

PLACE SCRUTINY COMMITTEE

BROADBAND TASK AND FINISH REVIEW GROUP

23rd February, 2012

PRESENT – Councillor Long (in the Chair); Councillors Carson, Cossins, Grundy, Harman, L. Hughes, Lawton, Lewis, E.A Richmond and Wright.

OFFICERS – John Anderson, Assistant Director, Policy and Regeneration; John Simpson, Principal Economic Programmes and Projects Officer, Sue White, Economic Regeneration Officer and Karen Graves, Democratic Officer.

ALSO IN ATTENDANCE – Councillor Newall, Chair of Health and Partnerships Scrutiny Committee and Rory Sherwood-Parkin, Tees Valley Unlimited.

APOLOGIES – Councillors Baldwin and Lewis.

Purpose of the Meeting – To identify the broadband needs of businesses and domestic users in order to inform the Economic Strategy Event scheduled for 8th March, 2012. The Group were advised that further meetings would be held to look at the issues raised in more detail and also to consider and investigate any solutions.

Points Discussed and Considered -

Rory Sherwood-Parkin of Tees Valley Unlimited gave a general overview of broadband in Darlington which was largely reliant on a copper-based network maintained by BT. Government has stated that the minimum broadband speed should be 2 megabits per second (mbps) and the Group were advised that BT were under an obligation to open their network to other providers such as AOL and Talk Talk and were currently in the process of laying more fibres to increase their network. BT Openreach currently provided 100mbps and Virgin Media 50mbps with 24mbps being considered superfast. A Tees Valley Unlimited publication entitled 'Broadband in Tees Valley Availability and Implications – Feb 2012' was circulated to the Group and the following issues were discussed :-

- Government had recently announced its aim for 100 per cent of UK premises to have access to a minimum level of broadband for 90 per cent of the population to access superfast broadband, private providers will fund two thirds of the UK with Government funding of £530m being available until 2015 for the final third. Broadband Delivery UK (BDUK) a team within Department for Culture, Media and Sport was set up to deliver the Government's broadband strategy, bringing superfast broadband to all parts of the UK, its main role was to allocate and distribute £530m of funding, to bring superfast broadband to the third of UK homes and businesses which won't be provided for by the broadband market and would otherwise miss out. County Councils, unitary authorities and Local Enterprise Partnerships can apply for a share of the money by developing a local broadband plan setting out how everyone in the area will be provided with superfast broadband access. Once the local plan is sufficiently developed, BDUK will allocate the funding and the work will be put out to tender to bidding suppliers.
- Within the Tees Valley average speeds of broadband at 8.3mbps was above the national average of 7.6mbps and also higher compared to Leeds or Manchester although in Darlington 14.5 per cent of the population are unable to achieve the minimum of 2mbps

and take up of broadband being 62 per cent.

- The Group were advised that Virgin Media provided 83 per cent of properties through the residential market although 58 per cent of businesses had no broadband access. It was stated that BT's exchange had not been upgraded and needed to be commercially viable before this would be considered, the further away you were from the exchange, the slower the speed.
- Some parts of the Town had been broadband access than others and unfortunately BT covered the business areas and was in need of being upgraded.
- Virgin Media covered a vast amount of residential Darlington as the cabling was originally installed to provide cable and not businesses therefore broadband goes to residential hubs and not business premises.
- Information supplied indicated that slow speed broadband areas also had lower business start-up rates and details of best zones for broadband connection within the Tees Valley were highlighted showing Duke Street, Darlington as one of the best zones although it was close to the BT Exchange.
- Darlington had recently received £110k funding from Central Government to address the situation with rural areas receiving most of the allocation, Tees Valley had received the third lowest funding allocation in the UK. Expressions of interest had been submitted prior to Christmas with final submission required in March therefore priorities needed to be identified.
- There was also scope for Darlington to combine with either Durham County Council or North Yorkshire County Council in order to submit a joint bid to attract business to the North East.
- BDUK's allocation of money will not help Darlington to achieve the 90 per cent coverage target, rural areas will get the majority of the funding and there was a need to ascertain if there was a need in rural areas. BT's cabinets need to be upgraded and value for money was a priority, therefore Central Park had been identified as a priority area. Businesses wanted affordable, accessible, fast broadband which was not easy in Darlington.
- BDUK funding was primarily for rural areas, Government wants 100 per cent basic broadband by 2015 and 90 per cent superfast by 2015, Darlington will not hit that target, older industrial areas do to have superfast access. Providers were committed to provide superfast to rural areas and held a local event to ascertain need, there could be 20 houses in the same area where there were two businesses therefore less take up.
- The Group were keen to ensure that people were not socially excluded as many job opportunities were now advertised on line, the residential strand could not be put to one side although businesses need the opportunities to prosper.
- The Chair stated that Telehealth and Telecare would be beneficial to rural residents although it was stressed that that superfast would not be needed.

- A member suggested that the mobile usage could be investigated as mobile phones, iPads and other Tablets were cheaper than computers. It was confirmed that the Government funding was purely to find a solution the problem was that the model we are currently working with was fixed.
- It was suggested that as the mobile companies have money set aside for 4G technology could it be suggested that infrastructure be installed and that Darlington be used as an example of the technology in order to encourage business to the area, however Members were advised that currently there was no plan or strategy for Darlington as the issues needed to be identified, BDUK funding was to find a solution although Darlington were constrained due to the cost model in place.
- The Group were advised that it was necessary to understand the business model in order to drive the economy and as the Government has a priority to provide superfast broadband to Enterprise Zones, TVU identified a cluster of businesses based around digital and felt there was an opportunity to get an Enterprise Zone in Darlington and use this as a tactic to get broadband. Although the problems became clearer the solutions did not.
- A map showing current broadband provision was circulated at the meeting which demonstrated the lack of choice for Darlington, Virgin media concentrated on residential properties and BT required upgrading, businesses paid for the superfast broadband as they need it although some paid for BT's copper based system and tolerated slower speeds. Opportunities were available in some parts of Darlington to access superfast broadband although Darlington was in the least advantaged position within the Tees Valley.
- BT and Virgin Media had been consulted to ascertain their future plans and cost models and the companies were only prepared to go where there was the biggest demand. The Group were advised that the model was flawed and that suppliers would be asked to provide a solution to all the problems encountered, although it was highlighted that many services were accessed via hand held tablets and 4G was considered vastly superior.
- It was suggested that businesses be approached and Members consult people within their Wards to ascertain precise needs.
- The Group were of the opinion that the future was wireless and not wired, people want access on the move, on trains, etc and that Darlington's future needed to maximise wireless and not cables in the ground. There was a need to look at solutions around Central Park and integrate business and households. Telecare and Telemedicine were important and it was expected that companies who provide the service would look at this in more detail.
- TVU had provided a questionnaire for Members to complete however it was suggested that there was a lot of knowledge and experience within the Group and that the questionnaire could be tweaked to feed into the broader Digital Strategy.
- References were made to the Economic Strategy Event held on 8th March and the information gained from all the work undertaken by this Review Group, the Digital Enquiry Group, Tees Valley Unlimited and Key Stakeholders being used as a tool to ask the correct questions and also to understand what Darlington can do to drive this forward.

It was stressed that there was a need to be aware of the demand-side of the equation, the problems that needed solving, ensure that the necessary infrastructure was in place to support start-up and bigger businesses and that social inclusion was also a consideration.

- Members were advised that Darlington was losing business to other areas as technology was falling behind, there was a real need to consolidate what Darlington had and make it attractive to inward investors.

IT WAS AGREED – (a) That it was important for Darlington to have a longer-term fit-for-purpose strategy.

(b) That all Members of this Review Group be encouraged to attend the Economic Strategy Event scheduled for 8th March, 2012.

(c) That the notes of this meeting be forwarded to the Health and Partnerships Scrutiny Committee.