

Competitive Broadband for Britain's Local Councils.

Draft CTF discussion document from FCS.

What is 'competitive broadband'?

Few Local Authority structure plans proceed on the assumption that householders are the only stakeholders – even if, ultimately, they may be the only voters. The process of managing urban growth and allocating scant resources naturally requires balanced consideration of residential, commercial, retail, rural and leisure uses. And against each use, some consideration of vehicle movements, income and expenditure patterns, growth potential, and hence the allocation of appropriate resources to anticipate the expected outcomes.

Sponsoring or championing broadband availability needs to be seen in exactly the same way as sponsoring or championing the availability of roadways, street lighting or refuse collection: different stakeholders will have different needs, different expectations and markedly different usage patterns. Remote farmers may require little more than an adequate service to interrogate data sources for market prices or weather forecasts. Householders may require high download speeds so they can watch video on demand or so children can network/play games with multiple virtual contacts. Urban business people will usually be more interested in robust continuity of service, coupled with fast upload speeds so they can trade electronically or send drawings and data to cloud servers or directly to remote clients.

Starting with a default assumption that one size fits all, or that a broadband profile suitable for household use will automatically be adequate for business ratepayers, is a fundamentally flawed premise. As with all good public sector procurement, the key is firstly a clear understanding of stakeholder needs, followed by an open and competitive procurement process.

Following last year's Public Accounts Committee hearings into Broadband Delivery UK's decision to award 100% of rural broadband contracts to a single provider, there is a compelling need to demonstrate open and competitive tendering processes to deliver best value for the public purse.

PSN – A model for competitive procurement

It is admittedly difficult to demonstrate competitive and open procurement when one giant infrastructure provider holds such colossal sway. But this is not an altogether unfamiliar situation within public sector procurement. Some powerful and relevant work has been undertaken by the Cabinet Office and Government Procurement Service over the last 12 months in opening up the Public Sector Network communications framework to accommodate HMG's direction that at least 25% of spend should be with SME providers.

The principle that contracts can be broken down into smaller lots to satisfy the specific needs of minority stakeholders is already well rehearsed, and already delivering genuine benefits in practice. So, too, is the principle of encouraging potential vendors to form small consortia, where the expertise of

several complementary supplier businesses can be assembled to create bespoke solutions which precisely meet the brief. This provides an important counter-balance to 'one size fits all' bidding approaches, as it requires the would-be provider to demonstrate how a product which may be fit for household use (10Mb upload / 40Mb download, say) will better fit the brief set by business users than the specific solution suggested by an alternative small provider. This builds cost-justification into the process at a very granular level, and ensures the costs allocated against providing one type of service in volume do not end up distorting the prices for other, more complicated, elements of the contract.

In the case of Local Authority procurement, such an approach automatically lends itself to satisfying the local sustainability agenda. It permits even small local businesses the opportunity to compete for local monies and create local jobs, without compromising the need for the Local Authority to demonstrate a compliant, transparent and equitable procurement process.

Councils' own procurement experience is of only limited value in informing the decisions for their citizens. There are several Frameworks which Councils can use to procure broadband for their own use, however these do not cover broadband for local residents. For Council broadband they can use the Eastern Shires Procurement Organisation (ESPO) Telecom Framework launched in Feb 2013 and supplied by AdEPT Telecom plc. Alternatively, Councils have a choice of 10 broadband suppliers on the Crown Commercial Service Telephony Services Framework launched in October 2013.

Technical considerations

When investing public money in new infrastructure, future-proofing and whole-life costs need to be carefully considered. The lessons learned from the South Yorkshire Digital Region experiment, for example, are twofold:

- 1) The chosen technology approach – so-called Fibre To The Cabinet (FTTC) - is not future-proofed. In the case of South Yorkshire, it was inherently subject to competitive pressure from BT rolling out the same technology as they upgrade the ageing copper infrastructure.
- 2) A lack of service providers on the network meant that the project could appeal only to early adopters and those with clear needs, but for later adopters the big name ISP brands simply weren't there.

What we actually need to specify is a digital infrastructure that will serve us into the future. And that means running Fibre To The Premises (FTTP), at least for business users, plus high speed wireless and a competitive eco-system of providers delivering innovative services over this transformational digital infrastructure.

Local Communications Providers – an untapped resource

Business customers – even small business customers – normally buy their business communications services from a specialist supplier who bundles their need for fixed-line and mobile telephony and internet access with business-specific functionality like hunt-groups, hosted servers or call recording capabilities which are not normally available to domestic users. This service provides a livelihood for

upwards of 2,500 Communications Provider businesses in the UK, most of them local businesses, concentrating on serving customers within a specific geographic area.

These Communications Providers represent a vital and specialist resource to inform Local Authority understanding of the present and future communications needs of the local community. In particular, they can help planners instantly identify areas where the availability of business-quality broadband could help satisfy a development aspiration. Or, equally, help deliver business-grade solutions on to existing business parks which may have been bypassed in the first phase of BT's fibre roll-out, which focuses on delivering high volumes of domestic-grade internet access for retail providers like BT Retail, Talk-Talk or Sky.

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