

Report to: Place, Regeneration and Housing Committee

Date: 25 November 2021

Subject: **Broadband**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	3
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1 Purpose of this report

- 1.1 To provide members of the committee with an update on delivery of Superfast West Yorkshire and York (SWYY) Broadband, Contracts 2 and 3. The SWYY programme aims to deliver fast and reliable broadband infrastructure (defined as broadband with speeds greater than 24mb/s) in some of the hardest to reach areas of market failure which are not currently targeted through a commercial roll out or were not targeted by previous phases.

2 Information

Background

SWYY Contract 2

- 2.1 The second SWYY contract (“Contract Two”) was signed with Openreach in June 2016 and includes premises in all five West Yorkshire districts and City of York. Contract 2 completed at the end of September 2021 and initially had a value of £7.25m which rose to £17.68m with the inclusion of European Regional Development Fund grants.

- 2.2 Contract 2 has delivered 98% access to Superfast Broadband across West Yorkshire and York, providing access to an additional 41,270 premises and supporting the ambitions of our Digital Framework. Of these 11,620 Total Homes Passed (THP)¹ are in deprived areas, together with 487 for business lines in deprived areas.
- 2.3 The contract will now progress through Broadband UK's (BDUK) detailed external assurance process for closedown, in parallel with the Combined Authority's internal Assurance Framework.

SWYY Contract 3

- 2.4 In April 2019, the Combined Authority received a funding allocation letter from the Department for Environment, Food & Rural Affairs (DEFRA) confirming a funding allocation of £6.898 million of capital funding to further support the deployment of superfast broadband to commercially non-viable areas within West Yorkshire and York – "Contract 3".
- 2.5 On 1st July 2020 the Combined Authority's Managing Director approved the Full Business Case Plus for the programme through the Assurance Framework, following a recommendation from the Programme Appraisal Team. A contract was subsequently signed with Quickline Communications (Quickline) as delivery partner on 4th September 2020, together with a Parent Company Guarantee with Quickline Communications Holdings Ltd.
- 2.6 The original DEFRA funding drawdown timeframe was up to December 2021, however due to initial delays in procurement of a supplier, DEFRA and the Combined Authority have subsequently entered into a variation to the grant funding agreement to extend the funding drawdown period to 10th October 2022, including completion of infrastructure deployment and submission of final claim to DEFRA.
- 2.7 The Broadband Contract 3 programme is contractually expected to deliver access to superfast services to 1565 businesses in specified rural areas of West Yorkshire and York. By 30th September, Quickline had delivered access to 323 businesses and 1425 homes.
- 2.8 The technical solution being deployed by Quickline is Fixed Wireless Access (FWA). It uses a wireless base station which is usually mounted on masts or buildings near the premises, instead of using copper or optical fibre to connect premises. The connection performance is designed to be more stable and predictable because the equipment is in a fixed location. Using FWA means that the structure deployed will have greater reach and by default have a greater catchment area.
- 2.9 A further update on progress can be found in Exempt Appendix 1.

¹ Typically 1 THP means 1 home can have superfast broadband access

3 Tackling the Climate Emergency Implications

- 3.1 The provision of superfast broadband access has the potential to reduce travel-to-work patterns into urban centres and other employment locations and reduce pressures in morning peak time commuting due to increased opportunities for home and/or flexible working. This will in turn reduce regional carbon emissions by reducing the need to travel to work.

4 Inclusive Growth Implications

- 4.1 The SWYY Broadband programme supports digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
- 4.2 Of the 41,270 THP in Contract 2, the programme delivered 11,620 THP in deprived areas and 487 for business lines.
- 4.3 9% of the premises targeted by the Broadband Contract 3 programme are in socially deprived areas. As part of the tendering process for the contract, Quickline has committed to a range of social value obligations focussed on training and employment opportunities, which are being monitored.

5 Equality and Diversity Implications

- 5.1 The SWYY programme promotes greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society. The programme:
- (i) Supports enhanced digital inclusion through enhanced access to superfast broadband, in particular access to increasingly digitised public services by residents in deprived and/or digitally excluded communities.
 - (ii) Addresses a lack of digital access in some of the hardest to reach urban, semi-urban and/or rural properties.
 - (iii) Supports an increase in skilled people and better jobs, by allowing greater access to online courses and job searches.
 - (iv) Digital infrastructure will contribute to wider and better access to further education and training including flexible and off-site learning opportunities.

6 Financial Implications

- 6.1 Contract 2 initially had a value of £7.25m which rose to £17.68m with the inclusion of European Regional Development Fund grants.
- 6.2 £6.898 million has been awarded by DEFRA to the Combined Authority for the delivery of the Broadband Contract 3 programme and the specified outputs (1565 business premises).

6.3 The total cost of the Contract 3 programme is £9.110 million, comprising:

- DEFRA capital - £6.898 million
- Quickline capital contribution - £1.464 million
- Combined Authority Revenue £0.748 million
 - £0.472 million - Broadband Enabling Technology (BET) – A refund from an earlier infill satellite technologies programme
 - £0.2 million - Business Rate Pool
 - up to £0.076 million - Local Authority contribution (if required)

7 Legal Implications

7.1 The information contained in **Appendix 1** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

7.2 The Combined Authority entered into grant funding agreements with central Government for the delivery of the Broadband Contract 2 programme and with Openreach for the delivery of the specified outputs within a given timeframe.

7.3 The Combined Authority has entered into a grant funding agreement with DEFRA for £6.898 million for the delivery of the Broadband Contract 3 programme and the specified outputs (1565 business premises). The Combined Authority has subsequently entered into a contract with Quickline for the delivery of the specified outputs within a given timeframe.

8 Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9 External Consultees

9.1 A partnership programme board is in place to oversee the operational elements of the SWYY Broadband programme and is kept regularly updated on progress. The Programme Board is comprised of the West Yorkshire Combined Authority as Accountable Body and local partner council officer representatives from the five West Yorkshire authorities and York, together with Broadband UK (BDUK) as the national delivery body.

9.2 Regular meetings are held with DEFRA as external funding body for the programme.

10 Recommendations

- 10.1 The Committee notes progress to date on the delivery of the SWYY Broadband Contracts 2 and 3 Programme as highlighted in section 2 above.
- 10.2 The Committee notes the further update in Exempt Appendix 1 and approves the recommendations outlined in paras 5.1 to 5.3.

11 Background Documents

- 11.1 None.

12 Appendices

- 12.1 Exempt Appendix 1 – Broadband progress update