

 <b>Executive 5<sup>th</sup> November 2014</b>		<b>Agenda Item No.</b>  <b>10</b>
<b>Title</b>	Use of delegated powers – CSW Broadband	
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<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	n/a	
<b>Background Papers</b>	n/a	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality and Sustainability Impact Assessment Undertaken</b>	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		Author
Head of Service		n/a
CMT	13/10/14	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	13/10/14	Mike Snow
Monitoring Officer	13/10/14	Andrew Jones
Finance	13/10/14	Mike Snow
Portfolio Holder(s)	20/10/14	Cllr. Mobbs
Consultation & Community Engagement		
n/a		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## 1. **SUMMARY**

- 1.1 This report retrospectively reports on a decision made under the Chief Executive's delegated powers, in consultation with the Group Leaders, to commit match funding to the Coventry, Solihull and Warwickshire Superfast Broadband programme (CSW Broadband) subject to the outcome of the latest funding bid to Government.

## 2. **RECOMMENDATIONS**

- 2.1 That Executive note the use of delegated power CE(4) by the Chief Executive to obtain Group Leader's (or their Deputy's) approval of a £130,000 commitment to a future expansion of the CSW Broadband programme, funded, if necessary, from the Service Transformation Reserve.

## 3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 Provision CE(4) of the Scheme of Delegation, contained within the Council's Constitution provides for the Chief Executive (and in their absence the Deputies) to have authority to: *'deal with urgent items that occur between meetings, in consultation with the relevant Deputy Chief Executives, Heads of Service (if available) and Group Leaders (or in their absence Deputy Group Leaders) subject to the matter being reported to the Executive at its next meeting'*.
- 3.2 The CSW Broadband team approached all the district and borough councils within Warwickshire to seek a commitment to make a financial contribution towards the match funding required to support a Phase bid to Government.
- 3.3 A verbal commitment was required by the end of September to allow the Phase 2 bid to be finalised and submitted, requiring the use of the delegated powers provision to meet the timetable, with this being the first available opportunity to retrospectively report to Executive.
- 3.4 It was suggested to us that the Council should consider provisionally committing £130,000 as a contribution towards match funding to support Phase 2, the same contribution that this Council made to Phase 1 of the programme. The Chief Executive consulted with Group Leaders who agreed that this level of funding commitment should be offered.
- 3.5 Members will note that, although the commitment being sought was provisional, sufficient to allow the Stage 2 bid to be submitted, it is effectively binding if that bid is successful. The only reasons that the full amount offered would not be taken up would be if the detailed survey work for future Phase 2 indicated that there was no need or no technical ability for that sum to be spent within our district.

## 4. **POLICY FRAMEWORK**

- 4.1 The provision of superfast broadband provision and/or significant improvements in existing broadband speeds or coverage (see section 8) significantly assists this Council to deliver its Sustainable Community Strategy, particularly benefitting the Prosperity agenda and ensuring that equality of opportunity between those living in rural and urban areas

- 4.2 Superfast broadband assists businesses to compete in the global marketplace and their employees to work flexibly and in differing locations, including at home. Rural provision will make a real change to people lives giving them greater flexibility around how they work and spend their leisure time and assisting with rural business start-ups and growth.

## **5. BUDGETARY FRAMEWORK**

- 5.1 The funding commitment will only be called on if the current bid to Government is successful.
- 5.2 If required, the funding will be drawn from the Service Transformation Reserve.
- 5.3 Details of the impact of this on the balance of Service Transformation Reserve are included within the Budget Review report elsewhere on the agenda.

## **6. RISKS**

- 6.1 Risks to this Council are minimal as the delivery of the programme is being managed by the CSW Broadband team via a State Aid compliant contract procured with BT.

## **7. ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 This is a retrospective report of action taken so no alternative options exist.

## **8. BACKGROUND**

- 8.1 The CSW Broadband project aims to improve broadband speeds across the area, providing superfast connections (24Mbps or over rather) to over 91% of the entire area and improved speeds (between 2 and 24Mbps) to the remainder.
- 8.2 The project focusses on those parts of the area unattractive to commercial providers (indeed State Aid rules prevent it from working in areas where a commercial provider has indicated an intention to provide superfast broadband connectivity in the next 5 year) which is often the rural areas.
- 8.3 The programme of work is partially funded by central Government WDC, via their Broadband Delivery UK programme (BDUK), but all allocations made require 100% local match funding.
- 8.4 The lead authority for the CSW Broadband project is Warwickshire County Council (WCC) who employ and host the project team. They have negotiated a £14.57M deal with BT to deliver the project.
- 8.5 All the local authorities within the CSW area (WCC, Coventry City Council, Solihull Metropolitan Borough Council and the 5 Warwickshire district and borough councils) made financial contributions to the total amount of match funding required to establish the project, with this Council contributing £130,000.
- 8.6 Within Warwickshire the initial funding provision provided for the upgrade of 36 cabinets serving 5,846 properties. Of these, 22 have been fully surveyed and a further 10 upgraded, providing 1,532 properties with 'next generation' network access.

- 8.7 Government has now announced a Phase 2 bidding round. A notional allowance of £3.86m has been allocated to the CSW area (£2.31m for Warwickshire) although BDUK have indicated that up to £6m could be made available if local match funding was put in place. As with the initial funding round any BDUK allocation requires £ for £ match funding, so potentially £12m of spend could be allocated to broadband provision across the CSW area.
- 8.8 Of the upper tier councils, Solihull has provisionally allocated £380,000 to match the notional BDUK allowance for their area, but Coventry has decided not to take up their notional allowance. Coventry has access to SuperConnected City funding as an alternative but have indicated that they are happy for their notional allowance to be used elsewhere across the CSW area. WCC's Cabinet have decided to take up additional funding beyond the notional £2.31m for Warwickshire and approved an allocation of £3.86m provisional match funding. Subject to the success of a Phase 2 bid these commitments would guarantee a total spend of £7.72m across the county.
- 8.9 CSW Broadband subsequently approached all the district and borough councils in Warwickshire to ask if they are prepared to augment the local match funding that could be made available for a Phase 2 bid, as they had previously done for Phase 1. The project team made it clear that any council offering to make match funding available would receive a commitment that the additional funding they contribute would be spent within their council area.
- 8.10 At present there are around 5,694 properties within the Warwick District Council area not already connected to a cabinet with superfast connectivity potential or within an area where commercial providers have indicated they plan such an upgrade within 5 years. However, this is not a complete picture as even within the areas where a commercial provider intends to make future investment there will be a number of properties that won't actually be reached due to the location of the cabinet serving them and it does not take account of new properties constructed since the previous surveys were undertaken.
- 8.11 The best current estimate is that there will be around 6,000 properties within the WDC area that could benefit from Phase 2 funding. Subject to a successful Phase 2 bid, the notional £3.86m of BDUK funding, matched by a further £3.86m of WCC funding, will need to be allocated across the whole county. As with Phase 1 that allocation is likely to focus on value for money upgrades where the cost of the cabinet to be upgraded is relatively cheap and/or the cabinet serves a large number of properties. Best current estimate is that any future allocation of Phase 2 funding will benefit around 1,500 properties within the WDC area, leaving around 4,500 without the potential for superfast connectivity.
- 8.12 There is also a possibility that additional funding to the BDUK and local match funding discussed here could be made available from the CWLEP's allocation of European Structural and Investment Funds (ESIF). However, whether ESIF funding will be available, and if so how much, will not be known until 2015. The outcome of the Phase 2 BDUK bids will be known before the end of the calendar year.
- 8.13 The provisional WDC match funding connection will directly benefit residents in the district. Subject to a successful outcome to the Stage 2 bid officers will liaise with the team when the necessary technical inspections are complete to agree which additional cabinets could be added to the programme as a result of this funding being made available.

8.14 Finally it is worth pointing out that the locations of the likely Local Plan growth areas have already been made known to the CSW Broadband team. Depending on when any development in these areas was to come forward they might become attractive to commercial providers or might be considered for any Phase 2 allocation.