

Local Broadband Plan

Connecting Cumbria

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Project overview

Vision and strategic context

Vision

By 2015, Cumbria will have universal access at 2mb/s as a minimum. Large parts of Cumbria will be enabled at Superfast Broadband speeds and the service will be available to end users at the same rate as the average for a city installation in Manchester.

This will achieve “best in Europe broadband connectivity” leading to a transformation in the delivery of public services, accelerated growth of the economy and digitally inclusive and fully engaged communities.

Strategic Aims

This Vision is supported by a number of existing strategy's including the Cumbria Community Strategy and the Council Plan where the availability of high speed broadband will help deliver the key themes as set out below. Improved broadband is also identified as a priority in the Cumbria LEP in helping to rebalance the economy towards greater private sector led growth, particularly in the rural area.

The Cumbria Community Strategy 2008 has been endorsed by a widespread partnership of over 50 stakeholders and contains 5 key themes –

- Safe, strong and inclusive communities
- Health and wellbeing throughout life
- A sustainable and prosperous economy
- Effective connections between people and places
- World class environmental quality.

The Council Plan 2011/12 aligns closely with these themes and identifies the following 6 key priorities the delivery of which will be supported by the availability of High Speed Broadband.

- People are safe from harm.
- People lead independent healthy lives
- People reach their full potential to learn and earn
- People benefit from Cumbria's prosperous economy
- People enjoy a high quality environment, with a reduced carbon footprint
- People can influence Council services which are easy to use and provided in an effective manner

The provision of high speed broadband will play a key role in the Council achieving all its key priorities, but in particular, in influencing the delivery of the following 3 major objectives.

- Re-engineering Council services and activities through the innovative use of ICT to deliver significant improvements and efficiencies.
- Encouraging economic growth through improving the competitiveness and productivity of Cumbrian businesses
- Ensuring digital inclusion amongst all communities

Links with transnational and regional objectives

The availability of High Speed Broadband in Cumbria also supports the following transnational and regional objectives:-

- *Europe 2020 Strategy for smart, sustainable and inclusive growth* and the *Digital Agenda for Europe* to give every European access to basic broadband by 2013 and fast and ultra fast broadband by 2020.
- *Britain's Superfast Broadband Future BIS 2010-* The Government recognises "Broadband is one of our top priorities" and is vital for the growth of the economy, especially for SME's who are so often the engines of innovation. The document also acknowledges the particular challenges of developing the business case for NGA in rural areas such as Cumbria.
- *Future NW Our Shared Priorities-* Emphasises the importance of high quality, efficient digital connectivity as a key theme.
- *NWDA's NGA Strategic Framework-* provides the background to and supports Cumbria's proposals for NGA. Virtually the whole of Cumbria is a "White Area" where there is no commercial case for NGA with only 5 small "Grey Areas" corresponding to the key towns.
- Evaluation of the NW ERDF Operational Programme – recognises the programme needs to be adjusted to align to new and alternative sources of funding and shifting the balance in outputs towards safeguarding jobs. Also recognises that Priority 2 needs to engage with BIS to look for opportunities to exploit innovation by supporting existing and potential new project activity

Economic and Social Issues in Cumbria

Between 1995 and 2008 Cumbria's economic growth rate was the slowest of the 37 county type areas in the UK, with an overall growth rate of 59.9% compared to 78% in the NW and 99.1% for the UK. However Cumbria's economic performance has improved since 2002 and in 2008 Gross Value Added (GVA) grew by 3.6%, faster than the NW (2.6%) and the UK at 3.5%. This recent trend which makes Cumbria the fastest growing sub region in the NW for the 6th successive year indicator the potential for the County to have a successful prosperous economy if the obstacles to growth can be overcome

Despite this recent improvement, GVA per head of population in the County (£15,883) is much lower than the NW (£17,604) and the UK average (£21,105). Significant disparities in economic performance also exist throughout Cumbria. GVA grew between 1995 -2006 by 51.8% in the East

compared to only 29% in the West, the slowest of any of the sub county areas in the UK.

Cumbria's dispersed settlement pattern, peripherality from the markets and relatively poor connectivity results in increased operating costs, a lack of critical business mass and makes it difficult for Cumbria to take advantage of the growth opportunities afforded by the City regions. There is a need to increase productivity and encourage diversification of the Cumbrian economy away from a dependence on declining industries into higher value and knowledge based growth sectors.

Compared to the UK position, Cumbria's economic production is skewed towards a reliance on manufacturing, tourism and agriculture with a low representation in the business and financial services sector. Manufacturing is over concentrated in a handful of major companies in West Cumbria and Barrow, while the rural areas are characterised by a reliance on small and micro businesses and higher levels of self employment.

Cumbria is the 84th (out of 149) most deprived county across the country. However, there are pockets of severe deprivation in many parts of Cumbria. Barrow is in the most deprived 10% in England for overall deprivation, health and disability, living environment and indoors living environment. Around 24% of Copeland, Allerdale and Carlisle's areas are in the most deprived fifth of English areas. Eden is the most deprived district in England for 'geographical barriers.' People living in the remoter rural areas find it particularly challenging to access services and to get around the county which partly accounts for Eden District having the 8th highest per capita CO2 emissions in the UK

Despite unemployment rates below the UK average, worklessness, particularly the number of Incapacity Benefit claimants remains a major challenge, especially in those areas of multiple deprivation and limited job opportunities. There is a need to raise employment aspirations and skill levels, particularly at a higher level to meet current and changing future business demand and to help drive up Cumbria's relatively low wage rates. The out migration of young people, especially for educational and employment reasons, needs to be tackled through further investment in HE provision countywide.

Cumbria is the third largest County in England by area and has the second lowest population density which impacts on the costs and ease of delivering services. Demographic changes will result in dramatic increases in the number of older people in the UK over the next decade. In Cumbria a significant growth is anticipated in the 60 plus age group. In 2003, approximately 25% of the Cumbrian population was aged 60 years or over. The over 60's is anticipated to reach 37.5% by 2028. In the same period the 74-85 age groups is predicted to rise by 66% and the 85+ group by 117% greatly increasing the demand on services.

Much of the rural area suffers from a lack of affordable housing to support the indigenous workforce and the remoter areas, including the uplands are

characterised by lower GVA, low wages and poor access to declining basic services.

The adoption of Countywide high speed broadband offers a transformational solution to many of the above social, economic and environmental issues and the following outcomes are seen as achievable with the availability of high speed broadband.

Ensuring that the Cumbria can keep pace with other regions and sub regions areas that are supported by the commercial broadband market.
Measure: Coverage and speed of high speed broadband connections.
Improved GVA performance.

Supporting existing and encouraging new small and medium enterprises particularly in rural areas.
Measure: SME's connected to high speed broadband and new SMEs established as a result of the availability of high speed broadband.

Job creation
Measure: Number of direct and indirect jobs created as a result of high speed broadband.

The innovative use of ICT facilitated by greater and faster access will help to deliver significant improvements and efficiencies in public services.
Measure: Number of public service transactions conducted over the internet
Reduction in CO2 emissions.

Availability of high speed broadband will encourage and drive diversification particularly self employment and home working opportunities.
Measure: Numbers working from home and new businesses created

High speed broadband can help in tackling poverty by improving access and to education and health services particularly in remote rural areas. High speed broadband access also offers reductions in the cost of purchasing services e.g. smart energy metering.
Measure: Positive changes in the Index of Multiple Deprivation.

Remote access to wide range of help and support services including the development and use of tele-working, tele-health leading to better education and health services as well as a reduction in carbon intensive travel.

Measure: Number of services available and reduction in CO2 emissions
Improvements in health and education statistics

It is anticipated that the availability of high speed broadband will be a key factor in retaining young people who are currently attracted by greater opportunities in the City Regions.
Measure: slowing or reversing outward migration.

The adoption of Countywide high speed broadband offers a transformational solution to many of the above social, economic and environmental issues.

Public services can be delivered in different ways, making them more accessible and more efficient. These improvements include use of 'telehealth' and 'telecare' applications allowing people to access health and care services from their communities, and remote education services for access to learning through the provision of superfast broadband.

The policies of the Coalition Government place an emphasis on moving power away from government to communities and individuals in respect of decision making and public service delivery. This underpins the concept of the 'Big Society' which encompasses less government intervention, to be replaced by communities having more involvement in decisions that affect them and in the delivery of services in their area.

This is driving policy of the reform of public services. This includes the opening up of services to an increasingly diverse range of providers, providing more choice to service users with the intention that this in turn improves the quality and efficiency of the services being provided. Personalisation of service, where individuals take control of the decisions about what services they receive, how they are delivered and by whom, is also encouraged.

To support the decision-making and choices of individuals and communities there is an increased importance being placed on the transparency of public sector organisations through making information about public services more openly available, including customer satisfaction and performance data.

Government have promoted the use of electronic processes and the delivery of online services for some time; however, there is a renewed emphasis on speeding up progress to meet the demands of economic growth objectives, a new approach to public service delivery, the transfer of powers to individuals and communities, and the requirements for increased transparency and accountability.

Background

Project ACCESS was commissioned by the NWDA and partners in 2005 with the key objective of delivering a telecommunications network in Cumbria, from entry level broadband of 512Kbps and 2Mbps ADSL, through to 10Mbps symmetrical un-contended services and above, at metropolitan rates.

The £19 million project was completed in 2006 and achieved its aim of providing access to over 96% of households and businesses. The infrastructure comprised a hybrid network of fibre optics, copper cable, 28 radio broadband access points and, in deep rural areas, alternative technologies such as extended reach DSL and wireless mesh.

Project ACCESS was complemented by BT enabling over 80 exchanges to deliver conventional ADSL broadband. In addition, an NHS network and Police network exists, alongside other public sector and private sector infrastructure across Cumbria. Furthermore, the County Council has invested heavily in the extensive Cumbria Local Education Online (CLEO) network which provides a 10Mb service to all junior schools in Cumbria and 100Mb to all senior schools.

Cumbria has one of the highest take up rates of broadband in the country and at the time of the last survey in April 2008 around 71% of the County's 23,000 businesses used broadband. However despite the success of the innovative Project Access, substantial areas of Cumbria operate at low speeds of 512Kbps, there are several "not spot" areas where there is no coverage, and technology and user demands have moved on rapidly, resulting in Cumbria becoming significantly disadvantaged in terms of modern ICT connectivity.

A study carried out by Analysis Mason identifies the whole of Cumbria, with the exception of Carlisle, Kendal, Workington, Whitehaven and Barrow as a "White area" where there is no planned supply by operators of Next Generation Access (NGA) or superfast broadband by 2012. A report by CLG also concludes that due to a lack of commercial interest, large parts of Cumbria will not have NGA by 2017. This level of market failure has been recognised by the Government announcing that Cumbria is one of 4 national pilots to trial superfast broadband. Mapping has been used extensively to identify the areas of not spots and slow spots and also the assets belonging to the County Council which could be deployed to the benefit of the overall project.

There are current small scale initiatives in several areas in Cumbria delivering local community broadband.

Local Broadband Context Evidence of Need/ Gap Analysis

The benefits of NGA to businesses and in stimulating economic growth are well documented. – increased competitiveness and productivity ; reduction in operating costs and travel; innovation; increased sales through opening up

new markets; encouraging new start ups, products and job growth; increased inward investment, reduction in barriers to work through tele-working; increased opportunities for training/ e learning.

The need for NGA in Cumbria is equally strong -

- Cumbria is the 3rd largest county in England with the 2nd lowest population density (0.73persons/household) Cumbria's dispersed settlement pattern, peripherally from the markets and relatively poor connectivity results in increased operating costs and a lack of critical business mass
- Despite the past success of the NWDA funded Project Access the current provision of broadband across much of Cumbria is totally inadequate to meet the present and future growing ICT demands of businesses.
- There are 25,375 enterprises in Cumbria, the vast majority being SME's employing 234,571 people. 93% of enterprises employ fewer than 20 people.
- Business satisfaction with broadband speeds has fallen by 24% in the County since 2007. Faster broadband speeds are needed in particular in the visitor, health, primary industries and business and financial sectors
- Whilst Cumbria's Gross Value Added has improved since 2002, over the long term (1995-2008) the County was the slowest growing of all the 37 subregions in the UK. Cumbria's GVA /head is considerably lower at £15,833 than the UK average of £21,103.
- There is a need to increase productivity and encourage diversification of the Cumbrian economy away from a dependence on declining industries and the public sector into higher value and knowledge based growth sectors.
- Modelling carried out by Experian in January 2011 forecasts that total employment in Cumbria will decline by around 4,500 in 2011, gradually returning to current levels by 2016. Industrial output (GVA) is also forecast to fall slightly in 2012 (-0.1%) before returning to modest year on year growth. .
- Cumbria is the 84th (out of 149) most deprived county across the country. However, there are pockets of severe deprivation in many parts of Cumbria. Barrow is in the most deprived 10% in England for overall deprivation
- Around 24% of Copeland, Allerdale and Carlisle's areas are in the most deprived fifth of English areas
- Eden is the most deprived district in England for 'geographical barriers.' People living in the remoter rural areas find it particularly challenging to access services and to get around the county which partly accounts for Eden District having the 8th highest per capita CO2 emissions in the UK
- In 2009, average full time earnings in Cumbria were £458pw which was 94% of the national average (£489).
- Cumbria has an ageing population with a significant increase in over 60 year olds projected in future years, against a trend of out migration of young people.

- Cumbria's uplands are characterised by lower GVA, low wages and poor access to declining basic services

The adoption of countywide high speed broadband offers a transformational solution to many of the above, economic, social and environmental issues.

Scope of Project (describe your project).

The objective of the project is to deliver superfast broadband to the greatest extent across the whole of Cumbria. This will be achieved by a series of measures.

In rural areas public funding will be used to gap fund the model from the private sector recognizing that the commercial case cannot be made on its own for a lot of rural Cumbria. Value for money will be tested through a competitive dialogue procurement process.

In urban areas the County Council will use its influence with the private sector providers and working with local business groups will lobby for inclusion of the urban areas in the national plans of broadband providers

In intermediate areas the same lobbying groups will work to ensure that information is provided to the private sector providers to ensure that their urban area plans extend as far as possible. Political and business lobbying and activity will be supported to ensure that take up is evidenced

The project takes advantage of work on a County wide Public Sector Network initiative to leverage the value from potential providers.

The project will cover the whole county and utilize public sector and education network infrastructure to extend as far into remote areas with funding being deployed to extend this network into more remote areas.

Cumbria will have fast and affordable broadband services that contribute to better outcomes for all people in the county. There will be:

- * Better access to services, delivered more efficiently and effectively.
- * Improved competitiveness and productivity of Cumbrian businesses supporting economic growth.
- * Enhanced cohesion and connectivity within and between communities.

Achieving this vision is key to delivering on Cumbria's priorities. The availability of high speed broadband will help deliver all the key themes of the Cumbria Community Strategy 2008-2028:

- * Safe, strong and exclusive communities.
- * Health and wellbeing throughout life.
- * A sustainable and prosperous economy

- * Effective connections between people and places.
- * World class environmental quality.

By focusing on these outcomes we will:

- * Ensure that Cumbria keeps pace with other regions and sub regions that are supported by the commercial broadband market.
- * Support existing and encourage new small and medium enterprises particularly in rural areas.
- * Support job creation.
- * Deliver significant improvements and efficiencies in public services.
- * Drive diversification including self employment and home working opportunities.
- * Tackle poverty by improving access to education and health services particularly in rural areas.
- * Deliver remote access to a wide range of help and support services.
- * Reduce carbon intensive travel.
- * Retain young people who are currently attracted by greater opportunities in other regions.

To deliver these outcomes we will:

- * Focus available public sector funding on reaching those areas that the market won't reach by itself within the lifespan of this strategy.
- * Use a mix of technologies to deliver superfast broadband in a range of circumstances in different communities.
- * Provide choice in speeds to meet the needs of users wherever possible.
- * Focus on establishing a network of community broadband hubs across the whole county.
- * Work with local communities to deliver the final connectivity to homes and businesses where the final 'door to door' service is not easily achievable by a commercial provider without additional funding.
- * Stimulate demand by:
 - Proactively marketing the options available to communities and businesses.
 - promoting channel shift for public services
 - working with the Local Enterprise Partnership and its partners to stimulate demand amongst small and medium sized enterprises.
 - Encouraging pre-registration of customers to make demand explicit for investors.
 - Working to ensure consumers are comfortable with technology
 - supporting the provision of affordable hardware
 - encouraging Government to send clear messages about delivering more of their services electronically.
- * Do all we can to attract a high level of investment from the private and public sector to deliver the best broadband solution we can in Cumbria.

It is also recognised that the activity to achieve these outcomes will involve balancing priorities and making choices between a range of economic and social issues.

Initially the focus will be on delivery of the Connecting Cumbria project. This project involves the procurement of a provider to upgrade infrastructure to enable expansion of access to Superfast Broadband services.

The project is intended to be delivered by 2015 and will focus the investment of public funding to address market failure, to ensure that those communities which won't be reached by the market itself to have access to Superfast Broadband.

Delivery will be supported by resources provided by BDUK, ERDF, Cumbria County Council, the private sector, and others.

The project will focus on securing funding, piloting technology, communication with the market and with the public, engaging with the communities involved in the design and delivery of services, understanding and addressing the spatial planning aspects of putting infrastructure and connectivity in place.

Through a competitive dialogue process, the authority will work with the potential providers to identify where funding will be required to support the business case for the supplier to invest.

The Governance model includes stakeholders from, Health, Education, LEP, chamber of commerce, community groups, constabulary, and GP's.

The service levels will be set in accordance with the schedule of requirements.

The detailed planning of roll-out will be agreed with stakeholders at a post code level. The intention is to ensure that the maximum value for business and community groups across the county.

The intention is to support the Capex cost for the supplier in areas where a commercial case for broadband investment cannot be met. In this way the project will ensure that the minimum amount of public sector intervention is used and the commercial spend is maximized. It is recognised that in some remote areas the case will still not be met for a service to the property.

In situations where the business case cannot be made for service to the property, then community hubs will be established and communities supported to deliver the service beyond this point.

Quality guilds will be established which will quality assure a range of suppliers who can be engaged by the community group directly, in the confidence that the guild offers a range of services to meet the community need which have proved that they will deliver a quality service.

The success of the project will be closely monitored.

Direct measures relating to the first phase of work will be measured by regular monitoring of:

- * Reduction in the percentage of properties without access to a connection of at least 2 mbps from 18% by 2015.
- * Increase in the number of properties with access to a connection of at least 25 mbps by 2015.

Further detail on the baseline and measures will be in place once the detail of the first phase of work and the related contracts are in place.

Whilst the above measures reflect a direct impact on the delivery of the vision, there are a number of areas in which the provision of Superfast Broadband is likely to have an indirect, and longer terms, impact alongside many other factors. The headline measures that the delivery of the project will contribute to which will be monitored include:

- * GVA Performance
- * SMEs connecting to high speed broadband
- * New SMEs established as a result of the availability of high speed broadband
- * Number of direct and indirect jobs created as a result of high speed broadband
- * Number of public service transactions conducted over the internet
- * CO2 emission
- * Numbers working from home
- * Index of Multiple Deprivation
- * Number of public services available over the internet
- * Outward migration

Priorities

Through the procurement process we will meet the universal service commitment as a starting point . This may be delivered through a range of services including satellite. The bidders will not gain any credit in the evaluation process by proposing a satellite solution and only minor credit for delivery of this basic service.

The solution is credited where the supplier exceeds this USC with a service in excess of 40mb/s.. They will be measured on the basis of the percentage of properties that receive broadband services at various grades from 10 Mb/s up to 1Gb/s with the optimum being the 40mb/s service. The highest score is achieved by delivering the widest coverage of 40mb/s in the most remote areas.

Customer and community engagement

Demand stimulation

The County consists of 250,000 properties and 10,000 businesses. The County Council is working with partners in business communities and the public sector through Governance boards, public meetings and the standard business of the County Council. The County Council has been named as the lead authority for the financial control but is also well placed to stimulate work with other authorities and organisations across the county.

The County Council has been working with community groups through a network of Community coordinators, the Cumbria association of Local Councils (which represents the Parish and town councils), Local area partnerships, and Council members.

The County Council is working on a revision of the Customer access strategy which will promote channel shift for public services. We are also working with Police, Health and District Councils through Cumbria Improvement and Efficiency Board to develop a county wide plan on public service access.

The County Council is working with LEP and Chamber of Commerce to stimulate demand amongst the SME's in Cumbria.

Cumbria is the second largest county in England. The county is made up of six districts; Allerdale, Barrow-in-Furness, Carlisle, Copeland, Eden and South Lakeland. Carlisle is the only city in the county. The largest town in the county is Barrow-in-Furness, which is between two and three times larger than the second largest town (Kendal). Cumbria is a predominantly rural county and much of the county's terrain is mountainous. The geography impacts on the costs and ease of delivering services.

With a population of just under 500,000, Cumbria is the second least densely populated county in England. Cumbria's population is an 'ageing' population; the number and proportion of citizens within older age groups is increasing. While this trend is similar to trends seen at a regional and national level, it is more exaggerated in Cumbria.

Furthermore, the trend is forecast to continue into the future. In Cumbria a significant growth is anticipated in the 60 plus age group. In 2003, approximately 25% of the Cumbrian population was aged 60 years or over. The over 60's is anticipated to reach 37.5% by 2028. In the same period the 74-85 age group is predicted to rise by 66% and the 85+ group by 117% greatly increasing the demand on services.

There will be an increased need to provide high quality personalized services that meet the needs of the changing demographic and a need to ensure that there is equality across the county for residents to access these services.

One of the biggest issues for Cumbria is tackling the gap between the 'best' and the 'worst' in terms of deprivation. Overall Cumbria appears to be relatively affluent, levels of deprivation in Cumbria are relatively low and some of the county's residents live in areas where the quality of life is outstanding.

However, this masks the deprivation facing specific neighbourhoods and communities within the county; there are some areas of the county where deprivation is similar to that found in the most deprived inner city areas of the country. As a result there are inequalities across the county in relation to, for example, levels of educational attainment, crime rates, life expectancy and household income.

Barrow is in the most deprived 10% districts in England for overall deprivation, health and disability, living environment and indoor living environment. Around 24% of Copeland, Allerdale and Carlisle's areas are in the most deprived fifth of English areas. Eden is the most deprived district in England for 'geographical barriers'. People living in the more remote rural areas find it particularly challenging to access services to get around the county which partly accounts for Eden District having the 8th highest per capita CO2 emissions in the UK.

Small businesses play a large role in the county's economy; there are 25,800 VAT/PAYE registered enterprises of which 84% (21,700) employ fewer than 10 people. There are around 700 social enterprises in Cumbria.

Cumbria's dispersed settlement pattern, peripherality from the markets and relatively poor connectivity results in increased operation costs, a lack of critical business mass makes it difficult for Cumbria to take advantage of the growth opportunities afforded by the City regions. There is a need to increase productivity and encourage diversification of the Cumbria economy away from a dependence on declining business industries to higher value and knowledge based growth sectors.

Business satisfaction with broadband speeds has fallen by 24% in the County since 2007. Faster broadband speeds are needed in particular in the visitor, health, primary industries and business and financial sectors.

Despite unemployment rates below the UK average, worklessness, particularly the number of Incapacity benefit claimants remains a major challenge, especially in those areas of multiple deprivation and limited job opportunities. There is a need to raise employment aspirations and skill levels, particularly at a higher level to meet current and changing future business demand and to help drive up Cumbria's relatively low wage rates. The use of technology to widen participation in higher education could contribute to addressing the issue of the out-migration of young people, especially for educational and employment reasons.

Many rural areas suffer from a lack of affordable housing to support the indigenous workforce and the more remote areas, including the uplands are

characterized by lower GVA, low wages and poor access to declining basic services.

In the UK over 70% of households currently subscribe to a broadband service for an average cost (for a residential fixed line broadband connection) of £13.31. The average speed across the UK is 6.2mbps and Cumbria's average is 6.1mbps. However, approximately 2 million households can't access an acceptable level of broadband service. In the OFCOM Communications Infrastructure Report published in 2011 Cumbria scored in the worst category (category 5) in respect of the percentage receiving less than 2 mbps and for Superfast Broadband availability.

At the time of the last detailed evaluation in April 2008 around 71% of the county's businesses used broadband. However, substantial areas of Cumbria operate at low speeds of 512kbps or less; there are several 'not spot' areas where there is no coverage. Technology and user demands have moved rapidly, resulting in Cumbria becoming significantly disadvantaged in terms of modern ICT connectivity.

Currently there are some small scale initiatives in Cumbria delivering local community broadband.

The adoption of countywide high speed broadband offers a transformational solution to many of the above social, economical and environmental issues and the outcomes of the project are seen as achievable with the availability of high speed broadband.

CCC recognizes that there are a number of significant developments in using Broadband technology to support communities and service delivery across the county already in place who are waiting for this to be built on and improved in order to seek to resolve some of the issues noted above.

The County Council through its work with community groups, business and political groups believes that the dissatisfaction with the current level of service will see significant take up. Work on pilot areas has shown take up in excess of 50% for technical pilots.

The County Council believes that the work with Local Employer groups, Hub coordinators and our own members gives a good base for a planned demand stimulation which will determine the detailed roll out of the rural project and influence the urban solution. ERDF funding includes funds for support of businesses and the dialogue process will deliver a marketing fund to be used to prepare and inform areas as the roll out progresses.

Demand registration

Various community groups have undertaken surveys to establish the demand for community broadband and put results on their websites.

<http://www.garsdale.info/broadband.htm>

<http://leith-lyvennet.broadbandcumbria.com/>

<http://www.northernfellsbroadband.co.uk/>

<http://broadbandcumbria.com/>

The Cumbria Association of Local councils have organized events around the County

<http://broadbandcumbria.com/2011/01/17/broadband-meets-localism-conference/>

Ministers of Parliament have organized events across the county:

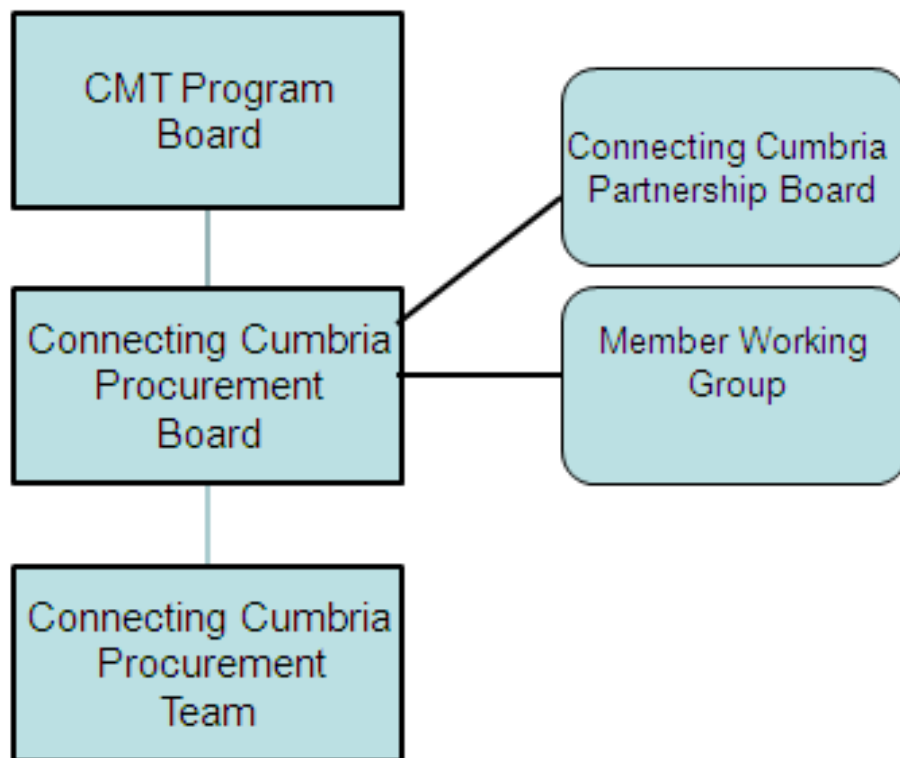
<https://sites.google.com/a/rorystewart.co.uk/broadband/home>

The Chamber of Commerce and LEP have organized events with the large employers in Cumbria groups.

All of which have generated information and interest in the broadband project.

Stakeholders

The County Council has adopted a Governance structure which sees engagement from Members and Hub coordinators the structure is reproduced below:



The Governance model and remit is attached here:



Connecting Cumbria
Governance - v8.ppt

The Partnership is in operation, meeting on a regular basis. Stakeholder representation on the Board now includes representation from the Cumbria Constabulary, Lake District National Park and Cumbria Tourism.

CALC representation on the Partnership Board is used to stimulate engagement by individual Parish Council's.

There are also Hub Coordinators situated across the County to engage with the public with regard to progress of and involvement in the project. Members of the public are encouraged to contact either their Parish Council or Hub Coordinator with regard to information regarding the work of the project in their individual areas. Contact details can be found on the Connecting Cumbria website. The Hub Coordinators are supported by Broadband Champions who are also based within the communities they live in support of the project.

Chamber of Commerce representation on the Partnership Board is used to stimulate engagement with the business community.

A regular monthly newsletter is in circulation covering progress with the project and associated stakeholder involvement. The Connecting Cumbria website is continuously updated to provide information to the public, featuring a frequently asked questions page. A 'Connecting Cumbria' email address is in operation to support the question and answer facility. The 'Connecting Cumbria' twitter account is also open and available for all stakeholder groups to follow progress of the project as it happens.

Engagement of Stakeholders and Value for Money

The final bids will produce a cost per post code for delivery of the service. Working with stakeholders the County Council will develop a map of activity in parallel with commercial discussion. This will also be based on post codes and will show:

- * Level of community engagement and likely take up
- * Level of business engagement and likely take up
- * Level of other financial support available to that post code through precept or other specific funding.

As the dialogue progresses this model will be developed and offered to bidders by way of alleviating some of the perceived cost of delivering a service. In this way the stakeholders will actively improve the chance of deployment by either directly or indirectly lowering the cost of delivery of service.

Financial Information

Funding Requirements

Please see below.

Funding Table

<i>Total funding required (GBP)</i>	<i>2011/12</i>	<i>2012/13</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>	<i>2016/17</i>
£	millions	millions	millions	millions	millions	millions
Private sector (Telecom Company) investment(1)	TBC					
Sub Total						
BDUK funding		5.7	5.7	5.7		
Other funding (Local Authority/PCT) (2)		3.0	3.9			
Sub Total						
Other funding (3)(European/ERDF)		7.0	8.4			
TOTAL		TBC	TBC	TBC		
Number of postcodes covered by the funding (4)		10%	50%			
No. of premises (residential and non-residential) covered by the funding (5)						

Note:

1. This figure is still to be confirmed on completion of the procurement process.
2. This figure is to be confirmed from discussions with sub-regional partners
3. Funding is not yet secured. This is our assessment and in line with first indications and is being pursued with ERDF
4. This figure is still to be confirmed on completion of the procurement process
5. This figure is still to be confirmed on completion of the procurement process

Funding Structure

The proposed technical structure will be delivered through the dialogue process.

Penetration at SFBB speeds will be measured against data held by six digit post code. An analysis of penetration by DEFRA category will also be provided thus:

Category	Business premises passed	Domestic premises passed
Rural		
Semi Rural		
Urban		

This information will be provided at 2mb and SFBB speeds.

Overall strategy

The infrastructure does not exist and so this project is a Capex project to create the infrastructure.

The County Council will make available its owned and leased infrastructure to maximise the value realized from the capital investment. By maximizing the use of Local authority infrastructure we will ensure that the maximum number of properties have the opportunity to benefit from SFBB.

Ownership of investment

Ownership of the investment has implications for the funding regimes. The County Council is mindful that ERDF does not permit the use of its funds to develop income for the beneficiary of that funding.

A model for possible joint ownership of the assets has also been explored and a paper proposed to senior officers for consideration. The current proposal is that, in line with BDUK thinking, the assets will become the property of the successful bidder.

Commercial Information

Commercial Case

Two models have been considered:

- 1) Public sector funding is deployed in rural and remote areas to support the commercial case for investment. The market failure in Cumbria is a direct function of the geography and population distribution. This makes the return on capital investment unattractive and prevents the creation of market. By subsidizing the capital required through public funds this makes the business case compelling and the private sector will invest. Once constructed the asset has various conditions on it to ensure open access. The asset being vested in the successful supplier. **This is the option being pursued by Cumbria.**
- 2) The same principal with regard to the public sector investment model as described above but instead of the asset being vested in the successful supplier, the asset is held in joint ownership between the supplier and the County Council. At the end of the contract period the asset is re-let through a procurement process the joint owners sharing the revenue and investing in further development of the service. This option will not be taken forward by the authority. **This option was considered and discounted by Cumbria.**

Market Engagement

The process is as follows:

February 2011 – supplier's day. The County Councils intention to go to market is signaled through the North West Regions procurement chest and national and European journals. People are invited to a supplier day where the outline of the proposal is presented for comment

March 2011- OJEU notice issued of the County Council's intention to undertake a procurement under competitive dialogue. Feedback from the supplier day informs the creation of the descriptive document and PQQ's are issued.

May 2011 – selection for invitation to participate in dialogue

August 2011 – outline solution submitted

August 2011 - selection of solutions to go forward to detailed stage.

February 2012 - detailed solution submitted

May 2012 - final solution submitted

June 2012 – preferred solution chosen (subject to State Aid and ERDF)

July 2012 – contract discussion

End July – contract signature (subject to State Aid and ERDF)

Procurement Strategy

The County Council will procure the wholesale service through one supplier. We will utilize public sector and schools networks as part of the solution. The procurement will take place under a Competitive Dialogue process as more than one solution is to be considered. It will be a requirement of the procurement that the wholesaler offers open access to the platform for a period of seven years and that they have access to the ISP market to offer choice to the end customer.

The supplier will also provide a public sector network which creates a revenue stream to encourage capital investment in the broadband offering. It is envisaged that the solution will be a mixture of service to a point of presence and service to the premise.

Delivery of services to the premise is not within the remit per se but will be encouraged and be dependent upon the commercial case being proven by the ISP's. Where the case is proven then ISP's will offer a service to the premise at a competitive rate.

Where the case is not proven service to the premise may be supported by the community. The County council will support this by the creation of a quality guild of suppliers providing a range of services to augment the elements that can be provided by the community. This service will start from the point of presence. This in itself could still make the ISP business case attractive and result in a choice of ISP's to the end user.

Deliverability

Project management, resourcing and funding

The County Council will deploy a full time team of three staff:

Project director

Project officer

Project administrator

In addition the project will be supported by full time resources during peak activity covering the following areas of knowledge

ICT customer manager – supported by BDUK experts

Data room manager

Technical managers (2)

Communications manager

Finance manager

Legal manager – supported by external experts

Procurement manager

Each of these managers calls upon resources from within their teams.

Other part time resource to be called upon:

BDUK support on Finance, legal, state aid and commercial.
Other local authorities

Project Team and Program Resource Funds					
Year	2012/13	2013/14	2104/15	2015/16	Total
Advisors	£151,468.00	£975,419.00	£1,069,812.00	£598,375.00	£2,196,699.00
Demand stimulation	£215,051.00	£515,000.00	£515,000.00	£156,108.00	£1,401,159.00
Project Team	£51,472.00	£205,888.00	£205,888.00	£102,944.00	£566,192.00

Timetable

Key milestone*	Expected date
Project definition approved by local bodies	January 2011
Initial EU Structural Fund approval	March 2011
Issue of PIN (if used)	n/a
Issue of OJEU Notice	March 2011
Prequalification complete	May 2011
Final tenders submitted	May 2012
Preferred bidder selected	June 2012
State Aid approval confirmed	May 2012
EU Structural Funding approval confirmed	
Contract award	July 2012
Commencement of implementation	September 2012
Implementation complete	December 2013

*Add in other lines / milestones as appropriate

Expected Strategic Benefits

The County Council has commissioned Gienova Ltd to examine in detail the expected benefits for the County Council through the availability of high speed broadband. It is anticipated that this work which will be available late May 2011 will demonstrate that NGA will lead to:-

- Better, cheaper more inclusive services
- Improved messaging and communication
- Delivery of localism and the Big Society
- Transparency and equality of service provision

- Enhancing and supporting community development work
- Supporting a flexible and resilient workforce through home and remote working

A business plan is being commissioned to support an ERDF bid which will add to our understanding and help deliver our Strategy

- Ensuring that the Cumbria can keep pace with other regions and sub regions areas that are supported by the commercial broadband market.
- Supporting existing and encouraging new small and medium enterprises particularly in rural areas.
- Job creation
- Delivering significant improvements and efficiencies in public services.
- Driving diversification including self employment and home working opportunities.
- Tackling poverty by improving access and to education and health services particularly in remote rural areas.
- Remote access to wide range of help and support services
- Reduction in carbon intensive travel.
- Retention of young people who are currently attracted by greater opportunities in the City Regions.

It is anticipated that the implementation of the Cumbria Broadband Strategy and the delivery of the above outputs will be externally evaluated through an agreed monitoring and evaluation framework using a range of existing baseline data, desk research and primary research including quantitative and qualitative data.

Risk Management / Log

Risk log:

A risk workshop was undertaken with all stakeholders and risks identified as a group. The high level risks are identified below:

Risk		Risk Assessment (Low, Medium, High)		Threat to Project / Mitigation (L,M, H)
No.	Description	Likelihood	Severity	
1.	Failure to secure ERDF funding	M	H	H Will look for other funds
2.	Cost Overruns	M	H	M Will use IN reserves
3.	Failure to secure ISP	L	M	M Already developing pipeline of ISPs
4.	Failure to identify solution	L	H	M the dialogue process will allow bidders and the stakeholders to

				work together to ensure a viable solution comes forward.
5.	Failure to secure State Aid approval in time with the plan	M	M	Discuss mitigation routes with colleagues in BDUK
6.	Failure to engage communities leading to poor take up of service	L	H	M the community engagement piece is developing and will continue to provide and receive information to the community stakeholders. The contract will require marketeering activity.
7.	Lack of understanding of process. Trigger - Member involvement / decision making process unclear.	M	H	Governance model established regular member updates through member groups
8.	Professional Negligence Cover - Indemnity limit dependant on possible financial loss	M	H	To be discussed with our legal advisors
9.	Insufficient resource to prepare ITT documents to deadline	M	H	Legal advisor retained to provide support.
10	Lack of local suppliers invited to second stage	M	H	Evaluation criteria are open and process is robust and transparent
11	Adverse publicity due to lack of "local suppliers" being awarded a contract	M	H	Evaluation criteria are open and process is robust and transparent
12	Outcome not affordable	M	H	Outline price requested at Outline proposal stage and degree of coverage to be agreed within affordability envelope,
13	Failure to meet contract signature in time for expiry of current Agilisys contract means service failure in terms of continuity of services for Lot 2.1 – Public Sector Enterprise Network Services	H	M	Due to the delay in the award of the Lot 2 contract, interim arrangements for the provision of the Public Sector Enterprise Network services are currently being considered to ensure business continuity. Cabinet will make a decision on the interim arrangement at their meeting 9 February 2012.
14	CCC have entered into procurement without a clear definition of the priorities.	M	M	This will be mitigated and resolved via the dialogue process with bidders. As a result of dialogue, CCC will set their priorities and work

				with the preferred bidder to meet these alongside the aims set out in the Connecting Cumbria strategy.
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