

REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

BLACK COUNTRY JOINT COMMITTEE – 20th June 2014

STRATEGIC ECONOMIC PLAN –

BLACK COUNTRY SUPERFAST BROADBAND PROJECT

Key Decision: YES..??

Forward Plan: No

1. PURPOSE OF REPORT

- 1.1 To provide the Joint Committee with the details associated with the Black Country Superfast Broadband Project (the “Project”) included as Attachment A.
- 1.2 To request that the Joint Committee approves and in due course the Black Country Authorities and the Black Country Consortium sign the Collaboration Agreement, included as Attachment B.

2. RECOMMENDATIONS

- 2.1 That the Joint Committee notes and accepts the Black Country Superfast Broadband Project proposals, set out in this report and further detailed in Attachment A.
- 2.2 That the Joint Committee approves the appointment of Sandwell MBC (SMBC) as the Lead and Accountable Body for the Black Country Superfast Broadband Project.
- 2.3 That the Joint Committee approves and the Black Country Authorities and the Black Country Consortium sign the Collaboration Agreement (included as Attachment B) in due course in accordance with their own internal contracting rules subject to the following:
 - 2.3.1 That the Joint Committee notes that the Black Country Authorities and the Black Country Consortium are in the process of seeking agreement on the technical and revenue contributions to the Project referred to in paragraph 4.2 of this report.
 - 2.3.2 That the Joint Committee delegates authority to the City Deal and Growth Deal Advisory Board to as soon as is reasonably practicable:
 - 2.3.2.1 agree the contributions referred to in paragraph 2.3.1; and

2.3.2.2 agree and make any necessary amendments to the Collaboration Agreement to give effect to the agreed position on contributions.

2.3.3 That the Collaboration Agreement shall not be entered into until the contributions referred to in paragraph 2.3.1 have been agreed.

3. REPORT DETAIL

- 3.1 As part of the current national broadband programme, Broadband Delivery UK (BDUK) have allocated money to Local Authorities that have plans to raise additional money which seeks to enhance broadband provision within their area. BDUK support Local Authorities by providing a means to contract a private sector company through an established procurement framework, to deliver broadband to those areas which do not already have access to a network.
- 3.2 Projects and associated works are intended for the installation of Superfast Broadband in to areas across the Black Country where there is currently no provision and will not be provided within the next three years by way of commercial activity planned by operators.
- 3.3 The benefits and outputs potentially deliverable through an efficient broadband service are widely recognised and established in terms of the ability of the business economy to operate on an efficient and competitive basis. In order for the Black Country to be able to compete on a national and international scale, the basic infrastructure servicing both the needs of businesses and the domestic market need to be catered for in order to place the Black Country on an even footing to be able to compete in these respective markets.
- 3.4 The project's objectives are to procure a supplier to deliver a broadband solution to areas of the Black Country that will not receive commercial coverage within the next three years such that:
- As a minimum, by 2017 Superfast Broadband is available to at least 95% of premises in each local authority of the Black Country area including Enterprise Zone sites within local priority areas, and
 - As a minimum, by 31st March 2015 Basic Broadband is available for all other premises.
- 3.5 The Geographical Coverage for the programme will cover parts of Dudley, Sandwell, Walsall and Wolverhampton. As per state-aid rules, broadband intervention is not allowed at locations where there is commercial superfast (also referred as NGA) broadband coverage or will have commercial NGA broadband coverage within the next three years.
- 3.6 It should be noted that the intervention areas need to have state-aid approval before issuing the final Invitation to Tender (ITT), and BDUK National Competency Centre and Assurance Board will ensure that the intervention analysis has been done properly. The works will therefore involve upgrading existing infrastructure as required

along with installation of new ducts and associated electronic equipment in order to enhance coverage and speed of broadband provision.

- 3.7 Grant funding is required to meet a shortfall in funding. The funding package proposed is as follows: from national government agency BDUK - £3 million, private sector provider (BT) c£1.5 million and BC LEP Growing Places Grant of £3 million. The total investment for the project is estimated to be £7.5 million.
- 3.8 Its proposed that Sandwell MBC (SMBC) will be the Local Accountable Body and conduit to receive funding from BDUK to meet the costs of implementing the scheme and providing investment to the provider, whoever is selected by way of the identified procurement process.
- 3.9 If appointed SMBC will work with BDUK in procuring a supplier through their Broadband Delivery Framework which has been approved as being state aid compliant subject to a number of criteria and conditions in terms of procuring a supplier. SMBC will enter into the Grant Agreement with BDUK.
- 3.10 Together with working alongside BDUK to maintain full and accurate accounts and documentary evidence for the Project on an open book basis, facilitating authorised persons, e.g. the Black Country Joint Committee and its Advisory Group to inspect audit and take copies of all reports books accounting records relevant to the project.
- 3.11 If successful the appropriate contracts with BT will be entered into following a successful conclusion of the Invitation to Tender process.

4. FINANCIAL IMPLICATIONS

- 4.1 Grant funding is required to meet a shortfall in funding. The funding package proposed is as follows: from national government agency BDUK - £3 million, private sector provider (BT) c£1.5 million and BC LEP Growing Places Grant of £3 million. The total investment for the project is estimated to be £7.5 million. All requests for funding will go through the appropriate approval routes and will be accounted for by the lead organisation, which its proposed is Sandwell MBC (SMBC).
- 4.2 Financial contributions are also required from the Black Country Authorities and the Black Country Consortium to fund up front technical support for the Project and revenue costs arising from ongoing project monitoring and management over the contract period. Schedule 4 to the Collaboration Agreement refers to indicative sums that may be required for these purposes and the Black Country Consortium and the Black Country Authorities will through City Deal and Growth Deal Advisory Board finalise and agree these costs before the Collaboration Agreement is entered into.

5. LEGAL IMPLICATIONS

5.1 These will be dealt with by the Accountable body as part of its role and reported into the appropriate management arrangements and accountability structures.

6. RISK MANAGEMENT

6.1 These will be dealt with by the Accountable body as part of its role and reported into the appropriate management arrangements and accountability structures.

7. EQUALITY IMPLICATIONS

7.1 None arising from this report

Back Ground papers

None

Attachments

Attachment A - Black Country Superfast Broadband Project Details

Attachment B – Collaboration Agreement

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