

North Yorkshire County Council

Corporate & Partnerships Overview and Scrutiny Committee

19 March 2012

Broadband Developments

1 Purpose of Report

- 1.1 To advise the committee on developments relating to broadband in North Yorkshire, in particular activity relating to community broadband schemes.

2 Background

- 2.1 The roll-out of broadband across the county has largely been determined by the market – i.e. if there are enough people to buy it then the supplier will provide it. The scenarios in the rural area of North Yorkshire, however, regularly failed to pass this test. North Yorkshire has therefore had to develop alternative strategies to ensure it does not fall behind the rest of the county for something which will soon (if not already) be as vital as electricity to households and businesses.
- 2.2 North Yorkshire County Council set up NYnet in 2007 as a wholly owned subsidiary and it supplies broadband connectivity to the NYCC through its Wide Area Network (WAN). NYnet was set up with the following objectives:-
- **to provide an infrastructure** capable of delivering advanced next-generation broadband services to the public sector, citizens and business
 - to provide **‘faster, better and cheaper’ public sector networks** to enable more efficient and effective public and corporate services
 - **to stimulate economic growth** through helping the market to deliver next-generation broadband services to business and residential users.
- 2.3 In addition to the County Council, all other public sector organisations in North Yorkshire are now connected to the NYnet infrastructure, mostly in entirety, some in part. This includes NHS PCT (including GP surgeries), Fire Service, Police, 7 x District Councils and 2 x National Park Authorities. In total the NYnet network currently serves approximately 800 sites across the county. The relationship between NYnet and these organisations is based on customer: supplier contracts. NYnet has also undertaken a number of projects to supply connectivity to Business Parks. More recently it has enabled a number of community projects to provide broadband in rural areas.

2.4 Despite the progress made to date, there has been a sense of frustration, shared within the company, that relative to its objectives, NYnet has struggled to achieve the development of broadband services for businesses and residential users that was envisaged. This frustration has arisen from a number of factors not all of NYnet's making. The failure of the (market) to invest in rural areas, the plethora of regulations relating to procurement, state aid etc and the lack (until recent years) of a coherent government strategy, have all contributed to this sense of frustration. Out of this frustration has now emerged the Connecting North Yorkshire (CNY) Project.

3 Connecting North Yorkshire

3.1 The gestation of CNY can be best explained by the following **timeline**:

June 2009 - Government releases Digital Britain Final Report (DB). NYnet explores impact, issues and opportunities on behalf of itself and NYCC.

Following the DB report, the Government announces grant funding and establishes Broadband Development UK (BDUK) to administer the Scheme.

September 2009 - NYnet reports to its Board and NYCC on the implications. Proposes feasibility study into two strands for the sub-region in line with DB:

- Schemes to address 'not spots' to achieve 100% Universal Service Commitment (USC) at 2Mbs
- Costs and economic impact of Next Generation Access (NGA) in key market towns

January 2010 - NYnet Board approves as part of the NYnet 2010/11 Business Strategy and Plan:

- development of 'not spot' community pilots to test the proposed approach
- development of the Market Towns initiative
- submission of a revised State Aid notification extending NYnet / NYCC's powers to enable these initiatives to progress if funds available

28 June 2010 - European DG Competition issues State Aid Notification N559/2009 granting permission for intervention including NGA for Market Towns initiative. NYnet / NYCC commence formal search for funding including ERDF.

15 July 2010 - BDUK Industry Day announces two strands (ie USC @ 2mbs and NGA) of Government strategy- both are in line with NYnet / NYCC USC and Market Towns approach.

August / September 2010 - NYnet/ NYCC submit proposal to become one of the BDUK pilots, stating our advantages/ benefits as including:

- NYnet's existence and 4 year success record
- State Aid approvals already in place

- ERDF initial discussion and probability of matched funding

October 2010 - Informal advice from BDUK of being awarded pilot status

10 December 2010 – BDUK letter advising that NYCC/NYnet has been selected as one of 4 superfast broadband pilot areas.

28 January 2011 - Presentation by NYCC to LGNY. Agreed that all partners should work together to produce a collective Broadband Strategy for North Yorkshire.

9 February 2011 - Inaugural meeting of the NextGen North Yorkshire Governance Board (now renamed Connecting North Yorkshire Board): this meeting approved the Memorandum of Understanding (MoU) between the three parties on the Board – ie NYCC, BDUK and NYnet. Included commitment from BDUK to provide funding at a level to be determined, and NYCC / NYnet to fund project development and source additional funds (e.g. ERDF match)

19 February 2011 - NYCC/NYnet attended conference on Rural Broadband organised by Julian Smith MP at Ripon Racecourse.

March 2011 - NYnet Board approve £850k of funding to resource project development costs (now increased to £950k due to extended procurement timescales) and need to support community projects (see **paragraph 5.10 et seq** for further details).

11 May 2011 - letter from CNY Chairman to BDUK seeking clarification on certain matters.

10 June 2011 - BDUK reply received by NYCC advising grant of up to £16.4m

24 June 2011 - Progress report by NYCC LGNY. Endorsed CNY Vision and approach and recognised progress being made by NYCC/NYnet.

16 August 2011 - further BDUK letter received by NYCC advising revised allocation of £17.840m; the difference relates to the inclusion of data relating to the City of York which BDUK had omitted from their 10 June allocation.

3.2 The CNY issue is:-

Our vision is to bring the advantages of high-quality broadband to 100% of businesses and citizens in North Yorkshire by 2017. We want to enable all to participate in the digital world so that they can carry out their business when and how they wish. Further details can be found in the 'Vision' document at <http://www.northyorks.gov.uk/CHttpHandler.ashx?id=13130&p=0>

3.3 It seeks to deliver this strategy through a combination of:-

- Use of existing infrastructure

- Exploiting BDUK funding
- Exploiting ERDF funding
- Seeking to fill in more remote accounts with other monies (e.g performance rural grant of £750k)

3.4 Even with the significant funding, the **CNY Project is unlikely to secure 100% coverage of NGA in North Yorkshire** – it is estimated that the funding will achieve 85/95% of NGA coverage. It is the intention of the Project to continue to use the aggregated infrastructure to reach the last 5 / 15% in much the same way that the current Community Schemes are served

3.5 CNY and NYnet initiatives include:-

- (a) the connection to date of 8 rural business parks (including a substantial fibre deployment at a large Business Park in Scarborough) using the NYnet infrastructure
- (b) 7 initial rural 'not spot' interventions have used public sector sites (usually Schools) on the NYnet platform to provide high-speed wireless to over 1000 premises, with 500 connected already (**see Slides 19/20 in Appendix A**)
- (c) NYCC, in collaboration with the 7 Districts, has allocated £750k from Performance Reward Grant (PRG) to extend the not spot interventions to a further 14 areas, again using public sector sites to reach deeper into those rural areas (**see Slide 21 in Appendix A**)
- (d) NYCC has seconded a community engagement officer to NYnet to support the CNY Project and work with Districts to identify and prioritise demand in rural areas
- (e) NYnet has developed a sustainable model (in terms of technology and on commercial grounds) for ISP delivery in rural communities (**see Slides 22 and 24 in Appendix A**)

3.6 One of the strategic challenges that remains will be what to do to 'fill the gap' between the coverage achieved by the new NGA network and the CNY Vision of 100% universality of broadband availability. The approach that is being adopted is to identify the geographic areas in which this situation may arise and work with District colleagues to try and cluster the communities therein into potentially viable (i.e. sustainable) community projects that can then be 'offered' to the community ISPs. Without this strategic approach (which is not guaranteed to succeed) the result will be a residual random map of 'not spots' for which the prospects of getting acceptable broadband in the future will be limited.

4 Go On Campaign

4.1 It is widely acknowledged that broadband connectivity is simply a means to an end and it is the use of broadband which brings further quality to the public sector, businesses and residents. Hence, the CNY Board is embarking on a campaign to

stimulate demand for broadband and encouraging all sectors to use the web more. This is being done through a campaign in conjunction with the BBC called Go ON North Yorkshire.

- 4.2 It is anticipated that this will encourage more people to use the internet. This campaign is targeted as there are many parts of the county where access at the moment to the internet is either not available or too frustrating an experience. Nevertheless, the County Council needs to encourage everyone to register their aspirations and demand for better broadband. If this is successful then Telcos are more likely to invest their own funds and greater coverage achieved.
- 4.3 To increase this understanding, residents will be asked to fill out the 'Need for Speed' demand tool, which has a simple survey and broadband speed test. The survey can be found at <http://www.northyorks.gov.uk/broadbandsurvey>. Monthly updates are provided to all stakeholders, including Members, and can be found at <http://www.northyorks.gov.uk/index.aspx?articleid=17168>. The February update document is attached for reference in **Appendix B**.

5 Recommendations

- 5.1 That the Committee notes the developments relating to broadband in North Yorkshire, in particular activity relating to community broadband schemes.

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Annexes:

Appendix A – ‘Connecting North Yorkshire’ - slides
Appendix B – February 2012 update

CONNECTING NORTH YORKSHIRE

4 Dimensions to Broadband

- Connectivity
- Speed
- Capacity
- Reliability

- NYnet** satisfies all these Dimensions for public sector (PSN)
- available to private sector via business parks and ISPs
 - community not-spots – pilots underway

But this only goes so far...what next?

CNY Board responsible for

- preparing Vision (and Strategy)
 - securing funding
 - BDUK
 - ERDF
 - Performance Reward Grant
 - anything else
- } NYCC is the Accountable Body
- overseeing the procurement – being undertaken by NYnet as sub contractor to NYCC
 - manage interface of CNY with existing NYnet business
 - liaise with stakeholders
 - comms/PR
 - Go ON project

What is the B/B problem in North Yorkshire?

- Geography and population distribution mean that telcos will not develop the infrastructure necessary to provide B/B to many NY residents
- Low number of connections (= users) per kilometre of network = unattractive commercially
- Large number of no-spots where “proper” B/B is simply not available

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‘Before CNY’

	Now
York & Harrogate	“Superfast” = >24Mbps +
‘Market Towns’	c. 8Mbps near exchanges
Rural Areas/ small Market Towns	c.2Mbps with high contention (lots of people using the same bandwidth)
‘Deep Rural’	0.5 – 2Mbps (the ‘poor/ not spots’: 18% of N Yorks-highest in the country)

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Some relevant statistics

- Approx 45,000 residents (7.6% of population) unable to access usable B/B
- 13.7% of working age population self employed (8.4% YH, 9.4% national)
- Self employed + micro-businesses (1 – 4 people) account for 49% of jobs in Dales and 37% in Moors

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Consequence is that opportunities are not equal across NY for ...

- home-based or remote working
- online access to Government / local authority services
- young people accessing the internet
- access to leisure, telecare / telehealth, etc

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CNY will seek to ensure that -

- **All businesses** in North Yorkshire have the ability to access high-quality broadband, so that they remain competitive with the rest of the UK
- **All communities** in North Yorkshire have the ability to access high-quality broadband, so that they can enjoy the same social, economic & environmental benefits available to residents in other parts of the country
- The provision of **financially sustainable** broadband with local communities using, running and owning the service
- **Residents** having the ability to enhance their ICT skills

continued 

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- plus

- **Greater access** to social, medical and remote care technology allowing greater independence
- Greater **sustainability of rural communities** by providing essential infrastructure so that businesses and communities can flourish and prosper
- Reduce the **need to travel** and the subsequent carbon footprint of the county
- **Customer service** is increased by enabling public sector bodies to provide more online services, allowing transactions to be performed at a time that suits them
- More effective participation and **information sharing** (e.g. via the Government Connect GCSx secure data network)

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Underpinning Values

- Business and communities lead in identifying those communities ready for investment in broadband infrastructure
- The public sector provides up front investment where there is a market “failure”. **Communities themselves will sustain provision**
- Business and communities shape strategy and delivery
- **Partners work together** in a coherent manner to maximise opportunities and benefits to communities

continued 

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/cont

- **Success will be assessed on outcomes** for business and communities. This strategy is therefore neutral in terms of technology and provider
- The public sector will work together and provide appropriate support to **communities to develop sustainable longer term broadband provision**; it will not, however, accept on-going operational responsibility
- Examples of good practice and **resource sharing** will be encouraged amongst communities recognising the expertise that exists

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Who involved?

- NYnet** – build on pre-existing PSN (ie WAN2) infrastructure
- BDUK** – NY selected as national pilot
– £17m + matching ERDF + ?
- Partners** – LGNYY
– YNYLEP
- Communities** – especially re not-spots
- MPs** – all local MPs actively supporting CNY

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How deliver ?

- ➔ Procurement process already underway managed by NYCC with BDUK
- ➔ NYnet acting as NYCC's sub-contractor re the procurement process
- ➔ PRG funding (from NYSP) + other funding opportunities being used to create not-spot coverage in collaboration between NYCC + Districts + NYnet + local wireless contractors + Communities
- ➔ BT will upgrade some exchanges (eg York, Harrogate, Filey, Thirsk and Malton)

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As modelled CNY will provide

- ➔ Next Generation Access to market towns (= 45% of population)
 - ➔ high-speed hubs to approx 250 communities that will provide backhaul infrastructure for community projects
- On average 1 hub will support 3 parishes – there are 731 parishes, of which 356 have < 200 residents
- ➔ ultimately ratio of market towns to hubs will depend on £ available relative to outcome (= cost) from procurement process
 - ➔ estimate need £50m to complete the Vision

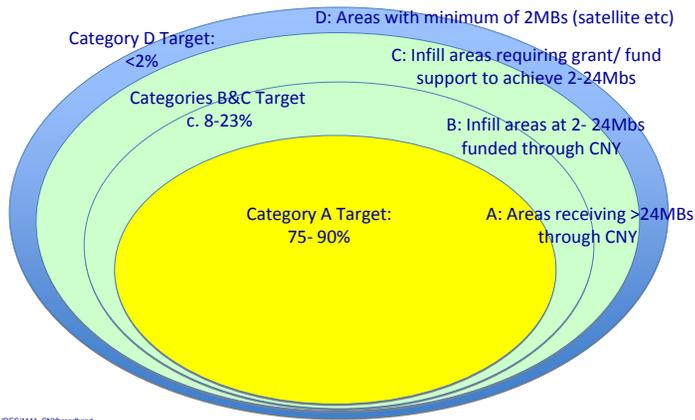
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'Before and After'

	Now	Following CNY
York & Harrogate	"Superfast" = >24Mbps +	No change
'Market Towns'	c. 8Mbps near exchanges	>= 24Mbps
Rural Areas/ small Market Towns	c.2Mbps with high contention (lots of people using the same bandwidth)	2 - 24Mbps depending on location, technology, investment etc
'Deep Rural'	0.5 – 2Mbps (the 'poor/ not spots': 18% of N Yorks-highest in the country)	Target of <2% with 2Mbps, rest 2 – 24Mbps as above

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The Strategy for 100% Coverage



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Community Not Spots

- progress to date
 - started pilots
 - CNY Steering Group set up
 - Lessons learnt
- next 6 / 12 months
 - more pilots launched
 - CNY webpages (inc demand survey tool)
 - Go On North Yorkshire
- once CNY contract rolled out
 - how ensure momentum?

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NYCC Funded Projects - £60k provided for 2 projects

	Newton upon Rawcliffe and Stape (NANDS)	Bransdale and Farndale (Gillamoore)
Go live	August 2009	September 2010
ISP	Next GenUs CIC	Moors Web (local co-operative)
Connected users	68 out of 141 (48% penetration)	120 out of 150 (80% penetration)
Gateway	Lady Lumley's School	Gillamoore Primary School

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RDPE (from Defra) Grant Funded Projects

- £215k grant available
- 5 projects initiated
 - Vale of Mowbray
 - Bradley's Both
 - Barlby
 - Robin Hood's Bay
 - Nun Monkton
- Progress to date 

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Performance Reward Grant (PRG)

- NYSP allocated

£750k	
- £50k	for NYnet costs (Community Team)
£700k	
÷ 7	
= £100k	per District
+ x	local top up
= y	available in District A
- 3 projects recently launched:
 - Darley/Appletreewick
 - Great Ouseburn / Marton-cum-Grafton
 - Farndale/Rosedale
- A further 10/12 projects are being prepared for launch during 2012

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SLIDES/1111-CNY/broadband

Key lessons learnt so far

- the technology works
- insufficient ISPs. How can we nurture / attract?
- need a financial/commercial model that works **with** grant aid, and for the future, **without** grant
- state aid / procurement issues (where grant involved)
- managing expectations of community
- once CNY in place need arrangements that are sustainable

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SLIDES/1111-CNY/broadband

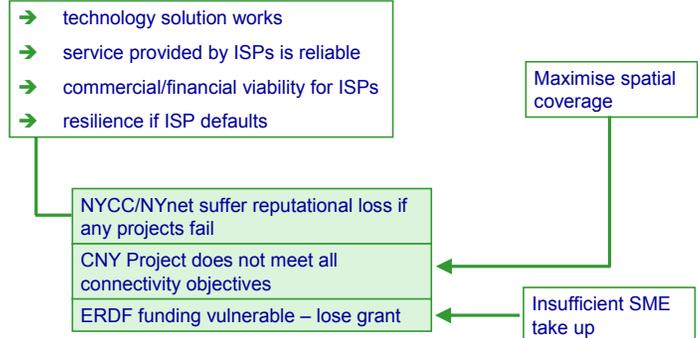
Going forward

- Framework agreement for ISPs (plus mini-tendering)
- DEFRA funding – assist communities to bid
- Go On campaign
- As an Elected Member
 - know your local District Coordinator
 - encourage communities to register interest
 - demand surveys

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SLIDES/1111-CNY/broadband

Need for sustainability in CNY Project



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SLIDES/1111-CNY/broadband



Connecting North Yorkshire Update

February 2012

Welcome...

To this special edition of our monthly newsletter celebrating the launch of Go ON North Yorkshire.

Go ON is a national campaign to promote internet take-up. It aims to break down the UK wide challenge of helping nearly 9 million people who have never accessed the internet take their first steps online, and support those who are already on line to get more out of the internet.

Go ON North Yorkshire will be used to encourage demand for high speed broadband, which is at the heart of our work on Connecting North Yorkshire. I hope you enjoy this update on what we are intending to achieve over the coming months.



**County Councillor Carl Les
Chair of Connecting North
Yorkshire**

Secretary of State launches Go ON North Yorkshire



**Caroline Spelman, County Councillor John Weighell (rt) Leader of NYCC
and Barry Dodd, Chair of the York, North Yorkshire & East Riding LEP**

There was a very warm welcome for Caroline Spelman, Secretary of State for the Department of Environment, Food and Rural Affairs, at Oakwood Park Business Centre, Harrogate for the launch of Go On North Yorkshire.

After being met by County Councillor John Weighell, Leader of North Yorkshire County Council, Julian Smith MP and Barry Dodd, Chair of the York, North Yorkshire & East Riding Local Enterprise Partnership (LEP) she went on to meet

other guests and toured the business centre. The Minister's visit comes at a time when North Yorkshire is forging ahead in its effort to break down barriers to rural economic growth by supporting the county's business community and residents.

Go ON North Yorkshire is a long term campaign to get more people online as well as increase the use of the internet for those already connected. It is part of the wider work of Connecting North Yorkshire to bring high quality broadband to everyone.



get more out
of life online

www.northyorks.gov.uk/broadband

Secretary's Praise for Partners

Caroline Spelman praised the pioneering work by business partners and the county council to establish high-speed broadband for all of North Yorkshire's businesses and residents within five years. Her visit highlights the Government's £530 million investment in rural broadband which nationally will help bring standard broadband to all and superfast broadband to 90 per cent of premises.

The Go ON North Yorkshire campaign is essential for raising the level of demand for superfast broadband in the county, which will stimulate private sector investment and help the Government's funding go further.

Caroline Spelman said: "Getting superfast broadband to rural areas in North Yorkshire will make a vast difference to local people and businesses and how they communicate with the online world. Oakwood Park Business Centre a perfect example of how access to broadband can transform Yorkshire businesses.

"We're investing £165m to unlock the economic potential of rural areas – and devoting £20m to get broadband to the remotest areas."

County Councillor John Weighell, North Yorkshire's leader said: "We are the largest rural county in the country but we are determined through these campaigns to place ourselves at the forefront of rural enterprise.

"We are determined to maintain thriving, entrepreneurial communities which provide exciting opportunities for our working population".

North Yorkshire's economy is almost entirely made up of small to medium enterprises and the county council and business leaders are determined to enable companies to thrive in rural areas as easily as in neighbouring cities but with better networks, support and a better environment.

For this reason North Yorkshire's Local Enterprise Partnership has made a Rural Network Bid to Defra to establish a vibrant network of Enterprise Hubs developed by local business communities that will lead to hundreds of new jobs and enterprises by 2015.

Barry Dodd, chairman of the York, North Yorkshire & East Riding Local Enterprise Partnership said: "Businesses consistently tell us that access to broadband is one of the major barriers to growth. That is why the Local Enterprise Partnership is working with this programme to make the most of the business benefits. This type of good quality internet access is also central to our bid to Government for a Rural Growth Network."

North Yorkshire was originally chosen by Broadband Delivery UK (BDUK) - a team within the Department for Culture, Media and Sport - in October 2010 as one of four areas for a pilot rural broadband project.

Go ON North Yorkshire – focussing on benefits

Go ON North Yorkshire will focus on the benefits that a good quality broadband network can bring, rather than the technology behind it. The advantages high speed broadband connection brings to business – especially in our essential farming and tourism industries- will be explored and explained. We'll also make sure our rural communities find out what a reliable internet service can do to help:

- combat rural isolation by helping people stay in touch
- support more people to work effectively from home
- support older people to live independently for longer
- improve life chances of young people via skills and employment opportunities.

The Go ON North Yorkshire campaign will only succeed if we develop effective national and local partnerships to ensure that the demand for broadband continues to gain momentum.

To help us do that we need you to work with us. You can support Go ON North Yorkshire by developing your own Go ON campaign tailored to your business, organisation or charity.

Success so far

The County Council's Adult Learning and Skills service has already begun to build Go ON North Yorkshire into their programme of activity. They will be supporting the campaign to flourish and thrive by offering free bite-size Go ON courses in every district across the county.

These courses are designed to inspire people who have never gone online to enjoy the benefits the internet can bring them in their everyday life – from how to access job sites though to online shopping or researching your family tree.

Over 500 people will benefit from the Go ON courses between now and June 2012. The Adult Learning and Skills Service is also considering if people benefiting from these taster courses could be matched with a digital champion to provide them with further support and embed the skills they have developed through the course.

Getting involved with Go ON North Yorkshire will bring benefits all our local services – and we want to help colleagues who provide them local services to consider how they could build Go ON North Yorkshire into their core business activity.

Digital Champions needed!

Digital champions – local people who volunteer to help others to get online are a key ingredient to building effective local demand programmes. As well as asking for volunteers to work with family, friends and neighbours Go ON North Yorkshire will recruit a network of digital champions to drive demand, this network will include business digital champions to reach local small and medium enterprises. Resources from the digital champion website www.champions.go-on.co.uk will support local champions and communities and help them become established and active in their local areas.

You can become a digital champion with **Online messaging** – help someone you know discover the wonders of the web. Find out how and join the UK's growing network of digital champions at www.go-on.co.uk/champions.

Offline messaging - Not online? Ask someone you know to help, or pop along to a local, internet taster session. Freephone 0800 77 1234 to find one near you.

The national campaign

Go ON North Yorkshire is part of a national initiative led by the UK's Digital Champion Martha Lane Fox.



Martha said:

'I welcome the launch of Go ON North Yorkshire. Digital know-how is now a fundamental life-skill – arguably as vital as knowing how to read and write. I believe there is both a moral and social case for establishing local Go ON campaigns that support people and businesses to take advantage of all the web offers, by supporting them to build their digital skills. Go ON North Yorkshire demonstrates that with strong local leadership; the support of a broad range of partners and a network of local digital champions that our vision of fairer more networked communities can become a reality.'

Business benefits of broadband

Businesses on York Road Industrial Park in Malton are being offered advice from a specialist who can review and make specific recommendations on how technology, enabled by broadband, can help their business develop. The pilot project is funded by the York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) and delivered by Ryedale District Council. Each business on the estate will be able to access a grant to contribute to the implementation of the recommendations, such as the connection charge to the wireless broadband or new software designed for use with high speed broadband. Limited funding is available and will be on a first come basis.

Cllr Keith Knaggs, Leader of RDC and LEP Board Member. "Businesses on the York Road Estate have the opportunity to increase their profits and hence their ability to grow, re-invest, and create new jobs, through participation in the modern digital world. I hope as many as possible will seize the opportunity." For further information on the York Road Industrial Park project please contact Jos Holmes, Economy & Community Manager Tel: 01653 600666 ext 240. Email: jos.holmes@ryedale.gov.uk

Connecting North Yorkshire is working with the LEP to identify and support the benefits of broadband for businesses. The LEP is business inspired, business led and have a simple aim - to help businesses start up, grow and become more competitive. For more information contact Patrick Robertson Patrick.Robertson@BusinessInspiredGrowth.com.



department for
**culture, media
and sport**



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Development Fund

If you would like this information in another language or format such as Braille, large print or audio, please ask us.

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