1.0 Purpose of Report or Summary of main Issues

1.1 This report provides an update on the close down of the Belfast Connection Voucher Scheme by The Department for Culture, Media and Sport (DCMS). It also outlines a recent proposal from the Department of Rural Development (DARD) to provide additional funding to businesses for rural broadband connections.

2.0 Recommendations

2.1 Members are asked to note the contents of the report, and approve the proposal for the Belfast Voucher Team to administer DARD funds for those rural applications that did not receive vouchers due to the speed of closedown of the Belfast Connection Voucher Scheme. This will be operated at no cost to the council.

3.0 Main report

3.1 Belfast Connection Voucher Scheme

The Belfast Connection Voucher Scheme (BCVS) has allowed small businesses 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.
3.2 The first phase of the voucher scheme was launched in December 2013 and was closed on the 31\textsuperscript{st} March 2015. During this phase DCMS set Belfast a target of achieving 690 vouchers. This target was based on the number of businesses located in the Belfast area and on projected demand. The Belfast Voucher scheme easily surpassed their target distributing \textbf{837} vouchers by 31\textsuperscript{st} March 2015 to businesses and charities across all parts of the city.

3.3 On 3rd December 2014, as part of the Autumn Statement by the Chancellor of the Exchequer, a decision was taken to extend the voucher scheme until March 2016 (subject to available funding). The government allocated up to £40 million to extend the scheme and further widened the scheme to an extra 28 cities. Vouchers were made available on a first come, first served basis.

3.4 Members will also recall that as part of this extension, Belfast expanded administration of the Voucher scheme on behalf of all councils regionally. Since March, the scheme has proved to be hugely popular and we have more than doubled the number of vouchers issued.

3.5 The scheme closed on 12\textsuperscript{th} October when the £40 million fund was fully allocated.

3.6 An update of the current project status is outlined in the table below.

<table>
<thead>
<tr>
<th>Connection Vouchers Scheme</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vouchers Issued</td>
<td>2000</td>
</tr>
<tr>
<td>Vouchers value</td>
<td>£3.8 million</td>
</tr>
<tr>
<td>Unsuccessful applications</td>
<td>900</td>
</tr>
</tbody>
</table>

3.7 It should be noted that the Voucher Team has repeatedly contacted businesses in an attempt to reduce the number of incomplete applications.

**DARD Proposal**

3.8 DARD operate a scheme called ‘Tackling Poverty and Rural Isolation’, and have funding available within this scheme to get rural businesses connected to high speed broadband.

3.9 DARD are aware that a significant number of rural businesses across NI just missed out on vouchers due to the speed with which the Voucher scheme closed down.
3.10 DARD are proposing to cover the cost of those unsuccessful rural applications that were received but could not be fulfilled before the Voucher fund ran out.

3.11 DARD has approached BCC to ask if we can use existing processes to distribute funds on their behalf for those unfulfilled rural applications.

3.12 For state aid purposes, DARD wish to retain all of the same application criteria used for the original Voucher scheme – with the added condition that businesses must be construed as ‘rural’.

3.13 Belfast City Council would then just issue a voucher in the normal way.

3.14 It is anticipated that the DARD fund will be for a fixed amount and final approval for each application will be given by DARD. No Belfast-based businesses will be eligible under this scheme.

### 4.0 Financial & Resource Implications

4.1 The Voucher Team will continue to support those businesses who have received vouchers under the Belfast Voucher Scheme through to March 2016.

4.2 If agreed Belfast City Council will operate the DARD proposal on a ‘cost-neutral’ basis with DARD covering all costs needed to administer their funding. Costs will be minimal as the applications have already been received and the procedures and controls required to process these claims are already in place.

### Equality or Good Relations Implications

4.3 None

### 5.0 Appendices – Documents Attached

5.1 None