire team will be here to help. Check out our website for the latest broadband news, info on upcoming events and useful tips on how to get the most out of digital technology.

Welcome to life in the superfast lane.
Your guide to
Superfast broadband

What are superfast broadband and basic broadband?
Superfast broadband refers to speeds of 24 Mb/s and above. That’s over two and a half times quicker than the current UK average of 9Mb/s. Basic broadband refers to speeds of a minimum of 2 Mb/s.

Why do I want superfast broadband? What are the benefits?
People will be able to stream HD movies, download music in seconds, play online games, interact with businesses and keep in touch with friends and family via video calls. Businesses will enjoy improved efficiency, better connections with customers and exposure to an expanding global market. The possibilities are endless.

Where will superfast broadband be available?
By April 2016 at least 88 per cent of all county properties should have access to superfast broadband, with everyone else being able to get a minimum of 2Mb/s basic broadband as standard. For the first time ever, broadband should be available everywhere in Lincolnshire. To find out initial information on what’s planned for your area, visit www.onlincolnshire.org and type in your post code. Alternatively, call the council’s customer service centre on 01522 782066. Please be aware all details may be subject to change.

Superfast broadband isn’t coming to my area – is there anything I can do?
There may be national funding for self-help schemes that communities can apply for. If this is something your community would like to explore, please contact the onlincolnshire team at onlincolnshire@lincolnshire.gov.uk for further advice.

Why won’t everyone have access to superfast broadband? Why is superfast broadband not going to be available in my area?
Unfortunately, the money available for the improvements is not enough to fund 100 per cent superfast coverage. This is due in part to the fact that the costs rise significantly in bringing superfast broadband to the hardest to reach areas. However, technology continues to improve so opportunities should arise in the future for getting everyone to superfast speeds.

When will superfast broadband be available in my area?
The whole programme should be completed by April 2016. Work is taking place in several phases, and we will keep you regularly updated. You can find out when improvements are happening in your area by going to www.onlincolnshire.org and typing in your post code.

Why are other areas getting superfast broadband before mine? Who decides where and when superfast broadband is made available?
The roll out takes into account many factors, including local demographics and geography, planning requirements, the existing engineering infrastructure and the availability of suitable technologies to provide a service. It’s not possible with a programme of this size to plan every area at the same time so some areas will be planned and then enabled before others.
Will I have to sign up for a new broadband service? How much extra will this cost?
To benefit from superfast broadband you will need to sign up with an Internet Service Provider. Prices are set by the providers and the services offered will vary so it’s a good idea to shop around.

Will I have to sign up to BT’s broadband service?
No, BT’s network is open which means you will be able to use any Internet Service Provider that is active in your area.

Why isn’t my existing Internet Service Provider offering superfast broadband? Is there anything I can do about this?
Once the infrastructure has been upgraded, the decision whether or not to offer a superfast package rests entirely with the Internet Service Provider. If you have any issues with the packages they offer, you should contact them directly.

Will I actually get the superfast speed advertised? Will it be reliable?
Industry-standard tests will ensure the improvements meet the requirements. We will also be asking local broadband ‘champions’ to test the speed of the new connections in some areas. The exact speed you receive will depend on a range of factors, such as who your Internet Service Provider is, your home wiring and computer, and how many people are using the service in your area.

How much money is being spent on this project? Where is it coming from?
Around £48m of public and private sector money is being invested in improving the county’s broadband infrastructure. The cash includes £11.2m from the county council, £4m from the district authorities, £14.3m from national government and £18.8m from BT.

Is this money being spent all over the county?
Work is concentrated in an ‘intervention area’ of over 150,000 premises. That’s half the premises in Lincolnshire. Although work will take place all over the county, the intervention area is predominantly rural. Public money is not being spent on any areas where a commercial supplier has planned to upgrade services to superfast in the next three years.
Broadband in Lincolnshire today

The map below shows broadband coverage across Lincolnshire today (accurate as of June 2013).
Broadband in Lincolnshire 2016

The map below shows what broadband coverage across Lincolnshire will look like after April 2016 (based on county council projections).
When will improvements happen in my area?

Work will take place in different parts of the county simultaneously. The project is split into eight phases. The maps on the following pages show where improvements will happen during each of these phases. The dates given relate to the start of physical work. These are the county council’s estimated dates and may vary depending on conditions on the ground.

Phase 1 Oct / Nov 2013

Phase 2 Jan / Feb 2014

Phase 3 Apr / May 2014

Phase 4 Jul / Aug 2014
The first superfast connections are expected to be available in January 2014. These maps are available to view in more detail at www.onlincolnshire.org.
In addition to the improvements being made to the county’s broadband infrastructure, a Lincolnshire company is helping the county council bring the latest broadband technology to two rural parts of the county.

Lincolnshire firm AB Internet has been selected after an open competition to bring faster broadband sooner to two areas on the east coast. They will use fixed wireless technology to improve the current broadband offering to a level that is over twice the current national average.

This pilot project will make sure these rural areas aren’t left behind as we progress through the digital age.

Which areas will benefit from the pilot?
The areas to benefit are:

Area 1  Ingoldmells, Chapel St Leonards and Willoughby with Sloothby
Area 2  Old Leake and Wrangle, Frithville, Stickney and Sibsey

What speeds will be available and how much will I have to pay?
AB Internet will offer customers a range of packages, from a cost-conscious 2Mb/s through to a faster 50Mb/s internet service. This means customers can choose the one that best fits their individual needs. Details of AB Internet’s packages and costs are available from their website http://wireless.abinternet.co.uk or calling 01522 821111 or writing to AB Internet Ltd, The Upper Lodge, 62 Sewell Road, Lincoln LN2 5QX.

When will faster speeds will be available?
The improvements should be complete by autumn 2013.

Will I have to use AB Internet’s services?
If you want to use the fixed wireless service, you will need to sign-up with AB Internet. However, other Internet Service Providers will offer broadband in your area using the existing infrastructure.

Who is paying for it and what does it cost?
The total cost is £300,000, paid for by the European Regional Development Fund (ERDF). The money secured from the ERDF can only be spent on broadband in parts of East Lindsey and Boston.
Areas covered by the wireless technology pilot
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Minutes of a special joint meeting of the PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL held in the Council Chamber, Council Offices, Priory Road, Spalding on Wednesday 21 March 2012.

PRESENT

Councillors:

B Alcock  M Howard  M D Seymour
G R Aley  J King  E Sneath
D Ashby  A Miller  D A Tennant
F Biggadike  R Perkins  D J Wilkinson
C J T H Brewis  A Puttick  S Wilkinson
A Casson  R M Rudkin  A R Woolf
A Harrison

Officers: The Assistant Director (Democratic Services), the Economic Development Officer and the Principal Member Services Officer.

Apologies for absence were received from Councillors M D Booth, S M Booth, R Clark, A M Newton and S Slade.

388. ELECTION OF CHAIRMAN FOR THE DURATION OF THE JOINT MEETING

Consideration was given as to who should preside over the special joint meeting of the Performance Monitoring Panel and Policy Development Panel.

DECISION: That Councillor A Puttick act as Chairman for the duration of the special joint meeting of the Performance Monitoring Panel and the Policy Development Panel.

389. LINCOLNSHIRE SUPERFAST BROADBAND PROJECT

Consideration was given to the report of the Economic Development Manager which informed members of a request for a financial contribution to the Lincolnshire County Council (LCC) Superfast Broadband project. A presentation was also received from David O’Connor (Executive Director – Performance and Governance) and Judith Hetherington Smith (Chief Information Officer) from Lincolnshire County Council which provided members with current information on the project.

As part of the comprehensive spending review, the Government had announced its vision for the UK to have the best superfast broadband network in Europe by 2015. The first part of this vision was that at least 90% of UK premises would have superfast broadband and remaining premises would have a minimum of 2Mbps, and to that end had committed £530million to support the rollout of superfast broadband by Broadband Delivery UK (BDUK).

On 8 July 2011, LCC agreed in principle to provide £10million match funding for the Lincolnshire Broadband Delivery Plan to BDUK. In August 2011, the Government announced their national funding allocations which included £14.3million for Lincolnshire. The District Councils were being asked for a contribution to make up the shortfall of £4million (the difference between the £10million committed by LCC, £300,000 from ERDF and the £14.3million from BDUK).
389. **LINCOLNSHIRE SUPERFAST BROADBAND PROJECT** (Continued)

A commitment to match fund the national allocation was required by BDUK. Their model predicted that public investment of £28.6million, together with private investment, would achieve the national target. So far, £10million of funding had been secured from LCC together with £300,000 of European funding (ERDF). Three potential sources were being pursued to fund the £4million gap – NHS/United Lincolnshire Hospitals Trust, District Councils and ERDF. Recent discussions suggested that a further £1.3million - £1.6million could be available from ERDF. If a bid for extra funding was successful and could be spent by 2015, the requirement from local sources would fall to around £2.7million - £3million, however it would be some months before this could be confirmed.

Areas of market failure, classed as ‘white areas’ for the purposes of State Aid, were eligible for investment. A potential equitable split by district could be the proportion of premises in each white area. The latest figures from BDUK in October 2011 showed that there were 198,540 white area premises in Lincolnshire of which 30,124 (15.2%) were in South Holland. Thus the maximum contribution from South Holland to secure the BDUK 2015 target would be £606,910 and the minimum would be £409,670. Draw down of funds could be phased between 2013 and 2015.

Following the presentation, members raised the following issues which were answered by the officers from LCC.

- Would it make any difference if areas had cabling that was overhead rather than underground?
  - No, it would not make a difference to the provision to properties. It was up to the supplier how to provide the superfast broadband. The programme’s role was to specify outcomes, not the way in which these were met (i.e. the technology).

- How many of the white area premises within South Holland were businesses?
  - The officers did not have these figures with them, but would provide the information to members the next day.

- A number of places within the area were close to large town/cities outside of the South Holland area (e.g. Peterborough, Kings Lynn). Could work be undertaken with them, even if they were out of the area?
  - Yes, it would be possible to patch into national infrastructures. Procurement could be undertaken across geographical boundaries.

- How could outcomes be measured and was there any redress if they were not achieved?
  - A range of outcomes were specified in the Local Broadband Plan to which SHDC had contributed. Outcomes could be tested and measured e.g. the number of older people using technology, as well as measuring the speed delivered to sample premises.

- When the work had been undertaken, what guarantees would there be that the technology would be robust and would last?
  - The pre-qualification process was being managed by BDUK in establishing the framework agreement that local authorities would procure from, and the providers would all be multi-national companies.
389. LINCOLNSHIRE SUPERFAST BROADBAND PROJECT (Continued)

- Members had been advised that BT already had plans to upgrade the Spalding exchange to superfast broadband towards the end of 2012, and Holbeach sometime in 2012 (these two exchanges covered a large proportion of South Holland). Would these upgrades still be taking place if the project went ahead?
  o The latest plans of suppliers would affect white areas and so the amounts from contributors; these would be made available during the procurement process.

- If the District did not contribute to the project, would it fail?
  o No, the County project was not dependant on all districts contributing and if the District did not contribute, it would not mean that the project would fail. However, the District did need to be aware that if it did not contribute, it would not have a voice in the governance and procurement, so specific local needs may not be met. It would also not benefit from the additional benefits of any further funding brought in. Members were advised however that contributions from authorities would not be determined until the procurement stage.

- What was the percentage of the South Holland area receiving less than 2Mbps.
  o The officers did not have these figures with them, but would provide the information to members the next day.

- In the past, the main issue in the area with regard to faster connection speeds had been the old copper wire technology from the exchange to the premises. Would this still be an issue?
  o Until the procurement had been undertaken, it would not be clear how many properties would be able to receive super fast broadband speeds. 90% was the minimum target. The project would make investment in this area more affordable than previously, and therefore more viable, but it would not solve all issues.

Members were advised they would be contracted with answers to issues raised above that could not be addressed in the meeting.

The Panel thanked David O'Connor and Judith Hetherington Smith for the presentation and for attending the meeting.

DECISION: (a) That in principal, the joint Panel support the proposal, as it would attract businesses to the area; and

(b) That when the Cabinet considered the proposals, that it also consider the following points raised by the joint Panel:

(i) That Value for Money must be achieved, and a paper on the funding of the project considered;

(ii) That the funding for the project should be found by the District in the most efficient way possible; and
SPECIAL JOINT MEETING OF THE PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL - 21 March 2012

389. LINCOLNSHIRE SUPERFAST BROADBAND PROJECT (Continued)

(iii) That when entering into any agreement, members should be clear that although the target was for 90% of premises to have super fast broadband, it should be established that this service must be available to the actual premises themselves rather than just to the cabinet.

(Meeting ended at 7.25 pm.)

(End of Minutes.)
Lincolnshire Superfast Broadband FAQs
January 2012

This is a major opportunity for Lincolnshire’s economy and should see investment of around £57 million private and public sector money from now to the end of 2015.

These FAQs are based on queries asked by District Council colleagues at various times over the last few months. We are meeting BDUK on 6 February who will need assurance that all funding is in place and that we will use their procurement framework.

1 What is the programme seeking to achieve?

- Superfast broadband (24-30 mbps) for 90% of premises in the county and 2mbps to the remaining 10% by the end of 2015.
- Universal superfast broadband across Lincolnshire by the end of 2017.
- Significant improvements in mobile telephony over the same period.

BDUK’s model predicts that £28.6m of public investment matched by the same amount of private investment will achieve the 2015 target. That makes a total project cost of around £57m.

2 Could we be more ambitious?

We have worked closely with Analysys Mason, one of Europe’s leading telecommunications consultancies, in developing the bid and approach so far. A more ambitious target in Lincolnshire would have been unaffordable.

3 How will it happen?

There are three main projects in this programme:

Project 1 - (300k from ERDF) funding for technology pilots in East Lindsey and Boston

Project 2 - Community schemes for individuals or groups of companies, using Community Lincs act as facilitators, and to broker access to Defra’s Rural Community Broadband Fund or other relevant funding sources.

Project 3 – procuring a strategic solution to achieve the national targets in areas not met by Projects 1 and 2.
4 When will we see a difference?

The £300k ERDF funding allocated to Project 1 must be committed by 31 March this year and work is already underway with East Lindsey and Boston around that.

Project 2 details at www.onlincolnshire.org – see http://www.onlincolnshire.org/How-we-can-help/Communities/Self-Help-Guides

The main strategic solution in Project 3 is planned on the basis of procuring in 2012 and rolling out in 2013-15. That is an ambitious timetable for what is the fifth largest programme in the country but one we are aiming to achieve.

5 What money is in place?

Work with Analysys Mason has identified that it will cost around £57 million to meet the programme's targets. About half of that will come from the private sector.

£14.3 million has been secured in principle from BDUK. This must be match funded through:

- £10 million from LCC
- £300k ERDF PA2 funding (we are seeking more) currently limited to Project 2
- Balance of up to £4 million from Districts (less depending on extra external funding gained)

The county council has set aside significant funding for managing the procurement and external advice and does not intend using any of the above for that purpose.

6 How has the match funding request been calculated?

Each District has been asked to contribute based on their proportion of premises in White Areas. That was the best and fairest way we could think of doing it. A range has been proposed as the gap will reduce if we secure more external funding. The county council has committed to keeping our contribution at £10 million so all the benefits of additional funding up to £4 million will go towards reducing Districts' match funding contributions.
7 What benefit will we get for our investment?

Because the match funding is calculated on % White Area\(^1\) premises, you should get the same benefit from the whole programme.

As a simple example, we would expect a District with 10% White Areas to be asked for between £400k and £270k contribution but to benefit from around £5.7m million total investment.

8 What if a District does not contribute?

They will not have a voice in the governance and procurement so specific local needs may not be met.

9 How can local businesses benefit?

Local technology firms will be able to bid for work under Projects 1 and 2. It is unlikely that any local technology firm would be able to bid for Project 3 because companies on the framework will have their own technology suppliers but we anticipate construction work might be sub-contracted locally.

10 How can I support my local communities to access DEFRA Rural Broadband funding

Project 2 is using Community Lincs to broker this. You can help your communities by encouraging them to take part in that work. Further information is at www.onlincolnshire.org

11 How can Districts be involved in governance?

Districts currently have two ICT reps on the Lincolnshire Broadband Partnership. This can be modified if requested.

We suggest that lead Members from each Council meet regularly with the LCC lead Members on this (Cllrs Eddy Poll, Kelly Smith and Richard Davies) to build on political meetings held in the last few months.

12 Who decides who goes first and how will they do that?

Project 1 only applies to East Lindsey and Boston as it is ERDF funding and is currently underway.

\(^1\) See FAQ on White and Grey Areas for State Aid on page 4
Project 2 will depend on a combination of where communities come forward for support, and efforts to target communities with the poorest connectivity. Some districts are already helping to promote community self-help.

For Project 3, timing for each area will emerge from the procurement.

13 How will the procurement operate?

Our BDUK bid said we would decide between using the BDUK framework and doing a local procurement.

Soft market testing before Christmas showed there is likely to be little take-up in a local procurement so it is most likely we will go through the BDUK national framework promised for April. The Framework route will be shorter so roll out will commence more quickly than doing a local procurement. BDUK are pushing for all projects to use their framework and will want an answer on 6 February.

14 Could an individual property miss out?

If an individual property currently receives 2mbps and ends up in the ‘final 10%’ it will not receive additional service. But if it is in the 90% it will receive the superfast service. Don’t forget we are aiming for universal superfast coverage by 2017.

15 When will we know the rollout for each District?

That will emerge from procurement and depend on private sector investment plans and priorities, the relative costs of different roll out plans and other factors.

16 Isn’t this just a tax on rural communities?

These projects involve state aid because the superfast broadband markets are failing in Lincolnshire.

17 What are White / Grey Areas for State Aid?

These areas qualify for State Aid. Black Areas do not.

White areas – are where there is currently no service to the planned investment level (i.e. either 2mbps for 10% and superfast for 90%) and suppliers have confirmed that they have no plans to invest in those areas in the next three years.

An area will be classified as grey if one operator has deployed or plans to deploy a network in the next three years so that either the 10% or 90% target
speed is available. However, it can still be possible to argue that state investment can be made by demonstrating that:

- the existing or planned NGA\(^2\) network is not or would not be sufficient to satisfy the needs of individual and business users; and
- there are no less distortive means (e.g. ex ante regulation) to achieve the required goals of the proposed State intervention.

An example of the first point would be that the supplier did not have the capacity to provide a service to every premise in the area, and/or that the cost was not affordable, and/or that the user had no choice of retail (ISP) service.

For further information see: https://www.eversheds.com/uk/home/articles/index1.page?ArticleID=template data%5CEversheds%5CArticles%5Cdata%5Cen%5CLocal_government%5CState_Aid_and_Public_Funding_for_Next_Generation_Access

18 What if my council’s local investment or investment by a local supplier turns a ‘White Area’ to ‘Grey’ for State Aid?

This is complicated. State Aid is possible in Grey Areas but takes much more work and cost. Because State Aid work must precede procurement, it would delay the procurement and benefits to the wider Lincolnshire community whilst adding to the bill.

19 Won’t we all have to do the same again in a few years as technology develops?

That would be a risk if we spent the funding on a lot of very local solutions. Project 3 is aiming to procure a strategic solution for the county that is sustainable because the market will have grown. Within the county council we are aiming to use that solution for our own Wide Area Network in seven years once the contract with empsn\(^3\) expires.

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\(^2\) Next Generation Access
\(^3\) East Midlands Public Sector Network
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