Public Consultation

Lincolnshire Broadband Programme

Consultation Start Date: 16/08/2012
Consultation End Date: 16/09/2012
Contents

Executive Summary

1. Introduction
   1.1 Purpose
   1.2 Policy
   1.3 Lincolnshire’s Digital Vision
   1.4 Specifications
   1.5 Procurement Strategy
   1.6 State Aid

2. Programme Area
   2.1 Settlement Pattern/Population Density

3. Existing Infrastructure
   3.1 Private Fixed Infrastructure
   3.2 Wireless (Mobile & Fixed wireless)
   3.3 Public Sector Networks
   3.4 Community Schemes

4. Potential Future Market Investment
   4.1 Current Status
   4.2 Forward Projections
   4.3 Market Engagement

5. Conclusions
   5.1 Description of Proposed Aid measures
   5.2 Proposed Target Areas

6. Invitation to Respond to this Consultation
   6.1 Consulting Operators
   6.2 Consulting the People of Lincolnshire
   6.3 How to Respond

7. Glossary of Defined Terms

8. List of Maps
Executive Summary

The County of Lincolnshire has a critical need for investment in enhanced digital connectivity, to provide every community with access to better, faster broadband services. Current levels of broadband coverage and speeds are holding back economic growth and the transformation of public services, limiting the county as a place to do business and impacting on quality of life for its residents and communities.

Lincolnshire County Council is working with the seven District Councils to address this need, and has demonstrated its commitment to developing superfast broadband by including £10Million in its capital programme and the seven District Councils have committed another £4Million. Further funding contributions by ERDF (£300K) and BDUK (£14.3m) has been agreed to add a further £14.6m fund to improve the Lincolnshire broadband network by 2015. This fund will be managed by Lincolnshire County Council as it leads the improvement process through the Lincolnshire Broadband Programme.

Approximately 17% of the county’s population has a less than 2Mb/s broadband connection or no connection at all, and almost 70% of the population is at high risk of not benefiting from private sector investment in Next Generation Access (NGA) Broadband.

The spatial distribution of residents and businesses across many small and evenly distributed settlements makes the provision of the necessary infrastructure expensive, thus making the area less attractive for private sector investment.

Our population is growing rapidly and increasingly ageing. Demand, particularly for health and care services is increasing, with resulting pressures on providing good and equitable access to services. Enhanced digital connectivity has huge potential to transform public and private services, realise efficiency savings and improve sustainability.

The Lincolnshire economy has significant capacity to grow to close the ‘GVA gap’ through the provision and adoption of enhanced digital connectivity. Faster and more widespread digital connectivity drives business demand for higher level, more highly paid skills and enabling those who were previously digitally excluded, to gain valuable skills.

Enhanced digital connectivity will bring benefits, and directly tackle the economic, demographic, service delivery and access challenges facing Lincolnshire:

Therefore, this consultation has three main objectives:

1. To outline Lincolnshire’s understanding of the extent of existing broadband infrastructure and services within Lincolnshire and to establish the accuracy of this information from feedback, in response to this consultation.

2. To explain Lincolnshire’s proposed programme of public sector investment to achieve the objectives of the Lincolnshire Broadband Programme.

Lincolnshire Broadband Programme
Draft Publication Consultation Document Ver. 08.21 15/08/2012

Lincolnshire Broadband Plan July 2011
3. To establish through a formal request for information, if there are any credible investment plans for similar or comparable projects that need to be considered when deciding where to deploy public sector investment. Information from suppliers will be used to support a notification for EU State Aid approval.

The Lincolnshire Broadband Plan provides detail of Lincolnshire’s aim and aspirations.

1. Introduction

1.1 Purpose

The purpose of the Lincolnshire Broadband Programme is to deliver significant improvements to current broadband services available in Lincolnshire to both residential and business users. The high cost of delivering commercially sustainable broadband in rural locations has resulted in large areas of Lincolnshire having either no broadband capability, or very poor broadband speeds. The County Council, and each of the seven District Councils which serve Lincolnshire, has identified broadband as a key economic enabler.

In tandem with this, Broadband Delivery UK (BDUK) is tasked with managing the Government’s initiative to provide improved broadband for the UK. The initiative aims to provide a minimum of 2Mb/s (Megabits per Second) broadband for the whole of the UK and NGA (Next Generation Access) broadband with download speeds of 30 Mbps or in any event more than 24 Mb/s to at least 90% of the UK by 2015.

BDUK is currently procuring a Broadband Delivery Framework of suppliers who can provide the infrastructure needed to enable the delivery of better broadband services. Lincolnshire County Council will place a contract with one of these suppliers to achieve the Government’s objectives with the resulting economic and wider social benefits.

Through this contract, the Lincolnshire Broadband Programme will provide broadband infrastructure across Lincolnshire that is capable of supporting the county’s long term aspirations:

a. **A healthy, diverse, sustainable, growing economy**
   Lincolnshire businesses will enjoy a competitive advantage and increased productivity through improved access to markets, digital applications, e-commerce opportunities and more flexible working patterns. A high standard of digital connectivity will encourage new businesses to start and existing businesses to flourish.

b. **Vibrant, empowered, digitally included communities**
   Communities in Lincolnshire will be empowered with the knowledge and skills to take advantage of greatly enhanced digital connectivity to build stronger connections, share ideas, innovate and determine their own futures. No community will be disadvantaged by lack of access to superfast broadband.

c. **High quality, accessible, efficient public services**
   Public services will evolve and respond to an increasing public demand for communicating and doing business on-line. Public services in Lincolnshire will be delivered more efficiently
and be accessible to every community in Lincolnshire. Enhanced broadband roll-out will ensure that no-one will be disadvantaged in accessing public services.

d. Sustainable futures
Lincolnshire will be ‘greener’ and more sustainable with a reduced need to travel, through the growth of more flexible working patterns, greater take-up of ‘on-line’ services and exchange of information. This will lead to a reduction in Lincolnshire’s carbon emissions.

1.2 Policy

Organisations and individuals across Lincolnshire have, for some time, recognised that improving broadband speeds and coverage is a key priority for the county. Currently, more than 57,000 private and commercial properties across Lincolnshire are in broadband ‘Not spots’ either having no broadband access at all, or suffering from very slow speeds of less than 2Mb/s via ‘Fixed line’ services.

The UK Government is well aware of the inadequacies of the existing broadband infrastructure in rural areas. It has recognised these inadequacies in its Strategy Document, Britain’s Superfast Broadband Future which in turn, is consistent with the action required of Member States of the European Commission in its Europe 2020 strategy.

The EU strategy promotes the targeting of public funds onto areas not fully serviced by private investment and it is that which the UK seeks to facilitate through the BDUK scheme.

It targets public funding at areas that have been identified as lacking adequate basic or NGA broadband infrastructure and that are unlikely to be served by such in the near future.

A Digital Agenda for Europe is one of the seven flagship initiatives of the Europe 2020 Strategy, which states:

‘The ICT sector is directly responsible for 5% of European GDP, with a market value of 660 Billion Euros annually, but it contributes far more to the overall productivity growth (20% directly from the ICT sector and 30% from ICT investments). This is because of the high levels of dynamism and innovation inherent in the sector and the enabling role the sector plays in changing how other sectors do business.

The key areas of the EU Digital Agenda are:

- Broadband Targets: improvements to connectivity and performance
- Digital single market: e-commerce

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2 BDUK Data August 2011
3 (Britain’s Superfast Broadband Future, December 2010. Department for Business, Innovation & Skills (BIS) and Department for Culture, Media & Sport (DCMS)
• Digital Inclusion: increasing the percentage of the population confident to use the technology
• Increasing uptake of public services through online interactions
• Growth of research and innovation in technology
• Developing a low carbon economy through better use of technology

The UK Government has committed in ‘Britain’s Superfast Broadband future 2010’ to ‘Deliver the best superfast broadband network in Europe by 2015’ including an assurance that ‘virtually all homes will have a minimum of 2Mb/s’

1.3 Lincolnshire’s Digital Vision

By 2017 our lives and opportunities will be transformed by the availability and use of digital technologies that supports a healthy sustainable economy and vibrant communities, enriches people’s lives, and gives access to high quality, efficient public services.

The vision will be achieved through:

a). Next Generation Access broadband (NGA) broadband to at least 90% of premises with the remainder receiving at least 2Mb/s by 2015

b). seeking additional investment and demonstrating demand to achieve near universal coverage of Next Generation Access broadband (NGA), with easy, affordable access

c). facilitating the infrastructure required by the private sector to maximise coverage of mobile connectivity and other digital services

d). active citizens, businesses and communities who are ‘Digitally included’

1.4 Specifications

The successful supplier will work to the following high level specifications and requirements:

Download/Upload Speeds

For a minimum of 90% of properties in Lincolnshire, the network should deliver for customers, Next Generation Access (NGA) broadband services with download speeds of 30 Mb/s or in any event more than 24 Mb/s. This will include the requirement to deliver symmetrical speeds to customers who require it and wish to pay for it. For the remainder of Lincolnshire, where these speeds are not achievable, then a minimum download speed of 2Mb/s is required.

Geographical Coverage

The programme will include all properties that lie within the Lincolnshire geographical area. In addition, all companies forming the BDUK Delivery Framework and who are bidding for the Lincolnshire programme, will be required to provide potential options for properties identified as being within 10Km of the geographical boundaries as highlighted on Maps A & B annexed within this document.
These options will only be taken up where they are proven to be economically advantageous and with agreement with the bordering county. Likewise, any bordering counties going through the BDUK process will be required to carry out a similar exercise. Lincolnshire will seek answers to specific questions relating to planned work and existing operations within the neighbouring counties.

**Access**

The new infrastructure network will provide wholesale broadband capabilities to allow retail internet service providers to deliver broadband services to both business and residential customers. It will remain an ‘Open’ infrastructure for a minimum of seven years as required by EU State Aid rules. This means that the infrastructure will not be restricted to any one Internet Service Provider and customers will therefore have a choice of who provides their broadband services.

### 1.5 Procurement Strategy

Lincolnshire is bound by EU procurement rules and the Public Contracts Regulations 2006, which define how Lincolnshire will purchase the broadband network.

Lincolnshire County Council intends to procure the broadband infrastructure using the BDUK (Broadband Delivery UK) Broadband Delivery Framework, which is currently being procured by the DCMS (Department of Culture, Media & Sport) under the Official Journal of the European Union (OJEU) Reference 2011/S122-202671.

Lincolnshire County Council is working with BDUK in the procurement under this Framework Agreement. It is intended that Lincolnshire County Council will commence a mini-competition exercise to select a supplier, following the completion of the State Aid Umbrella and subsequent Framework Agreement between BDUK and Suppliers.

Upon completion of the mini-competition exercise, Lincolnshire will have selected a supplier with whom they will enter into a contract.

The Framework is based upon the assumption that a Gap Fund Model will apply, where the private sector invests alongside a public subsidy, to provide broadband to areas where a commercially viable model would otherwise not have existed. Under the Framework, the supplier will carry the risk of implementing and operating the infrastructure network and ensuring its commercial success.

The different funding sources used along with EU State Aid rules, place specific limitations on which types of cost the funding can subsidise.

When the infrastructure network is in place and has attracted sufficient customers, the supplier should receive customer revenues (through retail service providers) that will cover its operating and maintenance costs and generate sufficient profit to provide a return on investment.

Features of the procurement are as follows:

- The procurement of the Framework and subsequent mini-competition, will ensure the most economically advantageous offer is received for the Lincolnshire Broadband Programme.
• The Framework process is ‘Neutral’ from a technical perspective. It is considered that the ‘Market’ is best placed to define the appropriate mix of available technologies, which will be evaluated on the basis of cost and quality of solution offered
• How potential suppliers propose to utilise any existing infrastructure that may be available, will be tested via the evaluation of the Framework agreement and the subsequent call-off contracts
• The supplier ultimately selected, will be required to allow sufficient wholesale access to the subsidised infrastructure. Conditions of contract will ensure that such access is offered on a fair, reasonable and non-discriminatory basis
• There will be a mechanism in place to benchmark wholesale access prices for retail service providers, to allow them to use the subsidised infrastructure
• A contractual ‘Claw Back’ arrangement will be written into to any contract with a supplier to prevent over-compensation to the supplier from public subsidy, where the supplier makes what is deemed to be excessive profit. Where this is the case, a mechanism will exist where there is a re-investment of this over-subsidy by the supplier.

1.6 State Aid

EU State Aid Regulations will apply to the proposed public sector investment in the programme. These rules will aim to minimise any distortion of competition within the EU, arising from any aid or subsidy granted to a commercial undertaking by the public sector. The programme will only invest where it is in compliance with these rules. To ensure this, the programme will rely upon the BDUK State Aid notification to the European Commission, specifically ‘National Broadband Scheme for the UK: Supporting the local and community roll-out of Superfast broadband’.

2. Programme Area

2.1 Settlement Pattern & Population Density

Lincolnshire is a very large and primarily rural county with a land area of 5,921 Sq. Km and a population of 703,000 people (numbers based upon 2010 Mid-Year population Estimates)

Despite having several large concentrations of urban population around Lincoln, Grantham, Spalding, Sleaford, Boston & Gainsborough, Lincolnshire has a very even dispersion of smaller community clusters across the whole of the county. This is partly due to the lack of large geographical features such as lakes and mountain that tend to concentrate people into particular areas.

*The following map clearly demonstrates the rural nature of Lincolnshire*
Defra Urban Rural Definition

© Crown Copyright and database right 2011. Ordnance Survey 100025370
Sources: DEFRA 2005
It is this even dispersion and the associated sparsely populated communities that provide significant challenges to the commercial viability of large scale broadband deployment. The county’s population density in mid-2010 was 121 persons per Sq. Km which compares with an average figure for England of 401 persons per Sq. Km (numbers based upon 2010 Mid-Year population Estimates).

The map below shows Lincolnshire based upon premises density.

**Lincolnshire**

**Premises**

© Crown Copyright and database right 2011. Ordnance Survey 100025370
3. Existing Infrastructure

3.1 Private Fixed Infrastructure

Many of the existing broadband services in Lincolnshire are based upon an infrastructure network operated by BT. Lincolnshire is serviced by 137 telephone exchanges.

Of these exchanges, 126 are within the county boundaries, with a further 11 in neighbouring counties.

Ofcom classify exchange areas by ‘Market Type’ based upon the following definitions:

- Market Type 1 – Where BT is the only provider present and with no faster broadband available
- Market Type 2 – Where there are two or three providers present with faster broadband speeds
- Market Type 3 – Where there are 4 or more providers present with broadband speeds up to 24Mb/s

Type 1 exchanges make up the vast majority of exchanges that cover Lincolnshire and it is the improvement of this current scenario that is a key driver in the Lincolnshire Broadband Programme.

Virgin Media has a presence in a number of areas of Lincolnshire, primarily centred in and around the larger urban and more densely populated areas around Lincoln and Grantham, offering NGA speed broadband over their fibre cable infrastructure. However, not all locations within these specific areas of Lincolnshire are served by Virgin Media.

3.2 Wireless (Mobile & Fixed Wireless)

Lincolnshire has some existing services from mobile telephony providers via 3G (Third Generation) technology which provides broadband services in some areas. The operators currently providing these services that we are aware of are Orange, T-Mobile, 3, Vodafone and O2.

There are also a number of local wireless schemes currently operating or planned to operate in the near future. We are aware of AB Internet, F1 Group & Linpop. Each of these companies are currently operating, or planning to operate Wireless broadband networks across various areas of Lincolnshire.

It is understood that these companies may have plans to expand to other areas over and above the areas they currently cover and this consultation seeks a response to these plans.

Other Wireless activities we are aware of include:
A Glasgow based company named ‘Inkspot’ who had previously expressed an interest in launching a scheme in areas of Skegness and towards Chapel St. Leonards.

Connexins who are currently running a fibre/wireless system in a community in Lincolnshire and who are potentially looking to expand their operation within the county.

A company named ‘LN Communications’ who are planning on providing a Community wireless network in the Vale of Belvoir in Leicestershire, but which may provide overlapping coverage to some Lincolnshire areas.

BT Openzone service which provides users of wireless devices with access to wireless broadband. These services are available at BT ‘Hot spots’ such as cafes, hotels, airports and railway/bus stations.

### 3.3 Public Sector Networks

Lincolnshire has a number of Public Services Networks that cover significant areas of the county providing services to the County Council, Schools and District Councils.

See Map Below:
3.4 Community Schemes

There is an existing Community Network covering the villages of Ashby & Digby. It is understood that ownership of this Network has recently changed to Connexin and this consultation seeks clarification on whether the new owners have any plans to expand to other community based schemes within Lincolnshire.

4 Potential Future Market Investment

4.1 Current Status

Lincolnshire has analysed commercial data and data available from BDUK dated June 2012 and additional data received from BT via an Open Market Review carried out in July 2012 and based upon an NDA agreement with BT to identify and classify the current levels of broadband coverage across the county in terms of NGA and basic level broadband. This research has identified a number of issues, but primarily that large geographical areas currently do not get NGA levels of broadband and additionally, there is a significant divide between urban areas of dense population and many of the more rural areas.

To stimulate potential future market investment, a Demand Stimulation exercise was launched during May 2011 to allow Households, Local Businesses and Communities to register an interest in receiving improved broadband speeds.

At 27th July 2012 a total of 6738 households and businesses had registered an interest via the OnLincolnshire web page www.onlincolnshire.org.

Lincolnshire has already carried out early consultation with a number of existing infrastructure suppliers and this is detailed further at section 4.3 below.

The European Commission has developed a set of definitions to describe the level of basic and NGA broadband and these are further developed in BDUK State Aid Notification.

The specific definitions are given in the glossary at the end of this document. These definitions are also reflected in the maps annexed within this document.

- Map A - basic broadband services currently available in Lincolnshire & within a 10KM distance of the County Boundary
- Map B – NGA broadband currently available in Lincolnshire & within a 10KM distance of the County Boundary

These maps are based upon data provided by BDUK, which are in turn based upon detail provided by BT via an Open Market Review (OMR) carried out in July 2012, under an NDA agreement and by
Virgin Media. For any anomalies arising, it must be emphasised that the data is provided on the basis that BT and Virgin Media have verified the data. It is intended that this data will be furthered verified by this consultation.

With regard to any investment in the provision of NGA services, the areas targeted are those designated as ‘White NGA’ areas. For State Aid purposes, these areas are furthered classified by reference to their designation as being Basic White, Basic Grey and Basic Black areas. The following Table defines Basic White, Grey & Black and NGA White, Grey & Black:

<table>
<thead>
<tr>
<th>Designation</th>
<th>Description-Basic</th>
<th>Description-NGA</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>An area where: basic broadband services at a minimum download speed of 2Mb/s are not available at affordable prices and there are no private sector plans to deliver such services in the next three years; or there is no basic broadband infrastructure, nor any investment plans by a private sector network operator to deliver such infrastructure within the next three years.</td>
<td>An area where: NGA broadband services at an access (download) speed of 30 Mb/s or in any event more than 24Mb/s are not available at affordable prices and there are no private sector plans to deliver such services in the next three years; or there is no NGA broadband infrastructure, nor any investment plans by a private sector network operator to deliver such infrastructure within the next three years.</td>
</tr>
<tr>
<td>Grey</td>
<td>An area where: one basic broadband network already exists delivering affordable basic broadband services at a minimum download speed of 2Mb/s and there are no private sector plans to roll out similar infrastructure in the coming three years.</td>
<td>An area where: one NGA broadband network already exists delivering affordable NGA broadband services at an access (download) speed of 30 Mbps or in any event more than 24Mb/s and there are no private sector plans to roll out similar infrastructure in the coming three years.</td>
</tr>
<tr>
<td>Black</td>
<td>An area where: two or more basic broadband networks already exist delivering affordable basic broadband services at a minimum download speed of 2Mb/s.</td>
<td>An area where: two or more NGA broadband networks already exist delivering affordable NGA broadband services at an access (download) speed of 30 Mb/s or in any event more than 24Mb/s</td>
</tr>
</tbody>
</table>

Where an area is designated as Basic White, Basic Grey or Basic Black, then that area will be targeted for investment for the provision of NGA services.

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5 BDUK Local_Postcode_to_Cabinet_Mapping June 2012
Market research and Demand Stimulation data gathered by Lincolnshire at a local level, demonstrates that existing broadband services are often insufficient to meet the needs of citizens and business users in those areas.

In terms of investment for the provision of basic broadband services, areas targeted will be those designated as NGA White and Basic White on the attached maps. Those areas designated as Basic Black and Basic Grey will not be targeted for investment for basic broadband.

**Mobile Wireless:**

Where 3G services are available, these have been discounted from the classification mapping and the reasons behind this decision are detailed below.

1. The 3G technology is capable of delivering broadband speeds in excess of 2Mb (Basic Broadband), but factors such as distance from the transmitter have an impact on the availability of a consistent speed in excess of 2Mb/s and added to this, there is little coherent evidence publicly available to show locations where a signal consistently in excess of 2Mb/s can be received.

2. At this point in time, in order to achieve a speed comparable to a Landline Package\(^6\), the cost of the monthly rental would exceed the measure of affordability Lincolnshire County Council has adopted for these purposes\(^7\).

Additionally, there is some evidence that 3G mobile services do not fully meet the needs of consumers for broadband services. A recent report by the department of Business Innovation and Skills showed that 10% of users close to a base station can achieve 75% of the peak data speeds (or better), but 50% of users on the outer edge of radio cells can only achieve 25% of the peak data speed (or less)\(^8\).

For the reasons described above, the different wireless services are not shown on Map A (basic broadband) annexed to this document.

**Fixed Wireless**

In each area where there may be existing or potential fixed wireless service, it is intended to deliver NGA services where possible. This consultation will seek to understand the status, affordability and availability of current basic broadband, where fixed wireless technologies are deployed. Accordingly, there may be sufficient justification for public investment in basic broadband in these areas.

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\(^6\) PlusNet Value Broadband £6.49 per month + £9.49 Line rental with 10Gb download limit. [http://www.plus.net/packages/broadband-calls/](http://www.plus.net/packages/broadband-calls/)

\(^7\) For these purposes, Lincolnshire has adopted a measure of affordability of less than £100 installation costs and rental costs of less than £25 per month. This is based upon the measure adopted in the BDUK State Aid Notification

\(^8\) Department for Business Innovation and Skills Report ‘Digital Britain’ Final Report 2009
However, the value of these and wireless services generally, along with other technologies, are recognised and it is not the intention to duplicate existing services.

Therefore, the following information, if received prior to the expiry of this consultation, may sufficiently evidence the needs of consumers were being met for basic broadband via these services. Consequently, the areas of coverage could be mapped as having basic broadband and the area would not be targeted for basic broadband services in this project:

- a) Accurate coverage mapping with evidence to reasonably verify the areas of coverage, taking into account issues of signal penetration and local topographical constraints
- b) Evidence that the prices, particularly for business users are affordable and in line with BDUK guidance.
- c) Sufficient evidence of a business plan and a detailed, date specific deployment plan (where not currently operational) to give sufficient assurance of the sustainability of the proposals

Notwithstanding this, it should be noted that where such evidence does result in an area being mapped as having basic broadband (therefore changing an area designated as Basic White to Basic Grey) the project may still invest in basic broadband in these areas, under certain circumstances. This could be where the consequence of deploying certain technologies to achieve NGA coverage provides an enhanced basic broadband service in the same or adjacent areas. An example is the deployment of Fibre to the Cabinet (FTTC) to deliver NGA services within a certain distance of a Cabinet, where premises beyond this distance, served by the same Cabinet, will receive an enhanced basic service.

The whole of Lincolnshire is currently served by Satellite based services offering a basic broadband service. Whilst the presence of these services is acknowledged, these services have not been included in the coverage maps on the basis that installation costs and in some cases, rental charges, potentially make them unaffordable for consumers (utilising BDUK guidelines on affordability). A survey of costs was undertaken in June 2012 and of the providers whose costs were surveyed, no provider offered a service that was affordable, based on the affordability model utilised by Lincolnshire County Council, which mirrors BDUK guidelines.

### 4.2 Forward Projections

Lincolnshire is aware of the announcements published by BT PLC of its intention to upgrade services to certain telephone exchange areas in Lincolnshire (See Table below & Map C). This is

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9 Tooway Option 6 with professional installation £199.90 Initial Charge with £24.99 per month and 4Gb download limit. BeyonDSL monthly rental of £14.99 2Mb/s download, restricted to 2Gb data allowance with £299.99 Terminal Kit costs

10 For these purposes, Lincolnshire has adopted a measure of affordability of less than £100 installation costs and rental costs of less than £25 per month. This is based upon the measure adopted in the BDUK State Aid Notification

11 BT Openreach-communications.co.uk/superfast/where-and-when
clearly a welcome investment and the map at Map C outlines the effect that this investment will potentially have and this may well result in fewer premises being targeted for investment following the closure of this Consultation document.

<table>
<thead>
<tr>
<th>Exchange Name</th>
<th>SAUID</th>
<th>FTTC/P</th>
<th>Forecast Date</th>
<th>County / Unitary Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOURNE</td>
<td>EMBOURN</td>
<td>FTTC</td>
<td>2012</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>GRANTHAM</td>
<td>EMGRHAM</td>
<td>FTTC</td>
<td>2012</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>SPALDING MARKET</td>
<td>EMSPDNG</td>
<td>FTTC</td>
<td>2012</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>GAINSBOROUGH</td>
<td>SLGB</td>
<td>FTTC</td>
<td>Jun-12</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>LINCOLN</td>
<td>SLLI</td>
<td>FTTP</td>
<td>Mar-12</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>LOUTH</td>
<td>SLLH</td>
<td>FTTC</td>
<td>Jun-12</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>SUDBROOKE PARK</td>
<td>SLSPK</td>
<td>FTTC</td>
<td>Mar-12</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>BIRCHWOOD</td>
<td>SLBWD</td>
<td>FTTC</td>
<td>Now</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>MARKET DEEPING</td>
<td>EMMKDEE</td>
<td>FTTC</td>
<td>Now</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>STAMFORD</td>
<td>EMSTMFD</td>
<td>FTTC</td>
<td>Now</td>
<td>Lincolnshire County</td>
</tr>
<tr>
<td>WASHINGBOROUGH</td>
<td>SLWBO</td>
<td>FTTC</td>
<td>Now</td>
<td>Lincolnshire County</td>
</tr>
</tbody>
</table>

It is understood that Virgin Media does not currently have any plans for large scale network upgrade in Lincolnshire, although it is anticipated that there will be some small scale increases in coverage.

Other than the BT and VM positions described above, Lincolnshire has not been notified of any substantial plans for investment in basic or NGA broadband with Lincolnshire or within a 10Km distance of the county borders, within a three year period up to 30th April 2015.

Through this State Aid Consultation, we hope to get further information or statements to enhance our understanding of the above.

4.3 Early Market Engagement

In December 2011, Lincolnshire consulted with the following broadband suppliers, BT, Virgin Media, Fujitsu, Avanti and Eutelsat.

Responses to this consultation were received from BT and Fujitsu. The responses to this consultation gave some verification of coverage areas and an understanding of future infrastructure upgrades that may improve current broadband speeds in Lincolnshire.
5 Conclusions

5.1 Description of Proposed Aid Measures

The specifications for this project are described in Section 1.4 above.

Lincolnshire County Council proposes to invest an initial sum of £10M, with an additional sum of £4M being provided by the District Councils and £300K of European Funding to match a sum of £14.3M via BDUK funding, along with funding by the private sector provider selected by the Procurement Process described in this document, to achieve the 2015 objective in section 1.3 of a minimum of 90% of premises receiving NGA broadband with the remainder receiving a minimum of 2Mb/s.

ERDF funding of approximately £300K has been allocated for Pilot Schemes in the Boston and East Lindsey areas preceding the BDUK Framework Agreements and has been the subject of a separate consultation. Where a Pilot Scheme is undertaken, then this area could be excluded from current proposed intervention areas, but at this time, no decision has been made with regard to which specific area will be covered.

Other grant funding such as ERDF (European Regional Development Fund) and/or DEFRA (Department for Environment, Food and Rural Affairs), Rural Community Broadband Fund (RCBF). Will be required to reach the 2017 Target as described in section 1.3 and if received, is included in this project:

- ERDF funding to provide support to local businesses to assist them in further exploiting broadband. This bid may also seek further funding to implement NGA broadband, specifically to support businesses
- DEFRA/RCBF funding based upon funding from communities, groups, individuals or businesses
- Contributions from other public sectors organisations

5.2 Proposed Target Areas

The areas that it is proposed to target for investment under this scheme are shown as:

- The White Areas on Map A for basic broadband within Lincolnshire i.e. the areas shown on that map as Basic White
- The White Areas on Map B for NGA broadband within Lincolnshire i.e. the areas shown on that map as NGA White

As described previously, it may be a necessary consequence of the deployment of certain technologies to achieve NGA coverage that a basic broadband service is delivered or enhanced in those areas, where a basic broadband already exists. An example being where Fibre to the Cabinet
(FTTC) is deployed, the premises within a certain area of the Cabinet may receive NGA broadband, whilst premises beyond that distance will receive an enhanced basic broadband service.

With reference to Section 1.4, the project will ask Bidders for potential options for properties identified within the 10Km boundary shown in Maps A & B where they are proven to be economically advantageous and agreed with the neighbouring county. Any areas outside Lincolnshire will be considered eligible for investment in broadband under the same principles as areas within Lincolnshire that is:

For basic broadband, the areas shown on Map A i.e. areas that are designated on that map as Basic White

For NGA broadband, the areas shown on Map B i.e. areas that are designated on that map as NGA White

6. Invitation to Respond to this Consultation

Stakeholders are invited to respond to this consultation.

In particular, we are addressing a formal request to operators for information to operators of existing or planned (next 3 years) broadband infrastructure within the county of Lincolnshire. In addition, we are consulting with local stakeholders in Lincolnshire.

6.1 Consulting Operators & Providers

Operators of existing or planned (next 3 years from the first day of this consultation document) broadband infrastructure in Lincolnshire are invited to confirm or correct our understanding of their deployment plans (to 2015). If you wish to inform us of proposals for investment, we need to be assured that your proposed investment is credible and sustainable, and [significant progress in rolling out the infrastructure will be made] within 3 years of [the first day of the public consultation].

To this end, in accordance with EU State aid guidance, we would require evidence in the form of a business plan [detailed proposed investment by postcode or premises] and detailed calendar deployment plan before any changes to the scope of the project are considered.

Internet Service Providers are invited to comment on the proposed Lincolnshire Broadband Programme and if you wish to inform us of proposals for investment, we need to be assured that your proposed investment is credible and sustainable, and [significant progress in rolling out the infrastructure will be made] within 3 years of [the first day of the public consultation]. To this end, in accordance with EU State aid guidance, we would require evidence in the form of a business plan [detailed proposed investment by postcode or premises] and detailed calendar deployment plan before any changes to the scope of the project are considered.

The purpose of seeking responses to this consultation question are to ensure that the public funding intervention envisaged in the Lincolnshire Broadband Programme, will not duplicate planned private sector investment, or distort an otherwise competitive market.
Operators must respond to this consultation by 5.00 PM on 16/09/2012 if we are to take into account their responses before we issue the Lincolnshire Local Call-off Contract ITT.

6.2 Consulting the People of Lincolnshire

Local stakeholders (including businesses, public sector and voluntary groups, communities, and people that live and work in Lincolnshire) are invited to comment on our Lincolnshire Broadband programme and on our statement of local requirements and priorities.

Your views are important to us, and will be taken into account in finalising our plans.

The Lincolnshire Broadband Programme has had a widespread local communications campaign, and Lincolnshire County Council is seeking registrations from local stakeholders who wish to express an interest in receiving better broadband. Registration can be done via the OnLincolnshire Web Page. Please see link below:

www.onlincolnshire.org

Responses to this consultation from people in Lincolnshire must be received by 5.00 PM on 16/09/2012. Public responses to this consultation will be used to refine the local requirements for the Lincolnshire Local Call-off Contract Invitation to Tender (ITT).

A summary version of the public consultation for the people of Lincolnshire is also available, and can be found via the following link:

http://www.onlincolnshire.org

6.3 How to Respond

In order to respond to this consultation, please write to:

Lincolnshire Broadband Programme Team
Lincolnshire County Council
13 The Avenue
Lincoln
LN1 1PA

Alternatively, email your response to BroadbandPCDResponse@lincolnshire.gov.uk

Please include your name and address, and clearly mark that you are responding to the Lincolnshire Broadband Programme State Aid Public Consultation.

Responses to this consultation must be received no later than close of business (5pm) on 16th September 2012

If you wish your responses to be treated as ‘Confidential’ please clearly mark your responses as ‘Confidential’. Confidential responses may be taken into account, but will be redacted from any published summary of the consultation responses received.
If you have not already completed our registration for better broadband, please do so at the following link: http://www.onlincolnshire.org

In conducting this State Aid Public Consultation, we aim to adopt the latest guidance and best practise in the conduct of public consultations. If you have any feedback on the conduct of this public consultation, your views would be welcomed. Please write to:

Lincolnshire Broadband Programme Team
Lincolnshire County Council
13 The Avenue
Lincoln
LN1 1PA

Alternatively, email your feedback to BroadbandPCDResponse@lincolnshire.gov.uk
7. Glossary of Defined Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>3G</strong></td>
<td>The third-generation of mobile technology, currently used to deliver mobile broadband.</td>
</tr>
<tr>
<td><strong>4G / LTE</strong></td>
<td>The emerging fourth-generation mobile technology (also known as Long Term Evolution), that will be used to deliver mobile broadband.</td>
</tr>
<tr>
<td><strong>ADSL or ADSL1</strong></td>
<td>A type of technology (Asynchronous Digital Subscriber Line) used to deliver broadband over copper lines, at speeds up to 8Mbps.</td>
</tr>
<tr>
<td><strong>ADSL2+</strong></td>
<td>A second generation of ADSL technology used to deliver broadband over copper lines, at speeds up to 24Mb/s.</td>
</tr>
<tr>
<td><strong>Backhaul</strong></td>
<td>Backhaul is the means of conveying data to/from the core network and access network.</td>
</tr>
<tr>
<td><strong>Basic Broadband</strong></td>
<td>A broadband service delivering speeds up to 24Mb/s.</td>
</tr>
<tr>
<td><strong>BDUK</strong></td>
<td>Broadband Delivery UK are the body set up by Government to sign-off local broadband plans and handle the bidding process for the £530m available for investment in broadband nationally.</td>
</tr>
<tr>
<td><strong>BDUK Framework</strong></td>
<td>The process by which BDUK have selected providers who are capable of delivering solutions for local broadband projects, and are hence eligible to bid for the Lincolnshire broadband contract.</td>
</tr>
<tr>
<td><strong>Call-Off Procurement</strong></td>
<td>A local call-off contract award process that appoints a chosen supplier from pre-qualified suppliers on the BDUK Framework.</td>
</tr>
<tr>
<td><strong>Commercial Deployments</strong></td>
<td>Deployments of Broadband/Superfast Broadband funded by private sector commercial operators on the basis of a sustainable business case to earn a return on their investment.</td>
</tr>
<tr>
<td><strong>Copper Cables</strong></td>
<td>The type of cable (made of copper) that has historically been installed to provide voice telephony, and is being re-used to provide broadband (but does not support speeds as fast as optical fibre).</td>
</tr>
<tr>
<td><strong>Digital Divide</strong></td>
<td>A term used to describe the potential divide between those who have access to, and use, digital services, and those that do not have access to, and/or do not use, them, because of availability or socio-economic reasons.</td>
</tr>
<tr>
<td><strong>Fixed Wireless Broadband</strong></td>
<td>Broadband that is delivered to a fixed location through a wireless connection, often where it may be uneconomical to provide a wired connection.</td>
</tr>
<tr>
<td><strong>FTTC</strong></td>
<td>Fibre-to-the-Cabinet, where an optical fibre cable is taken from the exchange to the street cabinet, using the remaining copper line from the cabinet to the premises.</td>
</tr>
<tr>
<td><strong>FTTP</strong></td>
<td>Fibre to the premises, where an optical fibre cable is taken all the way to the premise.</td>
</tr>
<tr>
<td><strong>ITT</strong></td>
<td>The invitation issued for providers to tender (bid) for a contract, in this case to deploy.</td>
</tr>
</tbody>
</table>
broadband in Lincolnshire

LA - Local Authority or Council

LLU /Unbundled Exchange - The regulatory process of allowing multiple telecommunications operators to use (‘unbundle’) connections from the exchange to customers’ premises (the ‘local loop’)

Local Broadband Plan - A Local Broadband Plan sets-out the plan for broadband in a local project area. An approved Local Broadband Plan is a requirement of the BDUK process

Mobile Broadband - Broadband that is delivered over mobile networks to mobile devices.

Mb/s - Megabits per second – a measure of broadband speed

NGA Broadband – Next Generation Access Broadband with download speeds at 30Mb/s or in any event, more than 24 Mbps

Ofcom - The regulator for the UK’s communications sector

Optical Fibre - The type of cable that transmits data as optical light (rather than as an electrical signal as with copper cables), which supports much higher speeds and capacity

Prime Contractor - The Lincolnshire contract may be awarded to a prime contractor, the one supplier who will be responsible for delivering the solution for Lincolnshire

PSN - Public Service Network, a national initiative to develop networks for the public sector, using common standards to ensure interoperability

Satellite Broadband - Broadband delivered via a satellite to an antenna at the customer’s premise. Most commonly used in remote locations where fixed line or wireless services are not available

State Aid Approval - EU State Aid rules prevent the use of public funding duplicating existing or planned commercial deployments of broadband, to avoid the risk of public subsidy distorting an otherwise competitive market. This consultation is part of the process required to ensure compatibility
Map A - Basic broadband services currently available in Lincolnshire & within a 10Km distance of the County Boundary: Source-BDUK June 2012 & BT OMR Data July 2012
Map B – NGA broadband services in Lincolnshire & within a 10Km distance of the County Boundary: Source-BDUK 2012 & BT OMR Data July 2012
Map C – BT Announced Network Upgrades: Source BT Openreach July 2012
Map D – BT Exchange Areas: