

Economy and Enterprise Overview and Scrutiny Committee

23 February 2016



Digital Durham Programme - Update

Report of Don McLure, Corporate Director Resources

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with an update on the progress of the Digital Durham Programme.

Background

- 2 Digital Durham is a £35 million initiative to transform broadband speeds for residents and businesses in the programme area.
- 3 Durham County Council leads the programme on behalf of nine other North East local authorities:
 - Darlington Borough Council
 - Gateshead Council
 - Hartlepool Borough Council
 - Middlesbrough Council
 - North Tyneside Council
 - Redcar and Cleveland Borough Council
 - South Tyneside Council
 - Stockton-On-Tees Borough Council
 - Sunderland City Council
- 4 Contract 1 was signed in April 2013 with BT and Contract 2 in February 2015. The two contracts are valued at approximately £35m. The 10 councils have put different levels of funding into the programme based on their individual BDUK grant allocations and ability to match the amount.

Contract 1

- 5 Contract 1 will provide additional fibre infrastructure to approximately 105k premises, and a commitment for all premises to have access to a solution which will provide a minimum download speed of 2 megabits per second (Mbps).
- 6 After the contract is completed in July 2016, it is estimated that 94% of properties in the programme area will have access to a superfast broadband service in excess of 24Mbps download speed. In Durham this percentage will be 96%.
- 7 To date approximately 430 fibre cabinets have been built serving approximately 95,000 premises.

- 8 The programme started to build fibre infrastructure in earnest in April 2014 and currently 21.84% of premises in Durham who can access an improved broadband service have taken up a service
- 9 Currently the delivery of Contract 1 is ahead of the build target and under budget.
- 10 The National Satellite connection voucher scheme went live on 16 December 2015. This is to provide a broadband service where the fibre based solution will not provide an improved service. The connection voucher is for a maximum amount of £350 per premise and covers installation and hardware costs, the premises still need to pay for the service.
- 11 In Contract 1 there is a budget of £490,700 for Satellite connection vouchers and to date 8 vouchers have been issued. A premise is only eligible for the voucher if they are currently receiving less than 2 mbps download and will not be upgraded as part of the fibre roll out in the next 12 months.

Contract 2

- 12 Contract 2 will extend access to fibre infrastructure to a further 29K premises. This contract is scheduled to start in July 2016 and finish by December 2018.
- 13 On completion of both contracts, approximately 97% of premises in the programme area will be able to access a superfast broadband service. In Durham this percentage will be 98%.

Funding Released by BT (Phase 3)

- 14 BT has recently carried out a financial assessment of all 44 Phase 1 programmes with the agreement of BDUK. As a consequence additional funding has been released back to the high performing programmes for the installation of additional fibre infrastructure. In Digital Durham's case this amounts to £2.343m, of which £1.668m relates to Durham.
- 15 This will result in BT building fibre infrastructure to a further 4,381 premises in the programme area. The exact figures for Durham are not yet known.
- 16 This additional infrastructure build will be added to the end of the Contract 2 build plan.
- 17 Work will continue to try and reduce the number of premises without access to effective broadband to as close to zero as is possible.

Recommendations

- 18 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note the contents of this report.

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Appendix 1: Implications

Finance – This is a £35 million programme of which Durham County Council has committed up to £7.9 million in capital.

Staffing – A small team is dedicated to the programme.

Equality and Diversity – N/A

Accommodation - N/A

Crime and Disorder - N/A

Human Rights - N/A

Consultation – N/A

Procurement – N/A

Disability Discrimination Act - N/A

Legal Implications - N/A