

## Report to Martin Tett

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**Decision to be taken on or after 24<sup>th</sup> March 2020**

**Decision can normally be implemented at least 3 working days after decision has been signed.**

**Cabinet Member Report No. T08.20**

<b>Title:</b>	<b>Buckinghamshire Rural Business Broadband Project – Selection of Preferred Bidder</b>
<b>Date:</b>	13 March 2020
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<b>Local members affected:</b>	Project will impact the whole county

*For press enquiries concerning this report, please contact the media office on 01296 382444*

*This Key Decision has been done under general exception due to the timeframes imposed on the bid within central government, alongside the validity date of the bid, and delays from central government. The bid is currently only valid until 30<sup>th</sup> April, and requires a lengthy sign-off process within central government before contract signature; as such, general exception provisions have been used to ensure that this can be completed before the bid is invalidated.*

*There are confidential appendices to this report, which is exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).*

### Summary

In 2018, Buckinghamshire County Council bid for £1.8m funding under the Rural Broadband Infrastructure fund to provide superfast broadband coverage (defined as  $\geq 30$ mbps) to rural businesses without this level of connectivity. This funding has been granted on a non-match funded basis.

Procurement for this Project began in August 2019, and one bid was received by the deadline of 19<sup>th</sup> December 2019.

The singular bid, from Bidder A, requests £1.77m in order to target 755 rural premises, of which 270 are non-residential and 485 are residential. The solution offered is also beyond the superfast broadband connectivity required for the funding, and instead provides a gigabit-capable solution ( $\geq 1,000$ mbps) for every premise in the bid. There are currently an estimated 1,539 non-residential premises in rural areas without superfast connectivity, with this bid providing 18% of these remaining premises with the best technology solution currently available, whilst also providing improved connectivity for the surrounding communities.

## **Recommendation**

**It is recommended that Bidder A's bid is accepted for this project due to the technology which will be deployed and its level of impact which is set out below. It should also be noted that this will utilise capital funding solely from central government.**

### **A. Narrative setting out the reasons for the decision**

1. Buckinghamshire County Council (BCC) has long been involved with managing the current Connected Counties programme; delivering the most successful Building Digital UK (BDUK) programme in the UK in terms of the take-up of superfast services. Since 2013, BCC has delivered, in partnership with Hertfordshire County Council and the District Councils, two phases of broadband rollout under the Connected Counties programme.
2. BCC aimed to provide superfast connectivity (previously defined as  $\geq 24$ mbps) to 95% of its premises by December 2019 through this programme and achieved this in August 2018.
3. In 2019, central government announced its aim to provide gigabit-capable connectivity to every premise in the country by 2025. Although infrastructure providers have stated that this will likely require until 2032, delivery of this aim has already started in urban centres around the country.
4. BCC bid for the £1.8m funding before this aim was announced and intended to focus on providing more superfast connectivity. As such, this bid has evolved to ensure that it is changing to the needs and demands of the UK economy.
5. At the time of bidding in early 2018, the proportion of premises with gigabit-capable broadband in Buckinghamshire was 3.2%, whilst nationally it was 3.4%.
6. The current level of gigabit-capable broadband in Buckinghamshire is 6.7% whilst the UK average is 14.7%. In order to ensure our businesses remain competitive, and the quality of life for residents remains high, work is needed to deliver the vital digital infrastructure which is seen by many as the fourth utility.

### **B. Other options available, and their pros and cons**

1. BCC may choose not to accept the singular bid received for this contract, and to reopen this for other broadband infrastructure providers to consider. Due to the low number of expressions of interest, and the singular bid received, there is a large risk that no other provider bids for this contract. Additionally, due to the delays this would cause, it would become almost impossible for providers to complete delivery and claim the funding before the deadline of December 2022, imposed by central government.

2. BCC may choose not to continue with this rollout of broadband infrastructure. This would cause Buckinghamshire to fall further behind the UK average for gigabit-capable technology, which in turn would have a detrimental effect on the local economy and quality of life.

### **C. Resource implications**

1. The two phases of broadband contracts, known as the Connected Counties programme, are currently a deliverable of Buckinghamshire Local Enterprise Partnership (BLEP) with 1.4FTE being utilised for this. It is recommended that this contract is also delivered via BLEP through the Broadband Team utilising the same resource.
2. As such, a Buckinghamshire Council officer will be needed to act as the Project Sponsor to oversee successful delivery of the contract. This is estimated to be 0.1FTE and is recommended to be added to the responsibilities of the current Project Sponsor for the Connected Counties Programme, the Head of Business Improvement and Project Delivery.

### **D. Value for Money (VfM) Self Assessment**

1. As this project requires no capital funding from the local authority, there are no implications for the Value for Money strategy held by Buckinghamshire County Council.
2. Due to this project utilising central government funding, Building Digital UK (BDUK), part of the Department for Culture, Media & Sport, which oversees national broadband delivery programmes, has overseen this project's procurement. As such, BDUK, through the National Competence Centre, has deemed that this bid provides acceptable value for money against national standards for public funding.
3. OFCOM estimates that gigabit-capable broadband connectivity will cost £2,500 per connection in harder-to-reach areas, such those in rural communities. This bid requires £2,341 public subsidy per connection and is demonstrated to impact areas where commercial providers are unwilling to provide connectivity without funding support.

### **E. Legal implications**

1. Input has been sought from Legal Services on this bid with Legal Services being instructed to review Bidder A's tender response and to highlight any clarifications required from Bidder A and any potential legal implications. Legal have had sight of the terms and conditions and supporting contract documentation which are required to be used considering the funding being received from central government.

### **F. Property implications**

1. There are no property implications for this project.

### **G. Unitary Council**

1. The only requirement for the new Unitary Council is regarding the role of the Project Sponsor to support the project and oversee contractual performance from a local authority standpoint.

2. This has been submitted as a Cabinet Member decision under Buckinghamshire County Council processes due to the timelines available for the funding to be utilised. Originally, the funding was required to be used by December 2021, and whilst this has now been extended until December 2022, it is clear that a delay in this decision until new Councillors are elected will decrease the likelihood of deployment being completed in time, which would invalidate this bid.
3. It should also be noted that this funding was bid for by Buckinghamshire County Council before the decision to become a Unitary Council was endorsed.

#### **H. Other implications/issues**

1. The delivery of this project will require traffic management and will be dealt with through the usual processes of the Highways Team.

#### **I. Feedback from consultation, Local Area Forums and Local Member views**

1. This decision will affect all divisions and is therefore acted upon as a corporate issue.
2. It should be noted that a public consultation was conducted prior to the procurement of the project in order to better understand broadband coverage across the county. This consultation was summarised in a report made available through BCC's website.

#### **J. Communication issues**

1. Once this decision is taken, all bidders who expressed an interest in this bid will be informed via the Procurement Portal.
2. Information will be shared publicly regarding this decision and the wider Buckinghamshire Rural Business Broadband Project through the Buckinghamshire County Council, and latterly the Buckinghamshire Council, website.
3. Currently, questions regarding the rollout of broadband are handled by the Broadband Team in BLEP, which will continue with this responsibility.

#### **K. Progress Monitoring**

1. Broadband targets are reflected quarterly in the Cabinet report updates. The Broadband Team meets at appropriate points with the Business Intelligence and Insight teams to ensure that the latest information is provided to Councillors.

#### **L. Review**

1. This decision will not result in a revised or new policy requiring review.

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#### **Background Papers**

There are no Background Papers related to this Cabinet Member decision.

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## **Your questions and views**

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 20 March 2020 This can be done by telephone (to 01296 382343), or e-mail to [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk)*