West Lindsey District Council — The Entrepreneurial Council	**CAI.30 12/13**
	Challenge and Improvement Committee
	12 March 2013

Subject: Rural Broadband Working Group Report

Report by:	Chief Executive
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Purpose / Summary:	To provide the committee with an update on the findings of the Rural Broadband Working Group and endorse its recommendations.

RECOMMENDATION(S):
1-endorse the Rural Broadband Investment Brief referred to in this report is issued to the market to 'test' the potential for investment and recommend that future governance is undertaken through the Prosperous Communities Committee.

2-endorse the operational delivery of the Rural Broadband Investment be governed by the Commercial Board.

3 -agree the Prosperous Communities Committee receive further updates on actions that are agreed with companies that are to deliver the Investment proposals in the Brief via the Commercial Board.

4-task Growth officers via the Growth Board to contact the mobile phone companies to encourage them to invest in additional radio base stations in the area to improve mobile phone coverage. Findings to be reported back the Prosperous Communities Committee.

5-task Localism officers via the Localism Board to work with Community Lincs and other relevant organisations to produce a plan to support increasing

community interest and use of broadband within the District. This should include working with officers within the Universal Credit Pilot and to ensure maximum usage of village halls and understand the number of digitally exclude citizens within West Lindsey. Findings to be reported back the Prosperous Communities Committee on a quarterly basis.

6-task Planning Officers, via the Growth Board to; raise with developers the topic of high-speed broadband during their discussions to encourage the installation of the appropriate infrastructure on and into development sites. Findings to be reported back the Prosperous Communities Committee on a quarterly basis.

IMPLICATIONS

Legal: There are legal implications with respect to seeking an investment partner in respect to state aid. The investment brief has been reviewed and checked by Legal to ensure that wording used in the Investment Brief is clear that WLDC are to engage the market using market investor principles and not via the provision of a grant (state aid).

Financial : There are no financial implications at this stage of the process.

Staffing : There are no staffing implications at this stage of the process.

Equality and Diversity including Human Rights : The proposal supports broadband access to residential and business communities that are digitally excluded currently because of socio economic and geographic reasons.

Risk Assessment : Risk assessments have been undertaken and mitigated via legal input. Further assessments will be undertaken as part of the investment consideration.

Climate Related Risks and Opportunities :

There are no implications at this stage of the process.

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)	**Yes**		**No**	X

Key Decision:

A matter which affects two or more wards, or has significant financial implications	**Yes**	X	**No**	

Executive Summary – Conclusions of the Rural Broadband Groups

The group started by looking at the issue of broadband connectivity in the West Lindsey District it is clear that the BDUK programme will deliver in part increased connectivity for parts of the District. However there are solutions that need to be pursued for the rural areas that will not be part of the BDUK high speed broadband programme.

One way of providing a solution is through an investment in complementary broadband technologies (i.e. Wireless Broadband). To test the market and understand the commercial viability of following this course of action the market needs to be engaged (via the investment brief referred in this report below) to allow a range of organisations to offer proposals to the Council.

The Challenge and Improvement Committee is being asked to endorse this solution. There remain concerns about mobile phone coverage in the District and Group feel that this area needs to be further explored.

There are still opportunities to increase community interest and usage of broadband and the work of the Community Lincs Broadband will be important in this area.

1.0 Introduction

The Challenge and Improvement Committee established a group to look into the subject of Broadband in the West Lindsey area. The group consists of Councillors Alan Caine, Irmgard Parrott, Jeff Summers and Mick Tinker. The Members are supported in their work by Wendy Osgodby, Matthew Clarke, Steve Bolan, Rachel Saville and James Nicholson. In January 2012 the Policy and Resources Committee approved in principle a capital contribution to Lincolnshire County Council to support the delivery of Superfast broadband across the county. The Government have set an aspiration to have the best Superfast Broadband connectivity in Europe by 2015 (i.e. 90% of properties able to access broadband speeds of 20MB or more and the remaining 10% having access to speeds of at least 2Mb)and through Broadband Delivery UK (BDUK) they have allocated Lincolnshire with £14.3m. The County Council and the Lincolnshire District Councils have allocated funding to support the project and the County Council are leading on the procurement process to appoint an organisation to provide the infrastructure to deliver faster broadband. In the West Lindsey area concerns have been raised about the poor broadband coverage in the rural areas and the negative impact that this has on businesses and the rural community. It is against this background that a broadband group of Members was established.

2.0 Objectives and outcomes

The Broadband Group considered what the purpose of their work was and set down a number of objectives and outcomes that they hoped to achieve and these are as follows :-

Objectives

-learning and understanding the technology around internet speeds, broadband and wireless, the Broadband Delivery UK (BD UK) project, LINPOP activities and proposals

-obtaining community support for Broadband

-raising the profile within the community of Broadband

-New construction developments (business and domestic) to have high speed Broadband capability

-Communication

Outcomes

-better Broadband to increase business opportunities and developments and relocation of businesses – attract new businesses to the area

-affordable access for the community to high speed internet use

-fastest internet speeds at the lowest cost for the community

-more residents to work from home to enhance work/life balance and support sustainable settlements

3.0 Methodology

 The Methodology for Challenge and Improvement Committee Member Group/ Commission working on Broadband is as follows:-

Methodology

1. Helping Members and officers jointly understand

 a) current technology –understand the limitations

 b) the need in the community and specifically where there are gaps in high speed broadband coverage and the consequences for businesses and residents. Establish community needs from survey and data

 c) BDUK -what it is, timescales

 - the consequences

 - what WLDC need to do

 - invite County Council Chief Information officer Judith Hetherington Smith

2. Look and compare with national views and other practice

 - Understand British Telecom views

 - Contact Local Government Association to find out about best practice

3. Make recommendations – short term and long term actions

 - timescales

- corporate /partners

- specific services

- members

4.0 Actions and Work of the Group

The Actions of the group are as follows:-

Technology and BDUK

The Group have had presentations from Matthew Clarke, Judith Hetherington Smith and Steve Brookes (Lincolnshire County Council). These presentations covered issues relating to internet speeds and that one of the reasons for low speed was the distance some properties were from telephone exchanges/street telephone cabinets and not having access to fibre optic cables. The Broadband Delivery UK (BDUK) programme will result in investment through County Council procurement with the outcome by 2015 of 90% of properties to have superfast broadband (i.e. 24 megabytes per second) and the remaining 10% to have speeds of 2 megabytes per second. The BDUK rollout programme for Lincolnshire was not known prior to February 2013; it was only at this time that it became clearer which parts of the West Lindsey area were to receive the superfast broadband. It is believed the successful contractor will identify at post code level the speeds that will be achieved. It is understood that the BDUK contract will be signed by mid-March and at that time further information regarding the % of the geographical area of the district being able to receive superfast broadband (and the % not).   Lincolnshire County Council are looking to bid for further DEFRA funding that may be available in 2013 for rural broadband solutions (wireless) across all of Lincolnshire. BDUK are also investigating the potential of funding some pilots to SME businesses to provide fibre to the premises.

Visit

The Group made a visit to an organisation called LINPOP based at Hemswell that provide a wireless communication system. The group learnt about the work they were doing and how they were operating.

QuickLine

Steve Jagger from a company called Quickline attended the group on 23 Nov 2012 and made a presentation about the work the company were doing on wireless broadband. He advised the company were providing broadband coverage for businesses (commenced in Scunthorpe area), schools (Hull area) and residential properties through a network of wireless radio masts. They have provided highspeed broadband connections at locations in villages in East Yorkshire. Each mast was able to provide coverage of 100 sq miles. The company were able to fill some of the gaps in broadband connectivity and were already providing a service in part of the West Lindsey area and could cover all the West Lindsey area with the use of satellite technology as well as masts. Service users pay an installation charge and a monthly fee.

Community Lincs

The group received a presentation from John Slater Rural Influence and Policy Officer of Community Lincs on the work that organisation is doing to establish broadband champions and to stimulate demand for broadband. The group have also had a presentation from Ian Ransom Community Lincs Broadband Officer. Ian explained that his role was to increase the

interest and drive up demand registration from the local community for improved broadband speeds, one of the ways he was doing this was to recruit Broadband Champions from the local communities across Lincolnshire.

One of the roles of the Broadband Champions was to increase demand registration but as demand registration was coming to an end in January 2013 Ian Ransom felt that, for those who were comfortable with it, the role would move beyond Demand Registration and focus more on two other areas. These 2 areas are :-

1) Helping those with little or no experience to get online and hopefully stay there

2) Aiding those who fall into the last 10%. (i.e. those areas that will not get superfast broadband from the BDUK programme)

Ian is working with the Champions on these 2 areas.

BT

British Telecom invited the Group members to attend a meeting they were holding in Lincoln on "What the next Generation Broadband can do for the Lincolnshire Economy". At the meeting Bill Murphy, BT's Managing Director Next generation Access, made a presentation on BT's superfast broadband programme making reference to the rollout of fibre optic cables. He identified that difficulties to securing superfast broadband arose where there were huge distances to properties and where there was a low density of users. BT's commercial model was that the payback from investments needed to happen in 12 years. The group invited Paul Bimson, BT's Regional Partnership Director – East Midlands, to a meeting. Paul explained the telecommunications technology and covered the possible options where the fibre optic system would not be able to achieve superfast broadband, the options that were being explored were mobile phone technology, use of TV "white space" created by the shift from analogue to digital TV and also the possible use of satellites. Paul identified that 2 telephone exchanges (Gainsborough and Sudbrooke Park) serving part of the West Lindsey area were being invested in and would have superfast broadband, it was not clear whether other telephone exchanges in the West Lindsey area would receive BT investment.

Increase interest in Broadband

At an early stage the group identified that it was important that the West Lindsey community were expressing their interest in superfast broadband and that they should be encouraged to register this interest through the OnLincolnshire website. The group agreed actions to encourage this community "sign up" including visitors to the Guildhall, Gainsborough Riverside Festival and Lincolnshire Show the group also agreed media coverage on the subject.

Mobile phone coverage

The Group appreciated that there were concerns in the local community about mobile phone coverage and they invited representatives from the Mobile Operators Association to make a presentation to the group. The presentation covered the technology and key points were 1)that the location and numbers of radio base stations were the limiting factor in determining mobile phone coverage (If there are a limited number of masts then mobile phone coverage would also be limited) 2) that customer demand dictates the number and location of the base stations, and 3) each base station can only support a limited number of users and that data services take up more capacity. The current annual roll out plans for new masts does not

indicate there would be additional investment by the mobile phone companies in the West Lindsey area.

Good Practice

The Local Government Association have identified that Eastbourne Borough Council are doing some interesting work on broadband. Eastbourne BC have invested in a company that supplies a wireless network service which is primarily aimed at the business market. Eastbourne are also using Council assets for masts to be located on them.

Rutland County Council are further ahead than Lincolnshire County Council on the procurement process in relation to BDUK and they completed procurement with British Telecom however as yet there has been no roll out.

5. Achievement of Objectives

The group have considered the objectives and assessed their achievement and commented on further work as follows:-

Objectives	Assessment of achievement	Comments
-learning and understanding the technology around internet speeds, broadband and wireless, the Broadband Delivery UK (BD UK) project, LINPOP activities and proposals	The group feel they have learnt and understand more about the technology, broadband, the mobile phone system and the BD UK project, and have met with LINPOP.	The group feel they have achieved this objective
-obtaining community support for Broadband	Some activity has taken place to support the work of Community Lincs in increasing demand registration for broadband. However there is further work to do to understand the needs of the community.	There is further work that could be done on this this for example in supporting the work of the Community Lincs Broadband Champions.
-raising the profile within the community of Broadband	This links to the above objective and some work has taken place to help raise the profile.	There is further work that could be done on this for example in supporting the work of the Community Lincs Broadband Champions.
-New construction developments (business and domestic) to have highspeed Broadband capability	This is a longer term objective and is one of the recommendations from the group	The group are recommending that the topic is highspeed broadband is raised with developers during the planning process of new developments.
-Communication	A communications plan was produced and was in part delivered through the	An on-going plan needs to be produced to support raising and profile and increasing

	Lincolnshire show and contact with businesses and customers.	community support for broadband.

6. Rural Broadband Investment Brief

Within the Council's Corporate plan there are priorities and key themes relating to Broadband and these are referred to below :

Theme	Priority	Outcome	Measure
An accessible and connected district where all have the best opportunities in life to help themselves and others (Theme 1)	Communities are able to meet their local needs sustainably.	Connecting citizens and communities to each other with information and social media.	Percentage of population covered by high speed broadband
	That all communities in West Lindsey achieve their full potential and provide the services and infrastructure local people need.	Market Rasen becomes a vital and vibrant town which is capable of identifying its priority needs and addressing them through effective community engagement and action	Broadband speeds
A prosperous and enterprising district (Theme 3)	An environment where an increased number of businesses and enterprises can grow and prosper.	West Lindsey has the right physical conditions that allow businesses to grow and prosper.	Speed of broadband across the district

In order to help deliver the outcomes the Council has developed a brief to seek proposals from organisations for its consideration in relation to rural Broadband:

1. a viable investment opportunity in respect to broadband services within our rural communities; and

2. a viable financial investment in a business that is seeking to expand its business into other areas of the county and exploit new markets for its services

The purpose of the Brief is to give a fuller understanding to the Council of the extent of the market for the provision of broadband services in West Lindsey and the scope for the Council to use investment to address market failure or speed the rate of progress whilst recovering the best rate of return available in that market

Where the Brief leads to the receipt of proposals that the Council is minded to proceed with, it is expected that this will lead to the Council making an investment. The Council is open to any proposals through which the Council recovers a return on its investment including an equity share, a loan leading to an equity share or a straight loan.

The Council is seeking to understand the best rates of return available to it in the market if it were to use its investment fund to finance activity within that market aimed at the expansion of broadband connectivity in the district.

By way of background Members may wish to consider that the Digital Inclusion Task Force estimate that digitally excluded families loose out financially by up to £560 per annum. Web enabling more homes is one factor that has been identified as a way to tackle poverty, suggesting that children growing up in digitally excluded families could increase future earnings and job prospects by becoming web-literate. Nationally, it is estimated that almost 40% of economically and socially excluded people that are not using the internet are aged over 65. This is the age group that could benefit significantly from on-line services such as shopping, paying bills, and communicating with friends and families.

Within the brief it has been identified that the Challenge is "How to develop the infrastructure to support digital inclusion across the district and facilitate internet use?"

The purpose of this Brief is to give a fuller understanding to the Council of the extent of the market for the provision of broadband services in West Lindsey and the scope for the Council to use investment to address market failure or speed the rate of progress whilst recovering the best rate of return available in that market

The investment must support the Corporate Priorities and Entrepreneurial Aspirations as stated in the Corporate Plan to:

    o   Provide broadband access to both rural and business communities that address the current issues experienced in rural and business communities in respect to slow connectivity speeds.

    o   'Digitally enable' those parts of the community who are currently excluded from the broadband technologies because of socio economic reasons. The advent of Universal Credit makes this requirement particularly relevant as application for this will primarily be online via the DWP website.

    o   Generate a sustainable financial return for the Council to support its commercial aspirations and to reduce its reliance upon central government funding.

    o   Develop a network of broadband hotspots across the district to provide the coverage to support a district wide agile workforce, promoting community cohesion and economic regeneration.

    o   The provision of broadband connectivity to village halls within the West Lindsey region.

    (Note: There are potentially 56 village halls that require broadband connectivity. Currently 22 have broadband installed. The rurality of some village halls may require non-traditional solutions to achieve connectivity).

Any proposals will need to support the Council's objectives of enhancing broadband connectivity to:

    a)   rural businesses (high speed)

    b)   rural communities (high speed)

    c)   digitally excluded citizens

d)   create greater competition within the rural broadband market

It is hoped that the Investment brief will generate some interesting proposals for further consideration by the Council and will help to deliver enhanced broadband connectivity.

This investment brief will present to a meeting of the Policy and Resources Committee for their agreement.