

## Black Country Superfast Broadband Project

### 1. National Context

A key policy initiative promoted by UK Government has been and continues to be, enabling access to an efficient broadband network on a wholly inclusive and national basis. As part of the current national broadband programme, Broadband Delivery UK (BDUK) have allocated money to Local Authorities that have set out plans to raise additional money in seeking 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.

### 2. The Project Scope

The project and associated works are 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.

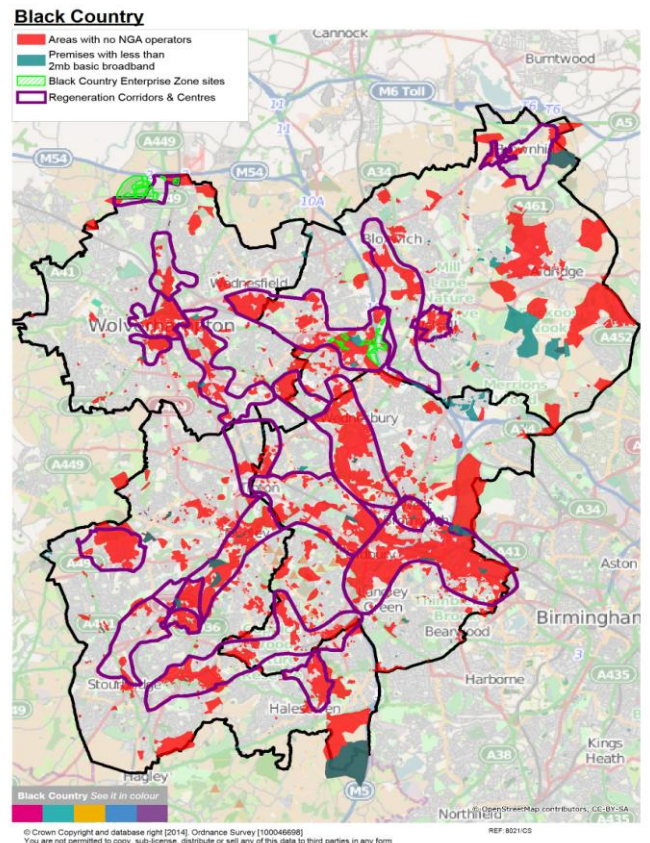
The benefits and outputs potentially deliverable through an efficient broadband service are widely recognised and established in terms of the ability of the business economy to operate on an efficient and competitive basis. In order for the Black Country to be able to compete on a national and international 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.

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.

### Geographical Coverage

The Black Country Broadband project 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. Consultation exercises have been carried out in order to gather broadband coverage information that has been used to define the 'Intervention Area'. Consultation responses show that BT and Virgin Media provide superfast broadband in the Black Country. The map highlights the spatial priority locations for investment. It should be noted that Wolverhampton City Centre is ineligible for NGA broadband intervention because it does not satisfy a specific BDUK state-aid condition, which says, the competitive market situation in city centres do not require intervention to address any market failure of NGA broadband. In addition, Wolverhampton City was unsuccessful in the Super-Connected Cities Project scheme, which also makes the city ineligible for NGA broadband intervention. We are exploring the opportunity to secure voucher support for eligible businesses in the city centre.



It should be noted that the intervention area needs 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.

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. Agreement and Approval of Roles

It is proposed between the Black Country parties to undertake the following roles;

- a. **Project delivery details – Sandwell MBC (SMBC) will be the Local 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.

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.**

- b. The amount of funding payable from the **Black Country LEP Growing Places programme will be £3 million in the form of grant payable to Sandwell to utilise for the Black Country Broadband Plan.** Payment will be made in accordance with the BDUK Procurement Framework Agreement in specified stages. The four milestone payments based upon standard industry benchmarks are as follows;

- Survey and design completion – 5% of public sector funding.
- Infrastructures build – 50% of public sector funding.
- Wholesale access – 40% of public sector funding.
- End user take up – 5% of public sector funding.

Quarterly payments in relation to each of the stages are likely to commence from July 2014 through to 31<sup>st</sup> December 2017. Payment of grant will be drawn down in accordance with BDUK Framework regulations and suppliers retention on this framework.

- c. SMBC working alongside BDUK shall maintain full and accurate accounts and documentary evidence for the Project on an open book basis and shall permit SMBC and other authorised persons such as 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.
- d. **SMBC will enter into the contract with BT** following the successful conclusion through the Invitation to Tender process on the Black Country Broadband Project.

### 4. Drawdown of Funding

Drawdown of funding is likely to commence from June 2014 to the 31<sup>st</sup> December 2017