

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Executive

23 June 2014

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
4.	(Pages 1 - 14)	Urgent Business – Superfast Broadband	Director of Resources	Report not envisaged at time of agenda publication due to ongoing discussions

If you need any further information about the meeting please contact Natasha Clark, Democratic and Elections natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

This page is intentionally left blank

Cherwell District Council

Executive

23 June 2014

Superfast Broadband

Report of Chief Executive

This report is public

Purpose of report

To consider level of financial support to be provided for the roll out of superfast broadband across the District.

1.0 Recommendations

The meeting is recommended to:

- 1.1 To allocate £783,000 of the 2014-15 New Homes Bonus Allocation for Economic Development across the District.
- 1.2 Invest £500,000 for the provision of superfast broadband across the District.
- 1.3 To note that a further £500,000 will remain available to consider funding other solutions for the areas of the District not covered.

2.0 Introduction

- 2.1 The Council is working closely with the County Council who in turn are working closely with BDUK to increase the coverage of Superfast Broadband throughout the District.
- 2.2 A proposal has been received by the County Council which seeks to increase coverage across the County and for Cherwell will extend coverage to 95%. A briefing note from the County Council is attached at Appendix A which explains the current position.

3.0 Report Details

- 3.1 At the Executive meeting held on the 07 October 2013 it was confirmed that approximately £730,000 of New Homes Bonus should be held for Economic

Development activity across the District. If the 2014-15 allocation of New Homes Bonus is treated in a similar manner then there will be a balance of £1.5m. The Director of Resources and the Head of Strategic Planning and the Economy were also given delegated authority in consultation with the relevant Lead Members to allocate future allocations of New Homes Bonus but the opportunity is being taken as part of this report to seek Executive approval to the proposed allocation of the Economic Development element. Allocation of the remainder of the Year 4 New Homes Bonus sums will be allocated via the delegated authority.

- 3.2 The County Council is seeking to progress the roll out of Superfast Broadband across Oxfordshire and the briefing note detailed in Appendix A provides an update from the County Council on the project. The briefing note from the County Council sets out that the District can achieve 95% coverage by making a contribution of £500,000.
- 3.3 Of the funds set out in paragraph 3.1 it is recommended that £1.0m is notionally set aside to deal with maximising the level of Superfast Broadband coverage across the District. With the County needing £500,000 to achieve a coverage level of 95% the remaining £500,000 can be used to seek a solution for other parts not covered by the County Council project.
- 3.4 It should also be noted that the Cherwell contribution will extend the coverage to include rural business units.

Covering the last 5%

- 3.5 As detailed above and in Appendix 1 the £500,000 should move us to a position of 95% coverage across the District.
- 3.6 Providing Superfast Broadband coverage for the final 5% of the District will be more challenging.
- 3.7 However, there are already examples where innovators have sought solutions in hard to reach parts of the District using wireless technology and projects like this are positively supported by the Council.
- 3.8 The Council will work with providers, interested communities, parish councils and other organisations to achieve as close to 100% coverage as is possible with the remaining funds.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is recommended that £500,000 of the Economic Development element of New Homes Bonus is allocated for the County Council Superfast Broadband project.
- 4.2 It is recommended that a further £500,000 is allocated from the same funding stream to seek to address coverage in the remaining 5% of the District.

5.0 Consultation

Cllr Barry Wood

Is supportive of the recommendations

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not invest £500,000 in the County Council's Superfast Broadband project and miss the opportunity to improve communication infrastructure across the District with the resultant impact on the local economy.

7.0 Implications

Financial and Resource Implications

- 7.1 By the end of 2013-14 there was £730,000 in the Economic Development allocation of New Homes Bonus.

A further £1.3m was received in New Homes Bonus in 2014-15 and of this amount £783,000 should be transferred into the Economic Development allocation giving funds totalling £1.513m.

Of this amount £1.0m should be allocated for Superfast Broadband with £500,000 being provided for the County Council solution to get the coverage across the District to 95% and the remaining £500,000 being held back to seek to improve coverage across the rest of the District.

Comments checked by:

Martin Henry, Director of Resources, 0300 003 0102

Martin.henry@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 It is advisable to seek to ensure the optimum delivery of the Council's desired outcomes via entering into a formal funding agreement with the County Council if this is feasible.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: Yes

Wards Affected

All

Links to Corporate Plan and Policy Framework

Cherwell: A district of opportunity
Cherwell: Thriving Communities

Lead Councillor

Cllr Ken Atack

Document Information

Appendix No	Title
Appendix 1	Extending Superfast Broadband Coverage in Oxfordshire
Background Papers	
None	
Report Author	Martin Henry
Contact Information	0300 003 0102 martin.henry@cherwellandsouthnorthants.gov.uk

Extending Superfast Broadband Coverage in Oxfordshire

Executive Summary

This document is provided to describe the approach which the County Council would take if District Councils determine they wish to use our existing contract with BT. This is not a straightforward decision, and of course each stakeholder will determine their own path. However the County council team have gained significant domain knowledge from the delivery of the County programme, including significant engagement with other local body programmes, alternative technology providers, and of course BDUK.

The County Council is aware that alternative approaches are being considered by District Councils, notably the potential to fulfil the final 10% requirement by working in partnership with Cotswold Broadband, and whilst this document describes the County Council strategy, it in no way devalues the potential benefits such an approach may provide. Ultimately the decision is understood to be based on a conclusion of risk and reward which is for each District to determine

Strategy – Key Principles

- Optimise all available match-funding
- Target coverage incrementally & strategically (ability to extend footprint)
- Reach 95% threshold as soon as possible
- Evaluate new technologies for final 5%
- Incorporate within existing delivery plan to optimise efficiency of deployment

Considerations

- We have a defined solution against a defined cost to take coverage across the County to 95% (This is variable between 94% & 96% among the four Districts, and further detail is provided in the embedded documents below.)
- The delivery of this coverage can be incorporated within phases 4-6 of the existing County coverage plan, meaning Districts should see coverage against your direct investment within twelve months. The County plan will flex to accommodate this even if it means extending the delivery deadline of the County plan beyond Dec 2015. In this eventuality Oxfordshire will still maintain the stated objective of 90% coverage by this date, it will just be a different footprint incorporating District investment.
- In negotiation with BDUK, we have requested an increase in the SEP allocation from £2.15m to £2.55m. We have confidence this will be sanctioned.

- It is by no means clear that BDUK will be willing to administer multiple programmes within a County, meaning direct District access to SEP match-funding is not certain unless for example District councils form a consortium to apply for SEP funding as a single Local Body.
- The SEP at this point in time is focussed at achieving the target of 95% SFBB coverage. We don't know what might happen to any unused allocations.
- As a result of the SEP funding, each District can achieve the coverage already shared with each District, and embedded below, with half the investment you have identified as set aside for broadband, meaning each District could retain half their funding for extending coverage further.
- There may be an opportunity for each District to re-work modelled coverage within a limited parameter, for example to focus on certain locations, or business parks etc. However this would need to be decided quickly, and agreed with BDUK to ensure any such changes are still fully match-funded
- Discussions with alternative suppliers suggest there are good options to develop coverage using fixed wireless as an overlay to coverage to move beyond 95%. OCC has applied for a pilot of such in the County to be funded by the BDUK £10m Innovation Fund.
- Technologies are evolving (hence the Innovation Fund), meaning it may be a consideration to leave the final 5% challenge until these approaches have been tried and tested.
- The required organisational capacity and cost to procure, manage, report, evaluate, and administer these programmes should not be underestimated
- Delivery risk of alternative lower cost solutions must be squared against the relatively higher cost BT solution with blue chip commitment to not just deliver to target, but to operate the infrastructure for at least fifteen years

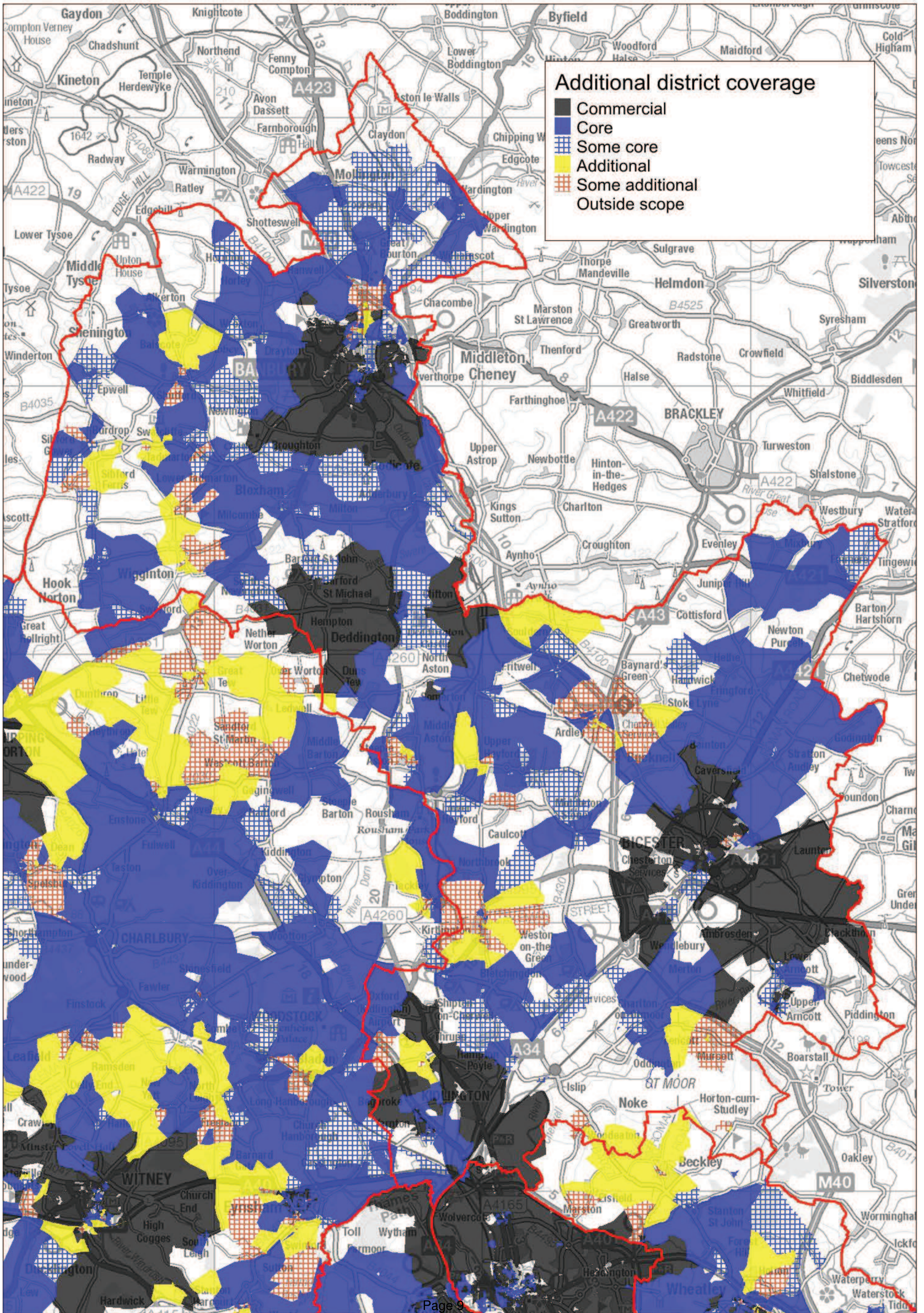
Benefits Summary of utilising the existing contract

- We consider the optimum path for delivery is to split targets into defined phases (in line with BDUK targets). This should optimise current match-funding with a reasonable expectation that any retained funds might be able to attract any further central government money as match for the final 5%.
- This would mean each District committing one half of the funds set aside for broadband, into the BT contract, which will achieve full match-funding and achieve the modelled coverage shared with Districts. (OCC will willingly share all and any data for each District to fully understand local delivery).
- Each District retains the balance of funds available for broadband. The results of any pilots pursued by suppliers successful with Innovation Fund

applications will be shared with Districts and the County will offer any requested support to develop additional coverage beyond 95% by this means.

- Early delivery and minimal overhead costs for District Council to administer and manage the programme.

This page is intentionally left blank



In commercial confidence

Table 1: Total premises passed for additional funding

	Total premises	Commercial		Commercial + P1-6		Commercial + P1-6 + P7-9		Original district funding expression of interest
		Number	Percent	Number	Percent	Number	Percent	
West Oxfordshire	48,211	25,650	53%	43,104	89%	45,770	95%	£1.6m
Vale of White Horse	53,892	36,734	68%	50,353	93%	51,746	96%	£500K
South Oxfordshire	59,994	31,508	53%	52,954	88%	56,642	94%	£2m
Cherwell	62,529	45,928	73%	57,465	92%	59,697	95%	£1m
Oxford City	60,815	60,173	99%	60,173	99%	60,173	99%	n/a
<i>Subtotal</i>		<i>199,993</i>	<i>70%</i>	<i>264,049</i>	<i>93%</i>	<i>274,028</i>	<i>96%</i>	
Total	285,441							

Table 2 Number of premises passed for additional funding

	Total Premises	Commercial		Commercial + P1-6		P7-9		Original district funding expression of interest
		Number	Percent	Number	Percent	Number	Percent	
West Oxfordshire	48,211	25,650	53%	43,104	89%	2,666	95%	£1.6m
Vale of White Horse	53,892	36,734	68%	50,353	93%	1,393	96%	£500K
South Oxfordshire	59,994	31,508	53%	52,954	88%	3,688	94%	£2m
Cherwell	62,529	45,928	73%	57,465	92%	2,232	95%	£1m
Oxford City	60,815	60,173	99%	n/a	n/a	n/a	n/a	n/a
<i>Subtotal</i>		<i>199,993</i>		<i>203,876</i>		<i>9,979</i>		
Total	285,441							

Location and nature of the final 5% in Oxfordshire

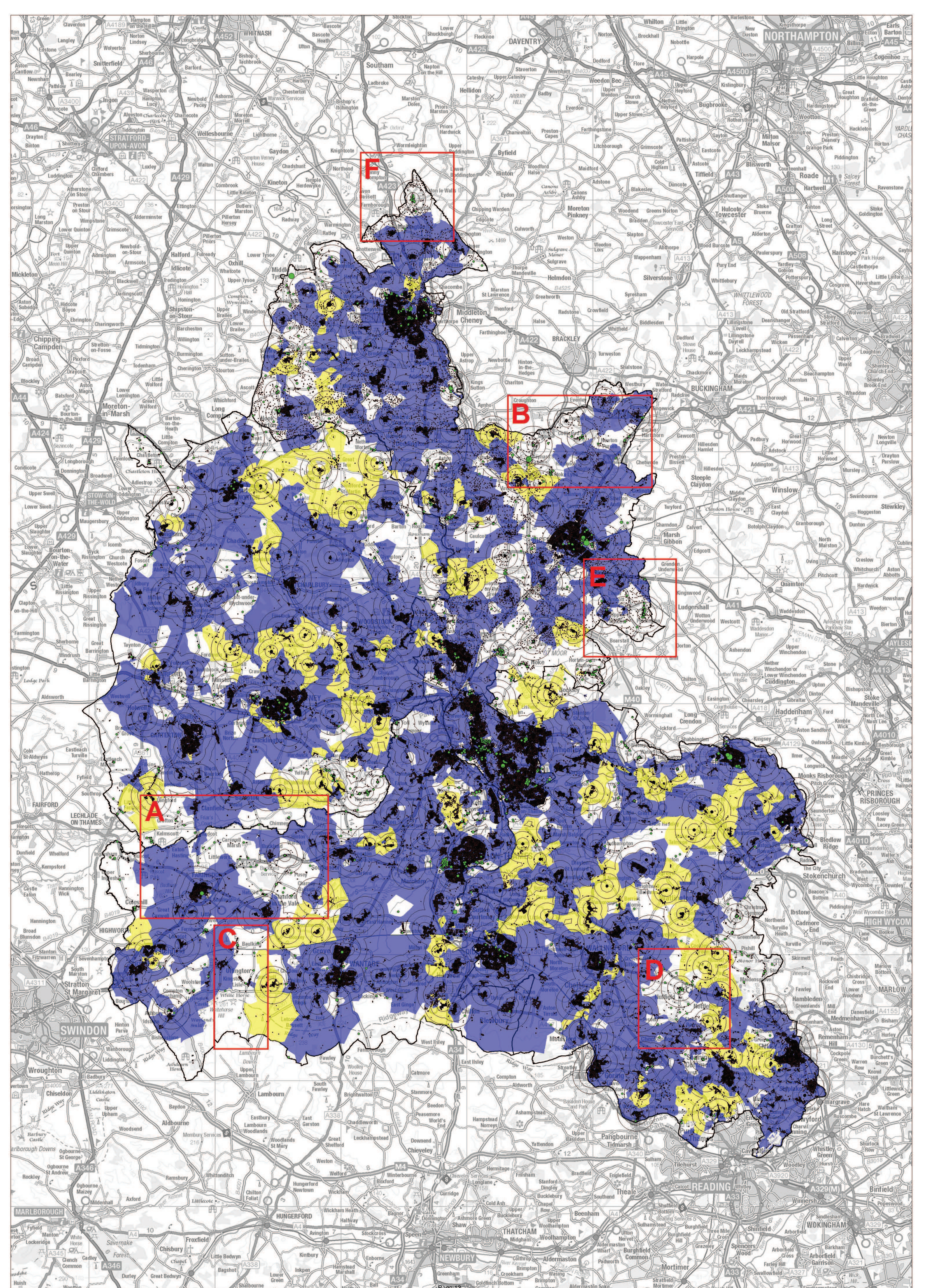
These are the areas with the highest number of premises which sit in the final 5%. The first three combine a number of hamlets/villages and are broadly contiguous. Final three are discreet communities.

On Map	Areas covered	THP
A	Chimney, Pusey, Carswell Marsh, Grafton, Kelmscott	354
B	Baynards Green, Cottisford, Juniper hill, Stoke Lynne	291
C	Kingston Lyle, Baulking, Compton Beauchamp	274
D	Nuffield	221
E	Piddington	207
F	Clayton	173

We also have business parks that fall within our final 5%. In this instance it's more appropriate to consider the number of businesses registered in the postcode rather than the number of non-residential premises. Our data analyst has taken this from MINT which is a registry of businesses. The data has been cross checked on Google maps.

	Non-residential prems	Registered businesses	Description
OX25 3SX	14	22	Business park near Weston on the Green
OX17 3SN	7	59	Business park near Adderbury on Northants border
OX27 7SR	13	67	Business park near Stoke Lynne
OX15 6HW	12	122	Business park near Shennington on warwickshire border
OX14 4EF	4	22	Business park near Drayton (may be part of Enterprise zone project)

This page is intentionally left blank



This page is intentionally left blank