

HAMPSHIRE COUNTY COUNCIL**Executive Decision Record**

Decision Maker:	Hampshire Economic Board
Date:	21 September 2010
Title:	Broadband Strategy Progress Report
Reference:	2033
Report From:	Director of Economic Development

Contact name: Frances Stokes/Glenn Peacey

Tel: 01962 845767

Email: Frances.stokes@hants.gov.uk

1. The decision: (PROPOSED)

- a) That discussions with BT/Openreach and Virgin Media regarding the extension of their existing plans for Next Generation Access broadband across the county by helping with demand stimulation and demand registration schemes be continued.
- b) That officers also continue to explore models to encourage private sector investment with local government support, including demand stimulation and registration programmes aggregation of funding streams (local parish and district councils) and stimulating private sector investors.
- c) That, in light of the forthcoming reductions in public sector spending and the results of the first stage feasibility, officers concentrate on exploring a more detailed business model to provide next generation broadband to those rural communities where this is feasible on a substantially self financing basis, and which have been identified as being within the 'Final Third' (see Appendix 3).
- d) That the next phase of the work on this model include evaluation of a number of alternative scenarios relating to deployment, product set, go-to-market strategy and funding approaches and allows sensitivity analysis to be performed in respect of the key risks identified.

2. Reason for the decision:

- 2.1. In order for the Board to direct future action to address the issue of poor broadband service delivery in parts of Hampshire.

3. Other options considered:

- 3.1. No action. Await market developments to deliver improved broadband services in the area described. This would be a high risk in terms of the future economic prospects of parts of Hampshire and likely slow the rate of potential transfer of public services to online delivery. This risk could be mitigated by lobbying government to reduce market barriers which deter commercial companies from investing in infrastructure and service provision.
- 3.2. Work with existing infrastructure providers to encourage investment in these areas, via demand stimulation/registration programmes and possible public subsidy or underwriting of risk. Discussions are ongoing with BT/Openreach regarding this option. This option would extend coverage beyond the current commercial offer where the demand is greatest and risk least. It might subsequently extend to adjoining areas. Progress would be dependent on BT commercial opportunities across the country and their interest in Hampshire. Best value for Hampshire's communities may not be secured through this model. However the level of grant or underwriting of income required would be known, and infrastructure delivery would be undertaken entirely by BT. Services available to communities would depend on the offer of internet service providers, which would be significantly affected by BT's offer.
- 3.3. Seek to deliver a solution to all parts of Hampshire, regardless of demand prospects or cost profiles. In the context of substantially reducing public finances, whilst universal coverage is desirable, this approach would require significant public subsidy. Developing a commercially viable model first does not preclude coming back to the harder to service areas at a subsequent phase when market opportunities may have changed. Officers can continue to develop our understanding of the economics of delivery in these locations so that community interest groups can pursue them earlier if they wish, but without adding unduly to the Council's financial risks.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker: none.
- 4.2. Conflicts of interest declared by other Executive Members consulted: none.

5. Dispensation granted by the Standards Committee: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:	Date:
-----	21 September 2010
Chairman of the Hampshire Economic Board Councillor T K Thornber CBE	