

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 13 September 2012 at 2.00 pm

Present: Councillor JG Jarvis (Chairman)

Councillors: H Bramer, PM Morgan, PD Price, RB Hamilton and GJ Powell

In attendance: Councillors AJM Blackshaw, JA Hyde, AW Johnson, NP Nenadich, P Rone, MAF Hubbard, LO Barnett, A Seldon, J Hardwick and PA Andrews

23. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor RJ Phillips, Cabinet Member Enterprise and Culture.

24. DECLARATIONS OF INTEREST

There were no declarations of interest made.

25. MINUTES

RESOLVED: That the Minutes of the meeting held on 12 July 2012 be approved as a correct record and signed by the Chairman.

The Monitoring Officer informed Cabinet that the Broadband Contract Agenda item would be dealt with under special urgency as there was a need to finalise the contract negotiations and there had been an unavoidable delay in publishing the agenda within the statutory deadline. Therefore as required by the Council's Constitution the report was being dealt with as an urgent agenda item.

26. BORDERS BROADBAND CONTRACT AWARD AND PARTNERSHIP AGREEMENT

The Cabinet Member Education and Infrastructure presented the report of the Project Director to Cabinet and made the following points:

- Approximately 24% of residents in Herefordshire still did not have access to a broadband service of 2Mb/s, which is the Universal Service Commitment (USC).
- There is currently no superfast broadband in Herefordshire, which if this continues will severely impact on economic development for the county.
- For the next generation of access to broadband, speeds of 30Mb/s will be expected and therefore a future proofed network needs to be built.
- It was announced by the government in October 2010 that South Herefordshire would be one of four national pilot areas for Next Generation Access (NGA) and that Broadband Delivery UK (BDUK) would provide funding for those rural areas unable to receive the service through commercial deployment, or cover those areas where USC is not available.

- To provide broadband access for all commercial investment should be completed by 2014 and the Borders Broadband Contract, to cover those areas that the commercial deployment will not reach, should be completed by 2016.
- By 2016 Herefordshire will have 100% coverage at USC level and 88% coverage at NGA level.
- For future technology and for communities/businesses that do not have NGA at the end of 2016, there will be a bursary scheme to provide additional funding and it is expected that this will be completed by 2018.
- Cabinet was advised that the broadband contract procurement process commenced in June 2011. Eight companies were involved at the pre-qualification questionnaire stage, which has now reduced to a single bidder.
- Cabinet has approved the allocation of £6m to the project, which matches the initial allocation by BDUK. Cabinet is asked to approve an increase to the capital allocation of a further £4.1m (overall total of £10.1m), which matches the revised total allocation of BDUK of £3.75m and a sum of £350k for the bursary scheme.
- Cabinet was advised that the bidder's completion date was 2016, a year later than the government's target of 2015. There was concern that the hardest to reach areas would be left to the end of the project and that the commercial deployment would not achieve the planned coverage, which would reduce the overall coverage in the county.
- Cabinet was reminded that the details of the contract were included in the confidential papers before them, which could not be discussed in open debate in respect to the agreed bidder and any negotiations they might carry out.
- As the lead authority Herefordshire is authorised to conclude contract negotiations.

The Leader of the Council congratulated officers on their work on the project to date.

RESOLVED

THAT:

- (a) **Herefordshire Council's capital contribution to the project be increased to £10,100,000 (from current allocation of £6m) to match fund BDUK's contribution to the deployment of broadband to Herefordshire premises through the proposed contract with the Bidder and via a bursary scheme to the value of £350,000 as part of the match funding required by BDUK;**
- (b) **Cabinet note the terms of contract negotiated to date, the risks identified in this and the exempt report and the outstanding contractual issues;**
- (c) **The Director for Places and Communities in consultation with the Cabinet Member for Education and Infrastructure and the statutory officers be authorised to conclude a contract with the remaining Bidder**
SUBJECT TO
 - (i) **the agreement of Gloucestershire County Council certified in writing by its Chief Executive;**
 - (ii) **this being satisfied that the mitigation of the outstanding risks as identified in this report are the best that can reasonably be achieved;**
 - (iii) **the deal represents value for money, having particular regard to the payment mechanism controls and premises cap referred to in these reports;**

- (iv) the conclusion of a suitable partnership agreement with Gloucestershire County Council;
- (d) The Director for Places and Communities be authorised to negotiate and conclude a partnership agreement with Gloucestershire County Council for the governance of the project, the terms of which are to be subject to the approval of the Statutory Officers;
- (e) Cabinet note the content of the accompanying exempt report.

27. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED: that under Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 2 of Schedule 12(A) of the Act, and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

28. BORDERS BROADBAND CONTRACT AWARD AND PARTNERSHIP AGREEMENT

Cabinet considered the confidential report outlining the financial and legal aspects of the proposed contract with the bidder.

RESOLVED: That the contents of the report be noted.

The meeting ended at 3.30 pm

CHAIRMAN