



Cabinet (Resources) Panel

17 June 2014

Report title	Black Country Local Broadband Plan: Collaboration Agreement	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	No	
In forward plan	No	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Economic Partnerships and Investment	
Accountable employee(s)	Heather Clark	Strategic Projects and Funding Manager
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Report to be/has been considered by	Education & Enterprise Leadership Group 3 April 2014	

Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve entering into collaboration agreements to enable delivery of the Black Country Local Broadband Plan and delegate authority to the Chief Legal Officer to execute the final collaboration agreement.
2. Approve entering into collaboration agreements to enable delivery of future Black Country externally funded projects and delegate authority to the Chief Legal Officer to execute final collaboration agreements.

2 Purpose

- 2.1 The purpose of the report is to brief members on opportunities offered through the Black Country Local Broadband Plan and enter into collaboration agreement for this project and seek delegated authority to enter into these agreements in future.

3 Background

- 3.1 Increasingly economic development and regeneration funding has to be accessed via the Black Country Local Economic Partnership (LEP). Cabinet (Resources) Panel agreed in a report on 26 November 2013 that the Cabinet Member for Economic Regeneration and Prosperity in conjunction with the Strategic Director Education and Enterprise be authorised to approve the terms of the collaboration agreements in conjunction with other Black Country Local Authorities and Black Country Consortium.
- 3.2 Broadband is a key Government priority, in recognition that that fast, reliable broadband internet access is essential for homes throughout the country to benefit from online services and for UK businesses to compete globally. The Black Country have been successful in bidding for Broadband Delivery UK (BDUK) funding to achieve the Government's goal that everyone in the UK able to access broadband speeds of at least 2 megabits (Mbps) per second and 95% of the UK receiving far greater speeds (at least 24 Mbps) by 2017. BDUK is responsible for managing the Broadband Programme and supporting local authorities to enter into delivery contracts with suppliers through their procurement framework. The Black Country Broadband project is under the third scheme targeting white New Generation Access (NGA) areas in villages, towns and urban fringes.

4 Black Country Local Broadband Plan

- 4.1 Black Country Local Enterprise Partnership (LEP) in partnership with the four Black Country Local Authorities developed a Black Country Local Broadband Plan which was successful in attracting resources from BDUK. The Black Country is planning to draw down £3 million of BDUK resources with match from Growing Places to form a £6 million pot of resource to fund broadband infrastructure work across the Black Country. The primary objectives of the Black Country LEP Broadband Plan are to:
- Maximise existing and new generation broadband technology to provide and promote excellent council services.
 - Work with partners to stimulate the uptake of broadband by residents and businesses as a key element in reducing digital exclusion.
 - Provide the opportunities for businesses, voluntary sector and communities to develop and grow through the opportunities that superfast broadband can offer.

- 4.2 Despite all Wolverhampton exchanges being enabled for superfast broadband, Wolverhampton still has areas that are unable to access superfast broadband. Some areas have no NGA operators and these are predominantly business areas and include the city centre, parts of Stafford Road technology corridor, Wednesfield and Bilston.
- 4.3 Unfortunately the final third of BDUK funding covering villages, towns and urban fringes does not cover urban areas defined as areas invited to bid for Super Connected Cities Plan resources, therefore we are unable to include Wolverhampton city centre in the scope of the project due to state aid rules.
- 4.4 Sandwell MBC are acting as Accountable Body status for the capital programme funded through BDUK and are looking for the other three Black Country local authorities to enter into a collaboration agreement. The purpose of the collaboration agreement is to share the risk of any potential grant clawback against the project delivery lead with the other Black Country Local Authorities. Procurement of the capital elements through BDUK framework agreement is due to be completed by June 2014.
- 4.5 Participation in the collaboration agreement will allow Wolverhampton to benefit from funding for capital investment in fibre broadband infrastructure. This will lead to an increase in broadband speeds in strategic growth corridors and associated impact on economic growth from business benefits.
- 4.6 Wolverhampton City Council are leading on developing the demand stimulation plan which is a requirement of drawing down BDUK resource centred around business and resident demand. Business demand is being driven through the Black Country Growth Hub and Black Country Broadband Business Support project for which the Council is accountable body. The approach for residents is building on Wolverhampton's approach to digital inclusion.

5 Risk assessment

- 5.1 The purpose of the collaboration agreement is to share the risk of any potential grant clawback with the other Black Country Local Authorities. In addition, to minimise risks associated with RGF projects in line with the collaboration agreements, Dudley have its own rigorous risk management process. Sandwell MBC has extensive experience in managing external funded projects including experience of the rigorous audit procedures and very specific and inflexible regulations which are enforced to extract clawback. This very experience ensures a cautious and thorough examination of the collaboration agreements, as well as a robust approach to project management systems and processes.

6 Financial implications

- 6.1 The Black Country has secured £3 million of BDUK resources with match anticipated from Growing Places to form a £6 million pot of resource to fund broadband infrastructure work across the Black Country. There are no direct financial implications in terms of match funding to Wolverhampton City Council since match funding to draw down BDUK

resources has been identified from Growing Places and no cash match is sought from local authorities. Sandwell MBC, as accountable body for the project, will be accountable for any risks of losses including grant clawback or withdrawal. They are seeking to share this risk with the other Black Country authorities on an equal shares basis. Since the total potential grant available for the project is £9 million, the maximum exposure to Wolverhampton would be £2.3 million. Approval processes and other procedural actions will be put in place by the four partner authorities to mitigate the risks associated with this agreement. Failure to sign up and become a delivery partner could result in a significant loss of income to the city. [ES/10042014/U]

7 Legal implications

- 7.1 Councils have authority to enter into Collaboration Agreements by virtue of Section 1 of the Localism Act 2011, which empowers Local Authorities to do anything that individuals may generally do. These Agreements and the proposals also accord with the sustainable communities strategy contained in Section 4 of the Local Government Act 2000.
- 7.2 Collaboration Agreements set a framework and governance structure for joint working between the parties to enable the delivery of the programmes and ensures commitment to the process and a shared responsibility between Black Country authorities, thereby mitigating risk for the respective accountable body. Therefore a representative of the Chief Legal Officer will be required to participate in the development of each agreement to ensure deliverability and minimise risk for Wolverhampton. JH/08042014/W

8 Equalities implications

- 8.1 Part of the requirements to draw down BDUK capital resources is a demand stimulation plan. Digital inclusion is a particular focus of the resident part of the demand stimulation programme, therefore we would expect this project to have positive equalities implications due to the focus on disadvantaged groups.

9 Environmental implications

- 9.1 Broadband infrastructure enables different ways of working which can have positive environmental impact including home working.

10 Schedule of background papers

None