

## **BROADBAND IN SHROPSHIRE: FUTURE PLANS**

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### **Summary**

This report provides background on Broadband issues effecting our communities and businesses in Shropshire and outlines a suggested means of addressing them. The report explains the need for a comprehensive Broadband Strategy and action plan to provide the context and content for a bid to Broadband Delivery UK (BDUK). It explains the urgency of this due to an expected bid deadline of end of March 2011. It goes on to look at a road map of what needs to be accomplished over the next to months.

It lastly provides the headings for a Broadband strategy so that what is required is more clearly understood.

Members' agreement is sought for the submission of a BDUK Wave 2 bid and for authority to be delegated to the Corporate Director Places in consultation with the Portfolio Holders for ICT and Economy, Finance and Waste to approve the submission of the bid on behalf of Shropshire Council.

### **Recommendations**

It is recommended that:-

- A. Cabinet notes the issues pertaining to Broadband in Shropshire and the opportunities to address them through a bid for funding.
- B. Authority is delegated to the Corporate Director Places, in consultation with the Portfolio Holders for ICT and Economy, Finance and Waste, to approve the submission of the BDUK Wave 2 bid by 31<sup>st</sup> March 2011.
- C. Cabinet agrees the Road Map including the Round Table with BT and notes the formation of a project team with a project sponsor and manager with immediate effect.

## **REPORT**

## Background

1. An effective, reliable and secure communications infrastructure is increasingly essential to life in both rural and urban communities. It is important that all of our communities and businesses are able to benefit from the convenience online services provide. There is a requirement to do more than just bridging the digital divide –communities and businesses need to have tools to fully access public services and commercial opportunities.
2. The Digital Britain report 2009 recognised that 30% of the country would require public support to receive super fast broadband. It can be assumed from some of the evidence within the report and other documentation that Shropshire falls within that category (Shropshire has 15 – 20% of bad lines).
3. There remains a commitment from Central Government to ensuring that virtually all homes receive the minimum level of service of 2Mbps by 2015. It is recognised that the solutions used to deliver 2Mbps will in most cases deliver far greater bandwidth, so 2Mbps would be the minimum speed available. As a result super-fast broadband and the universal service objective have been aligned
4. The Government are committed to delivering super-fast broadband into areas where commercial investment alone will not deliver broadband and are taking a new approach to delivering broadband connectivity in rural and hard to reach areas that the market will not provide for.
5. Shropshire Council and Shropshire County Council have delivered a range of initiatives and programmes that have improved Broadband availability, use and connectivity.
6. During the period 2003-2008 Shropshire County Council (as was) ran a project on behalf of the Shropshire Partnership called Switch on Shropshire. Amongst other activities, this project used European and Regional funds to promote broadband and stimulate demand for broadband (by way of grant provision) by SMEs.
7. The project also worked with rural communities to establish 36 “Broadplaces” – centres with internet provision and public access computers in which individuals and groups can gain free access to the internet at broadband speeds.
8. Although external funding for these centres ended in 2005, Shropshire Council continues to fund the Broadplaces.

## Wireless Broadband Mesh System

9. Shropshire Council, Herefordshire Council, Worcestershire County Council, Malvern Hills District Council and the Rural Regeneration Zone (RRZ) team of Advantage West Midlands using European funding from the RDPE have worked in partnership to contract with Airband (a private company based in Worcestershire) to address rural broadband issues particularly highlighted by the Economic Development business survey. A contract was awarded to install,

own and maintain a network of web mesh equipment and lease 'Backhaul' to supply high Speed Broadband to a triangle of south west Shropshire, parts of Herefordshire and Worcestershire.

10. The technical solution is now fully operational and has created a wireless mesh network covering the Ludlow, Bitterley, Brimfield, Little Hereford & Tenbury Wells area which contains a population of around 30,000 and a good number of businesses. The funding was obtained to combat the impact of the recession on businesses so the outputs are based on the number of businesses that sign up. The funding has just paid for the infrastructure with the private sector provider Airband selling the broadband service at commercial prices hence state aid issues have been overcome.
11. 21 customers are now using the service and a further 49 have placed orders and are awaiting enablement. Airband have a longer list of people who have expressed interest but not yet placed an order, some of these are out of the area covered.
12. Airband have now used the triangle to enable both Cleobury and Craven Arms which will expand the previous footprint and allow more people to have access to high speed broadband.
13. Shropshire Council is working with Siemens / Solution to investigate options of utilising the new Council broadband network to address the not-spots. This work is in early planning stages and is focused on using Council sites as access points to create a wireless network across the County. This network could then be utilised by mobile Council workers, local businesses and residents who are currently unable to access broadband services. It would be able to cover virtually all of Shropshire.
14. A critical part of this work is to obtain legal advice about state aid issues to reduce the risk of a legal challenge from a commercial broadband internet service provider. It would also be necessary to contract with a commercial internet service provider (ISP) to sell the broadband service at normal commercial rates as Shropshire Council cannot be an ISP.
15. An ICT strategy and road map is being developed and will be presented to the Councils senior management team and members at the end of February 2011. Part of this strategy will be a section on broadband; the broadband strategy and action plan. Whilst being part of the wider ICT strategy it is important that the broadband section can be read in isolation.

### **Government Strategy and Funding**

16. In December 2010 the Government published 'Britain's Super-fast Broadband Future' which states its ambition for a digital hub in every community in the country. This is part of an £830 million strategy to provide the best broadband network in Europe by 2015.
17. Broadband Delivery UK (BDUK) has been created within BIS as a delivery vehicle for the Government's policies on broadband and managing the waves of funding. BDUK's goals include facilitating the delivery of universal broadband

and stimulating private sector investment to deliver the best super-fast broadband network in Europe by 2015.

18. The digital hubs will act as central points in each community, with high speed connections to the nearest exchange. Communities would then need to work with local providers to extend networks to individual homes. The community hub and connectivity from the hub to home or business may take on a number of forms depending on local conditions and requirements.
19. In September this year BDUK approved four pilot areas with £20M of funding as follows; Herefordshire, Highlands and Islands of Scotland, North Yorkshire and Cumbria. These pilot areas were originally awarded an indicative £20M so approximately £5M each. They were then to work with BDUK and with Internet Service Providers such as BT to agree the specification they required and likely costs within this broad indicative funding and funding from the private sector. To date none have these have moved to tender stage.
20. Where local authorities have super-fast broadband as a development priority, BDUK will work with them to create and a deliver a super-fast broadband infrastructure.
21. BDUK is expected to announce the next bidding round for further pilots at the end of February with the submission date expected to be end of March 2011. It will be called Wave 2 and will make another £50M available to bid for. After this another £140M will be available for 2012/13, £150M for 2013/14 and £150M for 2014/15. So in total £530M will be made available to bid for.

### **Shropshire Broadband Strategy**

22. Establishing a broadband strategy and action plan for Shropshire will create a focal point and clear direction for the steps that need to be taken for Next Generation Broadband (NGBB). It will be needed for the bid by the end of March 2011.
23. The broadband strategy and action plan needs to be worked up and will provide the information we need for our bid to BDUK. BDUK will only provide limited support for our bid and strategy and that will be around modelling and costings. They will work closely with an Authority once their bid is successful. There is also the opportunity of Regional Growth Fund - £1.4Billion over next three years and possibly ERDF as well.
24. The broadband strategy and action plan for Shropshire will cover the areas where improved broadband can have an impact :-
  - A vision for Shropshire and the strategic benefits that NGBB could bring
  - Acknowledgement of what is there now (performance and infrastructure)
  - What the aspirations of Shropshire are – in terms of performance and benefits of NGBB but shying away from technology issues and maybe

linked into the governments ambitions as set out in the white paper "Britain's Super-fast Broadband Future December 2010"

- How the aspirations for NGBB tie into existing economic development strategies, the Local Economic Assessment "Spotlight on Shropshire" and the Marches Local Enterprise Proposal and Business Plan
- Funding issues, what might be available, how to go about getting it, match from both public and private sector.
- Acknowledgment of state aid as an issue and how to go about getting approval
- Perhaps refer to relevant case studies on the basis of it can work there so why not here
- Stake-holders commitment to delivery, partnerships (Marches LEP, Public/Private etc.)

The strategy will not specify technically how super fast broadband will be delivered to Shropshire communities because there will be a variety of solutions; one technical solution will not meet the requirements for the whole County. It will outline some of the technical options that could be deployed.

25. Examples will be included of where social enterprises have worked with the local authority to deliver community based broadband to residents and businesses. This approach links into the digital hub concept where high speed broadband is delivered to a community hub (this could be a public sector building) and the community then work together to deliver to homes or businesses.
26. Reference will be made in the strategy to the research conducted by Shropshire Councils Economic Development Service on the impact of poor broadband on local businesses. The rural affairs team have also collated comments during parish consultations on how the lack of broadband is problematic as regards service delivery.
27. The Governments' broadband strategy refers to mobile broadband and coverage becoming increasingly important in modern society – this is supported by comments received during the parish consultations where residents in some areas are more frustrated by poor or a lack of mobile coverage.
28. To help inform and direct the strategy, a round table event with Shropshire business board is being planned in conjunction with BT. This event will:
  - Explore the opportunities presented by high speed broadband for the Council to redesign the delivery of services and meet the changing demands of citizens whilst delivering efficiency savings
  - Build a strong case for super-fast broadband that is aligned with the key priorities of Shropshire to ensure a robust bid for funding is made
  - Ensure an understanding of super-fast broadband and its contribution to economic growth and sustainable communities
  - Engage communities and businesses to build a compelling case that meets the existing and future needs of Shropshire

## Enterprise and Growth Scrutiny

29. Enterprise and Growth Scrutiny made the following recommendations at its meeting on the 10<sup>th</sup> of January:-

- That a single Member of Cabinet be responsible for all aspects of Information Technology.
- Endorse the broadband solution in Shropshire as a combination of fibre-optic, wireless and satellite; to be achieved in partnership with commercial and private sector partners, while being mindful of potential problems relating to the use of the Shropshire Broadband Network.
- That a Broadband Strategy and Action Plan for Shropshire be developed as a matter of urgency including the prioritisation of action towards proven and real need.
- The proposals for early setting up of high-level workshops with the major broadband providers based around alternative technologies to get their input to the strategy and action plan. Also to accept the proposal of BT, to host a Shropshire Round Table event and to liaise with BT in developing a next generation plan for submission in a funding bid to BDUK.
- Strongly endorse the sentiments in the Chief Executive's letter of 16 December 2010 to BT and write a similar letter of its own.
- Add the draft Broadband Strategy and action plan to its work programme in May for consideration before it is approved by Cabinet.
- Receive a progress report on development of the Strategy and consider the plans for and receive an update on proposed consultation at its next meeting in March.
- Ask that the issue of speed of broadband and next generation access be addressed in the Strategy, as well as the issue of access.
- Ask that consideration be given to making broadband available to members of the public at schools.

## Roadmap

30. There will need to be a fast turnaround for the completion of both the strategy and funding application, especially as guidelines are not expected to be released until the end of February 2011. At this time we believe that the bid for Wave 2 of BDUK funding needs to be completed by the end of March 2011. To be successful we need to have a project team in place to show we would be able to deliver a broadband programme. Such a team needs a project sponsor and manager.

31. Key events to be completed before the end of March 2011

- Creation of a project team within Shropshire Council to include officers from ICT, Economic Development, Rural Affairs, Legal, Finance and Procurement with a sponsor and manager.
  - More work will also be done on the financial side; the Council intends to allocate capital monies for this project as it part of the revised capital programme and as it progresses there will be a need to review the revenue support as well.
  - Development and approval of the Shropshire broadband strategy and action plan as part of the wider ICT strategy and road map.
  - Understanding and feedback from BIS on state aid
  - High level strategic round table/scoping exercise facilitated by BT – mid February
  - Mapping exercise of not spots in conjunction with BDUK to clearly identify the areas with connectivity issues and the potential costs for deploying high speed broadband to these areas.
  - Collation of disparate consultation exercises into a central document to understand the broadband picture in Shropshire
  - Attendance at BDUK seminar to understand the requirements for Wave 2 funding.
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**List of Background Papers (This MUST be completed for all reports, but does**

<p><b>not include items containing exempt or confidential information)</b>  White paper, 'Britain's Super-fast Broadband Future December 2010.  Lord Carter's Digital Britain Report June 2009  Economic Development Broadband Business Survey September 2009</p>
<p><b>Human Rights Act Appraisal</b>  The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998.</p>
<p><b>Environmental Appraisal</b>  The BDUK pilot will require environmental appraisal.</p>
<p><b>Risk Management Appraisal</b>  A risk management appraisal will be undertaken.</p>
<p><b>Community / Consultations Appraisal</b>  A widespread Local Councillor led consultation to assess need, demand and potential take up is envisaged.</p>
<p><b>Cabinet Members:</b>    <b>Martin Taylor-Smith Portfolio Holder for ICT</b>    <b>Mike Owen, Portfolio Holder for Economy, Finance and Waste.</b></p>
<p><b>Local Member</b>    N/A</p>
<p><b>Appendices:- None</b></p>