Strategy & Partnerships Scrutiny Committee – 29 November 2012

OXFORDSHIRE BETTER BROADBAND PROGRAMME – BROADBAND PROCUREMENT

Report by Deputy Director (Customer Services) Environment and Economy

Background

1. It is widely accepted that business and residents need to have unfettered access to online resources and the ability to conduct transactions digitally.

2. Led by the County Council but in partnership with dozens of stakeholders, the Better Broadband Programme aims to bring significantly improved speeds for broadband throughout the county by 2015. Its key focus is to bring superfast broadband (minimum of 24Mbps) to areas where this would not happen as part of the expected market expansion.

3. There are a number of strategic benefits this programme hopes to achieve such as:
    a. Unlocking Oxfordshire's high-tech, high-value economy
    b. Opening up the world to Oxfordshire's Small and Medium Enterprise (SME) community
    c. Enabling our communities and transforming the opportunities of our young people
    d. Broadening access to our public services for our citizens

4. In addition, the business case for the broadband investment includes an Oxfordshire Community Network (OCN) component. The Council has already taken the decision to cease to maintain the OCN from March 2014. Enabling sufficient commercial broadband across Oxfordshire reduces the transition costs associated with dismantling the network. In summary the key advantages are :
    a. Accelerating the Council's move away from the OCN to avoid the costs of maintaining the status quo, estimated at £5 - £7Million
    b. Negating the need to "improve" the OCN at further cost to meet the needs of schools/academies who have no commercial option
    c. Avoiding a further procurement exercise and support contract needed to manage and maintain the OCN from April 2014

5. Work with schools and academies is already underway to support their move away from the OCN and onto commercial broadband options as these become available. By the end of this calendar year, our latest estimate is that 20% of schools and academies will have made this transition.

6. The council is investing £10M in capital funds (which is combined with £3.86M in national funds) to extend and improve the broadband infrastructure to parts of the county which currently suffer from poor or unreliable connectivity.

7. The County Council's role in this programme is to provide a mechanism for investment in improving the infrastructure. This will be accomplished through coordinating national, local authority and community investment, leading on the procurement, as well as leading on partnership and engagement with communities and partners. The 'investment' will be with a private sector partner on an outcome basis (improved digital infrastructure for a number of premises). At the end of the process, the Council will not accrue an asset.

8. In the absence of the proposed programme, it is estimated that approximately one third of the county's premises would remain in areas of market failure with no realistic prospect of a viable broadband service. As a result of this programme, a 'basic broadband' (>2Mbps) would be available countywide with a vast majority of premises across Oxfordshire receiving at least 24Mbps in connectivity speeds.

Procurement Update

9. The programme is taking a Competitive Dialogue approach to agreeing a contract with a private sector partner. The first major stage to determine the participants was completed in October. Closed session negotiations began in November and are expected to continue for several weeks leading up to an agreed contract in the spring. A Cabinet decision on the contract has been timetabled for May.

Partnership Engagement

10. In addition to the capital investment, the programme has pursued other options to improve broadband connectivity across Oxfordshire.
    a. Facilitating the development of a bid for £2.1M to the Growing Places Fund for use in the Enterprise Zone business parks at Harwell and Milton Park.
    b. Collaborating with Oxford City Council to submit their bid of £5M to the Super-Connected Cities fund (a part of the Department of Culture, Media and Sport).
    c. Supporting several communities across the county to bid for over £1.8M in funding from the Department for Environment, Food and Rural Affairs' Rural Broadband Fund.

RECOMMENDATION

11. **The Committee is RECOMMENDED to:**
    (a)   Note the contents of this report

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November 2012

Item 6 Broadband Update

Background papers: FAQ included below for information.

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Better Broadband for Oxfordshire Frequently Asked Questions

What is broadband?
Whatever you do on the internet requires information to go to and from your computer. This information reaches your computer via broadband - the better quality broadband the better the internet experience.

Access to the internet is considered as essential as any household utility such as electricity or water. Using an analogy, to get water to your house, you need pipes. The bigger and better the pipes the more water you get. Broadband speeds are like water pressure – a higher speed makes it more efficient.

What do I have now?
Residents and businesses can connect to the internet via a telephone line, cable TV connection or high-capacity fibre optic cable. But not all broadband across the county is of the same quality. As with the above water analogy, in Oxfordshire some people turn on the tap and they get a trickle while others are getting all the water they need.

What is Oxfordshire County Council doing?
The council is investing £14m to improve broadband 'pipes' around the county. This project has been set up to take advantage of the government's Broadband Delivery UK (BDUK) initiative, which provides funding to help councils improve broadband access where it is currently lacking and where needs might not be met by the private sector.

Why is broadband crucial to Oxfordshire?
For individuals at home, improved broadband can transform lives; services can be easily accessed, families contacted, information shared and businesses run from home.

Broadband-dependent technologies can transform how business operates. Cloud-computing, video-conferencing and social media increase productivity, open up new markets, and enable instant transfer of knowledge.

Oxfordshire has a reputation as a place where people want to live, work and run their own businesses. The county has the largest concentration of research and development activity in Western Europe, and a world-class university.

What difference will better broadband make?
Businesses and residents will not be left behind by poor internet access; they will enjoy broadband that's available like any other utility. People across the county will reap the benefits of being connected; schools will access more resources; businesses can be run from home; families can stay connected; jobs can be found; public services can be easily accessed; business will develop and grow.

How did it come to be that Oxfordshire has these poor areas for broadband? Could the council not have intervened sooner?
Oxfordshire is the most rural county in the South East. Although broadband infrastructure is gradually extending into more rural areas, some parts of the county are being left behind. To date, broadband infrastructure providers have focused their efforts on larger towns and cities due to the large number of potential customers.

A certain amount of funding to improve broadband in the county has become available as part of the Government's BDUK (Broadband Delivery UK) initiative. Prior to this the County Council did not have the opportunity to invest in such a project.

What is the County Council's role in broadband?

The County Council's role is to understand the needs of residents and business and to facilitate improved broadband. It will coordinate national, local authority and community investment, lead on the procurement, as well as engaging with communities and partners.

The investment the County Council makes will ensure that the right outcome is achieved from a private sector partner (improved digital infrastructure for a number of premises). At the end of the process, the Council will not accrue an asset.

County-wide roll-out is set to be completed by 2015. In the meantime, we are ensuring that the needs of communities are well understood by the council and service providers. We are doing this via our consultations with the public and businesses across the county. Visit: www.oxfordshire.gov.uk/broadband to demand better broadband.

What funds is the County Council using to roll out improved broadband to the county?

The public sector capital investment for Oxfordshire (from UK Government and Oxford County Council) is £13.86million (£10 million from Oxfordshire County Council and £3.86 million from Broadband Delivery UK). Part of the funding has come from the decommissioning of the existing Oxfordshire Community Network (the existing network used by schools, libraries and council offices). Our improvements to the broadband infrastructure will help schools to deliver the curriculum and families will have improved access to online resources.

We are also working to leverage contributions from the private sector. The investment may be supplemented with contributions from our local authority partners

There is a lot of talk about things like 'fibre optic broadband' and 'cabinets' – what does this all mean?

Fibre optic broadband is a new type of broadband which uses fibre optic cables to help increase broadband connection speeds. Fibre optics have less interference, keep the signal strength over much greater distances and operate at a higher frequency range. Higher frequency means greater bandwidth, and greater bandwidth means faster connection speeds.

A cabinet is a green box, usually found at the end of a street. It contains the wires needed to connect homes and businesses to broadband and works like a telephone exchange.

If you would like more information or if you are asked technical questions, officers are more than happy to provide more information on how it all works. You can email the project team: broadband@oxfordshire.gov.uk

What about wireless?

Wireless is a way of accessing broadband without needing to plug your computer into a fixed internet connection. It's often available in coffee shops and businesses and many people have it in their own homes to enable them to use their computer in any room.

Where there are wireless connections available, we will take them into account when considering how best to bring broadband to Oxfordshire. In some cases wireless may offer the best solution for a community but for most it will not provide sufficient infrastructure to be reliable.

I have heard people talking about 4G, what is it?
4G is quick internet connection for mobile devices – the fourth generation of wireless mobile communications technology, set to usurp the current 3G network in use today. The basic infrastructure to deliver widespread 4G coverage is several years away from being in place. 4G does not offer the same reliability or capacity as the broadband infrastructure the County Council is investing in, to be delivered by the end of 2015.

How can residents and businesses help to get better broadband?
Residents and businesses are already getting involved. We are seeking their views about their broadband services and future needs. These responses will inform the broadband project; they will help us to understand current broadband coverage in Oxfordshire and identify communities that want better broadband. The greater the number of people who register, the better our negotiating position will be with potential broadband infrastructure providers. To get involved visit: www.oxfordshire.gov.uk/broadband

Once the broadband programme is rolled out, will Oxfordshire County Council pay my broadband bill?
No, the investment is to improve broadband infrastructure. Residents and businesses will still need to purchase their own broadband services.

How will the County Council decide which company to use to put in the broadband infrastructure?
We intend to test the market through the tender process to get the best value for money in meeting our requirements. The tender process is a formal way of finding a broadband provider that will be able to deliver the County Council's broadband programme to bring better broadband to Oxfordshire by the end of 2015. We want to ensure that all areas of the county benefit as equitably as possible from better broadband and to minimise the risk of the chosen supplier merely 'cherry picking' the most favourable economic areas.

If there is a need, can't the market meet this need, leaving the council to use its money on its core services like social services?
Oxford County Council's broadband programme will future-proof communities and will improve their lives. For example, services such as Telehealth will enable remote monitoring of health within people's homes, avoiding costs in expensive healthcare.

Broadband has a significant role to play in developing local communities and the way that people use services. This will make it easier for people to access public services, develop new skills with e-learning courses, work from home, stay in touch with friends and family, connect rural communities and their businesses, etc.

As part of our vision for a more connected Oxfordshire we need an infrastructure capable of supporting the ever-increasing demand for information and services to be online.

What is the starting point as far as current coverage is concerned?
Without the County Council's intervention it is estimated that approximately one third of the county will remain without broadband speeds above 24Mbps (this is what you need to stream video, share high quality photos, download large files and video conference, for example).

The table below shows broadband coverage by district and number of premises. The results are from a recent survey conducted with different broadband providers. This chart shows broadband coverage prior to the infrastructure investment by the County Council's programme.

Item 6 Broadband Update

Districts/coverage	Total number of premises	Premises that would have superfast without intervention	Premises within intervention area	% of total premises in intervention area
Cherwell	62,525	45,030	17,495	28%
Oxford	60,815	57,697	3,118	5%
South Oxfordshire	59,993	29,974	30,019	50%
Vale of White Horse	53,893	34,165	19,728	37%
West Oxfordshire	48,215	24,660	23,555	49%
Oxfordshire	285,441	191,526	93,915	33%

Oxford County Council is aiming to improve broadband for all premises in the county and to deliver broadband speeds of above 24Mbps to at least 256,800 premises.