Superfast Broadband

To advise Members of the roll-out of Superfast Broadband in Northamptonshire and to seek agreement in principle to make a financial contribution to extend the coverage within the Borough.

1. Relevant Background Details

Members will be aware that broadband reliability and speeds vary across the Borough. This puts some communities and businesses at a disadvantage to others in the county and country. Of particular concern are the businesses located in the areas shown at Appendix 1.

The Government has provided funding nationally to extend coverage of superfast broadband to 90% of the country by 2015, when combined with commercial plans. In February 2014 an announcement was made making additional funds available to extend that to 95%.

In Northamptonshire delivery has been progressed by the Northamptonshire Superfast Broadband project led by the County Council and funded by Broadband Delivery UK (BDUK) and the County Council which have each committed £4.08m in the period up to 2015. The target being progressed through the project is to secure countywide coverage of superfast broadband by the end of 2017. The Northamptonshire Next Generation Strategy (June 2013) set out the expected scale of the challenge and an approach to achieve this, including funding and commissioning proposals.

Appendix 2 shows the anticipated geography coverage in the Borough by the end of 2015. This is based on the best information available to the County Council at the beginning of March 2014, including known commercial and subsidised deployment plans. This map should not be taken as a guarantee of delivery to specific locations or date.

2. Report

The County Council is exploring ways of achieving its full coverage target. In February 2014, UK government announced a further indicative allocation of £3.64m for Northamptonshire in the period up to 2017 but to secure this local match funding will be required. The County Council has indicated that it would secure funding to match any Borough or District commitment so that local investment could be doubled. The County seek commitments from District and Boroughs now.

From Appendix 2 it can be seen that a number of areas and premises in Corby will not be superfast enabled by 2015.

It is envisaged that approximately 1,600 (6%) properties, both homes and businesses are expected to be unconnected in Corby. Across the county around 34,000 (10%) of properties are expected to be unconnected.

The costs to achieve full coverage are only estimated at present based on high level assumptions and for the Borough the figure is estimated to be around £560,000. Actual costs can only be determined through a procurement process when a supplier provides a detailed cost model solution. This is because some communities and areas can be more costly to serve than others.
To ensure that public funds are directed only to areas where no market solution is proposed, the County Council is currently consulting with telecoms suppliers to update information about their commercial plans. These were last consulted on in 2012. This will look ahead at plans in the next three years. This may change the intervention area for the project and the potential scale of the expected funding gap requirement. The outcome of the consultation will inform the procurement for the next stage of the project.

The County Council have to submit their bids for additional BDUK funding by Easter and are asking Districts and Boroughs to make a commitment in principle towards match funding for inclusion in the bid. At current estimated costs the Borough Council is requested to commit up to £250,000, from Reserves, toward achieving full superfast coverage across the Borough, with county committing to match that figure. The commitment would be made over at least two financial years with the majority expected to be in 20/15/16.

It should be noted that whilst full coverage is aimed for, that costs increase significantly to extend coverage into harder-to-reach areas, with the final 2% expected to be the most expensive. The County Council will be pressing for value for money solutions through procurement(s) and for Northamptonshire to benefit from technology advancements during the lifetime of the project.

3. Options to be considered

(i) Not to make a commitment to match funding. It is considered likely that further investment in Northamptonshire will be directed towards areas where there is match funding. To date, South Northants, East Northants and Northampton Councils have made commitments. Other councils are considering their positions. No commitment could leave up to 1600 properties not superfast enabled. These business premises in the areas shown in Appendix 1 would be very disadvantaged in highly competitive markets and this could lead to them relocating with the consequent loss of jobs and rates. Businesses at Corbygate have already made that known. Investment in superfast provision is estimated to deliver £20 of economic benefits for every £1 of public funds invested.

(ii) Make a commitment in principle to provide match funding of up to £250,000 from reserves. This is the recommended option as it should take us toward full coverage of superfast broadband, and expected to be at least 98% across the Borough. This would be to the advantage of both residents and current businesses. The latter would not be disadvantaged by location and would be more likely to remain in the Borough. Job retention is as important as job creation.

The County Council intends to progress a mini competition through the Government’s Broadband Delivery UK (BDUK) Framework to secure a telecoms partner and ensure value for money for public investment; Fujitsu and BT are party to the Framework although Fujitsu is unlikely to bid. It is expected that Borough funds would largely be invested through this route. The tender documents would reflect the strategic priorities for the Borough.

4. Issues to be taken into account:-

   Policy Priorities
   Job creation and retention is a key priority as the Borough continues to regenerate through growth.

   Financial/Risks
   As stated in the report, the £250,000 would be taken from reserves and the key risk is the loss of existing businesses from Corby if the investment is not made.

   Legal
The final phase of superfast roll-out will be managed by the County Council and overseen by the Superfast Northamptonshire Partnership Board. The County Council will be responsible for ensuring appropriate legal, procurement, finance, specialist technical advisors and project management resources are in place; and will be responsible for securing necessary State aid approvals.

**Equalities**

By ensuring maximum superfast coverage the number of disadvantaged residents and businesses will be minimised with possibly none disadvantaged.

**Performance / Sustainability / Human Rights / Community Safety**

None directly from this report.

5. **Conclusion**

The maximum extension of the provision of superfast broadband in Corby up to full coverage, is desirable for residents and existing businesses due to the increasing reliance on fast broadband. By not doing so there is particular concern that existing businesses will continue to be disadvantaged and will relocate away from Corby.

Whilst up to £250,000 match funding is sought, the requirement may be revised pre Invitation to Tender, when the current market consultation has concluded and the scale of the required Intervention Area is known. This will be advised by the County Council. Funding will need to be formally committed prior to the procurement launch. The scale of coverage for the funding committed will be determined through the procurement process based on the best engineered solution.

6. **Recommendation**

It is recommended that:-

i) The Committee agree in principle that up to £250,000 of reserves be allocated towards the ongoing roll-out across the Borough of superfast broadband coverage, subject to a further report when more precise costs are known.

**Background Papers**

Broadband info from NCC & British Telecom / www.superfastnorthamptonshire.net

**External Consultations**

East Northamptonshire Council & South Northamptonshire Council

**List of Appendices**

1. List of Business Areas affected
2. Superfast Coverage map

**Wards - All**

**Officer to Contact** - Norman Stronach (Chief Executive) – extension 4156.
Appendix 1

Corby

- Headway Business Park
- Rockingham Park
- Southern Gateway
- Weldon North
- Corby Gate Business Park
- Corby Business Centre
- Earlstree Industrial Estate
- Willowbrook East Industrial Estate
- Phoenix Parkway Industrial Estate
- Willowbrook North Industrial Estate

Great Oakley

- Oakley Hay Industrial Estate
Superfast Northamptonshire

Expected deployment of superfast broadband by 2017

Corby Borough

Legend

- Existing & expected commercial coverage
- Superfast broadband deployment expected:
  - To start in 2015

Northamptonshire County Council