PURPOSE OF REPORT

To update the Commission on the progress being made on the delivery of the Get Digital Faster programme (formerly known as GM Rural Superfast Broadband) and to highlight the need to encourage the provision and take-up of superfast broadband services in order to support economic growth.

RECOMMENDATION

That the Commission note the progress being made in rolling out superfast broadband speeds and considers how best provision and take-up can be promoted in the future in the context of the emerging GM Spatial Framework.

CONTACT OFFICERS:

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1. Purpose

1.1 The purpose of this report is to provide an update on the progress being made on the delivery of the Get Digital Faster programme (formerly known as GM Rural Superfast Broadband), to outline any current issues and to highlight the need to encourage provision and take-up of superfast broadband services in the light of the work on the GM Spatial Framework. The Get Digital Faster (GDF) programme is part of the wider Greater Manchester Local Broadband Plan (LBP) that was approved at the AGMA Executive Board on the 25th October 2013.

2. Background

2.1 Greater Manchester’s ambition is to become one of the world’s top 20 digital cities by 2020. Access to fast and reliable speeds is a key driver to business growth and economic productivity. The GDF is the rural element of the Broadband Plan. It focuses on increasing access (defined as speed and coverage) by investing in superfast broadband infrastructure (mostly fibre enabled cabinets), within Bolton, Bury, Oldham, Rochdale, Stockport, Tameside, Trafford and Wigan. Salford and Manchester were excluded from the programme due to State Aid constraints.

2.2 The deployment of new publicly subsidised digital infrastructure has to be in areas that are not already served commercially, and will not be so in the foreseeable future (known as white areas). The currently agreed deployment plan is for 586 fibre enabled structures that can deliver download speeds of over 24Mbps to the vast majority of the premises connected to the structure. Of these, 539 structures will connect a fibre enabled cabinet to the existing copper infrastructure which is already connected to the business or home. The other 47 structures will enable a small number of premises to be connected with fibre all the way to the premises, where copper infrastructure cannot meet the speed requirement. Altogether it is currently estimated to provide around 48,500 premises with the opportunity to access services on fibre broadband infrastructure with whichever provider they choose. The outcome will increase connectivity to fibre infrastructure across the eight GM districts from 94.7% to around 99.4%. See Table 1 below for details by district.

2.3 These outcomes are a combination of the following phases that now form one contract and deployment plan (see Appendix 1):

- Phase 1 deployment – substantially ended March 2016
- Phase 2 deployment – approx. April 2016 to March 2017
- Rebaseline exercise undertaken at the same time as Phase 2.

2.4 In addition, it is intended that there will be further deployment and coverage from a Gainshare Advance mechanism that is described later in this report.
**Funding**

2.5 The programme is funded approximately two thirds by public resources comprising of Broadband Delivery UK (BDUK), which is part of the Department Of Culture, Media and Sport (DCMS), the European Regional Development Fund (ERDF) and GM districts. The remaining one third of funding is provided by BT (the supplier) who was selected following an OJEU procurement process. The total value of the programme depends on outturn and assurance, the capital element is currently estimated to be in the order of £13m with total project value being £14.3m.

**Governance**

2.6 In terms of governance, Stockport Council is the lead contracting authority with the supplier BT and the other funding bodies. The Council is also the accountable body responsible for claims, payments, audit and performance on behalf of the other districts. Transport for Greater Manchester (TfGM) is the delivery partner who manage the programme day to day, overseeing delivery and providing technical support, data assurance, quality control and interfacing with the supplier. TfGM also undertook the procurement process. BT plans the work, undertakes surveys and deployment using Openreach. BT will own the superfast broadband network and in doing so will assume responsibility for maintaining and upgrading the network.

2.7 A Strategy Steering Group is held every quarter between all partner representatives to approve any key changes and to provide direction. Monthly meetings with the eight district digital leads are held to ensure delivery issues are solved and service take-up on track and promoted.

3. **Financial Position**

**Capital**

3.1 Around £12.5m of capital (public and private) has been invested up to June 2016. This is in the on-going process of being assured and claimed through BDUK’s Milestone Payment to Cash (MPC) system. BDUK independently review the costs of all projects (44 nationally) to ensure value for money. The European funded element (ERDF) has now been audited at the national level and closed off with no penalties.

**Revenue**

3.2 Revenue funding is being used to fund a BT led Demand Stimulation programme which finished in June 2016. This marketing activity promoted the take up of faster speeds to businesses and residents as cabinets became live. GM and European revenue funding has been used to support the Demand Stimulation programme and also covers TfGM programme management costs up to April 2017.
4. Gainshare Advance

4.1 The supplier contract allows for resources generated by the take-up of new superfast connections above a set threshold to be re-invested into the programme. This is known as Gainshare. To avoid inefficiencies around contractor teams disbanding and reforming BT has agreed nationally to bring forward the Gainshare, as long as take-up is on target, to effectively be a continuation of the current deployment. For GM this could mean £1.4m of additional infrastructure. This is currently in the process of being scoped and agreed through a Change Request with BT.

4.2 It is likely that Gainshare deployment will run from April 2017 to March 2018 which is after deployment of the current contract. It is proposed to continue with a managed service to cover BDUK’s assurance requirements for this period and to provide governance. One option being explored is for this function to be centralised across the region and undertaken by Cheshire East Council (the lead for Connecting Cheshire).

5. Deployment, Coverage & Take–Up

5.1 In early October 2016 a total of 550 structures were ready for service out of a 586 deployment plan. These comprise 539 fibre to the cabinet (FTTC) and 47 fibre to the premise (FTTP) where this is a more economical solution. All structures are now surveyed. The majority of structures serve more than one local authority area. To date over 46,800 premises have been passed. The current deployment and take-up position for each district can be made available on request.

5.2 The deliverable outcome of the infrastructure investment is the provision of superfast broadband connections in areas where this was not available previously. Table 1 and Appendix 2 show the expected uplift in coverage by authority area (excluding Gainshare). On completion this will be some of the best in the country.

<table>
<thead>
<tr>
<th>District</th>
<th>March 2014 %</th>
<th>March 2017 %</th>
<th>Estimated Premises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolton</td>
<td>95.4</td>
<td>99.4</td>
<td>127,745</td>
</tr>
<tr>
<td>Bury</td>
<td>93.2</td>
<td>99.5</td>
<td>85,925</td>
</tr>
<tr>
<td>Oldham</td>
<td>96.6</td>
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<tr>
<td>Tameside</td>
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<td>Trafford</td>
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<tr>
<td>Wigan</td>
<td>93.5</td>
<td>99.2</td>
<td>147,039</td>
</tr>
</tbody>
</table>
5.3 Wider growth outcomes will only occur if there is take-up of superfast broadband, and businesses know how to make effective use of bandwidth to increase their productivity, and hence contribute to the GM Gross Value Added. The benefits to businesses include making services and applications driven by 'cloud' services within reach of enterprises of all sizes, faster computer back up, storage and processing. The use of high-quality video conferencing becomes viable and the use of multiple bandwidth-hungry applications and sending and receiving large amounts of data more efficient. By August average take-up of the new structures was 22.5% which comparator data shows is ahead of those similar programmes that did not have a demand stimulation programme.

5.4 Looking beyond the current programme there is also scope for Councils to promote the provision of superfast broadband speeds on commercial and residential developments where they either own the land, are contributing financially or are partners in its development. The Greater Manchester Spatial Framework (GMSF) will be a key driver for where supporting infrastructure (mostly deployed commercially) will be required in the future to support new land allocations up to 2035. Access to digital infrastructure will need to be considered along with transport and utility networks. Due regard to access to superfast broadband will also need to be considered by Local Plans as they are prepared.

6. Demand Stimulation Programme

6.1 As mentioned above, the demand stimulation programme has helped to encourage take-up of superfast broadband connections. The programme is working closely with each district digital economic lead to promote the take-up of faster speeds as they become available. An on-line Customer Relationship Management tool was used to allow businesses to register to receive information and updates for events. Public information on Get Digital Faster can be found at https://www.get-digital-faster.info/home this includes a postcode checker. This landing page is now hosted by Stockport Council.

6.2 A series of marketing and publicity events have taken place in all districts as well as door knocking and bespoke campaigns. Case studies of businesses who have benefited from new speeds will be available on-line.

7. Related Programmes

7.1 A number of complementary initiatives have taken place some of which cover the same intervention area as GDF.

Women and Broadband

7.2 Stockport Council and the Business Growth Hub have successfully secured Government Equalities Office / DCMS funding for two phases of the national Women
and Broadband initiative. This is a bespoke business support programme that covers the same geographical area as the Get Digital Faster but also includes Manchester and Salford. It is aimed at female led businesses and entrepreneurs to grow their business through improving their digital business skills and making use of new applications. This also drives demand for faster broadband speeds. Phase 2 completed in March 2016, holding 35 learning events and assisting 469 clients. It was delivered in combination with the Connecting Cheshire programme. There is likely to be an opportunity this autumn to bid for a longer period of funding (Phase 3) which focuses more on business growth. This would be a combined GDF / Connecting Cheshire bid with the Business Growth Hub as delivery partner.

**BDUK Connection Voucher scheme**

7.3 This scheme ran from December 2013 to October 2015 and was broadened from Manchester and Salford to include all of GM and Cheshire East. It was part of the Government’s Super Connected Cities and the Superfast Britain programmes aimed at postcodes not covered by GDF deployment. Over 6,000 vouchers were issued to SMEs with an estimated value of £8.5 million.

**BDUK Better Broadband Subsidy Scheme**

7.4 Earlier this year BDUK launched a subsidy scheme aimed at homes and businesses with no broadband connectivity and who are not in the Superfast roll-out programme. Better Broadband will ensure that everyone can access at least 2Mbps speeds. This covers the whole GM area and is available to the end of 2017.

8. **Ultra-Fast Services**

8.1 In June 2016 Openreach announced that it will begin a commercial programme of new Fibre to the Premises (FTTP) deployment specifically designed for SMEs and offering ultrafast speeds of up to 1Gbps. The focus will be on SMEs located in high streets, science and business parks, but residential homes may also be covered. Manchester and Salford will be one of the first areas to benefit with services becoming available between 2017-2020. Virgin Media also announced their own national FTTP programme earlier this year.

9. **Recommendations**

9.1 That the Commission note the progress being made in rolling out superfast broadband speeds and considers how best provision and take-up can be promoted in the future in the context of the emerging GM Spatial Framework.
Appendix 1: Deployment Plan

- **2013-14**
  - Q3: Deploy (initial contract)
  - Q4: Deploy (variation)

- **2014-15**
  - Q1: Plan

- **2015-16**
  - Q2: Deploy (initial contract)

- **2016-17**
  - Q1: Deploy (variation)
  - Q2: ERDF 50% funding
  - Q3: BDUK, GM and BT capital funding (no ERDF)
  - Q4: 586 structures in the plan – 550 delivered to date (94%)

- **Timeline**:
  - Mar 16
  - Mar 17
Appendix 2: Superfast Broadband Coverage by Authority

Final Coverage of the 8 Districts After All Phases

<table>
<thead>
<tr>
<th>Excludes Gainshare Advance</th>
<th>Bolton</th>
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<th>Oldham</th>
<th>Rochdale</th>
<th>Stockport</th>
<th>Tameside</th>
<th>Trafford</th>
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