

DERBYSHIRE COUNTY COUNCIL

CABINET

27 November 2012

**Report of the Deputy Chief Executive and Strategic Director for Policy
and Community Safety**

DIGITAL DERBYSHIRE (Regeneration)

Purpose of the Report

To update Cabinet on progress in relation to the Digital Derbyshire Local Broadband Plan.

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 is the Government agency within the Department for Culture, Media and Sport responsible for managing the overall programme. BDUK awarded Derbyshire County Council a grant of £7.39 million, subject to:

- a matching amount being found locally
- approval of our Local Broadband Plan.

In February 2012, the County Council approved a one-off contribution of £1.056million and agreed to underwrite the outstanding balance of £6.334million to secure the Government grant. The intention is to seek external funds to reduce the amount underwritten by the Council. On 4 May 2012, BDUK approved the Derbyshire Local Broadband Plan, including the proposed delivery timetable.

Since that time, a significant amount of work has been undertaken to raise awareness in the local business and domestic market and to access match funding from local partners and from external sources, such as the European Regional Development Fund.

The engagement, education and market stimulation across the whole of Derbyshire are fundamental to the overall impact and success of the Digital

Derbyshire programme. It is important that we continue to further drive market stimulation to ensure that Derbyshire remains a highly attractive investment proposition for a delivery partner and that the programme is strongly promoted to ensure that local businesses are prepared to take full advantage of new broadband infrastructure. Our demand stimulation programme builds on the successful Derbyshire Surveys (over 6000 responses) which evidenced the need for better broadband in Derbyshire. Over 1500 properties have registered to receive the Digital Derbyshire newsletter. The Digital Derbyshire branding has been established and is now used for all communications. The DCC microsite www.derbyshire.gov.uk/digitalderbyshire has been developed to provide information about the programme. This will need to be developed into a stand alone website that can meet both ours and the successful commercial supplier's needs post contract award with all possible domain names now purchased.

Digital Derbyshire has been shortlisted for the Partnership Engagement Initiative of the year award in the UK Public Sector Communications Awards 2012. The awards ceremony took place on 20th November 2012.

We now have over 40 local Broadband Champions and we are soon to launch the Digital Derbyshire Business Broadband Champions. These are volunteers who attend meetings with the project team and communicate back to communities. Three Broadband Champions have applied for DEFRA funding for their communities to bring about their own broadband solution (Great Hucklow, Monyash, Flagg & Sheldon and Youlgrave). We continue to support these areas along with any others considering self-generated solutions to ensure that schemes are viable delivering a long term solution to avoid communities becoming 'not spots' and being left further behind.

Our Project Board has been meeting monthly since July and is attended by BDUK and we have a Partnership Board chaired by Councillor Parkinson. The Partnership Board brings together all partners and stakeholders from across the county to promote and embed broadband into service delivery and business transformation. We are currently working closely with Derbyshire Police, Chesterfield Royal Hospital, Amber Valley Borough Council and the Peak District National Park to promote Digital Derbyshire through their organisations and customers.

Unfortunately delays at national level in gaining approval to key elements of the programme mean that the timetable for implementation is slipping across the whole of the country.

The BDUK National Procurement Framework was intended to be available from April 2012 but this was not approved until June 2012. Two companies, BT and Fujitsu, are approved suppliers within the National Framework.

The major hold-up in the timetable, however, relates to State Aid and until the European Commission grants approval, the programme will stay on hold. The delays are a concern and the Cabinet Member has lobbied local MPs and both Local Enterprise Partnerships with formal letters being sent to the Secretary of State and the Chief Executive of BDUK. The Secretary of State has responded stating that he anticipates State Aid clearance “in the autumn” with “Derbyshire commencing pre-procurement training in November 2012 in preparation for launching its procurement within a few weeks from the completion of the training”. Since receiving this reply the Cabinet Member has responded to further press the case for Derbyshire to progress ahead of this proposed timetable.

BDUK are working on the basis that, as soon as State Aid is resolved, the implementation of the overall programme will be accelerated. BDUK has allocated Derbyshire slot 25 using the National Framework. Under the original timetable this provided procurement in September 2012 with a contract award in December 2012. We are continuing to work on data mapping, data room preparation, securing match funding and finalising the Invitation to Tender so that we are in position to procure if an earlier opportunity arises. Due to the European Commission delays the revised indicative timetable from BDUK indicates an Invitation To Tender (ITT) date of March 2013 and contract award of July 2013. The pre-procurement activities have commenced, the formal supplier engagement will take place between January 2013 and March 2013 so to ensure the integrity of the procurement any direct or indirect engagement or communication must be managed through the process.

Given that State Aid clearance is expected shortly, Cabinet agreement is sought to approve the commencement of the procurement phase of the programme using the national framework. Following procurement, the next stage in the process requiring Cabinet approval will be the launch of the draft ITT, which is currently scheduled for the 5th March 2013 Cabinet meeting.

In addition, we are working in partnership with Henry Boot Developments Ltd, our site development partner, to explore opportunities for bringing superfast broadband to Markham Vale Enterprise Zone (MVEZ). The current broadband provision at MVEZ is poor offering only a basic service and there are no known future plans for investment from the commercial market. Broadband is viewed as important as other utilities by business and the lack of provision could be a cause for potential investors to locate elsewhere. A Market Awareness Exercise was launched on 22nd October 2012 to seek responses from interested commercial suppliers for their solution at MVEZ. Responses will be assessed and presentations from commercial suppliers will be arranged for early December 2012 at MVEZ. External funding is being sought from ERDF and other opportunities are being explored.

Financial Considerations

BDUK has awarded £7.39 million to the County Council towards the programme. The County Council has approved a one-off contribution of £1.056million and agreed to underwrite the outstanding balance of £6.334million. It is anticipated that funding from partners and external programmes, such as ERDF will be secured to reduce the funding underwritten by the Council. Approval is sought to commence procurement of the programme and any costs will be contained within existing budgets.

Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, legal, equality of opportunity, environmental, health, personnel and property considerations.

Background Papers

Previous Cabinet reports

Local Broadband Delivery Plan

Letter from Minister for Culture, Communications and Creative Industries dated 21 September 2012

Key Decision - No

OFFICER'S RECOMMENDATIONS

1. To note the delay to the national timetable for the implementation of the local broadband programme;
2. To note the Council's progress, national recognition and continued importance of driving demand management and market stimulation across the County to recover any national timetable slippage.
3. To approve the commencement of procurement of the Digital Derbyshire Broadband programme at the earliest opportunity following State Aid approval;
4. To note that the next stage in the process for Cabinet approval would be the launch of the draft Invitation To Tender, programmed for March 2013.
5. To note the work being undertaken to accelerate the availability of superfast broadband access to the Markham Vale Enterprise Zone (MVEZ).

David Lowe

Deputy Chief Executive

Strategic Director for Policy and Community Safety