

Appendix 3

Update on Broadband Project

1. Background

1.1 ESCC has recognised, that in order to improve the competitiveness of the County in economic terms, much work is to be done in ensuring maximum availability of Broadband to businesses and homes. In the absence of a robust rail and road infrastructure, the local economy requires for state-of-the-art facilities to be delivered locally.

One problem in obtaining maximum availability of Broadband in East Sussex was the monopoly position of BT in providing a service; unlike most other Counties, East Sussex does not have a cable-alternative to BT's technology.

1.2 The availability of Broadband in East Sussex is based on each of the 65 BT exchanges upgrading to deliver the new service. Each exchange upgrade requires a significant investment to be made by BT (roughly £250,000 per exchange) and whether this happened or not was based on customer demand. Some exchanges had a 'trigger level' set by BT, which when exceeded, would 'trigger' the enablement of an exchange, and the investment by BT. Most exchanges did not have a trigger level, as BT considered that the exchange did not serve enough customers to allow any investment, and was therefore unviable.

2. ESCC Strategy

2.1 The core of our strategy considers that the availability of Broadband to homes and businesses in East Sussex is "not a privilege, but a right". Early stretch targets indicated the scale of the problem; only 11 out of 65 exchanges were enabled. The Vision for ESCC is seen in the targets for the current intervention programme:

- Provide 100% availability of Broadband across East Sussex by end of 2005.
- Achieve 15% take-up of Broadband (where Broadband is available – double the national average).

2.2 Following the establishment of the Broadband Board, chaired by Councillor Tidy, (with members from Education Department, Business Link for Sussex, The Learning & Skills Council, and the East Sussex Economic Partnership), "Broadband East Sussex" was the first organisation to sign a Public Private Partnership (PPP) with BT in the South East – providing the model for other Partnerships to follow. This PPP, signed in November 2003, allowed ESCC and its partners to work closely with BT in determining intervention strategies that affect the availability of Broadband. Much of this early activity was predicated on 'bringing-forward' the enablement of exchanges, by working with local 'champions', who gathered local support and registrations for Broadband to exceed the published trigger level. Broadband East Sussex was also successful in encouraging BT to reassess certain trigger levels to more realistic figures. Three streams of work are being progressed by the Board aligned to themes of "Business", "Community" and "Education".

2.3 Early on, ESCC was honoured in the Broadband Britain Awards, winning the top award for use of Broadband in the public sector.

3. SEEDA

3.1 As a co-signatory of the PPP, SEEDA had indicated their willingness to support the PPP in building interventions strategies to achieve ubiquitous availability. Much of the programme was based on an anticipated level of support from SEEDA that did not materialise, due to SEEDA's over-commitment in other areas. Whilst this was undoubtedly damaging to the early momentum, it allowed a period of re-alignment, where the PPP and Broadband East Sussex could reflect on the challenge, and how best to achieve the targets. Current targets are based on SEEDA support totalling £225,000, principally focusing on increasing Business take up.

4. Wireless Technology

4.1 ESCC has recognised that the delivery of Broadband is essential to the improved economic effectiveness of the County, and that BT is the major partner in delivering this. There are however alternative ways to deliver Broadband, including Wireless (radio) and Satellite. These technologies have traditionally been more expensive, and from unproven providers.

Broadband East Sussex pursued a strategy of identifying where BT's service limitations provided opportunities for these alternative technologies, whilst conducting a thorough review of the marketplace. Even within published 'covered' areas, availability of Broadband on the ground is dependent to proximity to the exchange, and the route of the cable. This has resulted in homes and businesses – often within the published 6km range of an exchange – having difficulty obtaining Broadband to a minimum standard, as the quality degrades the as the customer moves further from the exchange.

4.2 ESCC obtained a grant of £50,000 from SEEDA to explore the deployment of one of the alternative technologies – Wireless, or 'WiFi'. This technology replaces the traditional copper wire of BT in the 'last mile' to a home or business with a radio transmission. This service can be more effective than traditional BT-delivery, as the speed of the service is usually higher, and equally fast whether sending or receiving data.

4.3 The main issue in trialling the technology was identifying a robust partner in an area where companies have not been able to survive in a competitive environment with BT, and seemed to disappear as quickly as they appear. After a comprehensive review of the market, ESCC identified a Norwegian operator – WAN – who had delivered a sustainable network to a public sector partner, the Norwegian Parliament, and the Norwegian PM. A key proviso in sourcing a partner was to ensure that the company had a sustainable and proven business elsewhere, and that it should not stand or fall on what was achieved in East Sussex.

4.4 ESCC will shortly deliver a WiFi trial covering two main areas:

- Isfield – the only exchange BT cannot viably enable.
- Eastbourne – certain parts of Eastbourne cannot receive BT service.

The WiFi pilot intends to model a co-operative approach between ESCC and a commercial partner, where ESCC is responsible for providing the main Broadband pipe (or backhaul) to a location (often using ESCC or partner buildings to deliver a signal), and the commercial partner providing the 'last-mile' delivery equipment, service offer and customer support.

5. Current Picture

5.1 BT has recognised that there is commercial pressure, and has enabled many more exchanges in East Sussex, providing coverage in excess of 90% of all homes and businesses. This will now increase to over 98% further to the recent BT announcement that all exchanges, bar Isfield, will be enabled before May 2005.

Current Exchange Status Summary	Total
East Sussex Exchanges	65
Exchange without trigger level set	1 (Isfield)
Exchanges with Ready for Service Dates – to be operational before May 2005	23
Exchanges Activated (as of 4 th June 2004)	41

6. Future Targets

6.1 In conclusion, Broadband East Sussex has provided the impetus to BT to move beyond their early position, and drive maximum availability from that partner. In recognising that alternative provision is required, Broadband East Sussex is driving an innovative and sustainable approach through the upcoming WiFi pilot, which will establish the model for wider availability beyond Q4 2004. Both approaches will be required to meet the testing (and unprecedented) 100% availability target.

The ESCC approach has been recognised as innovative and in leading the way with the PPP with BT. ESCC leads the Broadband project for the South-East Region, where other Counties and Partnerships look to East Sussex for best practice approaches.

6.2 With over 40 exchanges activated, availability exceeding 90%, and take-up running at 10%, ESCC is well-placed to exceed the Council Plan targets for this area.

6.3 This program has delivered against all targets set to date. Future work will focus on ensuring 100% Broadband availability post May '05 and working with Partners to increase take up.

7. Budget Provision

7.1 The budget allocation for Broadband is £280,000 for 2004-5. Further contributions are expected from SEEDA (£225,000) and commercial partners.