Belfast City Council (Shadow)

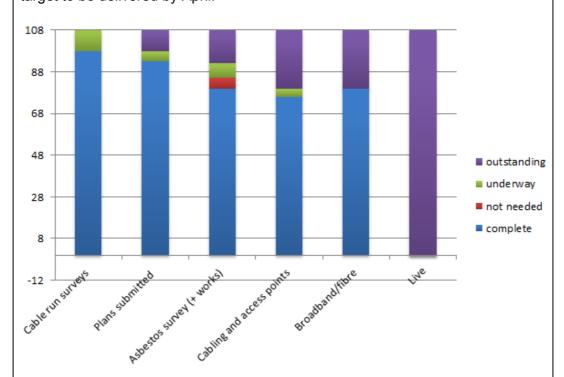|	
Report to:	Shadow Strategic Policy & Resources Committee
Subject:	**Super-connected Belfast Update**
Date:	30 January 2015
Reporting Officer:	Ronan Cregan, Director of Finance & Resources
Contact Officer:	Paul Gribben, Head of Digital Services

1.	**Relevant Background Information**

1.1	The Super-connected Belfast programme of work comprises three strands:
	   1. Public Sector Wi-Fi Hotspots
	   2. Metro-Wireless project
	   3. Belfast Connection Voucher scheme

1.2	This report provides an update on the recent significant developments relating to the Super-connected Belfast Programme.

2.	**Key Issues**
2.1	**Public Sector Wi-Fi Hotspots** The Public Sector Hotspots strand of the Super-connected Belfast programme aims to fund the installation of wireless/Wi-Fi equipment into buildings regularly visited by members of the public. The funding covers broadband connections, Wi-Fi equipment, wiring and the cost of installation.
2.2	The contract to install and supply these public Wi-Fi hotspots has been awarded to BT. The final revised list has identified 108 buildings for inclusion:

Belfast City Council	89
BCC incoming buildings from new boundary	11
NIHE	5
Department of Justice	2
DSD	1
Total	**108**

2.3	The chart below shows progress to-date and indicates that the project is on target to be delivered by April.

2.4	**City Centre Metro Wireless** Following the original difficulties with the Metro Wireless procurement the council has decided to take ownership of the delivery of this project and are working to procure and implement a city centre Wi-Fi solution.
2.5	The European commission considers that public funding to a single recipient of up to €200,000 over a 3 year period has a negligible impact on trade and competition, and does not require State Aid notification. Therefore, the council is free to establish its own city centre Wi-Fi zone within these financial constraints.
2.5	Initial market research with telecoms suppliers indicates strong interest in a council funded Wi-Fi network and by focussing the installation of Wi-Fi cells on buildings and making use of the ducting that has already been installed as part of the 'Streets Ahead' initiative we believe we can deliver a significant Wi-Fi zone concentrated on the city centre.
2.6	The specification for this procurement is currently being finalised with a view to going out to the marketplace in April when resource will be released following the completion of the Public Sector Hotspots project.
2.7	**Belfast Connection Voucher Scheme** The voucher scheme allows small to medium sized enterprises and social enterprises within the new Belfast City Council boundary area to apply for grants of up to £3,000, to obtain high-speed broadband connections.
2.8	In August 2014, the Department of Culture Media & Sport (DCMS) set each city a revised target for voucher uptake. The figure for Belfast was set at 690 vouchers, and the programme is currently well on course to achieve this target.

2.9	On 3rd December, as part of the Autumn Statement by the Chancellor of the Exchequer George Osborne MP, a decision was taken to extend the voucher scheme until March 2016. **The government has allocated up to £40 million to extend the scheme to March 2016 and has made the scheme available to more cities**. Vouchers will be available in the new cities by April 2015, and will be available on a first come, first served basis.
2.10	The new £40 million fund will be administered by DCMS centrally, with no cities receiving a set allocation of funds or performance targets.
2.11	28 new cities will be invited to participate in the scheme and existing cities are invited to submit plans to extend their postcode boundaries. This means that we have been invited to extend our scheme beyond the extended LGR boundary to neighbouring council areas.
2.12	All 3 strands of the Super-connected Belfast programme are supported as key projects within Digital Services programme of work and are delivered by staff in Digital Services with support provided by Economic Development, Corporate Communications, Audit Governance and Risk and Financial Services. The Connection Voucher team is also supported by 5 project team assistants employed on temporary contracts up to the end of March 2015.
2.13	The Connection Voucher team is well established in Digital Services and supports the administration of the Voucher scheme for both Belfast and Derry City councils. The role of the team is to drive demand, conduct seminars/ briefings and assist businesses in their applications. They are also responsible for liaising with suppliers to ensure the process is as clear and transparent as possible.
2.14	An update of the current project status is outlined in the table below:

Belfast Voucher Scheme (08th December 2014)	
Applications received	860
Vouchers Issued	454
Vouchers value	£1,161,735

2.15	From the information provided by applicants, it has been estimated that each voucher will contribute 3 jobs and £133,000 in turnover for each business over 3 years.
2.16	The current scheme funding and performance targets will terminate on 31st March 2015.
2.17	With an approximate SME population of 10,000 within the new Belfast City Council area, it is felt that whilst the current number of applications is above average compared with other participating cities, there is still more that can be done to drive take up.
2.18	All cities have been strongly encouraged to estimate future demand. This will require consultation internally as well as with external stakeholders such as industry representative bodies and suppliers.

2.20	The two key decisions that now need to be taken are:
	1. Should Belfast City Council continue to allocate resources to deliver an extended Belfast Voucher scheme?
	2. And, should we seek to extend the boundary of the scheme to take in other council areas?
	This will require consultation with other councils in terms of how an extended scheme would be administered, resourced and audited and will require Digital Services to amend the online and back office systems to cater for additional areas. It will also require BCC to co-ordinate a business case for submission to DCMS for the new extended boundary, indicating predicted voucher uptake and business benefits across the extended scheme.

3.	**Resource Implications**
3.1	**Public Sector Hotspots**
	Capital costs of **£400,000** for installation of Public Wi-Fi Hotspots in BCC buildings will be met from DCMS funding.
	On-going revenue costs **£180,000** are already allocated in BCC revenue estimates.
3.2	**City Centre Metro Wireless**
	Capital costs of **£160,000** have already been included in the capital programme.
	Revenue costs of approximately **£20,000** are already included in revenue estimates.
3.3	**Belfast Connection Voucher Scheme**
	It has been estimated that **£250,000** (already within current budget estimates for 15/16) will be required to support a scaled down voucher team, advertising and system support to extend the voucher scheme to April 2016 within the Belfast boundary.
	It should also be noted that 10% of any claims to DCMS may be used to recoup project administration costs.

4.	**Equality and Good Relations Implications**
	N/A

5	**Call In**

4.1	**This decision is subject to Call In**.

6.	**Recommendations**
6.1	It is recommended that Belfast City Council supports an extended **Belfast** voucher scheme up to April 2016.
6.2	It is recommended that the Super-connected Belfast project team investigates if there is capacity to extend the voucher scheme to other council areas and to determine the logistics, cost and commitment of other councils to participate in an extended scheme.

7.	**Decision Tracking**
	Officer responsible: Paul Gribben

8.	**Key to abbreviations**

9.	**Documents Attached**
	N/A