

Subject:	Super Connected Cities Programme: Extension of Broadband Voucher Scheme		
Date of Meeting:	13 February 2015		
Report of:	Chair, Greater Brighton Officer Programme Board		
Contact Officer:	Name:	Nick Hibberd	Tel: 29-3756
	Email:	nick.hibberd@brighton-hove.gov.uk	
LA(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 This report outlines the proposal to continue the delivery of the Broadband Voucher Scheme into 2015/16 and to extend the boundary of the Scheme to incorporate the urban areas and business clusters of the Greater Brighton City Region.
- 1.2 Any proposal to extend the boundary of the Broadband Voucher Scheme will be subject to the agreement of Broadband Delivery UK (BDUK).

2. RECOMMENDATIONS:

- 2.1 That the Greater Brighton Economic Board:
 - (1) Agrees to the extension of the Broadband Voucher Scheme, to include the urban areas and business clusters of the Greater Brighton City Region, as outlined in Section 3.9 of this report, and;
 - (2) Supports Brighton & Hove City Council (BHCC) in seeking agreement from BDUK to extend the boundary of the Scheme, as part of the wider Greater Brighton Investment Programme, which aims to deliver a vibrant City Region economy.

3. CONTEXT/ BACKGROUND INFORMATION:

- 3.1 The Broadband Voucher Scheme was launched in 2014 and provides up to £3,000 (excluding VAT) to help small businesses, charities and voluntary organisations within Brighton & Hove to get faster broadband connections. A landlord or tenant sharing a commercial building can also pool vouchers together to pay for a new shared connection with a very high bandwidth. The Scheme uses Super Connected Cities funding from the Department for Culture Media and Sport (DCMS).
- 3.2 The Scheme aims to help local businesses to have, and to benefit from, a stronger digital/online presence. An improved internet connection can support a local business in the following ways:

- Improve business efficiency, enable efficient communication and help staff work more flexibly, saving time and money;
 - Save on the need for servers, by enabling the business to use cloud storage;
 - Increase reliability and ensure confidence in communications with suppliers and customers;
 - Improve capability to work in partnership and compete for larger projects and contracts, and;
 - Grow the business in new directions and be more competitive in local and international markets.
- 3.3 The voucher does not cover ongoing line rental or VAT on connection costs and the new connection must be in place for a minimum of six months.
- 3.4 The Scheme currently operates in 22 cities across the UK. In December 2014, all cities were invited to extend their current schemes beyond 31 March 2015 into the 2015/16 financial year and access a challenge fund of £40m.
- 3.5 In addition, cities may extend the geographical coverage of their existing scheme to address further areas of SME clusters and business parks within their local regions, including working in partnership with neighbouring cities and local authorities. This expansion may take place before April 2016, provided consents are in place with the relevant authorities and that sufficient funds are remaining within cities existing "up to" grant allocations. Cities should consult the list of cities invited to participate in the scheme and where possible work in partnership. BDUK's desire is to have as few processing centres as possible.
- 3.6 Where an existing city extends its footprint into a new urban area and administers vouchers on the new city's behalf, the funding will come from the SCCP cities' existing "up to" grant allocation, not from the new £40m. If a new city prefers to administer its own scheme outside an existing city scheme, then its claims will need to be to the £40m challenge fund.

Proposed Extension of Geographical Coverage of the Scheme

- 3.7 Following discussions at the Greater Brighton Officer Programme Board, it is proposed that the Broadband Voucher Scheme is extended to cover the urban areas and business clusters of the Greater Brighton City Region. This would align the Voucher Scheme to the functional economic area and enable the scheme to be allied to the Greater Brighton Business Support Programme and the Greater Brighton Investment Programme, as part of a seamless offer of business finance and support to deliver a vibrant City Region economy.
- 3.8 It is proposed that the Broadband Voucher Scheme is extended to cover the following areas:
- **Burgess Hill town centre** (and major business park) - covered by the post code RH15 and there are approximately 600 SME's in this post code. *Source Mid Sussex District Council;
 - **Lewes town centre and Newhaven town centre** - covered by postcodes BN7, BN8, BN9 and BN10 and the total number of SME's in Lewes District is 4163. *Source Lewes District Council;

- **Adur and Worthing** - covered by postcodes BN11, BN12, BN13, BN14, BN15, BN41, BN42, BN43 and BN99 and the total number of SME's in Adur and Worthing amount to 6475. *Source Nomis 2014.
- 3.9 The Greater Brighton City Region covers the city of Brighton and Hove and the districts and boroughs of Lewes, Adur, Worthing and Mid Sussex. It features a number of different and important areas, from the urban centres of Brighton and Hove, Worthing, Shoreham and Newhaven along the South Coast, to the South Downs National Park and the market towns of Lewes and Mid Sussex. The area is home to 677,000 people, 92% of whom live in urban areas, and it provides 283,000 jobs. The Greater Brighton economy is caught between a traditional coastal economy and a modern, high-tech economy. While it has some high-value industries – particularly its tech sector, creative industries, pharmaceuticals and insurance – more than half of all jobs in the area are in tourism, retail and public sector industries, well above the national average.
 - 3.10 In March 2014, the Economic Board agreed a City Deal with Government. The aim of this City Deal is to promote the growth of Greater Brighton's high-value industries, starting with its burgeoning creative-tech cluster, and reduce its reliance on lower value industries.
 - 3.11 By extending the Broadband Voucher Scheme to cover the urban areas of the City Region it would be aligned with other business finance and support programmes that operate at this level, as part of a seamless offer for Greater Brighton businesses.

Consultation with Greater Brighton Partners

- 3.12 Each Local Authority that is included in the proposed boundary extension has been consulted and has indicated their agreement to actively participate in the extended Broadband Voucher Scheme. The proposed extension of the Scheme was discussed at the December 2014 meeting of the Officer Board and agreement was given in principle, subject to Economic Board approval.
- 3.13 Whilst the Scheme will be administered by BHCC on behalf of the Greater Brighton City Region, each participating Local Authority has agreed to provide a named Officer to support the co-ordination, delivery, monitoring and marketing of the scheme.

4. CONCLUSION:

- 4.1 It is proposed that the Broadband Voucher Scheme be extended into 2015/16 and that its geographical coverage be widened to include the urban areas and business clusters of the Greater Brighton City Region. This will allow more of the City Region's businesses to take advantage of the Scheme's benefits, as outlined in Section 3.2 of this report.
- 4.2 BHCC will submit a formal request to BDUK for the boundary of the Scheme to be extended. Implementation is dependent on the approval of the Economic Board.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 In 2014 the Department of Culture, Media and Sport through BDUK approved the funding to support the Super Connected Cities Programme and in particular the Broadband Voucher Scheme. This report details the proposed expansion of the voucher system to cover urban areas within the Greater Brighton City Region. The grant funding will be incorporated into Brighton & Hove City Council's 2015/16 Capital Investment Programme and will be administered under the City Council's Financial Regulations and Standing Orders. Any unused balance at the end of the financial year may be retained by BDUK.

*Finance Officer Consulted: Rob Allen, Principal Accountant, BHCC
Date: 30.01.2015*

Legal Implications:

- 5.2 This report relates to a continuation and extension of an existing scheme that has been operating on the basis of a grant from DCMS which is being administered by BDUK. There are no state aid risks because the value of the vouchers issued is de minimis and local authorities do the administration to issue the vouchers in house. The general competence power in the Localism Act allows the city council to issue vouchers for areas outside of the City, and reliance can also be placed on the council's powers relating to economic regeneration.

*Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC
Date: 29.01.15*

Equalities Implications:

- 5.3 None.

Sustainability Implications:

- 5.4 None.

Any Other Significant Implications:

- 5.5 None.

SUPPORTING DOCUMENTATION

Appendices:

None

Background Documents

None

