department for
culture, media
and sport

BDUK Broadband Delivery Project

Lancashire Local Broadband Plan

Vision:

The widespread take-up and use of superfast broadband by all, to enable social and economic prosperity

Applicant Information

Project name:

Lancashire Superfast Broadband

Lead organisation

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If the bid is a joint proposal, please enter the names of all participating bodies and specify the coordinating authority:

- Lancashire County Council (coordinating authority)
- Blackpool Council
- Blackburn with Darwen Council

Start date of project:

30th January 2012

End date of project:

30th July 2014 to 30th January 2015

Contents

Foreword

For Lancashire, superfast broadband represents a truly unique opportunity to rebalance the inequalities evident within Lancashire's socio-economic make up. Superfast broadband is one of the key building blocks in the recovery and growth of our economy.

Lancashire wants to be at the forefront of achieving Britain's Superfast Broadband Future vision of having 'the best superfast broadband network in Europe by 2015'. We believe Lancashire, is in a prime position to be a significant contributor towards achieving this vision through the wide spread take up and use of superfast broadband across Lancashire.

Importantly, this Local Broadband Plan gives us the opportunity to prevent a "digital divide" emerging in Lancashire. Our rural and hard to reach areas will not be left behind. Were you choose to live and work in Lancashire should not be determined by the quality of the available broadband.

Wave 2 BDUK funding in the region of £13 million (based on £60 per premises) will enable more than 200,000 premises to be provided with superfast broadband. In addition, the aggregation of this funding with other potential public sector funding and private sector investment will result in ubiquitous superfast broadband for the whole of Lancashire with the associated wider economic and social benefits.

Use will be the key word for measuring success in Lancashire. The provision of an ubiquitous high speed broadband network will be the catalyst to enabling our citizens, businesses and public sector partners to adopt new ways of working and new ways of thinking. This will be underpinned by innovative applications, content and services supported by fully developed and funded strategy continually driving demand stimulation.

Economic development, social inclusion, the rebalancing of health inequalities, the reduction of detrimental climate change factors, and the progression of shared services across the public sector and the protection of front line services are all prizes that will be secured through the efficient and effective use of superfast broadband in Lancashire.

Working in partnership, our three Councils will ensure ubiquity in infrastructure roll out and the removal of informational asymmetries, and other market failures, that are preventing the high levels of take we wish to see for all Lancashire residents. The production of this Local Broadband Plan is a first and significant step in the right direction that will see the first new customers in the final quarter of this financial year.

As the Chief Executives of Blackburn with Darwen Council, Blackpool Council and Lancashire County Council, we are personally committed to ensuring that Lancashire secures the best possible superfast broadband network it can, and that this network is exploited to the fullest to benefit the people of Lancashire.

Phil Halsall
Chief Executive – Lancashire County Council

Steve Weaver
Chief Executive Blackpool Council

Graham Burgess
Chief Executive Blackburn with Darwen Borough Council

SECTION A – PROJECT OVERVIEW

A1.1 Introduction

Lancashire has a population of almost 1.5million people, of which over 850,000 are of working age. Within Lancashire there are 45,730 PAYE / VAT-registered businesses and just short of 600,000 employee jobs. Over 80% of local residents live and work in Lancashire. They need to be supported by quality superfast broadband services in their businesses and homes, particular as we believe that there will be a significant increase in the UK of people choosing to work from home.

The economy is worth over £23.4bn[1] meaning that Lancashire is the second largest economy in the North West and a vital contributor to the success of UK PLC. However, since the mid-1990s, whilst the Lancashire economy has grown consistently it has done so at a slower rate than both the national and regional economy.[2] The main reasons for this has been the lack of a high-value knowledge economy, by comparison to other areas such as Manchester and Leeds, as well as entrenched and deepening deprivation, in particular in Blackpool and parts of urban east Lancashire.

Sectorally Lancashire's strong track record and legacy is seen today through its international prominence in the aerospace and defence industries. However this prowess can also be seen in other forms of economic development including advanced manufacturing, low carbon technologies, digital & creative industries, business and professional services and bio-medical functions.

Lancashire has a nationally significant role to play in energy generation through the nuclear industry and has great potential in renewable technologies; in both nuclear and renewables the county's universities[3] have great strengths and Lancaster University is held up as a telecommunications centre of excellence through its world renowned Infolab21 institute.

The challenge for Lancashire is to maximise these strengths and opportunities to get the most from them and a key enabler to achieving this will be through the widespread take up and use of superfast broadband.

A1.2 Vision

In keeping with the *NW NGA Strategic Framework*[4], the overall vision for superfast broadband in Lancashire is '*The widespread take-up and use of superfast broadband by all, to enable social and economic prosperity'.*

Achievement of this vision will lead to the numerous economic and transformational benefits that are associated with superfast broadband. This will put Lancashire in the strongest possible position to exploit the full benefits that superfast broadband brings.

Our vision is supported by the following four strategic objectives:

1. Universal availability of superfast broadband;
2. Range of competitive suppliers;
3. Networks that can sustain world-class applications; and
4. Promotion of innovative services and applications.

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[1] Data for 2008 (Lancashire Profile www.lancashire.gov.uk)
[2] In 1995 the Lancashire economy was worth 89% of the UK, in 2008 this was 79%.
[3] The University of Central Lancashire and Lancaster University
[4] http://www.nwda.co.uk/docs/Making%20NGA%20a%20reality%20in%20the%20North%20West%20-%20Final%20Strategic%20Frameworkfeb2011.doc

Our vision and its interdependency with the above four strategic objectives is highlighted in diagram one below.

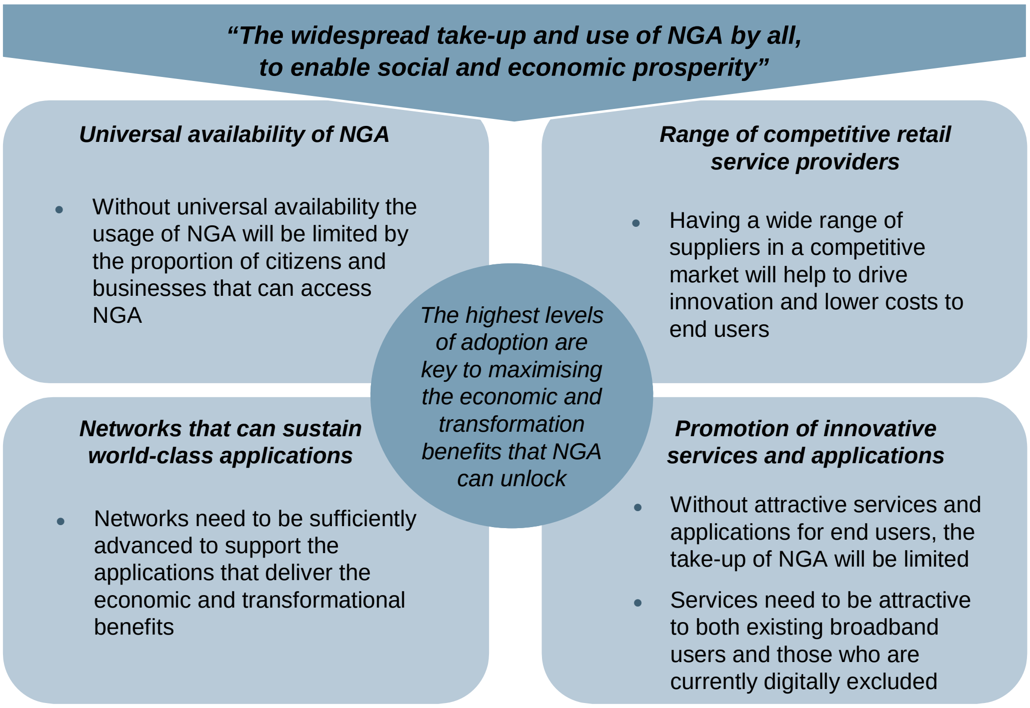

Diagram one

A1.3 Economic development

Lancashire's recent prosperity has been founded on the growth of Advanced Manufacturing and the presence of world class companies in the region, including Aircelle, BAE Systems, Rolls Royce, Springfield Fuels and Toshiba-Westinghouse, which together represent the single largest concentration of manufacturing in England. This reinforces a legacy built initially around Aerospace and Defence, with flagship sites for BAE at Samlesbury and Warton, and for Rolls Royce in Barnoldswick.

Lancashire currently accounts for 20% of total UK production and employment within Aerospace and supports a complex and high value supply chain across the UK.

Lancashire retains strengths in traditional areas of Manufacturing such as Food and Drink, Automotive and Paint, and is beginning to diversify in new areas such as Advanced Engineering, Optical and Medical.

Major growth opportunities present themselves for Lancashire in the nuclear industry and the County has one of the fastest growing Renewables & Environmental technologies sectors in the country. Together they offer great potential for Lancashire to secure a national centre of Energy & Renewables and to cement its position at the heart of global manufacturing.

The Renewables & Environmental technologies sector is already worth over £2bn and supports over 10,000 jobs. The potential of the Lancaster Science Park, a strategic development that will harness the University of Lancaster's international reputation in environmental and digital sciences to attract global investors and accelerate the growth of a dynamic low carbon sector, will be a significant asset for Lancashire in leading this sector in the future.

Lancashire also has a nationally significant role in Nuclear. As well as Heysham's power-stations[5], Lancashire is home to the UK headquarters of Toshiba-Westinghouse who process and manufacture nuclear fuels at their Springfield site near Preston and are likely to play a prominent role in the design and construction of new reactors in the UK and worldwide.

As a result of all this activity, very few places in the UK can claim to have the same scale and concentration of quality manufacturing as Lancashire does. Securing and capitalising on this growth potential is underpinned by the ubiquitous deployment of superfast broadband, deep into the foot print of Lancashire's economy to support both the sector itself and the diverse supply chain it supports.

Moving away from manufacturing / defence, there are significant opportunities for Lancashire in other sectors including Digital, Creative, and Financial & Professional Services.

Tourism in particular provides a natural opportunity.60-million visitors each year come to Lancashire. Blackpool has a unique strength and national profile, and whilst remaining one of the most visited places in the UK has ambitious plans to improve its offer for families as a visitor / holiday destination; the broader assets along the Fylde Coast including the Royal Lytham golf course (hosting the Open 2012) enhance this further. Our visitors are increasingly expecting access to superfast broadband services as a basic utility, whether that is to connect to online networks to access a range of entertainment, social and educational content or to access work related opportunities from a remote location.

A1.4 Skills

Lancashire has one of the largest concentrations of universities in the north of England with four universities (Lancaster, UCLAN, Edge Hill and Cumbria) educating over 70,000 students each year. They are complemented by the work of 9 Further Education colleges, all of which are rated as excellent, while local schools continue to out-perform national benchmarks.

Skill levels within Lancashire vary markedly from place to place however. Overall levels are comparable with national benchmarks although in the more affluent districts (such as Fylde and Ribble Valley) figures are as high as any others nationally; by contrast in the deprived urban districts (such as Blackpool and Burnley) statistics are amongst the worst nationally.

Level @ 2009[6]	Lancashire	England
Level 2	65.2	65.0
Level 3	47.3	48.9
Level 4	26.3	29.6

Nearly 13.9% of the working age population in Lancashire have no qualifications. Where skill levels are low it is often part of a more complex set of barriers linked to low aspiration, poor health, limited connectivity and poor quality housing.

[5] Heysham power stations are scheduled for decommissioning in 2014 and 2023. A third power station could be built as part of Government plans for new nuclear power stations.
[6] From Annual Population Survey 2009.

There is similar high contrast within an overall employment rate for Lancashire that is consistently better than the regional but worse than national averages. Between 2008 and 2009 the number of employee jobs in Lancashire fell by 1.7% to just less than 600,000. Ubiquitous superfast broadband is a key enabler to increasing the skill set and employment opportunities of the residents of Lancashire.

A1.5 Lancashire Economic Strategy

Lancashire County Council's Economic Strategy[7] which was approved in May 2010 is structured around five strategic priorities which are critical to Lancashire's economic success:-

- Economic Growth, Knowledge and Innovation;
- Spatial;
- Skill and Employment;
- Infrastructure; and
- Partnership Development.

The ambition is to deliver the following key outcomes over the next 10 years:

- New economic activity (GVA) valued at £3 billion, underpinned by private investment plans worth around £4 billion;
- The creation of nearly 40,000 new jobs, with more than 15,000 new jobs in higher-value sectors;
- A rate of GVA per head that matches or out-performs the national average;
- Employment gaps in our communities in greatest need reduces to the national average; and
- Improvements in the quality of our collective strategic leadership that enable Lancashire, as a whole, to become recognised as a destination of choice for businesses, investors, visitors, students and residents alike.

Underpinning and enabling Lancashire's long term strategic direction is superfast broadband. Without the accelerated deployment of superfast broadband, Lancashire will be unable to meet these outcomes; the Lancashire economy will be far less competitive than the economies of our regional neighbours. We will get left behind.

Improved connectivity will benefit a number of industries – especially those that are information intensive – by improving links between businesses in Lancashire, and links from Lancashire to companies around the world. This will increase productivity, stimulate activity in rural areas, and attract inward investment from UK-based and international companies.

Lancashire businesses will benefit from improved supply chain linkages, improved R&D collaboration with other firms and institutions and reduced costs of using productivity boosting ICT applications such as video conferencing and cloud computing. Superfast broadband will enable public and private sector organisations to explore new business models and adopt new ways of working by enabling flexibility in aspects such as home working.

The benefits of superfast broadband will be felt particularly strongly across information-intensive sectors prioritised in *Future North West: Our Shared Priorities*, such as Digital and Creative Industries, Advanced Engineering and Manufacturing, Biochemicals and Business and Professional Services, which regularly transfer large media files and require high levels of network resilience and security. This will be of

[7] http://www3.lancashire.gov.uk/council/meetings/displayFile.asp?FTYPE=A&FILEID=41399

particular significance to Lancashire's desire to attract increased levels of overseas investment.

Beyond the business benefits, improved Internet access will provide Lancashire's citizens with a host of new services and applications that would assist in raising the overall quality of life.

A1.6 Lancashire's Corporate Strategy

Our Corporate Strategy 2011/13[8] sets out the key priorities over the next two years which are driven by the following simple but fundamental philosophy

"Lancashire County Council exists for one purpose and one purpose only – to serve the people of Lancashire".

This Corporate Strategy contains the following four high level priorities relating to Citizens, Communities, County and Organisation:

- Support **Citizens** to prosper economically and socially;
- Strengthen the role of **Communities** and enhance the opportunities presented to Lancashire through big society initiatives;
- Promote the attractiveness of, and economic growth across the **County**; and
- Empower people and partners with our **Organisation** to support the people of Lancashire.

Superfast broadband will fundamentally assist in achieving these priorities. For Lancashire, superfast broadband is not "the latest fad". The promotion of the widespread take up and use of superfast broadband by all in Lancashire is one of the most significant things we can do to serve the people of Lancashire.

Lancashire County Council's Cabinet has approved the vision for superfast broadband across Lancashire. Lancashire County Council is acting as lead authority. Blackburn with Darwen Council and Blackpool Council have agreed to participate to ensure a coordinated pan Lancashire approach.

A1.7 Existing broadband initiatives

Previous investment in ADSL broadband in Lancashire was driven in the main through a £4m investment by the Northwest Regional Development Agency from 2005 – 2008 into the establishment of the Lancashire Digital Development Agency. This three year investment allowed for the enabling of all exchanges in Lancashire and saw awareness raising initiatives drive ADSL take up rates.

There has been significant public sector investment, principally through the Harnessing Technology Grant, in developing and operating a broadband network serving schools in Cumbria and Lancashire. Cumbria and Lancashire Education Online (CLEO) is one of ten English Regional Broadband consortia and is made up of Cumbria County Council and Lancashire County Council.

CLEO provides high quality broadband connections to all primary and secondary schools across Cumbria and Lancashire, delivering a wide range of curriculum based projects and services to support the use of broadband technology in the classroom. Lancashire County Council owns the CLEO network on behalf of itself and Cumbria County Council and currently operates and run this network. Lancashire County Council will ensure that the CLEO infrastructure is fully exploited in achieving the outcomes of this Local Broadband Plan. Cumbria and Lancashire schools are

[8] http://www.lancashire.gov.uk/corporate/web/?siteid=5743&pageid=32175

connected at bandwidth targets of 10Mbps uncontended for primary schools and 100Mbps uncontended for secondary schools. A number of rural and hard to reach communities have accessed CLEO to provide bandwidth to domestic and limited numbers of commercial users, building the case for further exploiting this asset in Cumbria and Lancashire.

In relation to community based interventions, in the past various cases for the provision of high speed broadband into deeply rural areas in Lancaster have been put forward; none of which to date have attracted the support of funders. With the full agreement and co operation of, the project sponsor, Lancaster City Council, the Lancaster rural communities project has been selected to be at the vanguard project for rural deployment in Lancashire.

A1.8 Transformation of public services

There are many definitions of service transformation, but two themes consistently reoccur within Lancashire during discussions with our customers about how to make fundamental improvements to the public services that we deliver.

Firstly, our customers tell us that public services in Lancashire are most effective when they are delivered together with other public sector bodies, in an integrated fashion across all aspects of the public sector.

Secondly, although our public services operate across Lancashire, most are ‘consumed’ locally – in particular locations and within particular communities, each with their own demography and geography, physical and social infrastructure and needs and preferences. The design of the services needs to reflect this.

The provision of superfast broadband is vital to deliver numerous transformations within the public sector as well as being essential in delivering future opportunities for the residents of Lancashire. Transformation of public services will target three key groups:

- The citizens of Lancashire
- The communities of Lancashire
- Lancashire as a county itself.

Delivery of ubiquitous superfast broadband will enable the transformation of public services by providing a low cost platform for public sector networks and connectivity available to all our citizens will support innovation in the delivery of these services.

Superfast broadband will enable changes in the way people work in terms of the flexibility they can have in a work location, in particular the growing trend across the UK for people to" work at home", not just for the occasional day but permanently to work at home. This trend has several potential benefits for any organisation. These include: easing recruitment problems especially for short hours or unsocial working hours; increased efficiencies and less travel time, more environmentally friendly and assisting in developing a more diverse workforce (e.g. older people, people with disabilities or working restrictions).

Businesses will be able to work differently and employees and customers will benefit from new operating models. The joining up of NHS and social care services will offer significant savings and the duplicate infrastructure could be removed to transform the way services are delivered to the citizens of Lancashire for example an integrated approach to Telehealth and Telecare. In relation to social care more online services will be available with increased frequency and accessibility. These service improvements and changes will extend to all age groups: from child, to working adults, to retired adults. For children and young people, we see the potential for children services and education to be offered as a logical extension to the classroom. High performance networks will offer live video and audio streaming of educational content and increased interaction.

The rollout of superfast broadband across Lancashire will have a positive impact on the environment and tourism. Increased connectivity will assist in the management of road networks, CCTV and traffic control through consolidated high performance infrastructure. Increasing efficiencies will be made through the provision of superfast broadband to rural areas of Lancashire that previously had no broadband. Public sector organisations will be able to deliver solutions that cater for all, with an assumption that network connectivity is available wherever you live in Lancashire. Today that is not the case and adds cost and complications to all solutions and services that are offered. These are just initial ideas on how superfast broadband will assist in the transformation of what we do and how we do it. We have many more creative ideas that include online libraries, local community help hubs, increased monitoring safety services and delivery of public broadcast services.

What is clear is that public services will continue to evolve and superfast broadband will ensure that we can continue to adapt, work more smartly and deliver the best services to Lancashire's residents and businesses.

A2 Background

At present, Lancashire's telecoms infrastructure can be broken down into two parts; the core network and the access network. The core network consists of a resilient optical fibre network architecture that provides secure, very high bandwidth connectivity. The access network however, is still largely constructed from copper cables whose inherent limitations are a barrier to the delivery of high bandwidth broadband services to end users. In Lancashire, the access network is seen as a bottleneck to the delivery of these services.

Current broadband provision in Lancashire through ADSL technologies provides near ubiquitous broadband coverage across the sub-region with more than 98% of Lancashire premises able to access some form of broadband connectivity.

The majority of the land in Lancashire is rural, with a large element of coastal facing land mass, magnifying the issues of users suffering from a degrading ADSL signal delivered over extended copper lines. **Diagram two** attached at Appendix 1 provides an analysis of the current ADSL broadband speeds available in Lancashire.

All white areas are in scope and this includes potential white areas within announced exchanges and areas where full coverage is not provided in urban areas.

Going forward, Lancashire faces a number of pronounced challenges, most pertinently of which relates to the availability of superfast broadband in Lancashire extending incrementally due to market forces, with fibre to the cabinet coverage increasing at national levels to around 66% by 2015 from private investment by companies such as Virgin Media and BT.
Diagram three[9] attached at Appendix 1 highlights the predicted levels of superfast broadband coverage in Lancashire, up to 2015, in a format prescribed by the European Commission[10].

[9] Please note: This map was produced in Summer 2010 and represents a snap shot of a point in time. This analysis will require updating prior to State aid submission.

A3.1 Local Broadband Context Evidence of Need / Gap Analysis

The geographically specific requirement for investment in superfast broadband in Lancashire is evidenced through a number of factors. We know that c.40% of premises across Lancashire will not have superfast broadband by 2015, the impact of which will be felt most acutely in Lancashire's rural and harder to reach communities. This means that a significant proportion of Lancashire residents and businesses that live and work in rural areas will be unable to exploit the transformational benefits of superfast broadband as current private sector investment stands.

We also know that the vast majority of private sector funded superfast broadband deployment is expected to be fibre to the cabinet, because deploying fibre to premises is generally recognised as being more expensive. This will lead to the requirements of information intensive sectors in Lancashire such as advanced manufacturing, digital, creative, business and professional services and inward investors not being met in the short or medium term.

In the absence of public sector intervention, the roll out of superfast broadband across the UK is largely determined by the telecommunications companies. Within their proposed national allocations, all UK regions are competing for investment in geographically specific areas and also to exploit first mover advantage resulting from early investment.

Due to the rural, coastal and sparsely populated aspects of Lancashire, significant parts of the County run the real risk of not receiving investment until 2015, if at all; losing out on the immediate competitive advantage to be gained from investing in, promoting and utilising a ubiquitous superfast broadband network.

As a working assumption, the below table provides a very high level snap shot of this scenario, how it will impact on the amount of funding this Local Broadband Plan is requesting from BDUK and what return on investment BDUK will see from this investment[11].

Total no. Lancashire premises	EC definition		BDUK funding rq'd	Other funding		Private sector leverage	Jobs created / safeguarded	Inward Investment attracted
	Black / Grey	White		ERDF	Other			
540,000	**324,000**	**216,000**	**£13m**	**£15m**	**3m**	**£31m**	**12,000**	**£25m**

A3.2 Rural Lancashire

The majority of land in Lancashire is classified as rural and includes two Areas of Outstanding Natural Beauty (Arnside and Silverdale; the Forest of Bowland). Many important Lancashire assets are located in rural locations, including aerospace at Samlesbury and nuclear at Springfields. Agriculture represents Lancashire's largest single land use, with in excess of 7500 farm-holdings employing over 12,000 people.

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[10] Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks
[11] Please note, these metrics represent a micro example of what will be achieved from the over Local Broadband Plan. Further socio-economic factors will be sought

This offer is diverse, from the intensive horticulture on the Lancashire plain to dairy and sheep farming on the lowlands and uplands. Approximately 15% of the Lancashire population live in what can be classed as rural locations.

According to the last census around 80,000 people live in rural villages and over 50,000 live in "dispersed" communities, including hamlets. The census also showed, when compared against the rest of Lancashire, a greater proportion of people aged 30-60 living in rural locations as distinct to people aged under 30; this would be expected given house prices and access to employment opportunities.

Diagram four attached at Appendix 1 highlights the large areas of rurality in Lancashire by splitting urban and non-urban (Town and Frings or Hamlet & isolated dwelling) areas of Lancashire. This map further articulates the requirement to utilise public money to pump prime the market into responding to the challenges of Lancashire.

A3.3 Digital Exclusion

Digital exclusion refers to the gap between those people with effective access to digital and information technology and those with very limited or no access at all. This includes the imbalance both in physical access to technology and the skills required to participate as a digital citizen.

If superfast broadband is not widely adopted, the overall benefits will be diluted. Lancashire currently has pronounced aspects of digital exclusion and it is pivotal to reverse this for the transformational benefits of superfast broadband to be fully felt.

1 in 7 communities in Lancashire are deeply digitally excluded. This is above the national average and reflects the fact that 1 in 5 communities in Lancashire are both deeply and broadly socially excluded and are ranked in the top 20% in the country based on an index of social exclusion measures.

Diagram 5 illustrates digital and social exclusion across Lancashire. Areas of digital exclusion are visible in the west, north west and east of Lancashire, with communities in wards such as Skerton West, Bare & Torrisholme in Lancaster, Cabus, Garstang, Preesall in Wyre, Park & Cleveley's Park in Blackpool & Littlemoor in Ribble Valley as the most digitally excluded.

There are a range of indicative factors which also reflect the rurality of the County: many of the areas highlighted are generally affected by broadband consistency & appear limited to only one broadband technology. Where DSL is the only option there are a growing number of people without fixed lines do not have access to broadband. Some communities such as those highlighted in parts of Blackpool & Wyre have a visibly higher % of 65+ living in the area. Lack of internet take-up by older people tends to be linked to motivation but it can also be affected by income levels. Where there is such limited take-up this can also limit (& make more expensive) the range of channels available to service providers to meet individual needs. There is also a strong correlation with areas of social housing. This project allows the opportunity to support Registered Social Landlords to aggregate demand for broadband services & negotiate bulk purchases with suppliers.

Diagram five[12] attached at Appendix 1 highlights the dense areas of digital exclusion evident in Lancashire.

[12] Prepared with data provided by BDUK - https://my.huddle.net/huddleworkspace/files.aspx?workspaceid=12617615

A3.4 Regional Assets

The core road and rail infrastructure is central to Lancashire's economic performance. This infrastructure in the medium term can open up new business and trading opportunities and, when linked to Lancashire's quality of life offer and other economic assets, strengthen the competitiveness of Lancashire as a whole.

Within Lancashire road use dominates Lancashire's travel patterns. This is in part due to a good network of motorways and roads that are largely free from inhibitive congestion. The recently announced Heysham – M6 link will ease congestion to the north of Lancaster and support better connectivity for Heysham and Morecambe. Fleetwood is difficult to access due to its location at the tip of the Wyre peninsula, and Colne also suffers from congestion being as it is at the end of the M65. Lancashire's manufacturing sector in particular relies on the road network for the transport of supplies and goods. As a result the broader transport network is also important, in particular the M6 south of Cheshire and the M62 across the Pennines.

Public transport currently constrains Lancashire's labour market. Rail only plays a minor role in catering for travel demand, whilst bus accessibility is poor beyond the boundaries of urban areas. However recent improvements to the West Coast Railway line have reduced travel times to London to around two hours from Preston. Electrification of the line between Blackpool (North) and Manchester through Preston by 2016 will bring significant benefit to rail travel in terms of speed, capacity, reliability and quality. In the longer-term High-Speed 2 provides the potential to reduce journey times to London (and on to Europe) even further. Improving rail access to Manchester from a number of different points in Lancashire is also important, in particular from places in east Lancashire where a number of solutions are required.

Port access to the Irish Sea is available at Heysham, with Liverpool Superport within easy reach of key centres. A range of European destinations can also be accessed from Blackpool Airport, with nearby Manchester and Liverpool Airports providing access to a wider range of international destinations.

Complimenting the strategic relevance of the transport infrastructure, Lancashire’s economic future is becoming increasingly reliant on access to, high speed connectivity and synchronous superfast broadband services as a basic requirement for economic development. A synchronous FTTP/FTTC will also have a major impact. **Diagram six** attached at Appendix 1 highlights the key regional assets available in Lancashire.

A4.1 Scope of Project

The reason we are doing this is to enable economic growth and social benefits from new technology, through the development of a future proof, fully sustainable superfast broadband network with access to end user applications and services to all Lancashire's communities. The reach and ultimate scope of this Local Broadband Plan is across all of Lancashire. At its most basic, this covers all white areas and over 200,000 premises.

Today Lancashire has 85,000 not spots below 2mb/s, 15,000 of these premises have little or no broadband (e.g. less than 500kb/s). We face significant technical challenges. There are an estimated 35,000 broadband lines that would not be suitable for standard superfast broadband (FTTC) as these are E/O lines and another 10,000 broadband lines that would be beyond FTTC reach in rural areas.

Whilst public sector investment in physical infrastructure will only take place in 'white areas', demand stimulation / registration activities will happen on a Lancashire wide basis.

A4.2 Project Objectives

The following objectives are key requirements for this Local Broadband Plan:

- Through an open, non-discriminatory and competitive process to select a private sector partner who will, in partnership with Lancashire County Council develop and deliver superfast broadband, and in doing so attract public and private sector investment to build a superfast broadband network;
- To secure public sector funding in order to provide gap funding required to attract and supplement private sector investment in areas that are currently perceived as commercially and technically challenging for the roll out of superfast broadband;
- A superfast broadband network which provides the optimum achievable end to end service levels that support current and future applications and services, resilience, quality of customer experience and affordability at the end user level;
- Deployment of a superfast broadband network that delivers optimum coverage for the available investment funding, aiming for 100% coverage in Lancashire, including rural, remote and sparsely populated areas;
- A superfast broadband network which is demonstrably sustainable and future proof in the long term without recourse to further public funding;
- A superfast broadband network open to all service and communications providers in order to ensure competition choice for end users;
- The completion of the superfast broadband network within 2.5 to 3 years from the commencement of deployment;
- A Lancashire wide programme of demand stimulation and business support, to include:
    - developing broadband and ICT skills and capabilities of the workforce in Lancashire;
    - addressing digital exclusion and promoting use of broadband and ICT in communities;
- A superfast broadband network that will support the delivery of innovative, future public sector services; and
- The superfast broadband deployment must take steps to reduce any impact on the environment and in doing so maximise the positive impact of ICT on the environment and use of sustainable energy.

A4.3 Technology options

We do not favour any technology or network platform. We expect industry to propose a range of technologies that are most suitable to achieve our overall objectives, including a cost effective solution to isolated rural areas with limited infrastructure capacity. Suitable technologies may include:

- Fibre optic technology, including fibre to the premises and fibre to the cabinet;
- Wireless and mobile broadband technologies;
- Satellite technologies;
- The requirement for community broadband hubs; and
- The potential use of the CLEO network.

The applications and services that will be enabled/supported by superfast broadband will include

Technical	Services
High Definition Conferencing & Collaboration	• Home-shoring of remote call centre agents, with full video both directions (for CRM applications, management and training of individuals).

	• Self Serve and assisted Business Support Service providing access and guidance on business matters i.e. Legal, ICT, Finance etc.
HDTV	• HDTV, IPTV • Community TV linked in with Public Services.
Software as a Service (SaaS)	• SME in a Box i.e. an integrated HR, Payroll, Finance, Procurement and CRM application delivered on a subscription basis. • ELearning platform delivered as a service with a Library of adult and children education material, especially video and learning by interactive gaming.
CCTV Managed Services	• Live feed into a central command centre(s) providing proactive monitoring and response services.
Business Continuity	• Remote and real-time back-up of local data and failover of business applications
On demand or Cloud Computing	• Thin client computing model charged using a monthly fee which reduces cost, opportunity for improving security, better performance, better control of access and energy efficiency. A core service including centrally managed file storage, internet access, emails and office automation products.
Remote eCare	• Telecare i.e. virtual wards and remote health monitoring. • High Definition video surgeries & health checks i.e. virtual bed check. • Secure uploads/storage of large files i.e. X-rays for remote diagnostics.
Remote ICT Managed Services	• Realtime monitoring and remote control of PC's and services.
Document Output Managed Services	• Upload to a central print service(s) large and specialist i.e. A0 colour documents for printing and dispatch.
Hosted VoIP+	• Higher QoS and number of lines supported than the current BT Hosted VoIP service.
Intelligent Building Management	• Remote monitoring and pro-active maintenance of buildings i.e. lights, heating, air conditioning etc.

A4.4 Coverage

The project will be designed to achieve the maximum possible superfast broadband coverage across all of Lancashire whilst at the same time delivering objectives within economic, funding and technology constraints.

We recognise the need to balance economic value and coverage requirements and the need to find the optimal point at which the best possible value is achieved. We are acutely aware of the complexities pertaining to the "speed versus coverage" debate. To ensure that Lancashire receives the maximum possible speed and coverage in a sustainable manner, we have purposely designed the following two key mechanisms into our approach.

Firstly, as part of our competitive dialogue with industry providers we will stress test various coverage / speed scenarios. As a minimum we will require potential partners to address all geotypes and demonstrate expected coverage and speeds in each, ensuring that we can leverage the maximum possible outcomes from industry prior to closing our competitive dialogue i.e. whilst we still have a competitive edge.

Secondly, as part of this process we will require bidders to disclose their financial cases and in doing so identify their required financial return and how this relates to take up rates. Having agreed this, surplus revenues from increased take up will be reinvested back into the network to allow it to continue to grow and develop as an enabling technology.

It is our view that these two simple but significant approaches will ameliorate any potential shortcomings in either speed or coverage that may occur.

A4.5 Remote and rural coverage

We will address all geotypes including the final 10% in order to achieve 100% coverage of Lancashire.

We realise that an innovative approach is required for remote, rural and sparsely populated areas. Together with potential partners we will work with these communities to meet the challenges in addressing the high cost (in comparison with urban areas) of reaching remote locations. This will include:

- Identifying a range of alternative technologies;
- Community access points or ‘hubs’ which facilitate community action to complete the final connection to the home or business;
- Self dig and fibre to the farm initiatives;
- Demand aggregation to improve the business case and attract further investment; and
- Demand stimulation and demand triggers to enable community action to drive take-up in order to attract further investment in coverage.

We have identified a number of specific rural communities in the Lancaster area as the vanguard rural communities' project for early rollout. As part of our competitive dialogue process, potential partners will be required to design a sustainable solution. This approach is fully supported by Lancaster City Council. Previously, this rural project has struggled to demonstrate viability and sustainability; however the potential to access BDUK funding provides a real opportunity to deliver this vanguard project.

A4.6 Partners

Lancashire County Council is the lead body with responsibility for this Local Broadband Plan and is fully supported by Blackpool Council and Blackburn with Darwen Council, who are the other two Lancashire Tier One Authorities. On the 13TH April 2011, the Department for Business Innovation and Skills approved the Local Enterprise Partnership for Lancashire. Over the next few weeks we will be establishing the Lancashire Local Enterprise Partnership as a new limited company. In advance of the meeting of the directors of the new company, the representatives of the private sector organisations on the Local Enterprise Partnership have confirmed their approval to this Local Broadband Plan.

A4.7 Project Phasing

The delivery of this Local Broadband Plan will be phased across five interdependent and complimentary workstreams of procurement, funding, state aid, implementation and usage.

- **Procurement**. As a priority, the County Council has begun the EU procurement process to select a private sector partner. The procurement process will be concluded in the autumn;

- **Funding**. In parallel to developing this Local Broadband Plan, the County Council has submitted a proposal to the North West Development Agency for ERDF funding. Following a recent meeting with the Chief Executive of the NWDA, weekly meetings are being arranged with the NWDA in order to progress Lancashire's ERDF bid. Private sector funding will be confirmed through the competitive dialogue process ;
- **State Aid**. Bringing these two pivotal workstreams together will be State aid approval; which we intend to have in place by November 2011. We will work with BDUK on utilising best practice and available guidance;
- **Implementation.** The Lancashire Project offers BDUK the opportunity for fast mobilisation and early benefits with the first live customers connecting as early as February/March 2012. The selection of a partner and contract sign is programmed to allow the project implementation to commence in November 2011. This will be immediately followed by a three month detailed design and planning phase resulting in early deployment in February /March 2012 and the first end users being connected to and using superfast broadband by end of March 2012. The implementation is between 2.5 years to 3 years build including contingency, with completion of the Lancashire project scheduled for 2014 and final drawdown of funding in early spring 2015. As highlighted earlier, we have already identified our first rural vanguard project which will be implemented early in the build programme providing an exemplar remote rural deployment and test bed for innovative solutions; and.
- **Usage.** Acting as a catalyst for the benefits that are to be accrued from investment in superfast broadband, the usage workstream relates to the role of the County Council and its associated partners (including the preferred partner) in encouraging individuals and organisations to adopt and exploit superfast broadband technologies. This workstream will begin immediately with registration activities and allocation of resourcing to this approach will escalate.

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SECTION B – CUSTOMER AND COMMUNITY ENGAGEMENT

B1.1 Demand stimulation

Marketing, promotion and end user support activities will be fundamental in order to achieve the objectives and outcomes of this Local Broadband Plan. This will be required on two levels: firstly, attracting service providers by communicating the benefits of the superfast broadband network to industry; and secondly, in marketing and demand stimulation measures to end users. High levels of take up will accelerate the benefits to Lancashire in achieving its objectives, particularly as this will unlock further investment in the form of surplus revenues. A joint programme of demand stimulation and business support will be a key feature of the partnership[13] we are looking to establish.

The ambition for the project is to accelerate take up of superfast broadband. We will define and agree targets with industry during the competitive dialogue. Our aspiration is to achieve 10% take within the first year growing to 50% take by the end of the third year following deployment.

Delivering superfast broadband infrastructure in itself offers no benefit without the applications and services to enable businesses and citizens to access and exploit the technology. Wholesale and retail services will be an essential requirement of the project. As part of our competitive dialogue, potential partners will be required to demonstrate how service providers will be attracted to use the infrastructure and what applications and services will be delivered. In addition to providing open access to the network, potential partners will be required to evidence their programme for recruiting service providers and to demonstrate how these service providers will be supported in terms of billing, provision, repair, change (house mover) and service processes.

Our demand stimulation programme will focus on awareness of the benefits, education and training for end users and business support activities. This will be a key feature over the life of our proposed 10 year partnership rather than coming to an end once the infrastructure has been deployed.

B1.2 Demand stimulation - funding

The financial structuring of the customer demand elements of our Local Broadband Plan are to be addressed through a range of funding mechanisms, some direct, others through the actions of wider programmes of support.

The anticipated cost overall of rolling out a pan-Lancashire superfast broadband solution will be in the magnitude of £62M.

This will be structured through the following funding mechanisms:

Broadband Delivery UK	£13m
ERDF	£15m
Other (inc LA & Rural Broadband Fund)	£3.m
Private sector match	£31.m
Total	£62.m

In percentage terms, it is anticipated that in the order of 3% of overall project expenditure will be directly apportioned to demand stimulation activities (£1.8m).

[13] LCC are in the process of procuring a private sector partner who will be invited to form a public / private sector partnership (PPP) to enact the Vision of Lancashire's broadband plan.

Demand stimulation will not be funded from any BDUK resources. It will be funded by the County Council and the partner.

The Local Broadband Plan is a cross cutting strategy that underpins the majority of themes in Lancashire and as such, the non-direct investment in demand stimulation activities will be of an order of magnitude far in excess of the 3% of overall project revenues.

An overarching strategic approach will be taken where-by all economic development functions delivered in Lancashire, all aspects of engagement with the County Council and its partners, all environmental initiatives that seek to reduce CO2 emissions and large parts of our education responsibilities, learning & skills offering and appropriate health / well being initiatives will be delivered with the notion of exploiting the economies of scale presented by superfast broadband.

B2. Demand registration

A Communications Strategy is currently being developed that will be adopted to better engender and aggregate demand from superfast broadband users in Lancashire. This will involve engaging with politicians at all levels. To increase demand and take up we intend to work with a range of external partners including the BBC and Race Online 2012 to deliver a series of workshops aimed at removing informational asymmetries, and other market failures, that prevent the wide spread adoption of superfast broadband in Lancashire

Supporting the production of the NW NGA Strategic Framework, the County Council held a stakeholder day in summer 2010 for approx 100 delegates to understand whether there was an appetite for pursuing superfast broadband in Lancashire. The response back from all respondents was loud and clear that high speed broadband is a priority for Lancashire; both for businesses and private consumers alongside other public bodies.

Building on this, a second stakeholder day was held earlier this year to begin stress testing different business models for delivering superfast broadband, to ascertain what success would look like and to understand the dynamics relating to speed vs coverage in relation to fiscal constraints.

Moving forward, a series of workshops are planned throughout 2011 to continue to deliver timely information to all stakeholders in a transparent and engaging manner.

The County Council intends to make full use of existing ‘white label’ aggregation tools that are available and discussions with BDUK indicate that these tools will be available imminently for use within the region.

An initial analysis of the gross disposable household income (GDHI) in Lancashire compared to the rest of the UK and the Northwest breaks down as follows:

- England: £15,090
- Northwest: £13,386
- Lancashire: £12,846

This data will form part of the measurements used to design appropriate demand stimulation / registration mechanisms.

B3.1 Stakeholders

All twelve tier two authorities and the two unitary authorities in Lancashire support the Lancashire Local Broadband Plan and have spoken with one voice on matters pertaining to superfast broadband. The list of supporting local authority partners and their corresponding geographical presence can be ascertained in the list below and through diagram four.

1. West Lancashire
2. Chorley
3. South Ribble
4. Fylde
5. Preston
6. Wyre
7. Lancaster
8. Ribble Valley
9. Pendle
10. Burnley
11. Rossendale
12. Hyndburn
13. Blackpool (Unitary)
14. Blackburn with Darwen (Unitary)

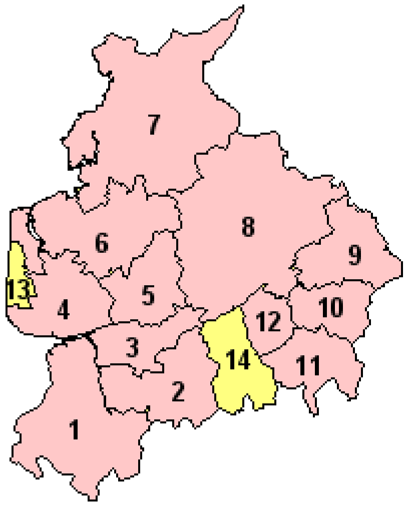


Diagram seven

Discussions are underway with wider public sector bodies including the NHS and emergency services in order to build a coalition of support across a wide range of stakeholders.

As outlined earlier, the County Council's overall approach to superfast broadband in Lancashire has been approved by its cabinet and endorsed by the private sector representatives who will participate in the Local Enterprise Partnership for Lancashire.

Living in Lancashire' comprises a panel of people who live and work in Lancashire and who have agreed to be approached on a regular basis to seek their views on a range of topics and themes. Panel members are voluntary participants and represent a cross section of Lancashire's population. Currently we have asked panel members for their opinions on broadband provision in Lancashire and to seek a view on speed, coverage, promotion and other measures.

B3.2 Coordination

Our objective is to reduce the cost and time to deploy superfast broadband, in order to make Lancashire attractive for public and private sector investment. This will be achieved by taking an innovative approach to planning and highways processes and developing existing communications channels to create a shared objective around efficient deployment of infrastructure. Highways and planning processes will be streamlined, for example by reducing notice periods and standardisation of approach, avoiding duplication and making data available quickly to inform decision making.

We will seek to identify measures in which planning, civil engineering works and other street works can be co-ordinated and planned to ensure minimum disruption and value for money.

SECTION C – FINANCIAL INFORMATION

C1. Funding requirements

This Local Broadband Plan represents a long term, programme based approach to the financing of a ubiquitous superfast broadband network. A blended funding pot will see funding drawn down from multiple sources, across a range of output based indicators to finance the Vision of this plan. In February 2011, the County Council's cabinet agreed a three year capital strategy which includes £9 million pounds investment in economic development initiatives over this three year period. Superfast broadband has been identified as one of the projects to be supported through this investment. Our current assumptions exclude the additional funding from the recycling of revenues into the project as a result of higher customer take up.

The costs of delivering this Local Broadband Plan are outlined below:

Total funding required (GBP)	*2011-2012*	*2012-2013*	*2013-2014*	*2014-2015*	*2015-2016*	*2016-2017*
£	millions	millions	millions	millions	millions	millions
Private sector (Telecom Company) investment	2	12	13	4		
Sub Total				31		
BDUK funding	1	6	6			
Other funding (Local Authority)	0.5	1.5	1			
Sub Total				16		
Other funding (European/ERDF)		5	5	5		
Sub Total				15		
TOTAL				**62**		
Number of postcodes covered by the funding **216,000**						
Number of premises (residential and non-residential) covered by the funding **Actual number of premises to be finalised as part of the mapping exercise**						

C2.1 Technical solutions

We are committed to ensuring the provision of a world-class, future-proof superfast broadband infrastructure across Lancashire. An analysis of existing global deployments of superfast indicates that the best way to provide this will be through fibre optics, buried deep in the ground, as close to the users premises as possible.

As part of our procurement we will consider all solutions put forward by industry that deliver our objectives. Whilst technology neutral, greater emphasis will be placed on the ability of proposed solutions to meet or exceed the capabilities of the best in class superfast broadband solutions.

C2.2 Ownership

We understand and have reviewed the main three established business models[14] for deploying superfast broadband and have considered each one against its ability to support the Vision of this Local Broadband Plan.

We believe that risk and ownership within the private sector, supported by public sector gap funding, will provide the best overall value money solution for Lancashire This approach:

- Minimises risk to the public sector;
- Will attract greater private sector contribution;
- Through competition delivery the optimum solution within the available funding envelope;
- Enables the County Council to focus on achieving outcomes;
- Is sustainable and future proof in the long term.

One of the key outcomes of our procurement is to select a "partner" who is as equally committed as ourselves to achieve the objectives and not a "contractor". The ownership of the infrastructure will remain with industry; we will only seek to gap fund their investment. By working in partnership we will retain the ability to:

- play a significant part in ensuring that project objectives are achieved;
- ensure value for money;
- ensure that any additional revenues generated are re-invested back into the network to allow it to continue to grow and develop; ensuring sustainability and future proofing.

We will ensure that governance is properly addressed at all levels and in doing so that the County Council will be fully involved in all decisions regarding rollout, technology mix and deployment address economic development, social inclusion and transformation of services.

[14] Industry owned, public sector owned, hybrid model

SECTION D – COMMERCIAL INFORMATION

D1. Commercial case

Our strategy is to ensure that we are able to demonstrate that are overall obectives meet the overarching principles of:

- BDUK: address digital inclusion and rural development by bring superfast broadband to the final third; and
- ERDF: increase GVA, secure and grow jobs from connections for all businesses across Lancashire.

This Local Broadband Plan will be delivered through a public sector gap funding made available to a partner selected using a competitive dialogue process under the EU procurement rules.

Gap funding will be provided through a grant award only for areas that are not commercially viable and have been designated as ‘NGA White’ in accordance with EU Broadband guidelines on state aid (see Diagram Three attached at Appendix 1).

As part of our competitive dialogue, potential partners will be required to identify profitable and unprofitable areas and provide full analysis including costs and revenues in order to calculate the minimum gap funding contribution required. The grant award will be provided as an incentive to a partner to roll out superfast broadband where otherwise this would not have been deployed by any operator in the next 3 years.

Investment by potential partners in areas not included in the NGA White area designation will be encouraged but would be entirely at the partners' own cost and will not form part of or benefit from any public sector funding secured for this project.

A key objective of our project will be to minimise the public funding required and maximise the private sector investment contribution.

The County Council will not be prescriptive about the exact gap funding model. This is one of the issues that we will explore with potential partners through the competitive dialogue.

The partner will own the superfast broadband network and in doing so will have responsibility for maintaining and upgrading the network, ensuring a sustainable solution. The partner will be required to ensure open, equitable and transparent access to the network. The partner will be expected to own and manage the risks associated with delivering and operating the network including any risks from take up and demand forecasts.

As part of the competitive process, we will encourage potential partners to identify the extent to which existing broadband networks in Lancashire, e.g. the CLEO network, can be utilised in order to avoid unnecessary and wasteful duplication of resources, without impacting on the services the existing networks currently provide.

Marketing, promotion and end user support activities will be fundamental in order to achieving the overall objectives and outcomes. This will be needed on two levels; firstly, in attracting service providers by communicating the benefits of the superfast broadband network to the industry; and secondly, marketing and demand stimulation activities to end users, in particular the business community. High levels of take up will accelerate the benefits to Lancashire in achieving its objectives. A joint programme of demand stimulation and business support will be a key feature of the partnership.

In order for the project to be a success, over the forthcoming months we will engage with a range of partners and stakeholders across all of Lancashire's communities to ensure that we secure the best possible outcomes. Potential partners will be required to propose technologies that are most suitable to achieving the overall project objectivities, including cost effective solutions to isolated rural and hard to reach areas with limited infrastructure capacity.

D2. Market engagement
Prior to publishing an OJEU Notice in March, soft market testing was undertaken to ascertain industries perspective and propensity to respond to any OJEU notice.
A series of 1-2-1 meetings, discussions, and formal / informal conversations were held with the following industry specialists:

- BT
- Virgin Media
- Alcatel Lucent
- Vitesse
- Geo
- H2O
- Avanti Communications
- Synetrix Ltd

Pre Qualification Questionnaires were submitted earlier this month and we shortly expect to announce that two/three major companies will be carried forward into the competitive dialogue including BT plc and Fujitsu.

D3.1 Procurement strategy
Having reviewed all of the different procurement routes, the County Council elected to use the competitive dialogue process. The use of the competitive dialogue process for complex procurements is advocated by the Office of Governance Commerce.

We will use this process in order to select to select a private sector partner who will be willing to work in partnership with the County Council. We have not prescribed the form of this arrangement save to say that we are adopting the gap funding model. We want to ensure that we do not create any unnecessary new structures or organisations which result in resources which should be spent on delivering the project instead being diverted to fund the running of such structures. We intend to procure one delivery partner which can be a single existing company or a consortium. However this will not result in local providers being excluded. As part of the dialogue process, we will actively encourage bidders to engage with local organisations which we have identified through the work we have carried out over the preceding months.

The aim of the partnership will be to develop and deliver a future proof, fully sustainable superfast broadband network with access to end user applications and services to the rural, business communities, public sector organisations and citizens of Lancashire. Although Lancashire was not chosen as a BDUK pilot area, we have shared our initial procurement documentation with BDUK and are happy to continue to carry on doing this.

D3.2 Evaluation

The County Council has established the following evaluation criteria for the returned pre qualification questionnaires: economic and financial standing, quality, health and safety, environmental protection, employee matters and technical and professional ability.

We are currently finalising our evaluation criteria for the competitive dialogue phase. We will use the most economic advantageous tender and not lowest price. At this stage, in no particular order of priority we will evaluate: finance including overall value for money, role and commitment of the partner, approach to transformation, approach to consultation and communication technology solutions, scope and coverage, speeds, end user applications, implementation and operation, tariffs and affordability including benchmarking, approach to demand stimulation and approach to open access.

Value for money will form part of our overall evaluation strategy and will involve:

- A clear demonstration of the resources required to deliver the project objectives , including the full cost of the resources required ;
- Clear approach as to how surplus revenues and other benefits will be re invested in the project;
- Clear and robust approach to the identification, assessment and delivery of significant improvements, with improvement being demonstrated on an ongoing and increasing basis throughout the duration of the partnership; and
- Robust open and transparent financial arrangements including extent to which this represents complete open book accounting.

SECTION E – DELIVERABILITY

E1.1 Project management

Lancashire County Council has significant experience in delivering major complex projects and partnerships for example:

- Waste Management PFI Project (capital value £250M);
- Building Schools for the Future (establishing a local education partnership and building nine new secondary schools in Burnley and Pendle through a combination of PFI and conventional capital funding, capital value £230M)
- A ten year strategic partnership with BT plc relating initially to customer access services (face to face, telephone and web based), ICT, Human Resources and Payroll and Procurement, but other services may be added . The annual value is circa £45m.

The strategic partnership is the most recent of the complex projects to be concluded. The County Council conducted the procurement of this project using the competitive dialogue process. The OJEU Notice for this project was published in December 2009 and the competitive dialogue was concluded by September 2010. The Chief Executive (at that time in his former role as Executive Director of Resources) was the Project Sponsor with the Director of Special Projects acting as Project Director.

The overall approach to project management reflects the overall importance to Lancashire of this project.

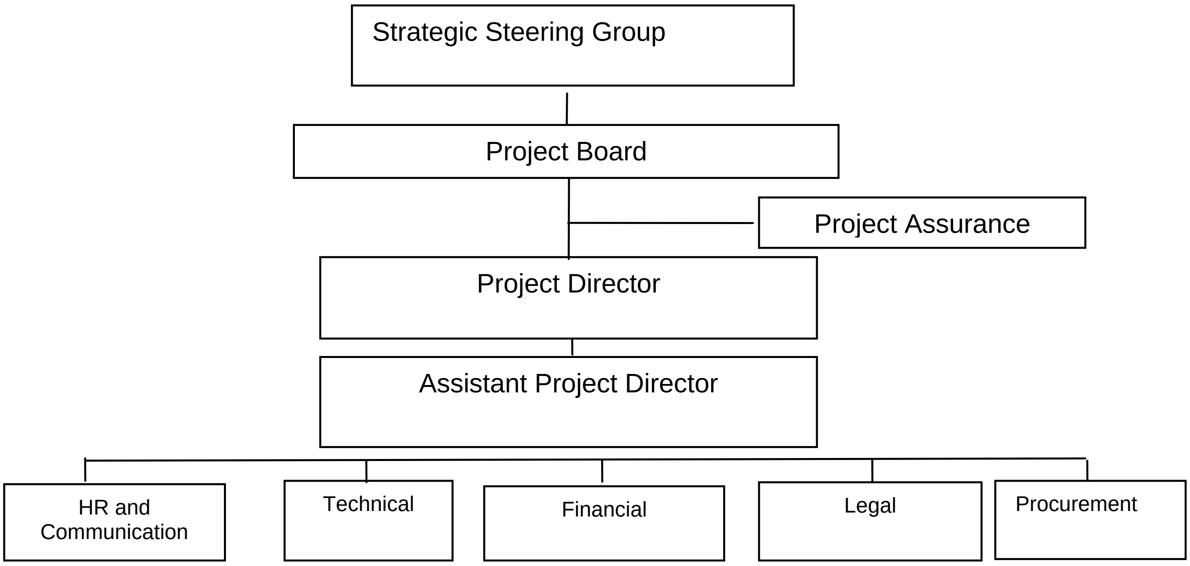
The County Council's Chief Executive will act as the Project Sponsor.

The County Council's Director of Special Projects has been appointed as the Project Director.

The County Council's senior management team comprising the Chief Executive, the Executive Directors for Adult and Social Care, Children and Young People and the Environment (highways), the County Secretary and Solicitor and the County Treasurer will act as the Strategic Steering Group. This will ensure that the County Council will have an integrated approach to the project at the highest levels and will ensure that the necessary resources are allocated to the project. Terms of Reference for the Strategic Steering Group has been agreed. The Project Director will attend meetings of the Strategic Steering Group.

The County Council has established a Project Board which sits underneath the Strategic Steering Group. The Project Board has the day to day responsibility for the project. Terms of Reference for the Project Board have been agreed. The Project Board will be chaired by the Project Board and comprises several Directors drawn from across the County Council based on their experience in being involved in the delivery of complex projects.
Quality assurance will be the responsibility for the Council's Internal Head of Audit.

The County Council has considerable experience acting as accountable body for ERDF programmes, the Government's Housing Market Restructuring Programme and the Future Jobs Fund programme in Lancashire



Finally, the County Council has created and will fund the new post of Assistant Project Director. The County Council has recruited Andrew Halliwell from the North West Development Agency. Whilst at the NWDA, Andrew has led on the development of the Northwest's NGA Strategy. The full resource of the County Council (Procurement, Finance, legal, technical Marketing etc) will be made available to ensure the successful delivery of this Local Broadband Plan.

The County Council confirms that sufficient resources and a quantifiable budget are in place to procure the proposed broadband investment.

Project Team and Programme Resources funds (Revenue)	2011-2012	2012-2013	2013-2014	2014-2015
£	000	000	000	000
Budget				
Advisors				
Demand Stimulation	200,000	800,000	600,000	200,000
Project Team	300,000	300,000	300,000	300,000
TOTAL	500,000	1,100,000	900,000	500,000

We are using PRINCE2. We are currently reviewing our Programme Plan and look forward to discussing this in more detail with you when you carry out your regional visits. If you require a copy in the meantime then please let me know.

E2 Timetable

Key milestone*	Expected date
Project definition approved by local bodies	01/02/11
Initial EU Structural Fund approval	Concept application form has been submitted to European Programme Executive (EPE). Awaiting outcome of mid-programme Framework review prior to investment decisions awarded. CX and other regional stakeholders supporting the

	conversation with EPE to exact a timely outcome.
Issue of PIN (if used)	n/a
Issue of OJEU Notice	03/03/11
Prequalification complete	30 04/11
Final tenders submitted	16/09/11
Preferred bidder selected	31/10/10
State Aid approval confirmed	01/11/11
EU Structural Funding approval confirmed	See ABOVE Initial EU Structural Fund approval
Contract award	30/11/11
Commencement of implementation	01/01/12
Implementation complete	01/01/15

E3.1 Expected Strategic Benefits

Broadband investment will lead to quantifiable and non-quantifiable benefits. As part of the competitive dialogue process, bidders will be required to describe how they propose to measure and monitor the delivery of those benefits which can be quantified.

Improved connectivity will benefit a number of industries prevalent in Lancashire – especially those that are information intensive – by improving links between businesses in Lancashire, and links from Lancashire to companies around the world. These links will serve to increase productivity, stimulate activity in rural areas, and attract inward investment from UK-based and international companies.

Beyond the business benefits, improved Internet access will provide Lancashire's citizens with a host of new services and applications that will assist in raising overall quality of life.

Lancashire businesses will benefit from improved supply chain linkages, improved R&D collaboration with other firms and institutions and reduced costs of using productivity boosting ICT applications such as video conferencing and cloud computing. Superfast broadband will enable public and private sector organisations to explore new business models and adopt new ways of working by enabling flexibility in aspects such as home working.

The benefits of superfast broadband in Lancashire will be felt particularly strongly across information-intensive sectors prioritised by the Lancashire Economic Partnership, such as Digital and Creative Industries, Advanced Engineering and Manufacturing, Biochemicals and Business and Professional Services, which regularly transfer large media files and require high levels of network resilience and security. This will be of particular significance to Lancashire's desire to attract increased levels of overseas investment.

E3.2 Measurement

A number of measurements will be put in place to ascertain the success of the delivery of this Local Broadband Plan. Adoption of a scorecard for the analysis metrics in speed, coverage and price will be a key theme of measurement. As a minimum we will include the following specific scorecard measures:

- Premises passed by Geo type;
- End user affordability;
- Number of competing service providers;
- Number of premises connected;
- Cost per premises passed; and
- Cost of premises connected.

The County Council consider that the following represent critical success factors for this Local Broadband Plan:

- Local and regional leaders are vocal, committed and actively supportive of the policy and local / regional broadband projects;
- Local bodies are willing to prioritise the development of projects and resource project teams that support the Vision of this Local Broadband Plan;
- Local bodies are willing and able to work together to increase the scale of intervention where this would be more efficient, without resulting in slower development and procurement times;
- Local communities are able to usefully channel their interest and enthusiasm into activities which add to and enhance the outputs of local bodies in terms of achieving the delivery of this local broadband plan;
- BDUK investment funding is enhanced to by funding from EU structural funds and other sources, including local partners;
- Suppliers and service providers are willing to participate in local projects, such that a competitive marketplace is ensured which provides for value for money and has the capability to meet the flow of projects;
- Demand registration and stimulation measures increase the commercial viability of private sector investment;
- Solutions delivered are commercially sustainable and future proofed ; and
- Business and residential consumers addressed by this Local Broadband Plan are satisfied that their basics need for broadband access has been delivered.

E4. Risk management/log

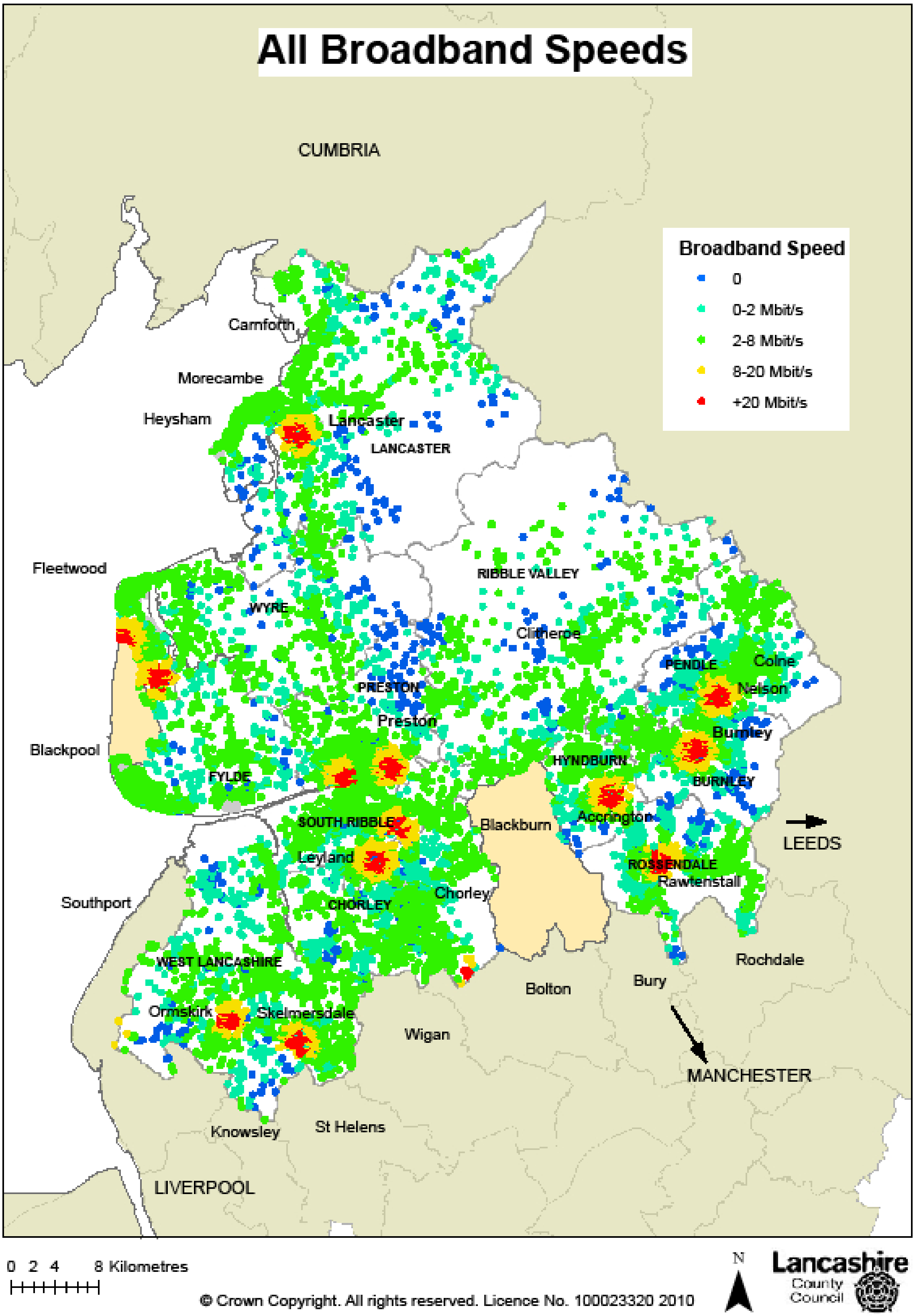
Risk		**Risk Assessment (Low, Medium, High)**		**Threat to Project / Mitigation (L,M, H)**
No.	**Description**	**Likelihood**	**Severity**	
1.	Failure to secure ERDF funding	M	H	H Will look for other funds
2.	Cost Overruns	M	H	M Will use IN reserves
3.	Failure to secure ISP	L	M	M Procurement requirements explicitly require demonstration of how content and applications will be delivered
4.	Inability to secure corporate sign off	L	H	M Cabinet, Chief Executive and Leader all signed off
5.	Delay risks (State aid, CPRG, Procurement)	M	H	M Weekly project meeting discussing timetable / critical path issues.

6.	Technological risk (sub-optimal solution)	L	H	M Competitive dialogue used as a mechanism to ensure appropriate solutions suggested
7.	Construction risks (weather, planning, topography, engineering)	L	M	L LCC planning department providing high level support
8.	Procurement (market interest, vfm, choice)	M	M	M Stakeholder and in-depth consultations held with industry providers prior to OJUE notice to ensure appropriate levels of support for the project
9.	Inability to secure resource & expertise to deliver	L	H	M LCC internal budget aligned to support NGA team and expertise resource in place to support delivery
10.	Take-up (low demand, limited exploitation)	M	H	M PPP tasked with ensuring high levels of take up through the effective use of NGA

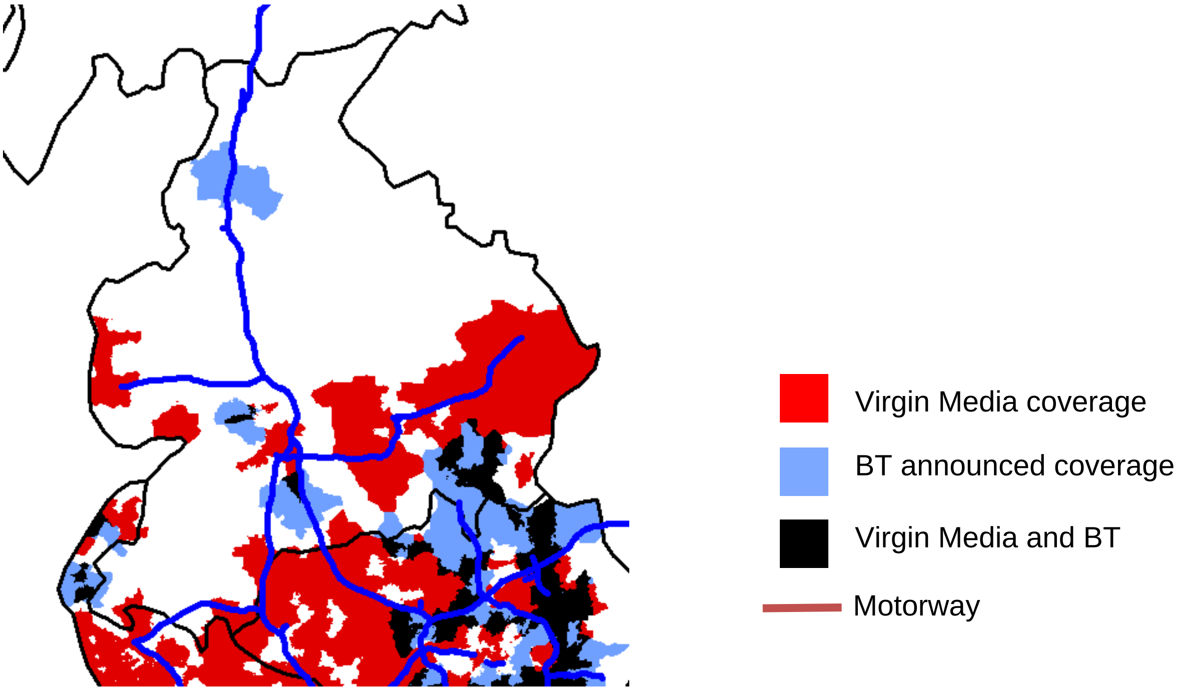
CEO sign off

a) Submission: **In submitting Local Broadband Plan, I verify that the proposal fits with corporate policy**	
Signed:	
Name: Phil Halsall	
Job Title Chief Executive	Date: 18th April 2011

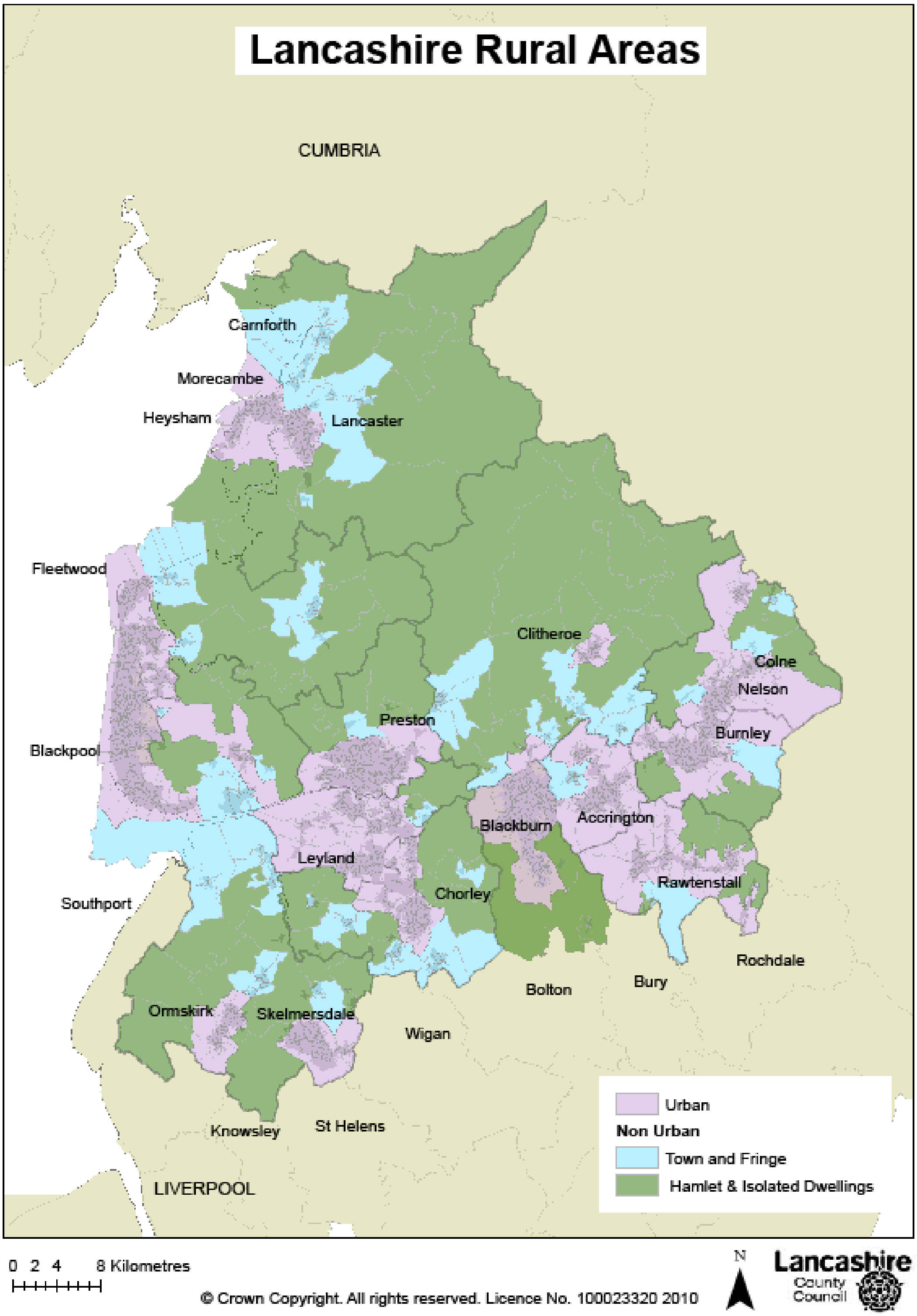
Appendix 1 Diagram Two



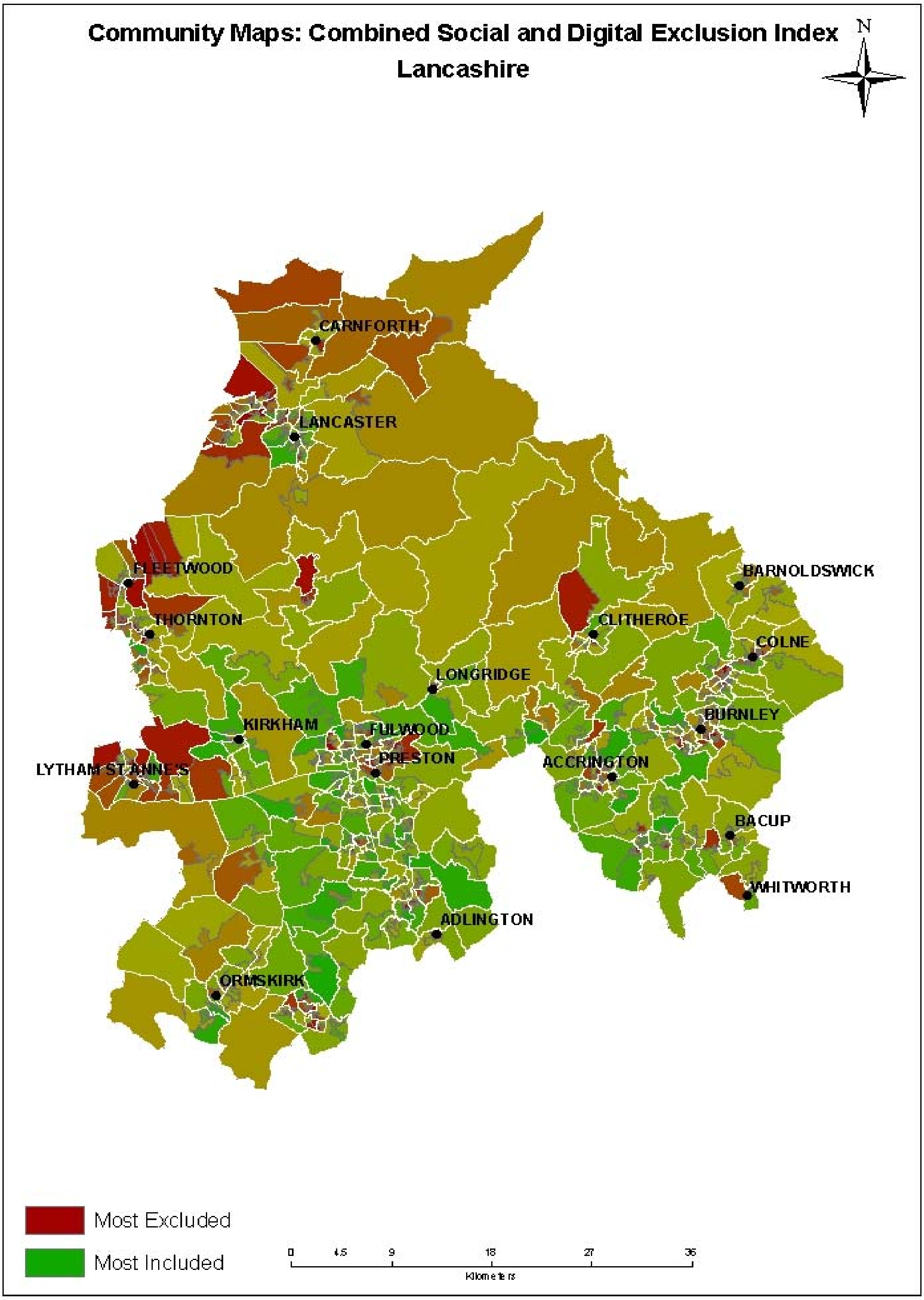
Appendix 1 Diagram Three



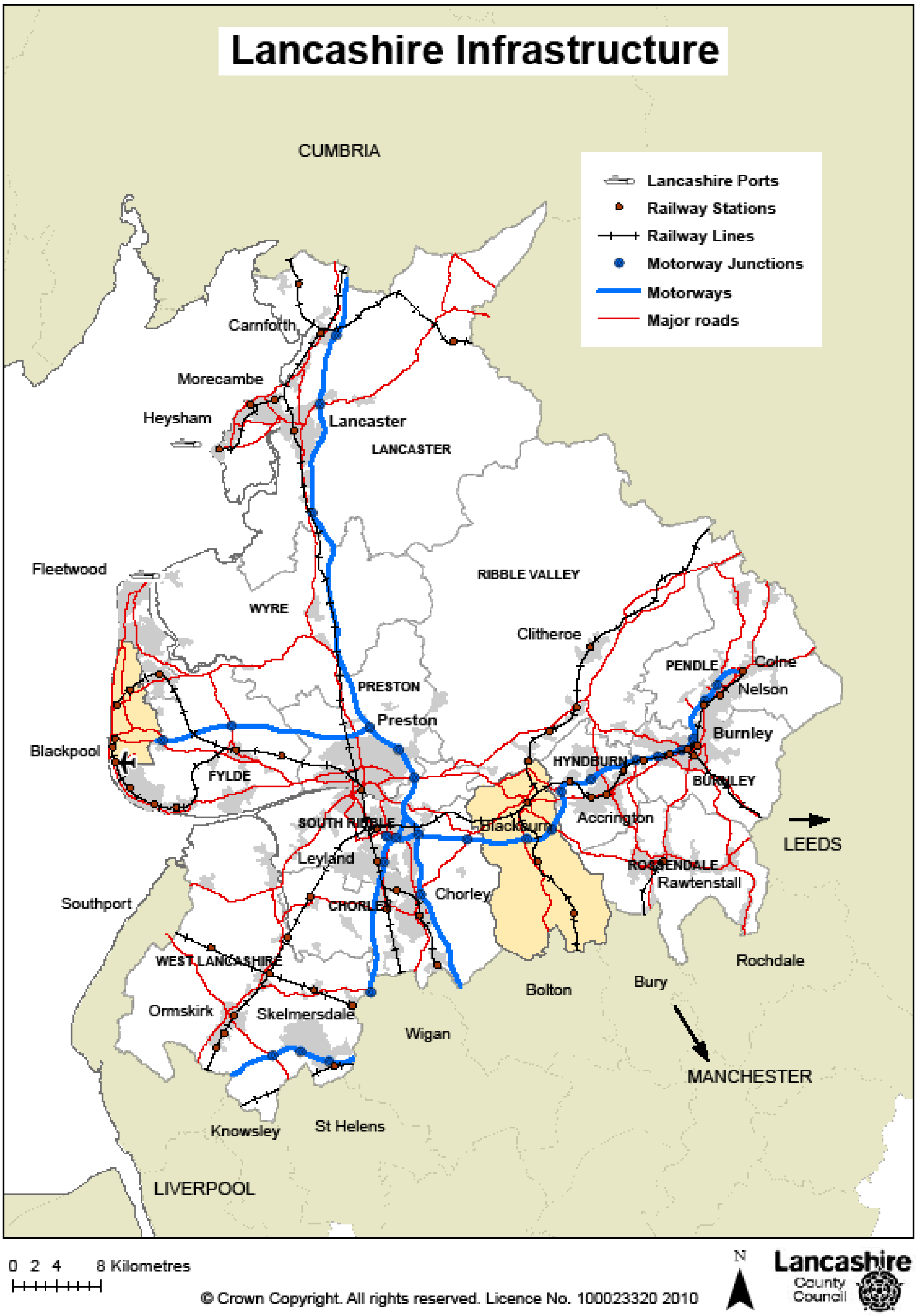
Appendix 1 Diagram Four



Appendix 1 Diagram Five



Appendix 1 Diagram Six



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