Minutes of the meeting of the PARTNERSHIPS AND GROWTH SELECT COMMITTEE held on WEDNESDAY 28 JULY 2010 at 7.30 pm

Present: Councillor P Geary (Chair)
Councillors Bradburn, Long, D McCall, Morris, Wharton, White and Zealley.

Officers: B Sandom (Corporate Director Environment), P Wheeler (Senior IT and E-Government Manager), L Bailey (IT Consultant), N Sankersingh (Senior Planning Officer [Infrastructure Delivery], S Evans (Strategic Environmental Infrastructure Manager), J Entwhistle (Growth Co-ordination and Delivery Manager) and F Bower (Overview and Scrutiny Officer)

Also Present: Councillors Bint, Crooks, Dransfield and Hopkins
Callum Knowles (Expert Witness on Broadband)
Ian Adkins (Analysys Mason)

Members of the public: 8

PG10 **DISCLOSURES OF INTEREST**

Councillor White declared a personal interest in the Item (Broadband and Digital Infrastructure in Milton Keynes), as the Chair of the National Energy Foundation, the Secretary of a local branch of the Federation of Small Businesses and a member of Milton Keynes Partnership.

Councillor Crooks declared a personal interest in the Item (Broadband and Digital Infrastructure in Milton Keynes), as the Chair of ConnectMK.

Councillor Bint declared a personal interest in the Item (Broadband and Digital Infrastructure in Milton Keynes), as a member of the Broadband for Milton Keynes Group.

PG11 **MINUTES**

RESOLVED -

That the Minutes of the meetings of the Partnerships and Growth Select Committee held on 25 May and 23 June 2010, be approved and signed by the Chair as a correct record, subject to the following amendments to the minutes of 23 June:

o Councillor White declared a personal interest in Item 6 (Enabling the Development of Central Milton Keynes) as a Member of the United Sustainable Energy Agency
o Councillor Long declared a personal interest in Item 6 (Enabling the Development of Central Milton Keynes) as an employee of a company working with the Homes and Communities Agency.

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<tr><td>PG12</td><td>BROADBAND AND DIGITAL INFRASTRUCTURE IN MILTON KEYNES</td></tr>
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The Committee received a presentation from officers on the benefits and challenges presented by broadband technology and realistic objectives for Milton Keynes. Members noted that:

- o Superfast broadband access would provide download speeds of up to 100 Megabits per second.

- o ConnectMK provided some Milton Keynes residents with wireless Internet access.

- o Fibre optics were considered more future-proof than earlier types of infrastructure.

- o 47% of people reported a need for daily access to the Internet.

- o 'Telemedicine' required a very fast Internet connection.

- o Superfast broadband added value to properties; however, it was preferable that this should not have to be retro-fitted.

- o The Secretary of State responsible for broadband had announced that there was not sufficient funding in place for the Government to achieve universal provision of two Megabits per second by 2012 but it was planned that this should be attained by 2015.

- o The Government was concentrating on bringing provision of Internet access to rural areas up to the level of provision to urban areas.

- o The Digital Infrastructure Strategy covered the digital switchover in April 2011 as well as broadband and was intended to enable co-ordination under the leadership of the Council.

- o Virgin Media and BT Openreach had been requested to send representatives to the meeting but had not done so.

Members noted the following written submissions:

(i)   A response from BT Openreach on the success of the fibre optic trial and its plans for future fibre optic deployment;

(ii)   A submission from a web developer working in Shenley Lodge on local deficiencies in broadband provision and the effect on private and business use of the Internet.

Members of the public raised concerns that 4,000 houses in Wavendon Gate were excluded from the fibre optic trial and expressed the opinion that small businesses in village communities would campaign particularly vigorously to bring forward better Internet access. If the means of joining the trial were better publicised, that would create the commercial demand that was needed. Provision to certain areas, such as rural or deprived ones, might not be as commercially viable.

The representative from Analysys Mason, the consultancy firm that had developed the Digital Infrastructure Strategy for Milton Keynes, outlined the implications on this of Government announcements. Members noted that the commitment to universal broadband provision had been delayed, and the overlap between this provision and that of superfast broadband was to be explored in greater depth. This should mean that more should be accomplished by 2015, but some areas would be without any provision for longer.

None of the activities called for in the Strategy would be prevented by the delay in provision but their profile would be altered. Co-ordination could be affected by the closure of Regional Development Agencies. MKSM was already carrying out work on broadband, and the Council should keep itself abreast of developments. Devolving the work to Local Enterprise Partnerships might provide a solution.

The Expert Witness on Broadband Provision reported the advantages of 'next generation' broadband to the Committee. Members noted that:

o It would create employment and fuel economic growth. Regional Development Agencies such as that in Cornwall were expecting a GDA increase of as much as 12% as a result of a large roll-out.

o With broadband, children were able to attain more educationally, by means of researching on a protected network.

o Social inclusion could be reinforced; it could cost a person who was not on broadband an extra £560 per year for such items as insurance.

o Better access to health and welfare could be provided by means of 'telemedicine'. A recent NHS Connect study concluded that 30% of hospital consultants' appointments could be carried out online.

o Access to public services could be improved. The Department for Environment, Food and Rural Affairs had made it easier and cheaper for farmers to complete their returns online. Where citizens could access the Internet, they could see webcast meetings, information could be given to them more efficiently and they could ask questions more easily.

He highlighted the following areas of the Strategy as particularly important:

- o Engagement with BT and Virgin. It would be important to discuss provision with other carriers as well. It was to be hoped that the Government would address the sharing of infrastructure soon. In Saltash, it had been shown that provision to even a small number of homes could be viable if infrastructure was shared.

- o Planning permissions and the use of Section 106, which could aid provision; Ashford had enabled delivery of 50 Megabits per second to new properties through the use of Section 106 money. For maximum sustainability, cabling should always be by means of ducts put in place at the time properties were built rather than later.

Members noted the following issues that the Council would have to take into account in setting up infrastructure:

- o The Council would be both facilitator and consumer and would have access to networks at cost price. This would provide an opportunity to extend ConnectMK.

- o The Council should consider extension of provision into rural areas in the light of consultation with residents. It should be possible for small companies to work with the Council and use its infrastructure to help to provide this service. This was legitimate and an efficient use of resources.

- o The landscape in telecommunications was changing quickly. Future-proofing, and hence ducting, was important. Developers could negotiate with BT for provision of infrastructure, with a third party being formed afterwards to maintain the duct; there were several emerging business cases for ownership of the duct.

- o The Council should apply for Milton Keynes to be a test area for the enforced sharing of infrastructure.

- o Wireless provision was attractive but most suited to highly populated areas. It would always be part of the solution, though for many people only as the final part of the network from the cabinet into the property.

- o If wireless were the only form of provision to Milton Keynes, the capacity of one broadband frequency would not be sufficient.

- o Switching off analogue signals for radio and television communications would make frequencies available for smart metering. The lower the frequency, the better the penetration into buildings.

Members of the public made the following comments:

- o The trial of wireless provision to social housing in Manchester had been a success.

- o Future-proof Internet provision to properties was important for the future of employment and the economy in Milton Keynes.

- Broadband deprivation in Milton Keynes was three times the national average.

- The urban-rural divide was not the only factor differentiating provision in Milton Keynes; some rural areas such as Olney had comparatively good provision, whereas some growth areas attained speeds of only half a Megabit per second.

- Social housing would need to be enabled for digital switchover. This was particularly important because the approximately 10% of residents who were most in need of help were also the greatest users of Council services and those who would most benefit from being able to access them online.

- Infrastructure could be provided by existing networks such as ja.net, the education and research network.

- Businesses had a particular need for fast broadband provision as 'cloud' computing required this.

- Small businesses had an important economic impact on Milton Keynes. If broadband provision were not improved they might move away, which would have an effect across other local businesses.

- Becoming an Internet Service Provider could provide the Council with revenue.

- The Council's main role in regard to the Digital Infrastructure Strategy should be to ensure future-proofing of provision.

- Milton Keynes, once a leader in communications technology, had fallen behind.

Officers reported that broadband was included in the ConnectMK service at little additional cost. The people who would otherwise be excluded from use of broadband were generally the highest users of Council services and if they could be given access, this saved both them and the Council money. ConnectMK was a company limited by shares owned by the Council but it could issue rights and could work in partnership with others.

During discussion, Members raised the following points:

- Provision of broadband was not an isolated issue but was linked to employment, housing and the zero carbon agenda.

- The current network was using redundant technology. It was important that infrastructure should be future-proofed, yet because there was no sense of urgency, Milton Keynes was facing the same problems as it had a decade before.

- It was important to consider what action should be taken if Virgin only did part of what was needed or not for as long as was necessary.

o Risk analysis of power cuts should be carried out and action plans to ensure business continuity should be developed.

o The Council should engage with smaller IT companies and social enterprises in tackling the 'digital divide'.

o Whereas new technologies were increasing, opportunities were decreasing due to the current financial climate.

o The Regulator for Communications should be consulted on smart metering.

o Virgin should be challenged on their decision to pass digital signals through the analogue system after the analogue switch-off date.

o Businesses would be more concerned with upload speeds than download speeds, and currently it was impossible to upload large files such as detailed photographs.

o Fast broadband was becoming increasingly important as each connection was required to service several formats at once, for example high definition television, Internet radio and computer work.

o The use of 'cloud computing' should be promoted as this could save a great deal of carbon.

o Section 106 funding should be used to provide ducting or 'fibre to the cabinet' in areas such as Woburn Sands where development was to take place.

o The Council could not solve problems of provision but could only facilitate.

o Agreement on sharing of infrastructure would be difficult to reach.

o Solutions other than underground cable networks should be sought.

RESOLVED –

1. That the following be noted:

   (i)   The Digital Infrastructure Strategy and the associated recommended Action Plan

   (ii)   Changes that have occurred since its publication

   (iii)   The urgency of delivering the infrastructure programme.

2. That the BT Openreach fibre trials and the next generation broadband initiative be welcomed, but that the additional need to engage small Communications Service Providers so that they can play their role also be noted.

3. That Virgin be requested to explain its decision to use the analogue system to transmit digital signals after the analogue switch-off date.

4. That the development of ConnectMK to become an established service provider be supported

5. That the Cabinet be informed of the following concerns of the Committee and that failure to address them will have a serious detrimental impact on the future development of the city:

   (i) The need to engage with BT, Virgin and also other potential broadband providers;

   (ii) The need to extend provision into rural areas in the light of consultation with residents;

   (iii) The need to apply for Milton Keynes to become a test area for the enforced sharing of infrastructure;

   (iv) The need to future-proof provision of broadband.

6. That the Select Committee revisit the issue of broadband provision in six months' time and that the Cabinet Member and representatives from Virgin and BT be formally asked to attend to give evidence.

7. That the Cabinet be recommended to consider the use of Section 106 and MK Partnership tariff money to ensure that broadband objectives are met.

THE CHAIR CLOSED THE MEETING AT 10.15 PM