

DERBYSHIRE COUNTY COUNCIL

CABINET

20 February 2012

**Joint Report of the Strategic Director for Policy and Community Safety and the
Director of Finance**

DIGITAL DERBYSHIRE - DRAFT LOCAL BROADBAND PLAN (Regeneration)

1. Purpose of the Report

To report progress on the draft Local Broadband Plan (LBP) for submission to the Government's broadband delivery arm BDUK by the end of February 2012 and to approve proposals to meet the match funding requirements.

2. Information and Analysis

In August 2011 the Government committed £530 million investment into the UK's broadband network with the objective of facilitating the delivery of superfast broadband to 90% of areas and "standard" broadband (2 Mbps minimum) to the rest. The aim is to stimulate private sector investment to deliver the best network in Europe by 2015, including future proofing investment to enable next generation broadband.

BDUK has allocated Derbyshire County Council an indicative sum of £7.39 million, subject to a matching amount being found locally, to deliver these objectives in identified "white areas" across Derbyshire where there is limited or no broadband provision delivered by the market.

In order to access the BDUK allocation, the Council must submit a Local Broadband Delivery Plan and we are working closely with our appointed consultants, SQW Ltd to produce the Plan to meet BDUK requirements. This will ensure that the County Council can progress through to the procurement phase of the programme.

BDUK have indicated that they require the submission of a draft Plan by the end of February 2012 to assess progress and provide comment before the final Plan is signed off and submitted by the end of April 2012 deadline date. It is proposed that the final Plan is submitted in advance of the deadline to be a frontrunner and, in view of the tight timescales, it is proposed that the Cabinet Member for Regeneration be authorised to approve the final submission.

In order to unlock the BDUK allocation of £7.39 million, the Plan must identify equivalent match funding to be signed-off by the Director of Finance. At the budget meeting on 1 February, the Council approved a one-off contribution of £1.056m towards the match funding of the grant allocation as a priority growth item. This leaves £6.334m to be found from other funding sources. It is clear from the timescales that it will be difficult to secure this level of matched investment from other sources until we enter the procurement phase.

The most straight forward option is for the Council to commit the match-funding from reserves by way of underwriting the programme. It is unlikely that the Council would need to fund itself the whole of the current shortfall of £6.334m but this is a Council priority to boost local economic growth and ensures that the Plan can proceed. BDUK have indicated that this would be an acceptable approach in order to unlock investment.

If underwriting was approved, it would give the necessary time to pursue other investment to match-fund the allocation. We are continuing to lobby for the regional ERDF programme to be eligible for broadband investment, although this would need to be business focused as opposed to domestic provision. Other options include the Rural Community Broadband Fund, the Rural Growth Network, the Community Infrastructure Levy, the New Homes Bonus and contributions from partner organisations, such as the district and borough councils. All avenues will be explored to secure investment.

With regard to procurement, BDUK are currently developing a National Framework which will include an umbrella notification for State Aid. Using the Framework will accelerate the procurement process for authorities and will identify preferred suppliers who will tender for the work in mini competitions. The suppliers will invest significantly and work commercially in partnership with local authorities. Once Local Broadband Plans are approved by BDUK, local authorities wishing to use the Framework will be allocated slots for procurement. We will aim to secure a slot in autumn or earlier if practicable and will submit further reports to Cabinet as this programme develops.

3. Financial considerations

The consequences of the Council underwriting the match-funding is considerable as this commits the Council to a possible further £6.334 million which will need to be identified as a potential commitment against the General Reserve. Unless other partners can be found to share the burden of the match-funding requirements, this commitment represents a considerable loss of flexibility over the medium term.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity,

human resources, environmental, health, property and transport considerations.

5. Key Decision Yes.

6. Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No

7. Background Papers

Papers within files held by the Regeneration Team.

8. OFFICER'S RECOMMENDATIONS

- 1) That progress on the development of the draft Local Broadband Plan be noted;
- 2) That Cabinet approves the underwriting of £6.334million towards the Programme, in addition to the previously approved £1.056million, to secure the BDUK grant allocation of £7.3million and notes the potential impact on the General Reserve;
- 3) That the Cabinet Member for Regeneration be authorised to approve the Local Broadband Plan submission to BDUK;
- 4) That efforts continue to be made to secure external finance from partners and other funding streams to limit the Council's financial contribution to the Programme;
- 5) That further reports on progress be submitted to future Cabinet meetings.

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