



EXECUTIVE SUMMARY: Devon and Somerset Superfast Broadband Plan

“Faster broadband for all by 2015 – superfast for all by 2020”

The private sector is only likely to deliver superfast broadband to 62% of businesses and households in Devon and Somerset. Our businesses and residents tell us that superfast broadband is vital for growth and to give rural communities the same opportunities as urban areas. Tackling this is a top priority for local authorities and our Local Enterprise Partnerships.

Our plan will secure access to superfast broadband to over 800,000 premises, 65,000 businesses and 1.6 million people by 2020. It will deliver 100% broadband coverage by 2015 with over 85% benefiting from superfast broadband. It will deliver universal superfast broadband by 2020. It will help deliver 50% take-up and support businesses and residents to make the most of this opportunity. It will enable the public sector to deliver better and more efficient services.

The first step of our plan depended on securing funding from government (via Broadband Delivery UK, part of the Department for Culture, Media and Sport). This has been achieved, with the announcement of a £30m contribution on 27th May.

This early recognition and support from BDUK further strengthens our plan. Our vision is bold, our plans are ambitious but realistic given funding constraints, and it is a project that we can and will deliver.

Our Approach

Implementing this Plan will deliver a step change in our broadband infrastructure and is the single greatest contribution we can make to drive economic growth and improve the quality of life for all our residents in the next decade. It also substantially delivers the Coalition Government's aim to create the best network in Europe by **ensuring superfast broadband runs from Bristol to the Isles of Scilly**. This Plan is a **joint approach covering the five local authority areas** of Devon and Somerset County Councils, Torbay Council and Plymouth City Council (which make up the Heart of the South West Local Enterprise Partnership) and North Somerset Council (part of the West of England Local Enterprise Partnership). Working together will enable us to secure the best deal from the private sector and **save £9.5m of public funds**. It is backed by all 19 of our MPs and has been shaped by significant input from our businesses and communities, and is a **top priority** our Local Enterprise Partnerships.

Our Aims and Targets

- deliver **100% broadband coverage by 2015** (reliable, robust and upgradable services above 2Mbps), with a minimum of **85% being superfast broadband** (a minimum of 20Mbps) delivered through an open network;
- deliver **50% take-up**, providing fairly priced services through at least 10 service providers;
- deliver **superfast broadband for all by 2020** and even higher speeds where needed
- **increase our GVA by £0.75 billion per annum by 2020** by improving access to markets, enabling improved productivity, strengthening our rural economy, helping small businesses grow, driving inward investment, supporting action to improve skills, tackling displacement to other areas, supporting key growth sectors including the low carbon economy;
- tackle digital exclusion, ensuring rural communities have the same access to services as urban communities;
- deliver a transformation in public service provision, providing faster and more reliable access to better resources and services, including education, adult social care, healthcare and law & order,
- secure the delivery of the Big Society: connecting up our communities and giving them real control over their services.

The scale of our challenge

Current broadband services across our area are poor in terms of speed, reliability and bandwidth, and the market will not deliver the level of service needed by our businesses, communities and public sector. Our analysis shows that the private sector is currently committed to deliver superfast broadband to only 38% of premises, and that by 2015 only 62% of our premises will have access to superfast broadband if left to the private sector alone. Our evidence base has been developed over a number of years and we have a good understanding of our 'not spots' and 'slow spots' and the issues being faced from regular business and resident surveys. Over 20% of respondents to an ongoing survey (accessed from www.connectingdevonandsomerset.co.uk) of over 6000 businesses and residents said that they currently receive less than 1 Mbps, and that service reliability is as much as a problem as speed.

Our evidence shows that our rurality, population density and topography represent significant challenges to delivering superfast broadband, and make it much more expensive in our area than the national average. Our plan tackles the most challenging terrain in Southern England, covering two national parks and a high proportion of remote upland areas. Rurality and population density are key factors in the market failure to deliver the broadband our communities need. This is why our plan is so vital to the prospects of our businesses and communities: two-thirds of our output comes from these areas and many of our growth areas and investment priorities are in danger of being left in the digital slow lane.

Support for our plan

Every single one of our 19 MPs, across all political parties, backs our bid. Every single local authority involved backs our bid. Every single political party within those local authorities backs our bid. **This bid has overwhelming political support.** We have the enthusiastic backing of The Heart of the South West Local Enterprise Partnership and also the West of England Local Enterprise Partnership. **Our plan demonstrates our LEPs delivering for business and working across boundaries on shared priorities.** Business organisations (including Chambers of Commerce and Industry, The Federation of Small Businesses, Institute of Directors, Business Link) fully support our plan and recognise the tremendous

importance that better broadband has to the future economic competitiveness of this area. The NHS, our two police forces and our further and higher education institutions are totally behind the bid. **This bid has overwhelming private and public sector support.**

As part of an extensive early market engagement process, we have already **engaged with nearly six thousand residents and businesses**. The message that came back was overwhelmingly positive. Superfast broadband is important, is essential, to the aspirations of our businesses and communities. Just a few highlights: Almost 90% of businesses surveyed say improved broadband is vital to their future. Over 20% of respondents said that they currently receive less than 1Mbps. Looking to our residents and communities, almost 90% said that current broadband held them back. **This bid has overwhelming public support.**

Our timetable and delivery plans

We have the expert team in place to start delivering this plan now. Our project management and governance arrangements are robust and fully funded by the local authorities. The procurement process to secure a private sector partner will get underway in July 2011. Getting the best deal from the private sector is vital to delivering our vision and this procurement process and securing EU 'State Aid' approval is likely to take around 12 months – though we will do everything we can to shorten this timetable. The Local Authorities do not intend to become telecoms companies – we intend to adopt a gap funding model with a pay back mechanism which seeks to ensure the ongoing financial viability and sustainability of our plan.

Public funding for broadband infrastructure, under EU State Aid rules, is only eligible to be used in those areas where it is forecast that the private sector alone will not deliver to in the foreseeable future. Our capital spend will therefore be focussed on the 38% of premises (over 13,000 businesses and 300,000 homes) where we expect that the private sector will not deliver superfast broadband. Our plan will also address the needs of our whole area though (1.6 million people and around 65,000 businesses), ensuring that we raise demand in these areas, ensure the private sector delivers superfast broadband as early as possible to those areas, and ensuring that businesses and residents have the support they need to make the most of this opportunity.

Demand stimulation and support

Superfast broadband infrastructure alone will not deliver our vision. Our plan aims to ensure that as many businesses and residents take-up broadband services, and that they have the right support to ensure they have the confidence and the skills to make the most of this opportunity. This will build on our successful track record: the Connecting Somerset partnership was recognised as one of the 10 best practice projects of its kind throughout Europe. Our programme of promotion, mentoring, skills development and support will help raise take-up to 50%.

Strategic benefits

Our plan will have a significant strategic impact at both national and local level. Nationally, our plan will make a significant contribution to the Coalition Government aim to have the best superfast network in Europe by 2015, also realising good value for money through the scale of our partnership. It will also make a significant contribution to the Coalition Government's aim of creating the competitive environment for private sector led growth and recovery. Within Devon and Somerset the delivery of our plan will make a significant strategic impact on our economic competitiveness and business productivity, public sector transformation and efficiency, community well being and realising the "Big Society". We

estimate that delivery of our plan will raise GVA by £0.75 billion across Devon and Somerset by 2020.

Conclusion

The message is clear. Our plan will deliver the single greatest contribution to boost economic growth; to transform public services; to delivering digital inclusion and to bring new opportunities to individuals and communities across Devon and Somerset for years to come. Our plan and our bid have unprecedented support across our area and have the financial backing and support from BDUK. Preparations for procurement and application for state aid approval are underway that will ensure that superfast broadband becomes a rural reality.

Further information

Updates and news will be published on <http://www.connectingdevonandsomerset.co.uk/>.

21st June 2011
