

Bath & North East Somerset Council

MEETING:	Economy and Community Development Policy Development and Scrutiny Panel
MEETING DATE:	27 th September 2012
TITLE:	BDUK – Connecting Devon and Somerset Broadband Project
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report:	
None	

1 THE ISSUE

1.1 The Connecting Devon and Somerset programme is led by Devon and Somerset County Councils in partnership with Bath and North East Somerset, North Somerset, Plymouth and Torbay Councils. It aims to provide 100% broadband coverage of at least 2Mbps with a minimum of 85% superfast broadband at 24Mbps by 2015 and superfast broadband for all by 2020.

2 RECOMMENDATION

The Economy Community Development Policy Development Scrutiny Panel is asked to:

2.1 Note the contents of this report for information.

3 FINANCIAL IMPLICATIONS

3.1 In January 2012 Cabinet agreed a capital contribution of £690,000 to the Connecting Devon and Somerset project over 3 years 2012/13 to 2014/15.

3.2 This secures a contribution of £690,000 from the Department of Culture Media And Sport's BDUK fund direct to the project.

3.3 This allows for match funding of £1,380,000 from a private infrastructure provider also direct to the project.

3.4 £179,000 European Regional Development Fund (ERDF) revenue funding for Demand Stimulation and Skills Uplift has also been secured, this goes directly from ERDF to the project.

3.5 In February 2012 the Chief Executive agreed a Council revenue contribution totalling £175,000 over three years for project management to the Connecting

Devon and Somerset project from the Revenue Budget Contingency Reserve. This goes direct to the project.

3.6 B&NES Officer time is provided from core Economic Development budgets.

4 THE REPORT

THE INVITATION TO TENDER

4.1 The Connecting Devon and Somerset superfast broadband programme launched its procurement process on 2nd July 2012. This followed the completion of work to deliver a National Framework of suppliers, with two bidders, BT and Fujitsu Telecom, signing an agreement in London.

4.2 BT and Fujitsu were invited to tender for the Connecting Devon and Somerset contract to deliver the infrastructure for superfast broadband across the area. Both companies signed up to the National Framework following a lengthy procurement process, however Fujitsu have withdrawn from the bidding process following a public statement that they will not be submitting bids to any of the national publicly-funded opportunities.

4.3 The BT bid is due for submission on 31st August 2012. The Connecting Devon and Somerset project is committed to ensuring that a successful bid from BT would deliver excellent value for money.

DEMAND REGISTRATION

4.4 The Connecting Devon and Somerset project is registering demand for improved broadband from residents and businesses via their website www.connectingdevonandsomerset.co.uk

4.5 This information will be provided to the infrastructure providers and will inform their decisions about where to invest further.

STATE AID

4.6 State aid is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to undertakings engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between member states of the European Union.

4.7 Connecting Devon and Somerset must have a state aid notification approved by the European Commission before public monies can be spent on superfast broadband.

4.8 The formal consultation has been launched that will form an important part of the state aid notification.

4.9 The consultation, launched 3rd March 2012, sets out where it is currently known that superfast broadband will be provided over the next 3 years and where under

state aid rules, the Connecting Devon and Somerset Programme can intervene to increase superfast coverage. The outcome of the State Aid process has not yet been announced but resolution is expected by the end of September 2012.

DEMAND STIMULATION AND SKILLS UPLIFT

4.10 The demand stimulation and skills development programme will motivate and equip consumers, communities and businesses with the desire and the right skills to fully adopt broadband and to use ICT in order to achieve maximum economic development impact. It comprises a significant targeted promotional campaign, a community support programme, a business support programme and a skills development programme covering businesses, consumers and public service users.

4.11 Businesses will be targeted through

- Business transformation mentoring to provide bespoke and tailored advice
- Interactive business animation events targeted at sectors and areas facing particularly strong skills, knowledge and confidence gaps
- Peer to peer support using business associations, sector networks and business support intermediaries such as banks and accountants
- Skills development workshops
- A promotional campaign.

4.12 Communities and residents will be targeted through:

- Community champions giving trusted advice and helping other members of their community gain confidence
- Interactive community animation events targeted at those which face particularly strong skills, knowledge and confidence gaps.
- A programme of support, expert advice and a toolkit to support those communities who wish to develop their own community broadband hubs
- A skills development programme to equip basic adopters with the skills needed to utilise better broadband
- a promotional campaign across the area.

SURVEY RESULTS

4.13 A survey of 8,170 businesses and residents across the Connecting Devon and Somerset area has been undertaken.

- 4,470 telephone interviews were conducted with residents. Of these 73% had a broadband connection, a figure that is very close to the national average of 76% (Ofcom Q4, 2011)
- Only 3% of broadband users questioned during the survey already had what could be considered to be a superfast connection reflecting the relatively low penetration of the technology across the project area
- 3,699 businesses took part in the telephone survey. Of these, 19% of businesses said they do not currently have a broadband connection. The majority of these felt it was not needed for their business
- 62% of residents and 59% of businesses with a connection stated they needed faster broadband (a total 16,911 residents and businesses across the programme area)
- During the survey respondents were asked to do an online speed check, 27% of residents and 25% of businesses currently experience speeds of less than 2Mbps. Currently 5,598 businesses and residents have told us they are experiencing this level of service
- 54% of residents and 54% of businesses experience speeds of between 2 and 8 Mbps
- For those with a measured connection speed of less than 4Mbps (Nearly 50% of all broadband users) the demand for a faster service was very significantly higher at nearly 80%

Figures for B&NES are not being published at this time.

TIMETABLE

4.14 The award of the Devon and Somerset broadband partner contract is expected in late 2012.

4.15 The business and community skills campaign will be launched early 2013.

4.16 The deployment and roll out schedule will be announced Jan / February 2013.

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

5.2 The Service maintains and regularly reviews a risk register aligned with corporate requirements.

5.3 There are a number of Risks associated with the Programme and these have been acknowledged in the Local Broadband Plan. A Risk Log for the Programme is owned by the Connecting Devon and Somerset Programme Manager and this is

reviewed at each Programme Board meeting. Responses to some of the key risks of the Programme are commercially sensitive and are not in the public domain.

6 EQUALITIES

6.1 Through the Connecting Devon and Somerset broadband project there are some real opportunities to:

- Reduce the inequality of service generally experienced by those living in more rural areas than those living in more urban areas;
- Improve communities' ability to use the internet to access public service information, work from home if travel is difficult, develop their businesses, use distance learning materials, and so on;
- Ensure more vulnerable communities and groups, such as older people, can receive help to access better internet services which might for example help to support them in dealing with health issues.

7 CONSULTATION

7.1 During the course of the project so far there has been consultation and involvement with *the Cabinet Member; Parish Councils; Overview & Scrutiny Panel; Service Users; Local Residents; Community Interest Groups; Stakeholders/Partners; Section 151 Finance Officer; Chief Executive; Monitoring Officer*

7.2 This consultation and involvement has been carried out through surveys, meetings and email.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 *Social Inclusion; Customer Focus; Sustainability; Human Resources; Young People; Human Rights; Corporate;*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background	Report to Cabinet 11 th January 2012, Connecting Devon and

papers	Somerset.
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