

21 April 2010

Report by the Head of Sustainable Development West Sussex County Council on Broadband in West Sussex

1. Introduction

1.i. The provision of broadband has been likened to a 4th utility. At the Public Service Board Executive on the 15 February 2010, John Peel, was tasked to champion a programme of Broadband improvements in West Sussex. Since that time with support from the County Council discussions with BT and Openreach have taken place to understand and review the issues and needs facing West Sussex communities. This report sets out plans for addressing the digital divide and recommends that the Economic Skills and Enterprise Board endorse the proposals outlined in the report.

2. Background - Why is there a need for improvements?

2.i. Businesses and citizens increasingly regard broadband as a utility and not as an optional extra. The internet is no longer just used for the occasional email communication. Online transactions are becoming increasingly "the norm". Businesses are selling more from e-shops and local authorities are moving towards online service delivery.

2.ii. The Digital Britain Report and The Digital Economy Act 2010 (without the 50p Landline Tax) propose that broadband access to 90% of UK premises with speeds of 2mbs will be achieved by 2012.

2.iii. Openreach's press release (Annex 1) of the 30th March 2010 shows how they are rolling out Next Generation Access (NGA) and lists those exchanges in West Sussex that are in this year's programme (Annex 2). All are in the Gatwick Diamond apart from Haslemere which covers the Fernhurst area.

2.iv. There has long been a rural broadband deficit. The rural communities of West Sussex are not generally seen as "commercially viable" for wired internet access providers. Although there is the universal service commitment, the infrastructure focus of Openreach is in urban centres.

2.v. There is a real risk of rural communities being on the wrong side of the "digital divide". They may also suffer from "employment drift" as businesses and jobs increasingly rely on fast broadband access.

2.vi. As well as the impact on the rural economy, families may be excluded from

- Access to Public Services - libraries, licensing
- Social - isolation in rural communities and delivery of social care
- Health - online diagnostics (not possible in West Sussex currently and impossible until the infrastructure is in place)
- Education - school work, skills and lifelong learning
- Increased costs of non-web based interactions (discounts for online billing or online payments)
- Employment prospects and job searching

3. What is available now and planned in 2010/11?

3.i. There are 75 BT exchanges in West Sussex (Annex 3 Maps)

3.ii. 3 exchanges are not enabled for broadband services. (These are 3 out of the last 4 remaining needing upgrading in England).

3.iii. 11 exchanges are ADSL2+ (offering the possibility of up to 24 Mbps downloads) and 5 of these will be upgraded to NGA-ready in Financial Year 2010-2011 (all in urban centres in the Gatwick Diamond)

3.iv. the remaining 61 exchanges are ADSL enabled and 3 of these (Pound Hill, Copthorne and Southwater - all in the Gatwick Diamond) will be upgraded to NGA-ready in Financial Year 2010-2011

3.v. Note that NGA-ready will not necessarily have suitable cabinets in place and these will be rolled out on a commercial viability basis i.e. where there is a demand for super-fast services. (The list of exchanges in the NGA upgrade programme is attached as Annex 2)

3.vi. Alternative technologies are available

- 2 urban centres have access to Virgin Media Cable Broadband (Worthing and Crawley)
- Some rural areas have access to wireless broadband via Kijoma Ltd, including the 3 "not spot" areas

4. What needs to happen

4.i. The commercial nature of the improvement work needs to be influenced in those areas most at risk of being left behind. In other words, intervention is only needed in those locations that will not be served by the market. NGA based intervention will only be appropriate where there is evidence of need for superfast services (this is yet to be ascertained).

4.ii. In a programme of actions the following key areas have been identified:

- Enabling exchanges - the three un-enabled exchanges need to be enabled for ADSL service.
- Improving cabling/cabinet infrastructure - after identifying the worst cases.
- Increase the number of upgraded cabinets especially those serving rural areas from NGA exchanges by laying fibre optic cables.
- NGA implementation - lobby for targeted exchanges to be included in Openreach's programme of upgrades.
- Promote alternative technologies for "out of range" locations - Wireless Internet provision is a possible answer and any established local wireless broadband providers should be asked to identify potential investment opportunities.
- Include fibre-optic cabling (as Fibre to the Premises or at least Fibre to the Cabinet) in all Strategic Development sites in the Planning process.

5. How can this be delivered?

Openreach Upgrade Programme

5.i. It is essential not to be investing in work that is already in the Openreach workstream. The programme is complex and trials of alternative technologies are underway alongside the scheduled NGA upgrades.

5.ii. WSCC and BT are working in partnership to identify areas that will be missed in network improvements and to highlight when work is scheduled to avoid investment in projects that are already scheduled. When those investment opportunities have been confirmed the following are options for funding.

Rural Development Programme for England (RDPE)

5.iii. SEEDA launched a call for "Expressions of Interest" for bidding for a £375,000 Rural Development Programme for England (RDPE) fund for Rural Broadband on 25 March 2010.

5.iv. This £375,000 is to be shared across the SEEDA area. Public funding is not permitted for match funding. It is expected to be limited to two or three pilot projects. Rural communities defined as less than 10,000 population. (see Annex 4 for RDPE fund criteria)

5.v. A partnership project - SEEDA have been asked whether they would co-fund the ADSL enablement of the three "not-spots" (Plaistow, Sutton and East Marden) outside of the RDPE fund with WSCC and BT as partners. ADSL is low on the priority for the RDPE bids and may be unlikely to succeed. They are considering a response. (See discussion)

5.vi. If RDPE funding is not available, we will need to continue to work with BT and Openreach to find the best way forward with other sources of funding.

Digital Britain Fund

5.vii. Grant Aid (Central Government USC and Final Third) - Central Government has allocated £200 million to complete the 2Mbps USC by 2012. It is not yet clear how the draw down of this funding will be managed. This avenue and the role of the ESEB to influence how these funds may be directed to the "final third" of poor delivery in West Sussex needs to be explored.

Local Sources

5.viii. The Public Service Board Executive has indicated a desire to contribute towards the range of business, social and community benefits that improved access to on-line services would deliver, including lessening the demand for travel and meeting health, learning and economic objectives. Anticipated Performance Reward Grant funding from LAA 1 remains to be allocated and addressing rural broadband issues may be considered for capital investment.

5.ix. The Rural Economic Action Plan has an indicative allocation of £20,000 for supporting broadband capital investment that could be used to lever in additional funding.

5.x. LEADER funding – The two Local Action Groups could consider creating a Social Enterprise to act as a communications provider for those areas considered economically unviable. Match funding would be needed to support the bid(s) and LEADER funds are not allowed to be used for direct broadband infrastructure projects

6. Discussion on the way forward

6.i. A range of broadband enhancements based on the principles outlined above are being reviewed. In this context it is necessary to work with BT to understand the options and costs for the possible infrastructure improvements. At the same time it will be important to consider other routes including the following

- The RDPE guidance notes suggest that this fund may be allocated to NGA projects to locations with populations of up to 10,000 (e.g. Southwater or Selsey). If RDPE funds are not available for the small, non-enabled exchanges, where should the funding come from?
- Some locations have established their own Internet Service Provider (Alston Moor in Cumbria and Buckfastleigh in Devon), usually as a Social Enterprise and other have worked with established Communications Providers (Lyddington village with Rutland Telecom).
- Other Local Authorities (e.g. Kent and North Yorkshire) have taken the view that they should intervene in enabling "not spots".

- French Local Authorities have directly invested in the Fibre Optic "Backhaul" cables with established wholesale providers, which has not contravened state aid rules (and could be a local solution).

6.ii. Local communities need to show a requirement for change and demonstrate a willingness to engage in any project. It is essential to identify target locations that will have a strong take up of broadband provision.

6.iii. Target locations need to be agreed and support given to local groups. (see Annex 5 for list of possible target sites).

6.iv. The cost of the improvement work needs to be established from BT/Openreach and detailed costing per location established.

6.v. WSCC is committed to supporting and coordinating action with local partners to ensure action to address the potential widening digital divide and Mike Hicks in the Economic Development team is supporting the Chairman in championing action and assessing how each of the three economic areas can benefit from the broadband rollout.

7. Conclusions

7.i. This report and associated documents sets out the current position and a framework for investment actions with priorities. It is proposed that support to tackling the non enabled exchanges is given priority for action followed by actions to support rural communities depending on other available funding streams and the outcome of any contribution from the PSB Executive.

8. Recommendations

8.i. The ESEB is asked to endorse the approach outlined above.

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