

Connecting Rural Kent and Medway

Full Business Case for Getting Building Fund

August 2020

The template

This document provides the business case template for projects seeking funding which is made available through the **South East Local Enterprise Partnership**. It is therefore designed to satisfy all SELEP governance processes, approvals by the Strategic Board, the Accountability Board and also the early requirements of the Independent Technical Evaluation process where applied.

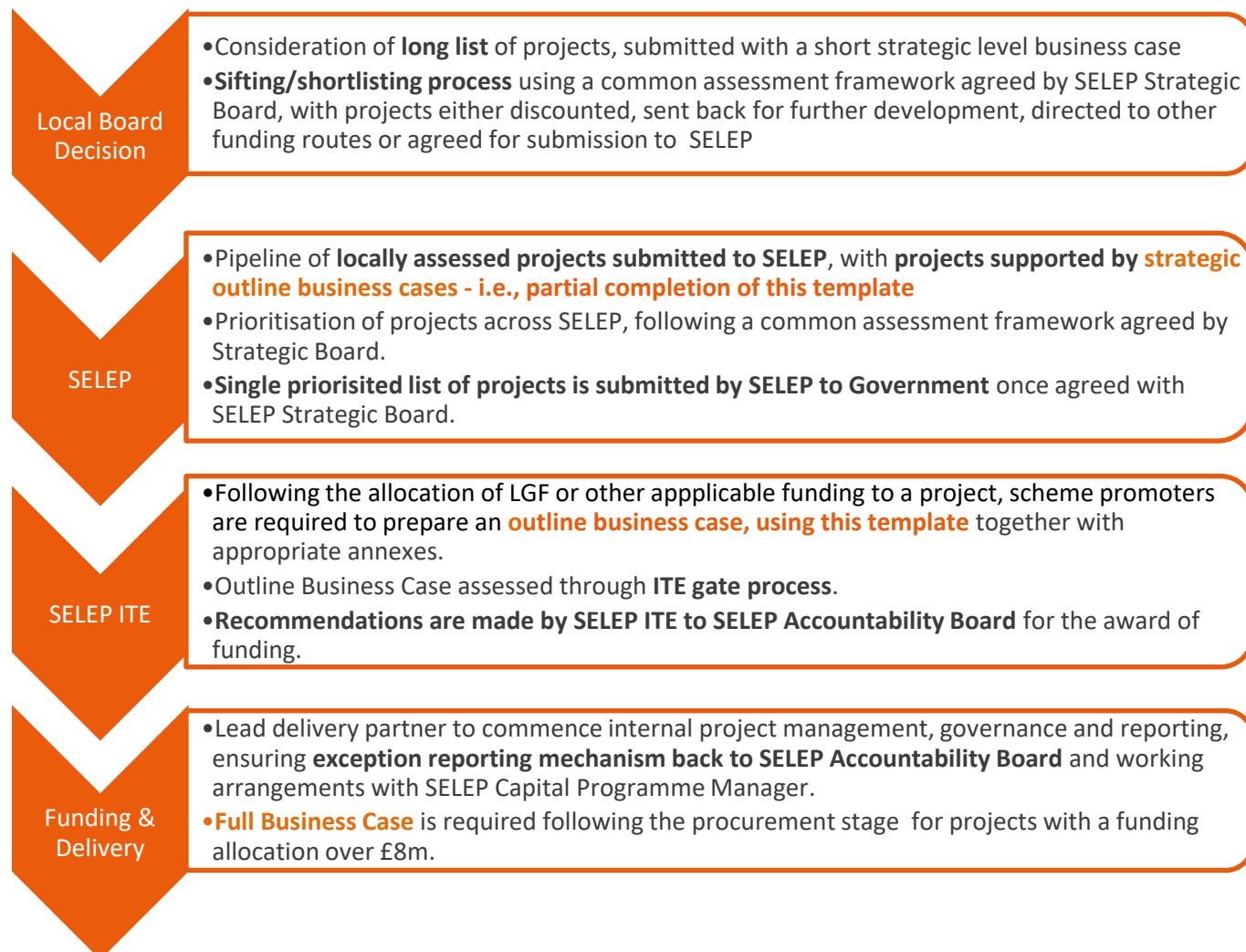
It is also designed to be applicable across all funding streams made available by Government through SELEP. It should be filled in by the scheme promoter – defined as the final beneficiary of funding. In most cases, this is the local authority; but in some cases the local authority acts as Accountable Body for a private sector final beneficiary. In those circumstances, the private sector beneficiary would complete this application and the SELEP team would be on hand, with local partners in the federated boards, to support the promoter.

Please note that this template should be completed in accordance with the guidelines laid down in the HM Treasury's Green Book. <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

As described below, there are likely to be two phases of completion of this template. The first, an 'outline business case' stage, should see the promoter include as much information as would be appropriate for submission though SELEP to Government calls for projects where the amount awarded to the project is not yet known. If successful, the second stage of filling this template in would be informed by clarity around funding and would therefore require a fully completed business case, inclusive of the economic appraisal which is sought below. At this juncture, the business case would therefore dovetail with SELEP's Independent Technical Evaluation process and be taken forward to funding and delivery.

The standard process

This document forms the initial SELEP part of a normal project development process. The four steps in the process are defined below in simplified terms as they relate specifically to the



Note – this does not illustrate background work undertaken locally, such as evidence base development, baselining and local management of the project pool and reflects the working reality of submitting funding bids to Government. In the form that follows:

Version control	
Document ID	
Version	
Author	
Document status	
Authorised by	
Date authorised	

1. Project Overview

1.1. Project name:

[Specify the name of the scheme, ensuring it corresponds with the name of the scheme at programme entry (when added to the LGF prioritised list of projects or other shortlisting process).]

Connecting Rural Kent and Medway

1.2. Project type:

[Site development, skills, innovation etc.]

Digital infrastructure

1.3. Federated Board Area:

[East Sussex, Kent & Medway, Essex, and Thames Gateway South Essex]

Kent and Medway

1.4. Lead County Council / Unitary Authority:

[East Sussex, Kent, Medway, Essex, Thurrock, Southend-on-Sea]

Kent County Council

1.5. Development location:

[Specify location, including postal address and postcode.]

This project will enable broadband connections to businesses and residents that are unable to access connectivity of 30 Mbps or above, within postcode areas in the 'final 4%' that are not served by the rollout of existing schemes. These postcode areas are located in rural areas across Kent and Medway (see map in Section 2). We anticipate that the majority of beneficiaries will be in relatively remote and dispersed rural areas.

The project will be delivered from Kent County Council, County Hall, Maidstone, Kent ME14 1XX.

1.6. Project Summary:

[Provide a summary of the project; max. 0.5 pages.]

Summary description

Connecting Rural Kent and Medway (CRKM) aims to provide broadband connectivity greater than 30 Mbps to rural businesses and residents who currently experience very poor (or no) connections.

It will do this by providing a **top-up voucher** to the existing Rural Gigabit Voucher scheme funded by Government and delivered by Broadband Delivery UK. This will mean that residents and businesses in the 'hardest to reach' areas will be able to get a voucher worth up to £7,000 to obtain connectivity, with the value of the voucher capped at the actual cost of connection.

Based on our estimates of take-up and the average value of the voucher, we anticipate that the CRKM voucher scheme will directly bring connectivity to 671 premises. In addition, because increased connectivity will reduce the marginal cost of connection to neighbouring premises, we anticipate that at least 222 further premises will be connected as a result.

The project will be delivered in 2020/21 and 2021/22, with all works completed and capital funds spent by 31 March 2022.

The need for intervention

High quality broadband infrastructure is essential to the functioning of modern life. This has been further demonstrated in the Covid-19 pandemic, as more people have worked from home, and there has been an increasing reliance on digital communications for work, education and household activities. For small businesses, the ability to trade online has become increasingly important, and demand or bandwidth is expanding as new technologies are introduced with higher demands on capacity.

Over the past decade, much progress has been made in bringing broadband connectivity to those (mainly rural) areas where the costs of connectivity make commercial delivery unviable. Through the **Kent and Medway Superfast Broadband** programme, funded through BDUK, 138,000 superfast broadband connections were delivered, meaning that around 96% of premises in the county now have connectivity at 30 Mbps or more.

However, for the 'final 4%', the costs are high, and connectivity will not be achieved without public subsidy. To partially bridge the gap, BDUK's national **Rural Gigabit Voucher (RGV)** scheme offers a voucher to specific postcodes worth up to £3,500 for businesses and £1,500 for residents towards the costs of connectivity. However, take-up has been slow, mainly because the costs of connectivity greatly exceed the subsidy available.

To further bridge the gap, Kent County Council, with the support of BDUK, launched a **Kent 'top-up voucher' pilot scheme** in September 2019. This makes available an additional £1,000 on top of the RGV scheme, with the eligibility criteria exactly the same as the RGV scheme. This has been successful in raising take-up, with connections in Kent around 65% higher per head of rural dispersed population than the England average.

But even with this scheme, many premises remain unable to secure connectivity. We have therefore discussed with BDUK the scope for a further voucher scheme to support those that are further from viability, as well as providing additional support to businesses. The proposed CRKM voucher scheme meets this need, and as well as directly enabling new connections, will also provide evidence to BDUK of the tipping point for intervention. Table 1-1 below shows the difference in the total available support under the Rural Gigabit Voucher scheme, the existing Kent top-up and the proposed CRKM top-up:

Table 1-1: Existing and proposed voucher schemes

	Residential premises	Business premises
BDUK Rural Gigabit Voucher (RGV)	£1,500	£3,500
Existing Kent top-up scheme	£2,500 <i>(RGV + £1,000 top-up)</i>	£3,500 <i>(no top-up)</i>
Connecting Rural Kent & Medway scheme	£7,000 <i>(RGV + max. £5,500 top-up)</i>	£7,000 <i>(RGV + max. £3,500 top-up)</i>

The Getting Building Fund request

Getting Building Fund grant of £2.29 million is requested to deliver the CRKM voucher scheme. Based on an assumed average voucher value of £3,048, this will lever an estimated £1.81 million in Rural Gigabit Voucher support from BDUK.

The case for Getting Building Fund support

Beyond the general case for public intervention, the rationale for GBF funding specifically is that:

- **The project directly responds to the heightened need for better broadband connectivity** demonstrated by the current pandemic. It is unlikely that the 'hardest to reach' premises will otherwise be connected in the next decade: GBF funding will accelerate delivery.
- **The project is deliverable in the short term.** With an early decision on GBF funding, delivery will start this financial year and the project will complete by 31 March 2022. This is enabled by the use of existing systems established for the current Kent top-up voucher scheme and by close working relationships with BDUK.
- **The project works with existing Government policy and systems.** Essentially, it supplements the RGV, which has already been subject to Green Book appraisal and is being delivered by Government, and the CRKM project will use the exact same eligibility criteria and supplier list as put in place by BDUK.

1.7. **Delivery partners:**
[List all delivery partners and specify the lead applicant and nature of involvement, as per the table below.]

Table 1-2: Delivery partners

Partner	Nature of involvement (financial, operational, etc.)
Kent County Council (lead applicant)	<ul style="list-style-type: none"> • Recipient of GBF grant and responsible for all grant monitoring, reporting and evaluation • Project management • Management of demand stimulation activity • Financial contribution of £131k • Liability for any excess costs over the grant allocation
BDUK	<ul style="list-style-type: none"> • Key partner, responsible for delivering the RGV scheme • Scheme eligibility criteria and application processes (NB, these are developed independently of CRKM, and KCC will remain in regular dialogue with BDUK) • Partner in scheme evaluation
Kent Districts and Medway Council	<ul style="list-style-type: none"> • Active support in demand stimulation and communications
Intermediary bodies (Kent Invicta Chamber of Commerce, community organisations, parish councils, etc)	<ul style="list-style-type: none"> • Active support in demand stimulation and communications
Suppliers	<ul style="list-style-type: none"> • Infrastructure delivery (NB – suppliers will be purchased by residential/ business customers using the voucher – there will be no contractual relationship between KCC and commercial suppliers).

It should be noted that the Kent Council broadband team is highly experienced, with over 10 years' experience of successfully delivery broadband projects to plan and to budget. The team was responsible for delivering the £32.66 million Kent and BDUK project which has delivered fast broadband to over 138,000 homes and businesses (to scale and budget), and is recognised by BDUK as a best practice authority for delivery and 'barrier busting activity' (enabling delivery by removing the barriers to delivery). Currently, the team is delivering the BDUK Kent Top-Up Voucher National Pilot for the Rural Gigabit Voucher Scheme, on which the CRKM voucher scheme is based.

1.8. **Promoting Body:**
[Specify who is promoting the scheme.]

Kent County Council
County Hall, Maidstone, Kent ME14 1XX

1.9. **Senior Responsible Owner (SRO):**
[Specify the nominated SRO and provide their contact details. The SRO ensures that a programme or project meets its objectives and delivers projected benefits. This is not the same as a Section 151 Officer.]

Senior Responsible Officer:

[Redacted]

Project manager (and lead contact):

[Redacted]

- 1.10. Total project value and funding sources:
[Specify the total project value, how this is split by funding sources, and any constraints, dependencies or risks on the funding sources, as per the table below.]

Table 1-3: Funding sources

Funding source	Amount, £	Constraints, dependencies, risks, mitigations
Kent County Council	131,227	This funding is committed. It constitutes revenue funding to support programme management costs and to ensure final project completion in 2022/23 following the completion of all capital works and spend the previous year.
BDUK (Rural Gigabit Voucher)	1,814,333	This funding is estimated as the value of Rural Voucher contributions to the costs of connections enabled by the CRKM top-up scheme. The basis for this estimated amount is set out in the Economic Case.
Getting Building Fund	2,290,152	See 1.11 below.
Total	4,235,711	

- 1.11. SELEP funding request, including type (LGF, GPF, GBF etc.):
[Specify the amount and type of funding sought from SELEP to deliver the project. Please also confirm that the funding will not constitute State Aid.]

Funding request

Getting Building Fund grant is requested of £2,290,152.

State Aid

The CRKM scheme will use the eligibility criteria and supplier list developed for the Rural Gigabit Voucher scheme. This has been approved by the UK Government and the European Commission as state aid compliant, with grants to business for connectivity made available as aid under the *de minimis* rule (as set out on the [Rural Gigabit Voucher website](#)).

The existing Kent top-up voucher scheme has also been approved by BDUK as state aid compliant. The rules and criteria for the CRKM scheme are the same as for the existing scheme (the only difference being that the level of intervention will be higher, although still well under de minimis limits).

1.12. Exemptions:

[Specify if this scheme business case is subject to any exemptions (and provide details of these exemptions) as per the SELEP Assurance Framework 2017, Section 5.7.4 and 5.7.5]

No exemptions apply.

1.13. Key dates:

[Specify dates for the commencement of expenditure, the construction start date and the scheme completion/opening date.]

Table 1-4: Key dates and milestones

Task/ milestone	Completion date
Governance processes	21 September 2020
Formal scheme launch, inc. start of demand stimulation and open to applications	22 September 2020
Scheme closes to new applications	31 March 2021
All connections in place	18 March 2022
Last date for defraying voucher schemes	31 March 2022

1.14. Project development stage:

[Specify the project development stages to be funded, such as inception, option selection, feasibility, outline business case, detailed design, procurement, full business case, implementation, the current project development stage, and a brief description of the outputs from previous development stages. Add additional rows as necessary. Please note, not all sections of the table may require completion.]

Table 1-5: Project development stages

Task	Description	Outputs achieved	Timescale
Completed			
Delivery of existing top-up pilot	Delivery of existing top-up pilot	695 connected/ agreed to be connected	Sep 19 - date
CRKM extension concept	Concept note and expression of interest	Eoi submitted to Government	July 2020
FBC	FBC developed	FBC submitted	10 August 2020
To be completed			
Approval of GBF funding	Funding approved by SELEP, linked with this business case		18 September 2020 (Accountability Board)

Task	Description	Outputs achieved	Timescale
Completed			
Scheme launch	Scheme opened to applicants		22 September 2020
Scheme completion	All connections complete	893 new connections	31 March 2022

1.15. Proposed completion of outputs:

[Include references to previous phases / tranches of the project (link to the SELEP website) and to future projects to be funded by SELEP. Please see [SELEP Programme](#) for more information.]

The CRKM scheme will be closed to new applicants on 31 March 2021, allowing a year for installation of connections. All connections must have been delivered by 18 March 2022, and this will be stated as a voucher condition to beneficiaries. All vouchers must then be defrayed by 31 March 2022: again, this will be a voucher condition.

There is no relationship with any projects previously funded by Regional Growth Fund, Growing Places Fund or any other funding scheme administered by the South East LEP.

2. Strategic Case

The Strategic Case should present a robust case for intervention, and demonstrate how the scheme contributes to delivering the SELEP Strategic Economic Plan (SEP) and SELEP's wider policy and strategic objectives. It includes a rationale of why the intervention is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved.

The outlook and objectives of the Strategic Case need should, as far as possible, align with the Monitoring and Evaluation and Benefits Realisation Plan in the Management Case.

2.1. Scope / Scheme Description:

[Outline the strategic context for intervention, by providing a succinct summary of the scheme, the issues it is addressing and intended benefits; max. 2 pages.]

Scheme summary

The **Connecting Rural Kent and Medway (CRKM) scheme aims to improve broadband connectivity for rural homes and businesses across Kent and Medway that currently have poor or no connectivity** and would not be able to obtain it without intervention.

It will do this by providing a **top-up voucher** to the existing [Rural Gigabit Voucher](#) scheme funded by Government and delivered by Broadband Delivery UK. This already offers a voucher towards connection costs of £3,500 for businesses and £1,500 for residents. The CRKM top-up will provide a supplementary voucher so that residents and businesses in the 'hardest to reach' areas will be able to receive up to £7,000 to obtain connectivity, with the value of the voucher capped at the actual cost of connection.

To benefit from the scheme, premises must be within the area eligible for the Rural Gigabit Voucher scheme. This is illustrated in Section 2.3, with eligibility set out via the RGV scheme's [postcode checker](#). Additionally, beneficiaries must not currently be able to get a download speed of greater than 30 Mbps, and must not be in an area covered by any other publicly-funded broadband rollout scheme.

Beneficiaries can choose suppliers from the list of those registered with BDUK and set out on BDUK's [website](#). The registered supplier will apply to BDUK for the voucher on behalf of the business or resident beneficiary. The CRKM top-up voucher will then be applied automatically by BDUK along with the Rural Gigabit Voucher, so that the beneficiary obtains a single discount up to the connection cost.

It should be noted that the Rural Gigabit Voucher scheme to which the CRKM voucher is supplementary has already completed a full Green Book compliant business case, and is fully approved by Government.

The issues that the project is addressing

The CRKM voucher project is addressing a lack of broadband connectivity in Kent and Medway, which will only be resolved with public sector intervention.

The economic and social value of high-speed broadband is widely recognised and is uncontested. The benefits are set out in (*inter alia*) the Government's [Future Telecoms Infrastructure Review](#) (2018), which notes that "it is important that network supply stays ahead of demand, otherwise it risks becoming a constraint on the potential for future innovation, productivity and growth". The Covid-19 pandemic has further demonstrated the need for good broadband connectivity, for work (increasing numbers working from home), education (the greater need for online learning), social interaction and trade. Significant progress has been made (nationally and in Kent and Medway) in ensuring that most people have access to a good broadband service. Following the rollout of the [Kent and Medway Superfast Broadband](#) programme, funded by Broadband Delivery UK, around 96% of premises in the county now have connectivity at 30 Mbps or more.

However, this still leaves around 4% of premises without a good connection. These are mostly in rural areas, and the costs (and therefore the viability) of delivery are much higher in remote locations, especially where there are topographical or other constraints.

The Government's Rural Gigabit Voucher scheme aims to address this by providing an additional subsidy. However, this is insufficient to cover the high costs of the hardest to reach locations. In September 2019, Kent County Council therefore launched a pilot [top-up voucher](#) scheme in conjunction with BDUK, supplementing the subsidy to residents available from the Rural Gigabit Voucher. This has been successful, with take up of the RGV consequently much higher in Kent than in comparator counties¹. The pilot is now closed to new individual applicants (although will still support group schemes) and it should be noted was never open to businesses).

For the 'final 1%' of properties, the viability gap remains too great, despite the success of the pilot. So building on the pilot, the CRKM scheme proposes a higher level of subsidy, as outlined above, to help bridge the gap. This will particularly benefit those hard-to-reach homes and businesses that have proven too expensive to connect under the RGV scheme and the existing Kent top-up) and Ofcom's recently launched [Broadband Universal Service Obligation](#).

Without this additional funding, these expensive-to-connect homes and businesses would have to wait for the future BDUK '[Outside-In](#)' Programme. Whilst the 'Outside-In' Programme is currently under development, it is likely that the first connections (nationally) under this scheme will not be delivered until 2023 at the earliest, and for many harder to reach properties, not until the end of the decade.

Intended benefits

The CRKM voucher project will:

- Directly enable new broadband connections of greater than 30 Mbps to an estimated 671 premises, which would have been unable to otherwise access superfast broadband.
- Indirectly enable at least 222 additional premises as the marginal cost of delivery falls. We anticipate that up to 1,200 premises could potentially be connected in total.

- Deliver economic benefits through improved business and workforce productivity and by increased labour force participation (set out in the Economic Case)
- Stimulate the market for network construction activity in the short term, supporting employment in Kent's broadband infrastructure sub-contractor supply chain (particularly in small, Kent-based firms)
- Deliver social and educational benefits associated with access to learning, reduced isolation, household savings and increased leisure time
- Deliver environmental benefits through reductions in unnecessary car journeys.
- Contribute to Kent and Medway's economic recovery from the Covid-19 pandemic, supporting the county's Renewal and Resilience Plan (see below).

2.2. Logic Map

[Establish a Logic Map using information from Appendix E. This will provide a logical flow between inputs, outputs, outcomes and impacts for the scheme]

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>To improve broadband connectivity to the hardest-to-reach rural homes and businesses poor or no broadband connectivity (less than 30 Mbps) that are outside the scope of public and market-led broadband upgrade programmes in Kent and Medway.</p> <p>The Connecting Rural Kent and Medway project will do this through a voucher which will supplement the existing Government Rural Gigabit Voucher scheme, enabling eligible households and businesses to obtain a subsidy of up to £7,000 toward better broadband connectivity.</p>	<p>Grant spend: Getting Building Fund: £2,290,152</p> <p>Matched contributions: Kent County Council: £131,277</p> <p>Levered funding: BDUK Rural Gigabit Voucher: £1,814,333 (estimated value based on take-up and average voucher value assumptions)</p>	<p>Broadband connections enabled through direct voucher use:</p> <p>Business: 179 Residential: 492 Total: 671</p> <p>Additional connections enabled through reductions in marginal cost of connection:</p> <p>Business: 59 Residential: 163 Total: 222</p> <p>Total broadband connections enabled:</p> <p>Business: 238 Residential: 655 Total: 893</p>	<p>Increased productivity within businesses benefiting from improved broadband connectivity: Total £1.525 million uplift in GVA over 10 years. Increased employment</p> <p>Increased productivity through ability of residents to telework: Total £8.778 million uplift in GVA over 10 years.</p> <p>Increased participation in the labour force as people currently unable to access employment are enabled to work from home: Total £1.462 million uplift in GVA over 10 years</p> <p>Increased network construction activity: Total net £495k uplift in GVA over two-year construction period</p> <p>Private household benefits associated with house price growth and journey time savings/ increased leisure time.</p>	<p>Productivity gains leading to increased GVA over time.</p> <p>Increased business activity within rural areas</p> <p>Environmental benefits as the need to travel is reduced.</p> <p>Social and health benefits as isolation is reduced and health and social care can be more effectively delivered digitally.</p> <p>Greater resilience to future economic shocks (e.g. 'second wave' of Covid, or exceptional weather events) as services can be provided remotely and people can work flexibly.</p> <p>Increased leisure time and flexibility for rural workforce</p> <p>Educational benefits as more can access remote learning.</p> <p>Reduced 'digital divide'</p> <p>Savings to public sector as services increasingly shifted online.</p>

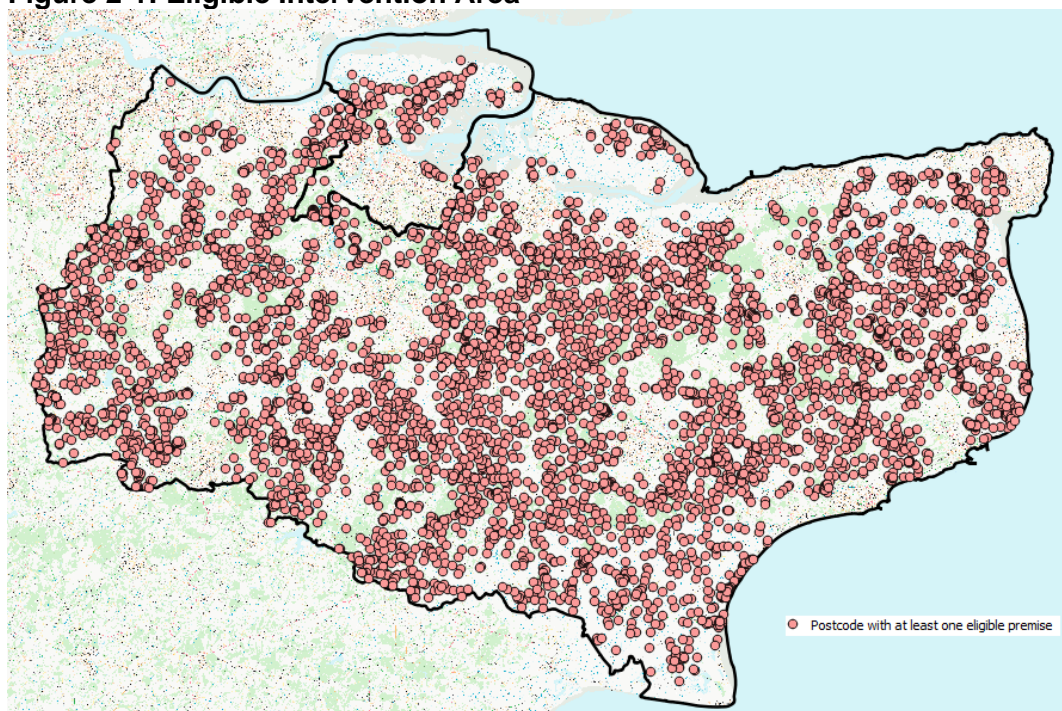
2.3. Location description:

[Describe the location (e.g. characteristics, access constraints etc.) and include at least one map; max. 1 page excluding map.]

Figure 2-1 below highlights the eligible postcodes in the proposed intervention area. These areas are not currently able to access a superfast broadband connection (i.e. are below 30mbps) and, in many instances, the maximum speeds available are not able to sustain basic day-to-day online activities, e.g. video-conferencing, online banking etc. Under the Government’s Rural Gigabit Voucher Scheme, premises are defined as rural if they meet the [ONS D1-F2 rural classification definition](#).

The eligible postcode areas are widely distributed across the County with a range of demographic and economic profiles. This makes it difficult to produce granular economic data at individual postcode level.

Figure 2-1: Eligible Intervention Area



Source: Kent County Council

2.4. Policy context:

[Specify how the intervention aligns with national/regional/local planning policies and the SELEP SEP; max. 3 pages.]

The CRKM voucher scheme aligns with national, regional and local policies:

National policy context

National commitment to providing better connectivity to hard-to-reach premises

Better broadband connectivity for 'hard-to-reach' places is a Government priority, following the successful delivery of superfast broadband to the great majority of premises. The [Prime Minister has previously set out a commitment](#) to achieving universal superfast broadband and the extensive rollout of full-fibre.

More specifically, [BDUK's activities](#) (as mandated by DCMS) include to "providing superfast broadband coverage to as many premises as possible beyond the 95% level" and "piloting a way to provide gigabit-capable broadband to the hard-to-reach places in the UK", through the Rural Gigabit Connectivity programme. As set out elsewhere in this business case, the proposed CRKM voucher scheme is directly sequential and supplementary to existing Government policy, and has been developed together with BDUK.

Future Telecoms Infrastructure Review

In policy terms, in July 2018, the Government published the [Future Telecoms Infrastructure Review](#) which set out new priorities and targets for the UK's broadband and mobile connectivity. The key changes included:

- A shift of focus from superfast broadband to full fibre (i.e. fibre-to-the-premise) connections that are gigabit capable² to meet future connectivity needs.
- A target for all properties to have full fibre or gigabit capable connections by 2033.
- A revised target for 95% of the UK landmass to have 4G coverage from at least one operator by 2022 and for the majority of the UK population to have 5G coverage by 2027.

Since the publication of the review, the Government has announced that:

- It anticipates that broadband network operators would provide full fibre connections to 80% of homes and businesses through their own investment programmes (i.e. without the need for public subsidy).
- It will develop a dedicated programme (the Outside-In Programme) to help provide gigabit connectivity to the remaining 20% of properties that will remain outside the scope for market-led investment in gigabit-capable networks. This programme is

² Gigabit broadband refers to a connection that can deliver speeds of 1 gigabit per second (Gbps). 1 Gbps is equal to 1000 Mbps.

currently under development and, subject to state aid approval, the first procurements are not anticipated to take place until summer/autumn 2021 – with the first connections likely to come online in 2023. There is a risk that the hardest-to-reach properties will not be served by this programme, due to the costs associated with connecting these properties – highlighting the gap, which the CRKM top-up voucher scheme seeks to address.

Counter-recessionary policy

This project is also developed in the context of the Government's approach to countering the effects of the Covid-19 crisis on economic activity. The Getting Building Fund forms part of this, with the focus on delivering infrastructure which can be accelerated, creating jobs and business activity in the short run, while delivering lasting benefits.

The CRKM project supports this approach through rapid delivery of network infrastructure. This is likely to be strengthened by the voucher model, which will lead to multiple smaller contracts with a large number of potential suppliers, supporting decentralised local supply chain development.

South East LEP policy context

Economic Strategy Statement

The South East LEP published [Smarter, Faster, Together](#), its Economic Strategy Statement, in 2019. This document anticipates the preparation of a new Local Industrial Strategy, which is currently in development. *Smarter, Faster, Together* highlights the importance of investment in 'technology infrastructure', noting the need to invest further to provide connectivity to all homes and businesses, ahead or as part of full-fibre rollout.

SELEP Rural Strategy (2015-2021)

Within SELEP's [Rural Strategy](#), Policy RC1 'Supporting the development and provision of enhanced levels of connectivity in rural areas' highlights the need for the LEP to champion the provision of 'effective levels' of broadband infrastructure to maximise business effectiveness and support good quality of life in rural communities.

Local policy context

Kent Digital Infrastructure Plan

Kent County Council has had a long-standing programme of successfully delivering better broadband connectivity to areas with poor broadband connectivity. This work has included the Kent BDUK project and working with communities to develop their own locally led solutions.

KCC is already supporting the delivery of new full-fibre broadband connections through the extended BDUK project and the existing Kent top-up voucher scheme – which is a BDUK national pilot.

Building on this experience and looking to the future, Kent County Council is currently preparing a Kent Digital Infrastructure plan. This will seek to deliver on the following ambitions for Kent residents, businesses and visitors to have access to the best possible digital connectivity, where:

- Kent has ‘city-grade’ connectivity so that gigabit-capable (ideally full-fibre) connections are available across all of Kent’s towns, villages, business parks and communities.
- Mobile network coverage, performance (e.g. speeds, quality) and capacity meets the current and future demands of Kent’s businesses and residents.
- Public wi-fi is available to support ‘any-where working’, improve public internet access and meet the needs of Kent’s visitor economy

The emerging Kent Digital Infrastructure plan highlights the need to continue and evolve this work to help deliver the Government’s national ambition to bring gigabit capable broadband services to every property. As part of this, we are committed to working with the Government to develop **innovative solutions for areas of market failure (for superfast & gigabit capable broadband connectivity)**.

Renewal and Resilience Plan

More generally, a new Kent and Medway Renewal and Resilience Plan was launched on 10 August, setting out the county’s priorities for the next 18 months in supporting economic recovery from the Covid-19 pandemic. This specifically references the need to invest further in broadband connectivity to the ‘final 4%’, highlighting the investment already made in the existing top-up scheme and the need for further support to accelerate delivery.

Medway Council and District support

Through the delivery of previous and current programmes, Kent County Council has worked closely with the 12 Kent Districts and Medway Council, and there is a strong partnership in place. All the Kent local authorities are supportive of the CRKM proposal, which has also been endorsed by Kent and Medway Economic Partnership.

2.5. Need for intervention:

[Specify the current and future context and articulate the underlying issues driving the need for intervention referring to a specific market failure, need to reduce externalities, Government redistribution objectives etc.; max. 2 pages.]

The broad evidence of need is set out in Sections 1.6 and 2.1: in broad terms, while public intervention has been successful in achieving 96% superfast broadband penetration in Kent and Medway, some properties remain hard to connect due to the

high costs involved. The need is to bridge the viability gap to ensure universal connectivity.

The market failure: the 'final 4%' challenge

By focusing on homes and businesses that cannot receive a 30mbps broadband service, this project focuses on the hardest to reach 'final 4%' of homes and businesses that remain outside the scope of market-led and publicly-funded superfast upgrade programmes.

Our ongoing market engagement with broadband infrastructure providers continues to indicate that these properties will remain subject to market failure for market-led superfast and gigabit capable broadband upgrade programmes.

Given that these areas have faced connectivity challenges for over a decade, the Government's policy position is that these premises should be targeted first by future publicly funded broadband programmes. Despite this, concern remains that the final 1 or 2% are likely to remain unaffordable for the Government's 'Outside-In' programme. *We estimate, based on current supplier capacity, that the connections to be delivered by this programme would be delivered between 2023 and 2030.*

There is therefore a need for intervention to help provide an accelerated solution for some of those most currently affected with connectivity issues. Whilst this project will not be able to support every rural home and businesses without a superfast broadband connection (of at least 30mbps) it will particularly benefit those hard-to-reach homes and businesses that have proven too expensive to connect under the RGV scheme and the existing Kent top-up and Ofcom's recently launched Broadband Universal Service Obligation.

The social cost of market failure

There are also wider social reasons for accelerating connectivity to the final 4%. In particular, as online transactions have become ubiquitous and more sophisticated, public bodies (and commercial organisations offering 'public goods' such as utility providers) have made far more services available online. But as demand for traditional channels diminishes, the relative cost of providing non-digital communications grows: effectively, organisations with universal service obligations need to spend more public money to offer sub-optimal services to people with poor connectivity. Better broadband should therefore have a wider return, over and above the benefits to individual beneficiaries.

The need for better broadband in the context of Covid-19

The Covid-19 pandemic has further demonstrated the need for good broadband connectivity. The socio-economic and environmental impacts of poor broadband connectivity include:

- The inability to work remotely from home
- The inability for businesses to transact with customers online or use cloud-based services
- Issues with businesses accessing online business support services, Government advice and online platforms e.g. HMRC, Defra claim and payment systems etc
- Reduced productivity and competitiveness (including less resilience to Covid-19 related impacts and ability to innovative and diversify to find new markets).
- Inability to access online training and learning opportunities
- Children not being able to home school or access online learning platforms and systems
- Vulnerable and older individuals (including those with medical conditions which have required them to shield or take additional precautions) not being able to access the help and support they need e.g. online support, online grocery services, online banking etc
- Poorer access to essential health care (e.g. not being able to access Government health advice, online medical services, booking and participating in online GP appointments etc).
- Increased need to travel to access services or in many instances a mobile broadband connection/public wi-fi to empty your outbox
- Increased loneliness and isolation – through not being able to access applications such as Zoom, on-line gaming etc. This can particularly be an issue for children who are not able to connect online outside school with their peers – and has been linked with increased incidence and risk of bullying.
- Decreased ability to access local government online and other public services
- Increased data costs of accessing alternatives where available (e.g. 4G dongles) – which can make accessing data-intensive services cost-prohibitive and can generate latency/reliability issues which make accessing some online service e.g. online banking impossible

2.6. Sources of funding:

[Promoters should provide supporting evidence to show that:

- *all reasonable private sector funding options have been exhausted; and*
- *no other public funding streams are available for or fit the type of scheme that is being proposed*

Public funding is regarded as a last resort. Promoters are encouraged to think carefully about and provide strong evidence that the intervention they are proposing has exhausted all other potential sources of funding and there is a genuine need for intervention from the public sector; max. 1.5 pages.]

Proposed sources of funding

The total cost of the project is £3.966 million.

It is anticipated that this will be funded by £2.29 million GBF and £116k from Kent County Council, plus £1.56 million in levered Rural Gigabit Voucher funding.

Alternative sources of funding

At this stage, we do not consider that there are any alternative sources of funding to cover the £2.29 million GBF contribution. However, to explain specifically why achieving connectivity to the hardest to reach communities cannot be funded through an alternative mechanism the following paragraphs set out each alternative source that could, in principle, be considered.

Private funding: Market-led investment

The 'final 4%' have remained outside the scope of market-led investment programmes since 2007. This is evidenced by:

- To meet the European's Commission's broadband state aid guidelines for our previous supply-led Kent and Medway BDUK Programme, we have had to complete two Open Market Reviews and three State Aid Consultations with broadband operators. These have consistently highlighted those properties in the areas that are in the scope of this project as being subject to market failure for market-led (private funding) investment by any broadband network operator.
- Outside of this process we have an ongoing programme of engaging with broadband network operators on a quarterly basis to ascertain whether there is any change in their investment plans. Again, the areas in scope for this project, persistent remain outside of their investment plans because of high costs per premise to connect.
- We have also received hundreds of enquiries over the last five years from residents and businesses in the proposed intervention area. Despite ourselves, and local MPs, taking up these cases for investment with broadband providers, we have again been told that the costs of connecting these properties will not be met by broadband network operators or their investors.

Other sources of private funding

In some instances, businesses and residents will privately fund their own broadband connections. This is very common in urban and suburban locations where businesses will often commission private ethernet circuits. However, the excess construction costs, particularly around bringing in fibre spines to the local area, mean that these are prohibitive and unaffordable in most rural locations.

We have also seen in recent years some rural communities fund their own connections through initiatives such as Openreach's Community Fibre Partnership. Again, the excess construction costs, combined with the relatively low number of premises, have meant that this is not an option for most rural businesses.

Existing public funding options

Since the launch of the Government's Building Digital UK Superfast Broadband Programme in 2012, the premises in scope for this project have remained outside

scope of the public sector interventions for obtaining access to a superfast or gigabit broadband service. This is because:

- The Kent and Medway BDUK superfast project was set up to deliver superfast broadband connections so that at 95% of homes and businesses had access to a superfast broadband service. This project delivered over 138,000 superfast broadband connections across Kent and Medway (according to plan), overdelivering its connection targets so that 96% of properties could achieve a superfast broadband service. The homes and businesses in scope for this project did not benefit from this programme as they were too expensive to connect.
- The Kent Rural Fibre Project is an extension of the Kent and Medway BDUK superfast project. It is currently live and is building fibre-to-the-premise connections to over 5000 properties in the final 4%. The properties that will be in scope for this project are not in the build plan for this work.
- The connection costs per premise are too expensive to be funded by the Rural Gigabit Voucher Scheme – this offers connections up to £3,500 for businesses and £1,500 for residents for properties outside the scope of existing publicly or privately funded build plans.
- The connection costs per residential premise exceed what is available through the existing Kent Top-Up scheme which provides an additional £1,000 per residential premise.

Loan funding

Market research by BDUK has continued to indicate that a ‘gap-funding’ grant subsidy approach is the only viable mechanism for connecting hard-to-reach rural premises. Due to the investment criteria and pay-back timescales set by broadband operators, they are not willing to consider public sector loan-finance mechanisms to fund connections in hard-to-reach areas.

Broadband Universal Service Obligation (USO)

This was introduced by Ofcom in March 2020 and provides up to £3,400 to connect properties that cannot receive a basic broadband service of at least 10Mbps with a service of at least 10Mbps. There are growing issues in Kent (and across the country) where individuals applying for the USO have been provided with excess construction costs of tens of thousands of pounds. Given that the USO will only operate on an individual applicant basis – and there is no ability to aggregate and share these costs across neighbouring, eligible properties – the USO is failing to connect these properties. We have been advised by the Universal Service Provider that it will require a change in legislation to remedy this issue.

Future public funding

BDUK is currently developing the Outside-In Programme to help provide gigabit connectivity to the remaining 20% of properties that will remain outside the scope for market-led investment in gigabit-capable networks. This programme is currently under development and, subject to state aid approval, the first procurements are not

anticipated to take place until summer/autumn 2021 – with the first connections likely to come online in 2023. There is a risk that the hardest-to-reach properties will not be served by this programme, due to the costs associated with connecting these properties (i.e. there is currently only an average of £1,000 funding per premise within the current funding allocation agreed by Treasury).

Mobile Broadband

It should be stressed that we do not expect the rollout of new mobile services to remove the need for this intervention. The commercial business case for enhancing 4G and rolling out 5G to these areas remains questionable and uncertain. Enhanced and next generation mobile services also require the close proximity for fibre for backhaul. As a result, funding the rollout of more fibre-based, gigabit capable broadband networks into these areas strengthens both the business case and potential likelihood of better mobile infrastructure and other types of fixed wireless broadband connectivity in rural areas

Summary

In view of the above, this project by offering a high-value broadband voucher than currently available through existing voucher schemes represents the only viable (and timely) opportunity to finance gigabit connections to these hard-to-reach rural properties (which continue to be subject to market failure).

- 2.7. **Impact of non-intervention (do nothing):**
[Describe the expected outcome of non-intervention. Promoters should clearly establish a future reference case and articulate the impacts on environment, economy and society, if applicable. The future reference case should acknowledge that market conditions are likely to change in the future, with or without any intervention. ‘Do nothing’ scenarios where nothing changes are unlikely; max. 1 page.]

Long-term delay in connectivity

As highlighted in section 2.6 above, these properties in the target intervention area have remained outside the scope of both public and market-led upgrade programmes.

However, although both the timeframes and scope of the Government’s proposed ‘Outside-In’ Programme are uncertain, the beneficiaries of this proposed project may be in scope for the Outside-In Programme and receive a connection (with an estimated timeframe for connection 2023-2030). We would therefore expect that without intervention, the target properties will either remain outside the scope of future public sector upgrade programmes, or there will be a substantial delay in obtaining a gigabit-capable broadband connection.

The ‘Reference Case’

However, ‘doing nothing’ in the context of the CRKM project does not mean zero public sector intervention: as highlighted earlier, the Rural Gigabit Voucher scheme exists and the existing £1k Kent top-up is available for residents as part of a group scheme.

While our evidence suggests that this is insufficient to bridge the gap for the hardest to reach, it is plausible that some people may access the existing schemes and find other sources to supplement them. We have therefore taken this as our Reference Case and have used this scenario to demonstrate the additionality of the CRKM top-up scheme. Our assumptions supporting this are set out in the Economic Case, and the Reference Case is subjected to economic appraisal.

2.8. Objectives of intervention:

[Outline the primary objectives of the intervention in the table below, and demonstrate how these objectives align with the problems presented in the Need for Intervention section.]

Project Objectives

The overall goal of the project is to improve broadband connectivity for the hardest-to-reach rural homes and businesses with poor or no broadband connectivity (less than 30mbps) that are outside the scope of public and market-led broadband upgrade programmes in Kent and Medway.

Within that context, the project has **four objectives**:

- **Objective 1: Improving rural connectivity and access to services:** As stated earlier in this Business Case, rural areas are vulnerable to market failure in the supply of digital connectivity. This compounds wider connectivity challenges linked with remoteness, distance from physical services and poor access to transport. Improving broadband connectivity will enable people in rural areas to access services more efficiently.
- **Objective 2: Increasing the ability to work and learn flexibly:** New technology has enabled more people to work and study from home, reducing the need to commute and opening up economic opportunities for those who are unable to travel for work. This has led to a growing trend towards flexible working, which has been accelerated by the Covid-19 crisis. However, poor broadband connectivity impedes people's ability to take up these opportunities.
- **Objective 3: Increasing productivity through access to new markets and through better use of technology:** Technology has made it easier for small firms to trade nationally and internationally, and digitally-enabled processes and systems help firms to improve efficiency and increase productivity. Better broadband enables businesses to take these up.
- **Objective 4: Reducing public sector costs by driving transactions online.** It is a long-established policy aim to increase the number of transactions that can be made digitally, reducing public costs and improving customer service. This can only be achieved if citizens have access to the right level of connectivity.

Problems or opportunities the project is seeking to address

Problem 1: Properties remain in areas of market failure for superfast (and gigabit capable) broadband

Problem 2: Current interventions are insufficient to bridge the gap

Problem 3: Lack of connectivity impedes economic activity by both workers/ households and businesses

Problem 4: Lack of connectivity imposes social costs in terms of equal access to services and access to education

Opportunity 1: Improved connectivity will lead to widespread adoption of new technologies and working practices and will improve productivity.

[Complete the following using a system of 0, ✓, ✓✓, ✓✓✓ which maps the objectives to their ability to address each problem. Add rows and columns as required and note not all sections of the table may require completion; max. 1 page.]

Table 2-2: Linking objectives and opportunities/ problems

	Improving rural connectivity and access to services	Increasing the ability to work and learn flexibly	Increasing productivity through access to new markets & technology	Reducing public sector costs by driving transactions online
Properties remain in areas of market failure for superfast (and gigabit capable) broadband	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Current interventions are insufficient to bridge the gap	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Lack of connectivity impedes economic activity by both workers/ households and businesses	✓✓	✓✓✓	✓✓✓	✓
Lack of connectivity imposes social costs in terms of equal access to services and access to education	✓✓✓	✓✓✓	✓	✓
Improved connectivity will lead to widespread adoption of new technologies and working practices and will improve productivity	✓	✓✓	✓✓✓	✓

2.9. Constraints:

[Specify high level constraints or other factors such as social/environmental/financial/developments/schemes/legal consents and agreements which may affect the suitability of the Preferred Option; max. 0.5 page.]

Based on our extensive experience of delivering broadband infrastructure projects and delivering the existing Kent-Top Voucher Scheme, we are planning for the following constraints:

- Community Capacity/Awareness – there is a risk that communities might not be aware or have the capacity/know-how to access the scheme.
Solution: we will continue to work with voucher applicants and suppliers to raise awareness and facilitate applications through a dedicated programme of demand stimulation and support.
- Traffic management – some works will require permits for street works
Solution: we will work with Kent Highway Services and suppliers to secure the necessary road permits. We have deep experience and a proven track record in this from our existing broadband work.
- Need to secure wayleaves (legal agreements for when broadband infrastructure crosses private land). Whilst these are led and initiated by the broadband infrastructure providers, we have extensive experience in resolving issues where they arise. We would not expect this to be a high risk area for this project, given that demand-led voucher schemes benefit from greater local community support and help to facilitate any wayleave issues arising. NB, not all projects will require wayleaves and in the few instances where they arise, the supplier plans around the issue.

It should be noted that:

- Planning permission is not required (permitted development rights have been granted for broadband infrastructure).
- BDUK has already secured approval that the Rural Gigabit Scheme and associated top-up projects are state aid compliant

2.10. Scheme dependencies:

[Provide details of any related or interdependent activities that if not resolved to a satisfactory conclusion would mean that the benefits of the scheme would not be fully realised; max. 0.5 page.]

As a top-up voucher project, this scheme is dependent on BDUK's Rural Gigabit Voucher Scheme.

BDUK is very supportive of our proposals to extend the scale and scope of the scheme and we are currently working on a revised partnership agreement to launch this project. As a national pilot project, BDUK is keen to obtain further learning from

the extension and the upscaling of the Kent Top-Up Voucher scheme and has expressed a wish for this project to inform and form part of its future national evaluation plans for the UK Rural Gigabit Scheme.

The Rural Gigabit Voucher Scheme is currently considered to be underspent (£51.287 million committed at the time of writing out of £71 million following scheme launch in April 2019) so there is sufficient funding available for this scheme.

This scheme is also dependent on the participation of suppliers. We have already engaged with the most active registered suppliers in Kent and they have expressed a strong interest in taking up the new opportunities offered by this project.

2.11. Expected benefits:

[This section identifies scheme benefits (which will be achieved through delivering the scheme) which may not be valued in the Economic Case. Specify the extent of the scheme benefits referring to relevant economic, social, environmental, transport or other benefits. This is where any 'GVA based' estimates of benefits should be reported together with any dependent development (e.g. commercial or residential floorspace). Please reference the relevant section of the Economic Case where additional information regarding the assessment approach can be found; max. 0.5 page.]

The key benefits of the scheme are:

- An increase in the number of properties able to access connectivity of at least 30 Mbps. On conservative assumptions, we estimate that 893 properties will be connected as a result of the scheme
- Economic benefits associated with workforce and business productivity and the expansion of the labour force. These relate to:
 - an increased ability to work from home
 - increased ability for businesses to transact with customers online or use cloud-based services
 - access to new markets and improved business collaboration
 - access to home-working opportunities for people previously excluded from the workforce due to disability or caring responsibilities
 - improved access online business support services, Government advice and online platforms e.g. HMRC, Defra claim and payment systems etc.

These impacts have been monetised in the Economic Case. Combined, they have an estimated GVA impact over ten years of around £10.5 million.
- Impacts associated with network construction (estimated at around £500k net)
- Increased house prices
- Educational benefits, through the ability to access online training and learning opportunities (including home schooling platforms)
- Social benefits, including:

- Vulnerable and older individuals (including those with medical conditions which have required them to shield or take additional precautions) being able to access the help and support they need e.g. online support, online grocery services, online banking etc
 - Improved access to essential health care (e.g. greater access Government health advice, online medical services, booking and participating in online GP appointments etc).
 - Reduced loneliness and isolation – through being able to access applications such as Zoom, on-line gaming etc.
- Environmental benefits, through reduced car journeys
 - Increased convenience, through reduced need to travel to access services (or in many instances a mobile broadband connection/public wi-fi to empty your outbox) and Increased ability to access local government online and other public services
 - Public service cost savings through the ability to shift transactions online

2.12. Key risks:

[Specify the key risks affecting delivery of the scheme and benefit realisation e.g. project dependencies, stakeholder issues, funding etc. Information on risk mitigation is included later in the template. This section should be kept brief and refer to the main risk register in the Management Case; max. 0.5 page.]

A full and detailed risk register has been provided in Appendix C. The key highest-scoring risks for the strategic case are:

Description of Risk	Impact of Risk	Risk Mitigation
Risk 4: Low take-up by businesses and consumers	Impact on forecast spend and scheme benefits	This programme has been developed in response to local need. We will work with local stakeholders and suppliers to raise awareness of the opportunities as outlined in our stakeholder engagement plan. A dedicated and targeted demand stimulation campaign will be used to drive take-up within the required timeframe
Risk 6: Suppliers not quoting and contracting for voucher-funded connections within the required time frame	Delays and potentially reduced spend	We monitor this closely within the existing programme and work with suppliers to ensure that quotes are received on timely basis and that they are not 'lost in the system'. There is also an escalation path to BDUK should this be required.



Risk 14: Covid-19 Lockdowns/Second Wave	Potential delays in project delivery and spend	Whilst suppliers' continued with their infrastructure build throughout the lockdown period, the rate of build was impacted by social distancing requirements. Full fibre broadband connections require premise-based installations which could be delayed in the event of a second wave/local lockdown
Risk 15: Delayed start to this project	Insufficient time for suppliers to work with communities to develop projects and submit applications before the 31 st March (final date to enable build window). BDUK have insisted on September start.	This is a viable scheme which seeks to extend the scope and scale of an existing national pilot scheme. It will address a number of acute issues for SMEs and homes affected by poor connectivity – which have been exacerbated by Covid 19. We will work with SELEP to ensure that the necessary assurance processes for this scheme can be completed within the necessary timeframe,

3. Economic Case

The economic case determines whether the scheme demonstrates value for money. It presents evidence of the expected impact of the scheme on the economy as well as its environmental, social and spatial impacts.

In addition to this application form, promoters will need to provide a supporting Appraisal Summary Table (AST). This should provide:

- *a calculation of Benefit-Cost Ratio (BCR) according to the DCLG Appraisal Guidance, with clearly identified, justified and sensitivity-tested assumptions and costs*
- *inclusion of optimism bias and contingency linked to a quantified risk assessment*
- *inclusion of deadweight, leakages, displacement and multipliers*

Smaller schemes (less than £2 million) are not required to provide a supporting AST, and do not have to calculate a BCR.

3.1. Options assessment:

[Outline all options that have been considered, the option assessment process, and specify the rationale for discounting alternatives.

Promoters are expected to present a sufficiently broad range of options which avoid variations (scaled-up or scaled-down version) of the main options. The key to a well scoped and planned scheme is the identification of the right range of options, or choices, in the first instance. If the wrong options are appraised the scheme will be sub-optimal from the onset.

Long list of options considered:

*Description of all options which have been considered to address the problem(s) identified in the **Need for Intervention** section above, including options which were considered at an early stage, but not taken forward.*

Options assessment:

Describe how the long list of options has been assessed (assessment approach), rationale behind shortlisting/discarding each option.

Short list of options:

The 'Options Assessment' section is an opportunity to demonstrate how learning from other projects and experience has been used to optimise the proposal, and the Preferred Option is expected to emerge logically from this process; max. 2 pages.

Smaller schemes (less than £2 million) are required to complete an Options assessment which is proportionate to the size of the scheme; max. 1 page.]

Options assessment process

In the light of the central objective of increasing connectivity to premises within the 'final 4%', we have followed the following process:

- a 'long list' of options was drawn up, including the 'do minimum' option. This was based on:
 - experience of the broadband delivery team at KCC and the knowledge of the viability of different options
 - discussions with BDUK to take advantage of their experience and knowledge
 - consideration of delivery timescales and resources in the medium term

- this long list was then reviewed, with the options discussed between the Project Manager and SRO at the expression of interest stage, in the light of:
 - its practical viability and deliverability
 - its ability to deliver within the next 18 months
- this was subsequently refined by the Project Manager in discussion with BDUK and the project team
- following this, two options (a 'do minimum' option, which is the Reference Case) and the Preferred Option) were shortlisted and subjected to full economic appraisal.

It should be noted that in developing the Economic Case (and this FBC more generally), we have had regard to the objectives and conditions of the Getting Building Fund, as well as the wider aim of ensuring universal broadband connectivity at superfast speeds and above. In particular, the Getting Building Fund is a counter-cyclical scheme which aims to ensure delivery of benefits and spend by March 2022. All options therefore need to be 'ready to go' in terms of delivery processes and approvals, and of a scale that means that the investment can reasonably be 'absorbed' within the timescale.

Options long list

The table below summarises the options considered at longlisting stage against the objectives set out in the Strategic Case:

Table 3-1: Options long-list

Option	Headline description	Shortlisted?
1. Do minimum (Reference case)	Reliance on the existing Rural Gigabit Voucher scheme, with no proposed extension in scale and scope of the Kent voucher scheme, and no facility to provide additional subsidy to offset the cost of connecting F1 premises.	Yes. This is the 'default' option, and assumes that some connections would come forward as a result of the existing RGV scheme. In the short term it would involve no additional public cost to that already incurred, but we would expect very high cost 'F1' premises to continue to be without satisfactory broadband connectivity. This option forms the 'reference case' for the purposes of the economic appraisal
2. Market-led investment	Wait for market-led investment e.g. upgrades funded by broadband providers to connect sub-superfast rural premises.	No. Engagement with suppliers re their current investment plans continues to indicate that these properties will remain outside the scope of market-led broadband upgrade programmes, at least within the next 10 years
3. Wait for future Government intervention	Wait for future planned Government outside-In Programme (build phase likely to take place between 2022-2030)	No. There is too much uncertainty regarding the timeframe for connecting properties with poor connectivity that does not meet current needs.
4. OJEU procurement	Identify sub-30mbps with the worst connectivity and run OJEU procurement (supply-side intervention)	Not at this stage. Time frame to run new OJEU intervention and secure state aid sign-off would mean that build and spend could not be achieved by March 2022. UK's current state aid framework for broadband also expires on the 31 st December 2020, which means that a solution could not be contracted after this date. It would also be difficult to identify which 'clusters' of sub 30mbps have the greatest need. While

Option	Headline description	Shortlisted?
		theoretically possible, this option is undeliverable within the next 18 months.
5. Deliver through existing BDUK contract	Extend existing BDUK contract to cover all identified premises	No. We would not be able to complete a change control of this magnitude and complete delivery within the next 18 months.
6. Loan scheme	Offer suppliers loans to connect hard-to-reach properties	No. Continuing local and national market engagement indicates suppliers are only prepared to utilise gap-funded, grant funded approaches to connect hard-to-reach properties in areas of market-failure.
7. Introduce a stand-alone voucher scheme	Set up a stand-alone Kent Voucher Scheme – outside the main BDUK RGV scheme	No. This would be a relatively low-cost/ low-risk proposition. A stand-alone voucher scheme was developed before Kent decided to pilot the top-up voucher with BDUK. However, this option would clearly offer slightly less value for money than options 8 and 9 as the project would have to finance the total administration and voucher costs.
8. Supplementary top-up voucher scheme	Additional top-up voucher scheme to provide larger top-up for 'F1 premises, alongside existing RGV scheme.	Yes. This is the preferred option, described elsewhere in this business case.
9. Kent top-up voucher scheme extension	Extend existing scale and scope of the existing Kent Voucher Scheme to connect hard-to-reach premises.	Yes. This builds on the existing £1k Kent top-up scheme. This scheme is live and changes to the Kent scale and scope of the project could be made quickly. This demand-led approach would also allow those premises with the greatest current need to self- identify to enable the targeting of available funding at these premises.

Shortlist of options

Following initial assessment, the nine longlisted options were reduced to a shortlist of three. These are:

Option 1: 'Do minimum'

There is no 'do nothing' option, since there is already public expenditure being incurred on the Rural Gigabit Voucher scheme and the £1k Kent top-up funded by Kent County Council. A do minimum option would therefore rely on this committed investment to help bring forward connections to remaining premises, without any additional funding.

Our starting assumption is that the Rural Gigabit Voucher is insufficient to bridge the viability gap for those premises in areas presenting the highest costs. So while the RGV scheme (and the existing £1k Kent top-up) will connect premises that are 'closer to market', it is unlikely to deliver for the final 1%.

However, we could reasonably assume that *some* premises in this category will still benefit, since the existing scheme does reduce the cost to the householder or business, which might increase the ability or willingness of the recipient to borrow or use their own resources to bridge the gap.

This would not deliver the scale of benefit needed to address the current challenge – but would make a contribution.

Understanding the scale of this contribution is important in establishing the case for the 'preferred option', since it sets out what would have happened 'anyway'. The 'do minimum' option is therefore the Reference Case, and effectively represents the deadweight on the preferred option.

We have therefore subjected this option to full economic appraisal below.

Option 2: Voucher top-up scheme: the preferred option

This option is set out in Section 1 of this business case. In summary, it involves providing a 'top up' to the Government's Rural Gigabit Voucher scheme to households and businesses within eligible postcode areas, so that they can obtain a subsidy of up to £7,000 to access a new broadband connection of greater than 30 Mbps.

The 'top-up' voucher will operate according to the customer journey described in the Strategic Case. This will mean that household and business eligibility will be determined by the process set up by BDUK; and households and businesses will contract with suppliers already registered with and approved by BDUK and listed on the GOV.uk website. The maximum voucher value will be capped at the actual cost of the connection.

This scheme will be additional to the existing pilot Kent top-up voucher scheme, which offers a maximum voucher value of £1,000 to households (although not businesses) that are eligible for the RGV. This scheme is currently only open to group applications, and is focused on those premises that are closer to viability.

Option 3: Extension of the existing Kent top-up scheme

This would simply mean expanding the existing scheme to a maximum voucher value of £7k. This would be possible and should be straightforward – but in practice, it is just a variant of the preferred option, and there is no reason to assume that the economic costs and benefits would be any different. The reason for rejecting it at this stage is to simply to maintain clarity regarding funding sources, although in practice, the two will be promoted together and the same management approach will be used for both.

We have therefore not subjected Option 3 to full economic appraisal, as the results will be the same as for Option 2.

3.2. Preferred option:

[Describe the Preferred Option and identify how the scheme aligns with the objectives. Include evidence of stakeholder support for the Preferred Option either through consultation on the scheme itself or on the strategy the scheme forms part of; max. 1 page.]

Option 2 is our preferred option because:

- It is deliverable within the next 18 months

- It is demonstrably viable, since the scheme on which it is based (the Rural Gigabit Voucher) has already been subject to full Green Book appraisal and is approved (and is being delivered) by Government
- It involves no state aid issues

There has been extensive stakeholder engagement with the Kent District authorities, business intermediary organisations and potential suppliers, and the RGV and existing Kent top-up voucher are already widely marketed. There is also strong support for this option from political leaders in Kent, including the Kent MPs. A stakeholder engagement plan is set out in Annex H.

It should be noted that there is also support for this proposal from BDUK. We have worked closely with BDUK on the rollout of the Superfast Broadband programme, and BDUK has been supportive of the existing top-up scheme. We have engaged with BDUK in the design of the preferred option, and BDUK has expressed an interest in jointly evaluating the project, since it should offer nationally-relevant insight into the subsidy level needed to achieve viability for the final 1% and will inform UK-wide policy.

3.3. Assessment approach:

[Describe the approach used to assess the impacts of the scheme, describing both the quantitative and qualitative methods used, and specify the Do Minimum and Do Something scenarios. The assessment approach should be a proportionate application of the DCLG guidance; max. 1.5 pages.]

The assessment approach used is as follows:

- First, we set out the ‘routes to impact’ in the logic model set out in the Strategic Case
- To assess which benefits could plausibly be quantified, we drew on a range of literature setting out the economic impacts of better broadband. This includes the *Broadband Impact Study* (2013), the evaluation of the Connected Cities programme (2018), a report for CityFibre on the economic benefits of full-fibre rollout (2018), and a series of local and regional evaluations.
- In general, we have taken a conservative approach to assessment, taking an independent view of deadweight based on data for the existing pilot top-up voucher scheme and other evaluations and adjusting benefits for leakage and displacement as appropriate.

We consider this to be a proportionate approach, within the timetable for applying for GBF funding and the MHCLG guidance.

3.4. Economic appraisal assumptions:

[Provide details of the key appraisal assumptions by filling in the table in Appendix A, expand if necessary. Key appraisal assumptions as set out in Appendix providing justification for the figures used and any local evidence, where appropriate (different from the standard assumptions or the ones with the greatest influence on the estimation of benefits). Explain the rationale behind displacement and deadweight assumptions. Smaller schemes (less than £2 million) are not required to complete this section].

Key assumptions and parameters shaping the analysis of costs and benefits are as follows:

- An **appraisal period** of 10 years is used, starting in 2020/21. There is no defined guidance on appraisal periods for broadband projects: a 2018 study of the economic impacts of full-fibre infrastructure used a 15-year time horizon (based on European infrastructure appraisal guidance)³; the 2013 Broadband Impact Study looked forward 11 years from the time the study was prepared. We consider 10 years to be a reasonable timeframe for this project, given that while the pace of change in telecoms technology is rapid, alternative mechanisms to provide gigabit connectivity to the target beneficiary group (i.e. the Outside In programme) are unlikely to be fully rolled out until 2030.
- We assume that **benefits** are incurred from the year following installation of the connection.
- All costs and benefits are stated in **2020 prices**
- Costs are presented as **exclusive of VAT**
- **Discount rates** are applied, following HM Treasury's standard guidance, at 3.5% per annum on all costs and benefits
- The **impact area** for quantifying the intervention is taken as Kent and Medway. Within Kent and Medway, eligible postcodes are widely distributed, as set out in the map in the Strategic Case.
- The extent to which outputs are additional and attributable is explored in detail, with deadweight, displacement, leakage and substitution all considered

3.5. Costs:

[Provide details of the costs of the scheme. All public-sector costs should be included:

- *Public sector grant or loan*
- *[Public sector loan repayments] (negative value)*
- *Other public sector costs*
- *[Other public sector revenues] (negative value)*

If the land is owned by the public sector, then the public sector will be incurring holding costs assumed to be 2% of the existing value of the land per year. Should the land be used for non-residential development these holding costs will be avoided. This needs to be reflected in the appraisal as a negative cost.

Please note that any private costs associated with the development should be included in the appraisal as a dis-benefit and therefore feature in the numerator of the BCR calculation rather than the enumerator.

Additional details regarding the consideration of costs as well as standard assumptions that can be used in the absence of local data can be found in the [DCLG appraisal data book](#).]

For the purposes of the economic appraisal, a funding profile is set out for the capital and revenue costs relating to the two practical options that can be taken forward to bring connectivity to premises in the 'final 1%' over the next 18 months. This is set out in the accompanying Economic Case workbook.

Option 1 ('do minimum', or the Reference Case)

³ Regeneris for CityFibre (March 2018), *The economic impact of full fibre infrastructure in 100 towns and cities in the UK* (<https://www.cityfibre.com/wp-content/uploads/2018/03/The-Economic-Impact-of-Full-Fibre-Infrastructure-in-100-UK-Towns-and-Cities-12.03.18.pdf>)

The costs of this option are the capital costs of the RGV element of the total voucher value, which would be borne by Government⁴.

To 31 March 2022, we estimate that the cost of this (which is also incurred in the Preferred Option) is £1.814 million (or a net present value of £1.758 million).

There are no sunk capital costs in Option 1. There are some revenue costs which will have been incurred in setting up the existing schemes. These mostly apply nationally and will be marginal in the case of Kent and Medway specifically.

Option 2 (the Preferred Option)

Total **capital costs** for the project are made up of £2 million in direct top-up voucher costs, and £1.814 million in the additional estimated cost of the RGV (which is already committed). The remainder consists of capitalised costs associated with the delivery of the programme. In addition, revenue costs of £131k will be funded by Kent County Council. The detailed breakdown of this is set out in the Financial Case.

Combined, this gives a total cost of **£4.236 million**. Discounted, this gives a **net present value of total costs of £4.107 million**.

In principle, the programme is scalable, in that a higher grant amount would fund a greater number of vouchers. However, we believe, based on our analysis of likely average connection costs and our experience of supplier responsiveness that £2 million is an appropriate top-up amount, given the need to absorb all capital funding by the end of March 2022.

There are no sunk costs in Option 2. All costs are as set out.

3.6. Benefits:

[Provide details of the benefits of the scheme identifying the 'initial' and adjusted benefits that were used to calculate the 'initial' and 'adjusted' BCR. The DCLG Appraisal Guidance provides additional details regarding the initial and adjusted benefit calculations on page 17.]

'Initial' Benefits

All impacts quantified based on the Green Book Guidance and Green Book Supplementary and Departmental Guidance should feature in the 'initial' BCR calculation. These impacts currently include:

- *Air quality*
- *Crime*
- *Private Finance Initiatives*
- *Environmental*
- *Transport (see WebTAG guidance)*
- *Public Service Transformation*
- *Asset valuation*
- *Competition*

⁴ There would also be some running costs associated with the 'do minimum' option. These are estimated in the Economic Case Workbook, although we assume they are already incurred nationally (so there is no change to expenditure in Kent and Medway)

- *Energy use and greenhouse gas emissions*
- *Private benefits e.g. land value uplift*
- *Private sector costs if not captured in land value*
- *Public sector grant or loan if not captured in land value*
- *Public sector loan repayments if not captured in land value*

'Adjusted' Benefits

There are several external impacts to the users or entities already present in a development area or to the society that are additional to the impacts included in the Green Book Supplementary and Departmental Guidance.

Such external impacts include potential agglomeration impacts on third parties, health impacts of additional affordable housing and brownfield land clean-up, educational impacts of additional housing, transport externalities, public realm impacts, environmental impacts, and cultural and amenity impacts of development. Such externalities should still form part of the appraisal and included in the 'adjusted' BCR.

Promoters should present here additional estimates of impacts based on their own evidence. These estimates might be based on tentative assumptions where the evidence base is not well established. Additional guidance regarding the identification of externalities and ways of estimating the 'adjusted' impacts are available in Annex F of the [DCLG Appraisal Guidance](#).]

Key assumptions: The basis for identifying benefits

To consider total scheme costs and benefits, we have taken as a starting-point the outputs that could be delivered by the top-up voucher scheme, in the form of new connections.

To calculate the number of new connections, we assume that:

- **20% of top-up vouchers will be redeemed by businesses**, up to a maximum value of £3,500 (on top of the £3,500 available from Government, giving a total subsidy to the business of £7,000).
- **80% of top-up vouchers will be redeemed by residents**, up to a maximum of £5,500 (on top of the £1,500 available from Government, giving a total subsidy to each household of £7,000).

However, **the CRKM top-up voucher will only pay up to the cost of the connection**. In some cases, this will be the maximum value, but in most, it is likely to be less than that. We do not have a firm basis for calculating the distribution of vouchers by value; however, for the purposes of the Economic Case, we assume a range, which leads to blended average voucher values (and therefore the number of new connections) as set out in the table below:

Table 3-1: Average top-up voucher values and direct new connections

Premises type	Average voucher value	Direct new connections
Business (20%)	£2,238	179
Residential (80%)	£3,250	492
Total (blended average value)	£3,048	671

It is anticipated that **connections directly supported through the top-up voucher will lead to additional connections in the vicinity**. This is because as elements of high cost infrastructure are subsidised, the marginal cost of additional connections falls: in particular, when new connections are installed, ‘aggregation nodes’ can be added to the new infrastructure spine, enabling neighbouring premises to be connected either without subsidy or with the basic RGV support

Calculating the true extent of this is challenging, as we do not yet have the full data set of the number of additional premises that the existing top-up scheme has enabled. However, discussions with BDUK based on the RGV scheme suggest that it could double the number of connections enabled (supporting the ballpark estimate of around 1,200 connections enabled within our expression of interest). Our discussions with suppliers over the past month have also indicated a ‘reduced marginal cost’ uplift of over 50%, especially when aggregation nodes enabling future network development are taken into account.

However, reflecting the uncertainty of the evidence, we assume for a conservative estimate a one-third uplift in new connections based on falling marginal cost, leading to an estimated total of **893 connections**:

Table 3-2: Average top-up voucher values and new connections (inc. reduced marginal cost uplift)

Premises type	Average voucher value	New connections
Business (20%)	£2,238	238
Residential (80%)	£3,250	655
Total	£3,048	893

The impact of different voucher value assumptions is tested in the sensitivity analysis set out below.

The reference case: What would happen anyway?

The rationale for the top-up voucher is that the Rural Gigabit Voucher made available via BDUK is insufficient to cover the costs of new connections to the ‘final 1%’ of premises. Consequently, some premises are unable to get connected. This is reflected in the relatively slow take-up of the scheme: the additional subsidy should incentivise and enable wider take-up as the costs will be covered.

The top-up voucher will be capped at the actual cost of the connection. However, as set out above, it is plausible that in the absence of subsidy, some connections would be paid for anyway (for example, households and businesses might use savings or borrow to pay the difference over and above the RGV and the existing £1,000 Kent top-up scheme).

To estimate ‘what would happen anyway’, we have considered the effect of the existing Kent pilot top-up scheme on take-up of the Rural Gigabit Voucher, and reviewed this in the light of wider evaluation evidence. Overall, take-up of the RGV in Kent is higher than the England

average – and much higher than in neighbouring counties in the South East, as set out in Table 3-2. It is plausible that this is partly due to the additional incentive offered by the existing top-up⁵:

Table 3-3: Rural Gigabit Voucher take-up

Area	Total connections	Connections per 10,000 dispersed rural population ⁶
England	8,514	48.7
Kent	695	80.2
Comparator counties		
Surrey	124	24.5
East Sussex	59	14.5
West Sussex	131	27.3
Essex	94	13.8
Hampshire	229	37.7
Suffolk	84	17.3
Comparator average	-	22.5

Source: BDUK (data at 26 June 2020);

If the England average level of take-up represents the level of take-up that would apply without a top-up scheme, **we might assume that around 60.7% of connections would have been delivered ‘anyway’**. However, this would imply a much higher rate of deadweight than the evaluation evidence suggests: evaluation by IFF of the [Super Connected Cities broadband voucher scheme](#) found deadweight of 29%, while the evaluation by Ipsos-MORI of the national [Superfast Broadband programme](#) estimated deadweight of 40%.

For a conservative but realistic estimate, we assume the mid-point between the SfBB evaluation and the relative take-up levels of the Rural Gigabit Voucher (50.37%).to arrive at the following:

Table 3-4: Estimated connections enabled with, and in the absence of, the top-up scheme

Premises type	Total connections (gross)	Would have happened ‘anyway’	Would only happen with intervention
Business (20%)	238	120	118
Residential (80%)	655	330	325

⁵ It would not be possible to ‘prove’ this without primary research (e.g. survey of beneficiaries), for which there is not time within the requirement for the Full Business Case. However, other counties with high rates of take-up also run supplementary top-up schemes, such as Dorset.

⁶ The definition of ‘dispersed rural population’ is taken from Defra’s 2009 analysis of rural settlements, with the population inflated using county-wide population growth to provide an estimate of the 2019 population. This is likely to be a better reflection of the eligible population base than the wider ‘rural’ definition published by the ONS, since the headline rural definition will capture large numbers living in smaller market towns, large villages and some suburban areas that are likely to be better served with digital infrastructure.

Premises type	Total connections (gross)	Would have happened 'anyway'	Would only happen with intervention
Total	893	450	443

Based on this, **we assume that 450 connections would have been enabled 'anyway'**. We use this as the 'reference case' to assess the additionality of the Getting Building Fund investment (with the reference case representing the deadweight attached to all benefits). The deadweight figure is still quite high, bearing in mind the much lower estimate on the evaluation of the nearest-equivalent voucher scheme, and it is likely to be a conservative estimate. However, it is unsurprising: there is already a smaller top-up voucher scheme in place, and we would expect higher levels of deadweight on non-means tested automatic entitlement schemes⁷.

Initial quantified benefits

Based on the evidence review described in Section 3.3, we anticipate that initial quantified impacts are:

- **Productivity growth of broadband-using enterprises.** The principle is that firms benefiting from faster broadband speeds should be able to deploy staff more efficiently, engage in new markets (e.g. through online trading) and support greater supply chain collaboration.
- **Teleworker productivity.** Generally, there is a trend towards greater home-working, especially among managerial and professional occupational groups. Better broadband should facilitate this, reducing 'wasted' commuting time.
- **Increased labour force participation.** By enabling home working, some people will be brought into the workforce who might otherwise have been excluded, such as people with caring responsibilities or people with disabilities. In the context of the current crisis, this might also include people who currently work in sectors that have been impacted by an enforced collapse in demand (e.g. in parts of the hospitality and cultural industries), but who could potentially work from home in alternative activities, either as employees or self-employed.

Quantified Benefit 1: Business productivity growth

Route to impact

Firms accessing faster broadband should benefit from increased productivity, as they are able to introduce new digital systems, reduce running costs, expand staff communications and introduce more and better collaboration with customers and suppliers. For some businesses, improved connectivity might also mean that they could enter new markets (for example, easier online trading might enable export activity) or use remote devices to manage systems with less human resource input and/ or with greater accuracy.

⁷ In principle, it is possible that deadweight could be reduced through a needs-based assessment process. However, this would be complicated and costly to administer, and would also not meet the wider objective of ensuring universal provision.

Measuring the impact

The *Superfast Broadband Programme Evaluation* (2018) estimated a productivity gain of £1,391 (at 2016 prices) per firm as a result of superfast broadband. Inflating this to 2020 prices and adjusting for the all-industries productivity differential between Kent and the UK average⁸, we estimate a productivity gain of £1,426 per firm⁹. These assumptions have only been applied to the estimated business beneficiaries (i.e. 20% of total connections), to avoid double-counting with teleworker productivity set out below.

Applying this to the number of business premises likely to benefit gives gross GVA impacts on firm-level productivity of £1.379 million in the Reference Case, and £2.737 million in the Preferred Option.

These estimates have been adjusted as follows:

- **Leakage:** It is possible that there will be some leakage of benefit (for example, firms operating multiple sites, where productivity gain accrues to the group as a whole, rather than the local unit in Kent and Medway). However, this should be modest, given that most (probably all) business beneficiaries will be locally-based SMEs. We have assumed 10% leakage, equivalent to the lower estimate in the *Additionality Guide*.
- We assume no **displacement or substitution**. Productivity gain is a benefit to the economy overall, and while it might lead to reduced local expenditure on some goods and services, this should be compensated for by more productive expenditure elsewhere.
- **Deadweight:** Based on analysis of 'what would happen anyway' set out above, we assume deadweight of 50.37%¹⁰.
- **Multiplier:** A composite Type II regional multiplier of 1.5 is applied in both cases. This is based on the 'medium' ready-reckoner multiplier quoted in the *Additionality Guide*¹¹.

Applying these factors gives **net additional local impacts of £924k in the Reference Case (or a net present value of £768k); and £1.834m (or a NPV of £1.535m) for the Preferred Option.**

Quantified Benefit 2: Teleworker productivity

Route to impact

Better broadband should facilitate greater teleworking, as individuals are better able to work from home. This should be especially beneficial in rural areas, where commutes are likely to be longer and more expensive. The importance of high-speed broadband connectivity has also grown in

⁸ Assuming that average productivity (GVA per filled job) in Kent is around 93% of the UK average.

⁹ These assumptions have only been applied to the estimated business beneficiaries (i.e. 20% of total connections), to avoid double-counting with teleworker productivity set out below.

¹⁰ We have applied the same deadweight estimate to the Reference Case as to the Preferred Option, on the basis that in the Reference Case, there would be some beneficiaries who might have used their own resources or borrowed to secure a connection. This is a conservative estimate, although plausible.

¹¹ The Additionality Guide assumes average supply chain linkages and notes that most interventions will be in the Medium category. We note that multipliers can vary substantially, and the supporting workbook presents impacts including and excluding the multiplier

recent years as remote working has become generally more common, and remote working tools (direct remote access to corporate systems, frequent videoconferencing, etc.) have become ubiquitous: those without the connectivity to access these have become relatively more disadvantaged over time.

In the context of the Covid-19 pandemic, remote working has become increasingly important: it is now essential for many workers, and is likely to remain so in the future.

Measuring the impact

Research in the United States estimated that productivity is 25% higher for teleworkers than for non-teleworkers¹². Based on this estimate, the 2018 study into the economic impact of full-fibre infrastructure in the UK applied a more conservative 20% teleworker productivity gain¹³. Taking this as a starting point, we estimate the productivity gain as a result of the top-up voucher scheme as follows:

- **Step 1:** To identify the potential workforce, we assume 655 residential connections, as per Table 3-2. On average, each household contains 2.3 people, of which 64.7% are of working age¹⁴. This gives a total estimated working age resident beneficiary population of 974.
- **Step 2:** To identify the number that are likely to be 'in scope' for increased productivity through homeworking, we assume that the employment rate is the same as the Kent and Medway average (78.3%, including both employees and self-employed people)¹⁵. This gives a total workforce in employment of 763.
- **Step 3:** We then need to estimate the propensity to work from home. In 2019, 27% of the workforce worked from home at least some of the time¹⁶. In the current crisis, this has increased to about 47%¹⁷. This would give a range of between 204 and 356 likely homeworkers benefiting from the scheme, based on the workforce size estimates above.
- We might assume that as the pandemic recedes, 'enforced' home working will diminish. However, it is reasonable to expect that some changes in working practices will become permanent, especially if better use of digitally-enabled tools make the teleworking experience more practical and collaborative. Estimating home working propensity post-Covid is challenging, but as a conservative estimate, we assume that about half the uplift in home working is retained in the longer term, resulting in a mid-point estimate of 37% of the workforce working from home at least some of the time (equivalent to 280 home workers within the potential beneficiary population).

¹² Rockbridge Associates (2006), National Technology Readiness Survey

¹³ Regeneris for CityFibre (March 2018), *The economic impact of full fibre infrastructure in 100 towns and cities in the UK*, p.17.

¹⁴ ONS, Census 2011, UK

¹⁵ ONS, Annual Population Survey, 2019/20

¹⁶ ONS, Coronavirus and home working in the labour market, March 2020

¹⁷ ONS, Coronavirus experimental data. Note that some estimates place the proportion of the workforce working from home as much higher, at up to 60%.

- **Step 4:** An estimate of worker productivity gain is then applied to this home working figure. 20% productivity gain equates to £10,468, based on GVA per filled job in Kent and Medway. However, we could reasonably assume that some people will have worked from home anyway (albeit less efficiently). It is also unclear from the full-fibre impacts study whether the 20% increased productivity is *caused by* home working or simply *correlates* with it (for example, workers in more managerial and professional jobs with higher value output per hour are more likely to work from home).

There is no clear evidence on which to account for this, without reviewing in detail the calculations within the original impact report. But we could assume that even those already working at home should experience some productivity gain from improved connectivity (e.g. through the ability to do tasks more quickly, resulting in either more hours 'gained' for leisure by the worker, or more work done). As a rough estimate, we assume that 75% of the approximate productivity gain is captured (i.e. an average uplift of 15%).

Taking all of the above into account gives a gross GVA benefit of £17.727 million over the appraisal period for the Preferred Option (and £8.928 million in the Reference Case).

These estimates have been adjusted as follows:

- **Leakage:** Not all of the productivity gain will 'stick' within Kent and Medway (for example, some will be captured by employer firms based outside the county, including those with multiple local units). We assume 20% leakage to account for this (around 13% net out-commuting, plus uplift to account for jobs normally based in the county, but headquartered elsewhere).
- We assume no **displacement or substitution**. Productivity gain is a benefit to the economy overall, and while it might lead to reduced local expenditure on some goods and services, this should be compensated for by more productive expenditure elsewhere.
- **Deadweight:** Based on the blended estimate described above, we assume deadweight of 50.37%¹⁸.
- **Multiplier:** A composite Type II regional multiplier of 1.5 is applied in both cases, on the same basis as for Quantified Benefit 1.

Applying these factors gives **net additional local impacts of £5.317m in the Reference Case (or a net present value of £4.421m); and £10.557m (or a NPV of £8.778m) for the Preferred Option.**

Quantified benefit 3: Labour force participation

Route to impact

¹⁸ We have applied the same deadweight estimate to the Reference Case as to the Preferred Option, on the basis that in the Reference Case, there would be some beneficiaries who might have used their own resources or borrowed to secure a connection. This is a conservative estimate, although plausible.

The Broadband Impact Study assumed that greater home connectivity would expand the pool of people who can be active in the labour market, by providing opportunities to work for people who have to be at home most of the time due to caring responsibilities or disability. This might be increasingly important in the light of the Covid pandemic, given the numbers shielding and therefore unable to access work elsewhere.

Measuring the impact

To measure the impact, we take the following steps:

- **Step 1:** To identify the potential beneficiary population, we assume a working age population as in the 'flexible working practices' estimate above. This gives a potential working age population of 974¹⁹.
- **Step 2:** In Kent, 18.6% of the working age population is economically inactive. Of these:
 - 21.8% are economically inactive through disability or long-term sickness. Analysis in the 2013 Broadband Impact Study estimated that around 46% of the economically inactive population would have the ability (in terms of qualifications) to work in a teleworking job. Clearly, not all would want to or would have the physical capacity to: for the purposes of the appraisal, we assume that around half might do so were the connectivity and relevant support in place. This gives potentially 9 beneficiaries from the overall population.
 - 25% are economically inactive due to caring responsibilities. The Broadband Impact Study estimated that 33% would have the ability to telework; as above, we assume that half of this proportion might do so. This gives potentially 7 beneficiaries from the overall population.
- **Step 3:** We assume that people who have been out of the labour market will command lower salaries and generate less output by value. Indicatively, we assume GVA per worker is half the Kent and Medway average (i.e. £26,170).

Taking all of the above into account gives a gross GVA benefit of £3.5 million over the appraisal period for the Preferred Option (and £1.763 million in the Reference Case).

These estimates have been adjusted as follows:

- **Leakage:** Leakage is likely to be modest: we assume 10%
- **Displacement:** There is likely to be some displacement: new entrants to the workforce could be employed to carry out jobs that were previously done by other workers in other locations. However, we assume that most new entrants will be 'net additional' to the workforce. We have assumed a relatively low displacement estimate of 25%.
- **Substitution:** We assume no incentive to employ beneficiary workers over others; substitution is therefore zero.

¹⁹ Better connectivity could enable people over working age to participate in the workforce as well, although we have not calculated this.

- **Deadweight:** Based on the blended estimate described above, we assume deadweight of 50.37%.
- **Multiplier:** A composite Type II regional multiplier of 1.5 is applied in both cases, on the same basis as for Quantified Benefits 1 and 2.

Applying these factors gives **net additional local impacts of £886k in the Reference Case (or a net present value of £737k); and £1.759m (or a NPV of £1.462m) for the Preferred Option.**

Other quantified impacts

In addition to these direct benefits, there will be other benefits to the economy, from:

- Network construction impacts
- Increases in property values

Quantified benefit 4: Network construction impacts

Route to impact

There will be economic benefits associated with the construction of the infrastructure providing new connectivity. Typically, these are excluded from the calculation of overall economic benefits, since it can usually be reasonably assumed that the construction industry is buoyant, and that construction jobs could be absorbed somewhere else. However, Getting Building Fund is specifically aimed at 'kick-starting' construction activity to compensate for the general downturn. We have therefore considered the benefits arising from this below.

Measuring the impact

The input-output tables maintained by the Scottish Government show a 'Type 2 GVA effect' of 0.8 for the construction industry²⁰. Effectively, this means that every £1 million of capital expenditure will generate £800k of GVA.

Taking this into account, construction activity should generate gross GVA impacts of £1.451m in the Reference Case, and £3.051 million in the Preferred Option. We have not increased this to allow for the 'knock-on' connections enabled through reduced marginal cost, since the additional expenditure will obviously be less than the increase in output.

These figures should be discounted substantially:

- **Leakage:** Some construction activity (and associated employment) will be secured by Kent-based firms and workers. But the market is national and we would expect much of the expenditure to leave the county. Leakage is therefore likely to be high – we have applied an estimate of 50%.

²⁰ Scottish Government (2016), <https://www.gov.scot/publications/supply-use-input-output-tables-multipliers-scotland/>. We have used this calculation because: a) the Scottish Government GVA multiplier was previously used in the (UK-wide) *Broadband Impact Study* in calculating network construction benefits; and b) the Scottish Government input-output tables are readily accessible and regularly updated. There may be some difference between the GVA multiplier as it applies to Scotland and as it applies to Kent, although this is likely to be small: the effect of the difference could potentially underestimate the GVA effect in Kent, given the relative scale of the South East construction sector.

- **Displacement:** Generally, there is a buoyant market for telecoms infrastructure: given the effects of the pandemic in increasing demand for digital services, we might expect this to remain the case, even in general economic downturn. So some network construction expenditure might effectively displace spend elsewhere – we have assumed a 50% discount to account for this.
- **Substitution:** We assume that this is incorporated into the displacement calculation.
- **Deadweight:** It could be argued that there is effectively 100% deadweight, since if Government funds were not spent on this project, they would be spent on some other capital scheme which would have the same construction impacts. However, while this is true, Getting Building Fund has been created in part to accelerate construction activity, with a view to capturing construction benefits in the short term. To reflect this, we have assumed deadweight of 50.37%, consistent with the other benefits identified.
- **Multiplier:** A composite Type II regional multiplier of 1.5 is applied in both cases, on the same basis as for Quantified Benefits 1, 2 and 3.

Applying these factors gives **net additional local impacts of £270k in the Reference Case (or a net present value of £261k); and £568k (or a NPV of £550k) for the Preferred Option.**

Quantified benefit 5: Private household benefits

Route to impact

Aside from GVA benefits, there should be wider benefits to households from broadband connectivity. Several surveys have demonstrated the importance that house buyers place on broadband access, with property agents reporting that slow broadband is a drag on sales and values²¹.

Measuring the impact

The *Economic Impact of Full Fibre* study estimates a rise in average house prices of 0.5% as a result of a full fibre connection. Applied to average house prices in Kent (£295,700 in 2020²²), and the number of homes connected as a result of intervention, this would result in an increase of £8.45 million in house prices in the Preferred Option, and an increase of £5.13 million in the Reference Case.

Assuming deadweight at the level applied to other benefits (based on the number of connections that would have happened ‘anyway’, the net impact is likely to be in the order of £4.805 million for the Preferred Option, and £2.420 million in the Reference Case.

These impacts are significant, although essentially accrue to the property owner, rather than society more broadly; we have not therefore included them in the Appraisal Summary Table (and the BCR), although we set them out here for information.

Optimism bias

²¹ Savills (2015), Estate Benchmarking Survey.

²² <https://www.kentlive.news/news/kent-news/kent-house-prices-how-average-4080245>

The benefits described are obviously uncertain, and depend on a range of assumptions. On the other hand, the assumptions we have taken are generally conservative, and we anticipate (for example) that deadweight will be lower than we have set out.

To account for this, we have applied a 10% adjustment for optimism bias to all benefits (although we have not applied any optimism bias to costs, as the costs are fixed and variances to the average voucher value are considered in the sensitivity analysis below.

Bringing it together: Total quantified impacts

Allowing for optimism bias, the full quantified impacts are set out in Table 3-5:

Table 3-5: Summary of quantified benefits (NPV, 2020 prices)

Benefit	Option 1: Reference Case	Option 2: Preferred Option
Business productivity	767,933	1,524,709
Teleworker productivity	4,421,019	8,777,802
Labour force participation	736,531	1,462,360
Network construction	261,390	549,530
Total	6,186,874	12,314,401
Total less optimism bias	5,568,186	11,082,960

Non-quantified impacts

In addition, there is a range of **social** and **environmental** impacts:

- **Social impacts** include reductions in the 'digital divide'; increased household savings associated with teleworking and reduced commuting travel costs; and value of increased leisure time to households. Although not formally set out in the Broadband Impact Study, three other social impacts are relevant, and will likely have become more salient in the context of the current crisis:
 - **Access to online learning.** This was growing in importance anyway, but is fundamentally critical in the current situation. There is little evidence on the quantified benefits of better broadband to educational outcomes, although in situations where there is a need to rely on online learning, it is plausible that time and opportunity will be lost due to slow speeds.
 - **Telehealth and telecare,** including the ability to access online GP consultations and make use of enabled devices to support independence within the home
 - **Access to a wider range of community networks and services,** including better interaction with family and friends, and the ability to fully benefit from the range of public

services available online. Full community access would also enable public service savings, if higher cost alternatives could be progressively decommissioned²³.

- **Environmental impacts** include carbon savings from reduced travel, increased use of cloud computing (and reduced server energy use) and the ability to introduce smart metering and more efficient household devices.

3.7. Local impact:

[If the scheme has a significant level of local impacts these should be set out in this section.]

Eligible postcodes are widely distributed across rural Kent and Medway. Obviously, the benefits will be the greatest in more dispersed rural parts of the county, although we do not anticipate any specific local impacts.

3.8. Economic appraisal results:

[Please provide details of the key appraisal results (BCR and sensitivity tests) by completing the table below. Please note, not all sections of the table may require completion.]

Promoters should also include a statement which identifies other schemes which may have potentially contributed to the same benefits/impacts.

Smaller schemes (less than £2 million) are not required to complete a quantified economic appraisal but are required to include a Value for Money rationale.]

	DCLG Appraisal Sections	Reference Case	Preferred Option
A	Present Value Benefits [based on Green Book principles and Green Book Supplementary and Departmental Guidance (£m)]	5,332,935	10,588,384
B	Present Value Costs (£m)	1,757,580	4,107,344
C	Present Value of other quantified impacts (£m)	235,251	494,577
D	Net Present Public Value (£m) [A-B] or [A-B+C]	3,810,606	6,975,616
E	'Initial' Benefit-Cost Ratio [A/B]	3.03	2.58
F	'Adjusted' Benefit Cost Ration [(A+C)/B]	3.17	2.70
G	Significant Non-monetised Impacts	Improved access to education and learning Health outcomes resulting from increased use of telecare/ telemedicine Increased house prices (these are monetised, although not included in the BCR calculation as all values in the BCR equate to GVA)	

²³ The Local Government Association estimates that the average online transaction costs around 15p, compared with a cost per telephone transaction of £2.82. (<https://www.local.gov.uk/sites/default/files/documents/transforming-public-servi-80e.pdf>)

	DCLG Appraisal Sections	Reference Case	Preferred Option
		Social impacts, relating to increased community contact and reduced isolation Carbon reductions through reduced travel Savings in public service delivery	
H	Value for Money (VfM) Category	High	
I	Switching Values & Rationale for VfM Category	Sensitivity analysis indicates a positive BCR on all scenarios, although falling below 2 on the Preferred Option with a combination of higher than anticipated deadweight and higher unit costs (average voucher values)	
J	Net financial cost, inc. optimism bias	1,814,333 (MHCLG cost: £0)	4,235,711 (MHCLG cost: £2,290,152)
K	Risks	Delay to project mobilisation Supplier responsiveness Consumer awareness and demand Physical/ planning/ regulatory barriers	
L	Other Issues	-	-

Sensitivity analysis

Sensitivity analysis has been carried out against three alternative scenarios. The results are set out in the accompanying workbook, but in summary:

- **Sensitivity Scenario 1** applies a higher average voucher value per connection (thus reducing the number of connections that can be enabled). This reduces the initial BCR for the Preferred Option to 2.43.
- **Sensitivity Scenario 2** assumes a higher level of deadweight, at 60%. This reduces the initial BCR to 2.04.
- **Sensitivity Scenario 3** combined Scenarios 1 and 2 into a 'worst case' scenario. This reduces the initial BCR to 1.83.

In all cases, the BCR is positive. However, the benefits are most sensitive to deadweight assumptions.

4. Commercial Case

The commercial case determines whether the scheme is commercially viable and will result in a viable procurement and well-structured deal. It sets out the planning and management of the procurement process, contractual arrangements, and the allocation of risk in each of the design, build, funding, and operational phases.

4.1. Procurement options:

[Present the results of your assessment of procurement and contracting route options and the supplier market, and describe lessons learned from others or experience; max. 1 page.]

The CRKM voucher scheme does not involve infrastructure procurement in the conventional sense: instead, it provides a subsidy to enable businesses and residents to directly contract with suppliers that have registered with BDUK (see Section 4.2). However, in the following paragraphs, we set out the notional procurement options that could in principle be followed to deliver broadband connectivity to the ‘final 4%’, and why we have decided not to take them forward:

Option 1: New OJEU procurement

Assessment – not achievable within timeframe

- New OJEU procurement could not be completed within required timeframe and allow sufficient time for planning and build. Typical timeframes are: 9-12 months for procurement and securing state aid notification, planning and survey (min 6-9 months); infrastructure build (need to allow at least 12 months).
- UK State Aid Notification mechanism expires on the 31st December 2020 – it is not clear when or what criteria the next UK State Aid Notification will need to meet.
- This supply-led approach would also require either Kent County Council or the supplier to identify which premises would receive connections in the intervention area. Previous efforts across the UK have highlighted the difficult with these approaches in developing a robust or workable methodology that targets need.

Option 2: Large change control to existing BDUK Kent Rural Fibre Project

Assessment – not achievable within timeframe

- Whilst we have the headroom in this contract (i.e. would not be considered a material change, state aid permission is in place), the contracted supplier is likely to require at least 6 months to complete the modelling and contracting (based on our delivery experience to date). The existing contractual terms (combined with lessons learnt from existing delivery) mean that the supplier would request around 9 months to survey and plan such a large-scale change and at least a year to build.
- Under the terms and conditions of the existing contract, the supplier would expect to identify which premises get upgraded through this scheme given the nature of existing contract. This may not pick up homes and businesses with an acute need.

Option 3: Run a call-off under another existing procurement framework.

Assessment – option not available

- We are not aware of any other procurement framework that is open to us and meets the specific needs of this scheme, including state aid compliance.

Option 4: Develop a voucher scheme building on the mechanisms in place for the existing Kent top-up voucher

Assessment – preferred and viable option assuming a timely start to the project can be secured.

- Would utilise the existing, proven delivery mechanism (Rural Gigabit Voucher Scheme) established by the UK Government by BDUK and KCC (avoiding the need for a standing start). No need for a formal state aid notification to the UK broadband state-aid competency centre operated by DCMS.
- Multi-supplier – not dependent on one supplier as there at least 5 suppliers registered onto the Rural Gigabit Voucher Scheme who are active and interested in delivering these small-scale projects in Kent.
- Scope and scale of the existing Kent-Top Voucher Scheme can quickly be amended by varying the existing grant agreement with BDUK. Can be open for voucher applications within 2-3 weeks, sooner if the work is completed upfront.
- Demand-led approach enables those homes and businesses with acute connectivity needs to identify themselves.

Option 5: Issuing small-scale change requests for existing BDUK Kent Fibre Project (e.g. to cover circa 20-30 premises at a time)

Assessment – possible but not at volume required to achieve spend and build by March 2022 to commit all funding by this route. An option that should be used in exceptional cases for this scheme where:

- A group of self-identifying homes and businesses eligible for this scheme have already chosen the same supplier that is delivering the BDUK Kent Rural Fibre Project
- The change control is very small scale and is adjacent to areas where is already planned within the necessary timescale.
- The supplier can process the change request and deliver the solution within the required timescale

An example of where this could be used could be outlying premises (not already in scope) near a village which is in the plan to be upgraded and where efficiencies and cost-savings could be accrued through being delivered via a small change control as opposed to a separate, discrete scheme funded by vouchers

4.2. Preferred procurement and contracting strategy:

[Define the procurement strategy and contracting strategy (e.g. traditional, (design and build, early contractor involvement) and justify, ensuring this aligns with the spend programme in the Financial Case and the project programme defined in the Management Case; max. 2 pages.]

The preferred procurement and contracting strategy for this project is to deliver a voucher scheme linked with the mechanisms in place for the existing Rural Gigabit Voucher and Kent top-up schemes.

As highlighted in section 4.1 above, this will involve:

Table 4-1: Procurement and contracting strategy

Date	Activity
August 2020	<p>Working with BDUK Rural Gigabit Voucher Team to extend the scale and scope of the existing Kent Voucher Scheme.</p> <ul style="list-style-type: none"> • This would be achieved by varying the existing agreement with BDUK. • We have already have in-principle agreement from BDUK for this and will have a revised funding agreement 'ready to go' by the end of August. This would then be ready to sign once project sign-off and SELEP assurance processes are achieved. <p>This would provide us with our route to market and ability to contract with suppliers once vouchers are awarded.</p>
August 2020	<p>Supplier engagement</p> <ul style="list-style-type: none"> • We have already engaged in market-testing for this proposal and received a positive response regarding suppliers' willingness to participate in the new extension to the Kent Top-Up Scheme. • We will continue this engagement across August to ensure supplier readiness • It should be stressed that suppliers are already familiar and on-board with delivering the existing Kent Top-Up Scheme. • The Rural Gigabit Voucher Scheme is open to any supplier who is capable of meeting BDUK's supplier registration criteria. We have already worked to ensure that all broadband infrastructure suppliers active in Kent are registered on the scheme.
September 2020 – March 2021	<p>Scheme Launch & Voucher Application Window</p> <ul style="list-style-type: none"> • Following the launch of the scheme, eligible homes and businesses will be able to request vouchers. • Under the BDUK Rural Gigabit Voucher Scheme process, suppliers must request vouchers on their customers behalf (Verification and eligibility checks are undertaken by Kent County Council and BDUK – and include customers confirming that they have requested a voucher. • Once these checks are confirmed, the chosen supplier can start work on the build required for connections which are being funded by the vouchers. We would expect the first voucher awards to be contracted within three weeks of the scheme launch.
April 2021- March 22	<p>Completion of build and payment of vouchers upon connection</p> <ul style="list-style-type: none"> • State aid requirements mean that vouchers can only be paid out once the final broadband connection has been made.

-
- Given that vouchers will be awarded on an ongoing basis, the connections will be completed throughout this period.
 - Suppliers are responsible for claiming the voucher from BDUK once these connections have been made.
 - We have prompt payments in place with BDUK to cover the costs of the Kent Top voucher element. We are also responsible for paying BDUK a £50 administration fee for the issue of each group of vouchers (NB suppliers aggregate all vouchers which are part of a community scheme and the £50 fee is payable for each of these community schemes rather than each voucher). Assurance checks are completed throughout the lifecycle of voucher process.
-

Supplementary procurement and contracting strategy

As highlighted in section 4.1 above, there is an option to issue small-scale change requests through existing BDUK Kent Fibre Project (e.g. to cover circa 20-30 premises at a time) (Option 5).

Whilst this is not a viable option for delivering the entire scheme (for the reasons set out in 4.1, Option 2), it may be useful for exceptional cases, where

- A group of self-identifying homes and businesses eligible for this scheme have already chosen the same supplier that is delivering the BDUK Kent Rural Fibre Project
- The change control is very small scale and is adjacent to areas where is already planned within the necessary timescale (e.g. outlying premises neighbouring an area of existing build).
- The supplier can process the change request and deliver the solution within the required timescale

We would anticipate that less than 5% of the scheme would be delivered via this procurement and contracting approach. Where this approach is used, the procurement and contracting process will be as follows:

Table 4-2: Supplementary procurement and contracting strategy

Date	Activity
September 2020- December 2020	<ul style="list-style-type: none"> • Change request issued by Kent County Council under the existing Kent Rural Fibre Build Project • Supplier produces proposal (change impact assessment) under the fast-track process • Proposal is assessed by KCC and BDUK for value-for-money, deliverability and state aid compliance through agreed KCC and BDUK governance processes. • Contractual change agreed to enable build.

NB: A shorter contracting window has been allowed for this route to market to ensure connections are built and claimed by the end of March 2022.

January 2021-
March 2022

- Supplier (Openreach) completes the build for the change control process and claims for the work through the existing claims process. This would go through the existing assurance processes agreed by both BDUK and KCC (including sign off by Section 151 Officer).

4.3. Procurement experience:

[Describe promoter (and advisor) experience of the proposed approach including any lessons learnt from previous procurement exercises of a similar scale and scope; max. 0.5 pages.]

This scheme has been developed by the Kent County Broadband Team, which has over 10 years' experience of developing, procuring and delivering successful broadband schemes. These include both supply-side broadband interventions (e.g. the Kent BDUK Project, the current Kent Fibre Build Project and the Kent Community Broadband Pilot Schemes (2012-15)), as well as working with BDUK to administer demand-led voucher schemes. The latter has included the former BDUK Connected Cities Scheme, Better Broadband Scheme and Gigabit Voucher Scheme (all now closed).

Our broadband programmes have been delivered to plan, spend and value for money, and We are delighted to have been selected as a national pilot by BDUK for developing a local top-up scheme (the existing Kent Top Up Scheme) on the basis of our delivery experience and exemplary implementation track record.

This experience – and the lessons learnt around procuring and contracting broadband projects – has been central to the design of this project. For example, we believe that it would be too high risk to deliver our project objectives through a supply-led intervention. We also collaborated with three other County Council broadband teams (who were also developing GBF broadband top-up vouchers) on this proposal to shape and provide challenge to this proposal. Our experience of delivering the Kent Voucher Top-Up pilot has also enabled us to design out potential risks in the CRKM scheme (e.g. around timescales). Through collaborating with BDUK on their Rural Gigabit Voucher Scheme we also have benefit from access to the BDUK/DCMS commercial teams to support the delivery of this project should it be required.

[Redacted content]

4.4. Competition issues:

[Describe any competition issues within the supply chain; max. 0.5 page.]

Historically, the broadband infrastructure market has been dominated by BT (now known as Openreach Ltd). Whilst competition has increased in recent years with the growth of alt-net operators, broadband procurements need to be carefully designed to avoid single-bid/ supplier scenarios wherever possible.

Kent has a relatively diverse broadband infrastructure market, although as for most other parts of the UK, Openreach remains the main supplier. In recent years we have seen the growth and entrance of other suppliers including Trooli, Gigaclear and Vfast/ Orbital.

Voucher schemes, through enabling multiple, small-scale discrete build projects, offer a greater opportunity for delivery by multiple suppliers and avoid the issues which tend to arise from single-supplier procurements e.g. suppliers dictating terms and conditions, slower delivery timescales etc. It also mitigates again the risk faced by OJEU broadband procurements of failed, no-bid scenarios.

It should also be noted that there is currently intense competition for labour amongst broadband suppliers. We continue to closely monitor this risk (which has not yet delayed delivery on any of the commercial or publicly funded broadband build in Kent). We would anticipate that increased unemployment following the pandemic, coupled with the extensive recruitment and training programmes currently being implemented by suppliers will alleviate these pressures.

4.5. Human resources issues:

[Where possible, describe what you have done to identify and mitigate against any human resource issues; max. 0.5 pages.]

We are not anticipating any human resource issues that will significantly impact this project. KCC has a dedicated broadband team that will oversee the delivery of this project. In all our work, we have business continuity plans to manage and mitigate the risk of unplanned absence. Whilst we are planning to recruit two additional officers to provide the additional capacity that will be required to deliver this project, this will be in addition to the existing KCC broadband team. All of the team are trained and will be involved in the delivery of this project, which will mean that there will always be the minimum level of support in place to successfully deliver and manage the scheme.

Similarly, we have also witnessed suppliers successfully manage their staff resources to maintain delivery during throughout the first wave of the Covid-19 pandemic. As set out in section 4.4 above, we also note competition for labour amongst broadband suppliers.

4.6. Risks and mitigation:

Specify the allocation of commercial risks (e.g. delivery body, federated area, scheme promoters) and describe how risk is transferred between parties, ensuring this is consistent with the cost estimate and Risk Management Strategy in the Management Case; max. 1 page.]

A full and detailed risk register is provided in Appendix C. The key, highest scoring commercial risks for the commercial case are outlined in the summary table below. Suppliers remain responsible for delivering voucher connections on time and, under the terms of the Rural Gigabit Voucher Scheme, remain liable for any cost overruns beyond the contracted voucher cost. We will manage these risks in line with the risk management strategy, escalation procedures and contract management approach set out in the Management case.



Description of Risk	Impact of Risk	Risk Mitigation
<p>Risk 4: Low take-up by businesses and consumers</p>	<p>Impact on forecast spend and scheme benefits</p>	<p>This programme has been developed in response to local need. We will work with local stakeholders and suppliers to raise awareness of the opportunities as outlined in our stakeholder engagement plan. A dedicated and targeted demand stimulation campaign will be used to drive take-up within the required timeframe</p>
<p>Risk 6: Suppliers not quoting and contracting for voucher-funded connections within the required time frame</p>	<p>Delays and potentially reduced spend</p>	<p>We monitor this closely within the existing programme and work with suppliers to ensure that quotes are received on timely basis and that they are not 'lost in the system'. There is also an escalation path to BDUK should this be required.</p>
<p>Risk 7: Extreme engineering difficulties creating a delay with some voucher-funded connections</p>	<p>A risk that some vouchers affected vouchers would not be claimed on time</p>	<p>We would expect that this risk would only apply to small percentage of vouchers. Where extreme engineering difficulties occur we work with the supplier and local communities to try and resolve the issues. All vouchers will be issued with a time limit on them.</p>
<p>Risk 8: Suppliers fail to complete some connections within the required time frame</p>	<p>A risk that some vouchers would not be claimed on time</p>	<p>We would expect that this risk would only apply to a small percentage of vouchers. All vouchers will be issued with a time limit and we want to contract all vouchers by the 31st March 2021 to allow sufficient build time.</p>
<p>Risk 9: Extreme weather events</p>	<p>Delayed build and completion of some connections</p>	<p>Whilst it is very hard to mitigate against the impact of extreme weather events e.g. persistent heavy winter snow, we will encourage suppliers to factor in sufficient 'headroom' in their build plans to try and manage this</p>
<p>Risk 10: Difficulty in securing wayleaves for some connections</p>	<p>Delayed build and completion of some connections</p>	<p>The KCC broadband team has extensive experience in working with suppliers to resolve wayleave issues. Wayleaves will only be required in specific situations and tend to be easier to secure for community sponsored voucher schemes. Where these cannot be resolved we would work with the supplier to identify an alternative route for the connection.</p>
<p>Risk 11: Traffic management requirements</p>	<p>Delayed build and completion of some connections</p>	<p>The KCC broadband team will work with the Kent Highways Team to ensure that suppliers meet street works requirements and apply for permits within the required timeframe. The Kent team have extensive experience in managing these issues and have worked with the DCMS Barrier Busting Team around the development of national best practice for efficient broadband street works practices. Not all connections will require permits.</p>

<p>Risk 12: Insufficient resource within the Suppliers' supply chains</p>	<p>Delayed build and completion of some connections</p>	<p>This was a significant risk factor pre-Covid. Most suppliers have continued with significant recruitment and training initiatives and we anticipate that competition for resources will be less acute than otherwise forecast. Through Kent's Economic Recovery Planning process we will also be looking at new ways to maximise the job creation opportunities through this scheme and within the wider sector.</p>
<p>Risk 14: Covid-19 Lockdowns/Second Wave</p>	<p>Potential delays in project delivery and spend</p>	<p>Whilst suppliers' continued with their infrastructure build throughout the lockdown period, the rate of build was impacted by social distancing requirements. Full fibre broadband connections require premise-based installations which could be delayed in the event of a second wave/local lockdown</p>
<p>Risk 15: Delayed start to this project</p>	<p>Insufficient time for suppliers to work with communities to develop projects and submit applications before the 31st March (final date to enable build window). BDUK have insisted on September start.</p>	<p>This is a viable scheme which seeks to extend the scope and scale of an existing national pilot scheme. It will address a number of acute issues for SMEs and homes affected by poor connectivity – which have been exacerbated by Covid 19. We will work with SELEP to ensure that the necessary assurance processes for this scheme can be completed within the necessary timeframe,</p>

4.7. Maximising social value:

[Where possible, provide a description of how the procurement for the scheme increases social value in accordance with the Social Value Act 2012 (e.g. how in conducting the procurement process it will act with a view of improving the economic, social and environmental well-being of the local area and particularly local businesses); max. 0.5 page.]

As set out in the Commercial Case, this scheme utilises the Government's Rural Gigabit Voucher Scheme as the route to market. Within this process, suppliers are eligible to participate and deliver voucher-funded connections if they meet the requirements and eligibility criteria set out in the Government's supplier registration process for the Rural Gigabit Scheme. Whilst we understand that this does not require suppliers to deliver additional social value outputs, we are cognisant in setting out this businesses case that the Rural Gigabit Voucher Scheme has been approved by Government as being legally compliant and has subject to a Treasury Green Book approval process.

5. Financial Case

The Financial Case determines whether the scheme will result in a fundable and affordable Deal. It presents the funding sources and capital requirement by year, together with a Quantitative Risk Assessment (QRA), project and funding risks and constraints. All costs in the Financial Case should be in nominal values²⁴.

The profile of funding availability detailed in the Financial Case needs to align with the profile of delivery in the Commercial Case.

5.1. Total project value and funding sources:

[Specify the total project value and how this is split by funding sources by year, as per the table below (expand as appropriate). This should align with the total funding requirement described within the Project Overview section. Please include details of other sources of funding, and any conditions associated with the release of that funding. LGF can only be sought to 2020/21.]

Capital

The total capital value of the project is £4.104 million (excluding VAT). This includes:

- The value of the top-up vouchers (£2 million, funded by Getting Building Fund)
- Capitalised delivery costs (£290k, funded by Getting Building Fund)
- The value of the Rural Gigabit Voucher levered by the top-up (estimated at £1.814 million, funded by central Government via BDUK). The exact amount of RGV funding will depend on the number of connections enabled: this amount reflects our central estimate.

All capital funds will be spent in 2020/21 and 2021/22.

Revenue

Revenue funding is £131k, to cover management costs. This is provided by Kent County Council and will mostly be spend in 2020/21 and 2021/22 with a small amount in 2022/23 to support project closedown.

The annual breakdown is set out in more detail in Table 5-1.

5.2. SELEP funding request, including type (LGF, GPF, GBF etc.):

[Specify the amount and type of SELEP funding sought to deliver the project. This should align with the SELEP funding requirement described within the Project Overview section.]

The project requests Getting Building Fund grant of £2.290 million.

5.3. Costs by type:

Detail the cost estimates for the project by year as per the table below (expand as appropriate) and specify how the inclusion of the Quantitative Risk Assessment (QRA) and other overheads aggregate to the total funding requirement. Where conversion has been made between nominal and real cost estimates (and vice versa) please provide details of any inflation assumptions

²⁴ Nominal values are expressed in terms of current prices or figures, without making allowance for changes over time and the effects of inflation.

applied. The Financial Case should not include Optimism Bias. Please confirm that optimism bias has not been applied in the Financial Case. Also, include details of the agreed budget set aside for Monitoring and Evaluation, and ensure this aligns with the relevant section in the Management Case. Please note, not all sections of the table may require completion.]

Project costs are set out in Table 5-1 below. These are also set out in the supporting workbook.

Table 5-1: Costs by type for the preferred option

Cost type	Funded by	2020/21	2021/22	2022/23	Total
Capital					
Top-up vouchers	GBF	150,000	1,850,000		2,000,000
RGV vouchers (est.)	BDUK	136,075	1,678,258		1,814,333
Project delivery staff costs	GBF	63,543	129,108		192,652
BDUK administration costs	GBF	1,000	5,000		6,000
Legal fees/ advice	GBF	8,000	7,000		15,000
Demand stimulation	GBF	30,000			30,000
Evaluation	GBF		30,000		30,000
Travel/ subsistence	GBF	3,000	5,000		8,000
Equipment	GBF	5,000	3,500		8,500
Total capital		396,618	3,707,866		4,104,484
Revenue					
Support staff costs	KCC	57,554	58,704	14,970	131,227
Total costs		454,172	3,766,570	14,970	4,235,711
Inflation (2%)			75,331	299	75,631
Total funding requirement		454,172	3,841,901	15,269	4,311,342

Inflation is applied at 2% in 2021/22 and 2022/23. However, inflation is largely notional in this project, given that the voucher value will be fixed: inflation will not therefore impact on overall public costs, although it could impact on the level of subsidy relative to total cost (i.e. higher inflation will be reflected in the benefits, rather than the costs). We have allowed for this within the higher voucher value scenario in the Economic Case.

There are no additional overhead costs.

Optimism bias has not been included in the table above.

As set out elsewhere, the top-up voucher value will be capped at the level of the connection cost. All suppliers delivering work paid for with a voucher must be registered with BDUK, and the scheme will rely on BDUK's registration and approvals processes.

Any costs in excess of those set out above will be borne by Kent County Council

- 5.4. **Quantitative risk assessment (QRA):**
[Provide justification for the unit costs and a Quantitative Risk Assessment (QRA) provisions (detailed in the capital and non-capital tables above); max. 2 pages. Please provide supporting documents if appropriate.]

Unit costs

The table below sets out the rationale for the costs set out in Table 5-1. Other than the voucher costs, the cost items are relatively modest:

Table 5-2: Justification of cost items

Cost type	Justification
Capital	
Top-up vouchers	Fixed value. Estimated based on likely absorptive capacity within the time period permitted by Getting Building Fund
RGV vouchers	Maximum value fixed by BDUK. Estimated contribution to scheme costs based on the estimated number of household and business beneficiaries and the consequential RGV entitlement.
Project delivery staff costs	Based on two additional FTE staff plus overhead
BDUK administration costs	Estimated additional costs to BDUK based on discussions
Legal fees/ advice	Indicative budget allocation
Demand stimulation	Estimated marketing and promotional costs, based on experience of existing Kent top-up scheme and previous programmes (e.g. Make Kent Quicker superfast broadband programme)
Evaluation	Estimated cost based on previous experience
Travel/ subsistence	Indicative budget allocation
Equipment	Indicative budget allocation
Revenue	
Support staff costs	Costs of one post within KCC at KR10 scale

Quantitative risk assessment

This project is essentially a subsidy scheme, rather than a conventional construction project. A quantitative risk assessment is therefore probably unnecessary (and since the voucher value is fixed at the agreed connection price and must contractually be delivered for that price, the risk of cost overrun to the public sector is minimal and would be reflected in the economic benefits rather than the costs.

- 5.5. **Funding profile (capital and non-capital):**
[Where possible, explain the assumed capital and non-capital funding profile, summarise the total funding requirement by year, and funding source (add rows / columns as appropriate). Please note, not all sections of the table may require completion. Also, explain the external factors which

influence/determine the funding profile, describe the extent of any flexibility associated with the funding profile, and describe non-capital liabilities generated by the scheme; max. 1 page.]

Table 5-3: Funding profile for the preferred option

Cost type	2020/21	2021/22	2022/23	Total
Getting Building Fund	260,543	2,029,608		2,290,152
BDUK Rural Gigabit Voucher	136,075	1,678,258		1,814,333
Kent County Council	57,554	58,704	14,970	131,227
Total	454,172	3,766,570	14,970	4,235,711

The funding profile is driven by the need to spend GBF grant by March 2022. This means that there is little flexibility in this profile, and it will be essential to secure funding in order to commit to development activity in the coming months, in order to ensure that the overall profile can be maintained and the benefits delivered.

5.6. Funding commitment:

[Provide signed assurance from the Section 151 officer to confirm the lead applicant will cover any cost overruns relating to expenditure and programme delivery, as per the template in Appendix B. Please also confirm whether the funding is assured or subject to future decision making.]

Funding commitment is confirmed and a letter from Kent County Council's s151 officer will follow. All cost overruns will be the responsibility of KCC.

As noted elsewhere, there is no funding commitment required from BDUK, since the Rural Gigabit Voucher contribution is an automatic grant to premises meeting the eligibility criteria. This will be automatically secured as the top-up voucher is taken up.

5.7. Risk and constraints:

[Specify project and funding risks and constraints. Describe how these risks have, where appropriate, been quantified within the QRA/contingency provisions; max 0.5 pages.]

The main risks identified in the risk register that will have a bearing on the Financial Case are:

Description of Risk	Impact of Risk	Risk Mitigation
Risk 4: Low take-up by businesses and consumers	Impact on forecast spend and scheme benefits	This programme has been developed in response to local need. We will work with local stakeholders and suppliers to raise awareness of the opportunities as outlined in our stakeholder engagement plan. A dedicated and targeted demand stimulation campaign will be used to drive take-up within the required timeframe

<p>Risk 6: Suppliers not quoting and contracting for voucher-funded connections within the required time frame</p>	<p>Delays and potentially reduced spend</p>	<p>We monitor this closely within the existing programme and work with suppliers to ensure that quotes are received on timely basis and that they are not 'lost in the system'. There is also an escalation path to BDUK should this be required.</p>
<p>Risk 7: Extreme engineering difficulties creating a delay with some voucher-funded connections</p>	<p>A risk that some vouchers affected vouchers would not be claimed on time</p>	<p>We would expect that this risk would only apply to small percentage of vouchers. Where extreme engineering difficulties occur we work with the supplier and local communities to try and resolve the issues. All vouchers will be issued with a time limit on them.</p>
<p>Risk 8: Suppliers fail to complete some connections within the required time frame</p>	<p>A risk that some vouchers would not be claimed on time</p>	<p>We would expect that this risk would only apply to a small percentage of vouchers. All vouchers will be issued with a time limit and we want to contract all vouchers by the 31st March 2021 to allow sufficient build time.</p>
<p>Risk 9: Extreme weather events</p>	<p>Delayed build and completion of some connections</p>	<p>Whilst it is very hard to mitigate against the impact of extreme weather events e.g. persistent heavy winter snow, we will encourage suppliers to factor in sufficient 'headroom' in their build plans to try and manage this.</p>
<p>Risk 10: Difficulty in securing wayleaves for some connections</p>	<p>Delayed build and completion of some connections</p>	<p>The KCC broadband team has extensive experience in working with suppliers to resolve wayleave issues. Wayleaves will only be required in specific situations and tend to be easier to secure for community sponsored voucher schemes. Where these cannot be resolved we would work with the supplier to identify an alternative route for the connection.</p>
<p>Risk 11: Traffic management requirements</p>	<p>Delayed build and completion of some connections</p>	<p>The KCC broadband team will work with the Kent Highways Team to ensure that suppliers meet street works requirements and apply for permits within the required timeframe. The Kent team have extensive experience in managing these issues and have worked with the DCMS Barrier Busting Team around the development of national best practice for efficient broadband street works practices. Not all connections will require permits.</p>
<p>Risk 12: Insufficient resource within the Suppliers' supply chains</p>	<p>Delayed build and completion of some connections</p>	<p>This was a significant risk factor pre-Covid. Most suppliers have continued with significant recruitment and training initiatives and we anticipate that competition for resources will be less acute than otherwise forecast. Through Kent's Economic Recovery Planning process we will also be looking at new ways to maximise the job creation opportunities through this scheme and within the wider sector.</p>

<p>Risk 14: Covid-19 Lockdowns/Second Wave</p>	<p>Potential delays in project delivery and spend</p>	<p>Whilst suppliers' continued with their infrastructure build throughout the lockdown period, the rate of build was impacted by social distancing requirements. Full fibre broadband connections require premise-based installations which could be delayed in the event of a second wave/local lockdown</p>
<p>Risk 15: Delayed start to this project</p>	<p>Insufficient time for suppliers to work with communities to develop projects and submit applications before the 31st March (final date to enable build window). BDUK have insisted on September start.</p>	<p>This is a viable scheme which seeks to extend the scope and scale of an existing national pilot scheme. It will address a number of acute issues for SMEs and homes affected by poor connectivity – which have been exacerbated by Covid 19. We will work with SELEP to ensure that the necessary assurance processes for this scheme can be completed within the necessary timeframe,</p>

6. MANAGEMENT CASE

The management case determines whether the scheme is achievable and capable of being delivered successfully in accordance with recognised best practice. It demonstrates that the spending proposal is being implemented in accordance with a recognised Programme and Project Management methodology, and provides evidence of governance structure, stakeholder management, risk management, project planning and benefits realisation and assurance. It also specifies the arrangements for monitoring and evaluation in terms of inputs, outputs, outcomes and impacts.

6.1. Governance:

[Nominate the project sponsor and Senior Responsible Officer, explain the project governance structure (ideally as a diagram with accompanying text) and describe responsibilities, project accountability, meeting schedules etc.; max. 1 page.]

Overview

This scheme will be managed within the project management and governance process that has already been established for the existing Kent Top-Up Voucher Scheme between Kent County Council and BDUK. At a local level, it will also be overseen, and feed into, the governance process that has been put in place by Kent County Council for the Kent Broadband Programme – which to date has overseen the successful delivery of over 140,000 new, faster broadband connections across Kent and Medway.

Key roles

[Redacted content]

Project management.

The project will be managed by [Redacted] with the support of a dedicated project team (see 6.8 below and the Commercial Case for a description of the team's experience in broadband delivery). This team will have responsibility for the local delivery and project management of the project – and will work in partnership with the central BDUK Voucher Team to:

- Monitor scheme delivery and take-up to ensure that it continues to plan
- Monitor and manage project risks
- Manage, monitor and assure local supplier delivery
- Lead the stakeholder engagement and wider demand stimulation work to drive voucher take-up
- Assure and overseeing the voucher award process, including eligibility checks
- Assure and evaluate delivery once complete, including financial assurance of the claims process.

The BDUK Voucher Team will continue to be responsible for operating the Rural Gigabit Voucher Scheme, through which the CRKM voucher is awarded. These responsibilities include operating the online voucher award platform, overseeing and maintaining the supplier registration process, voucher claims and central assurance processes. These processes have been assured as being compliant with Treasury Green Book and Government Grant Award processes.

Reporting and Monitoring

The Kent County Council Broadband Team monitor the CRKM voucher scheme by:

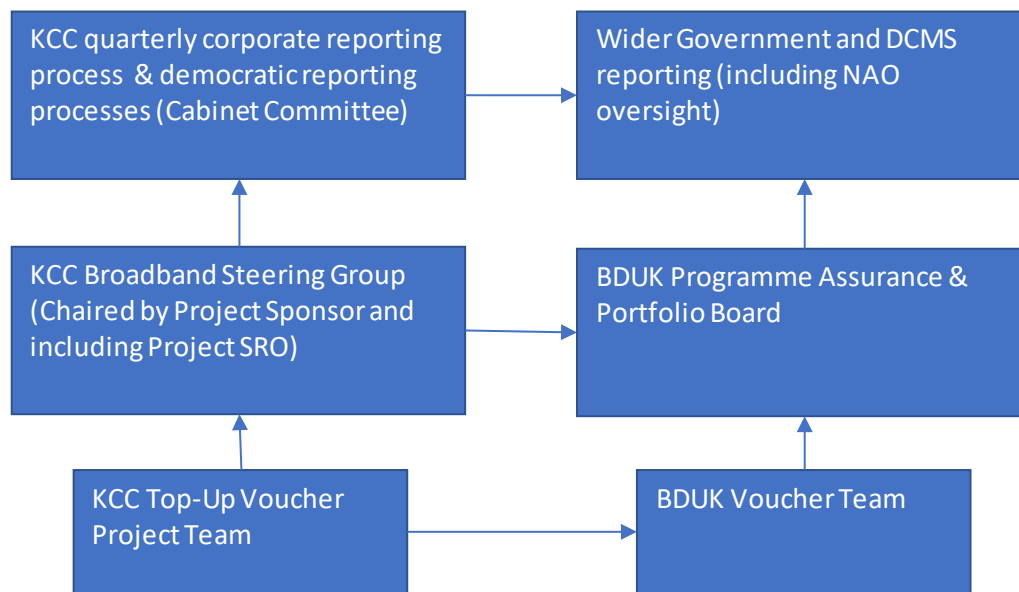
- Monitoring take-up, risks and issues at our weekly operational review meeting.
- Monthly meetings with active suppliers in Kent to monitor progress of local top-voucher funded-schemes against plan.
- Regular liaison calls with the BDUK Voucher Team
- Regular liaison calls with local scheme community-leads e.g. the residents or businesses that are promoting and leading local voucher scheme clusters.
- Monthly take-up reports from BDUK on number of vouchers awarded.

Governance and oversight

The Kent Broadband Team also reports into the **Kent Broadband Programme Steering Group**, which is responsible for monitoring, evaluating and assuring the delivery of the Kent Broadband Projects – including this project. This is chaired by the Project Sponsor and includes the Project SRO. This meets bi-monthly with highlight reports covering current project progress against plan, risk monitoring and issues requiring senior level involvement or decision making to resolve.

Given the governance structure of the Council, quarterly update reports are also submitted to Cabinet Committee and through the Council's quarterly corporate reporting and monitoring processes.

Fig. 6-1: Management and Governance Process



Bringing it together: Governance and management process

On a day-to-day basis, the project will be managed by the Project Manager and the project team, delivering the tasks set out above. This activity will be supported by:

- A **weekly** operational review meeting within the team, to monitor and manage take-up, risks and issues
- **Monthly** liaison meetings with BDUK (linked with BDUK's regular reporting on the Rural Gigabit Voucher scheme and take-up)
- **Monthly** meetings with suppliers to understand and resolve any barriers to delivery
- Regular meetings with stakeholders to promote the scheme (**monthly** initially and bi-monthly when the scheme closes to new applicants)
- **Bi-monthly** reporting to the Kent Broadband Programme Steering Group
- **Quarterly** reporting to KCC's corporate governance processes

6.2. Approvals and escalation procedures: *[Specify the reporting and approval process; max. 0.5 pages.]*

Scheme approvals

Formal Kent County Council sign off has already been secured for the existing pilot Kent Up Voucher Scheme. We are currently working with KCC Democratic Services to extend this existing Key Decision to accommodate the proposed CRKM voucher and this will be in place by the launch of the scheme.

A legal agreement is also in place between BDUK and KCC to cover the funding and partnership working arrangements required to operate the Kent Top-Up Scheme. Again, a variation is currently being developed to cover the additional scheme and will be ready to be signed once the SELEP assurance processes have been completed for this project.

As highlighted above, this scheme does not require any planning permission or new state aid approvals.

Vouchers approvals

Vouchers are approved by BDUK's automated online platform, once applications are received. The project team will work with the BDUK voucher team to monitor and assure these approvals. Any change requests are considered by the BDUK voucher team, in consultation with the KCC project team.

Escalation procedures

There are robust escalation procedures covered in the BDUK/KCC legal agreement to govern the working relationship between KCC and BDUK. Similar, the terms and conditions of the BDUK Voucher scheme include escalation procedures for managing issues with a supplier performance or should there be an issue with a voucher award.

Any issues with the top-up scheme delivery e.g. low take-up would be escalated via the governance processes highlighted in section 6.1 above

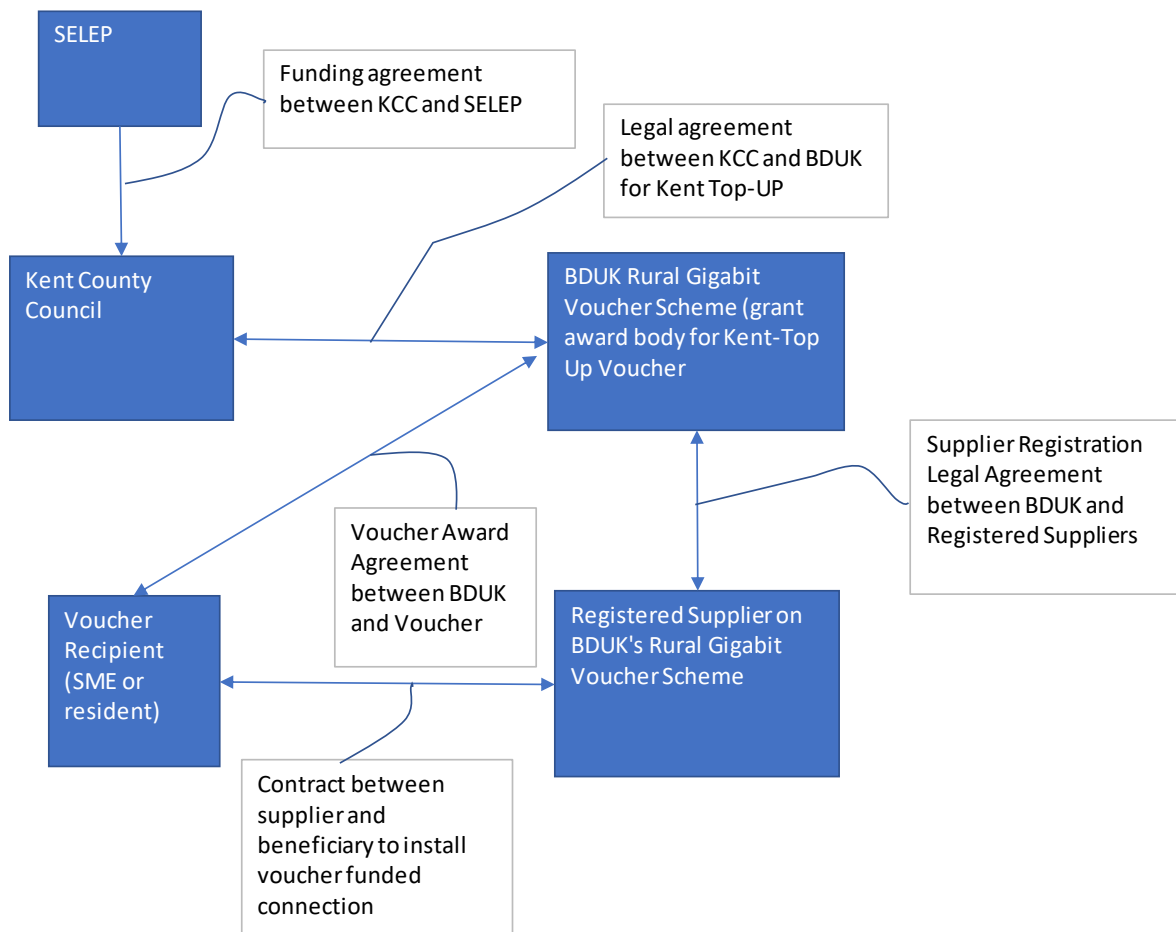
6.3. **Contract management:**

[Explain your approach to ensuring that outputs are delivered in line with contract scope, timescale and quality; max. 0.5 pages.]

Figure 6-1 below sets out the contracting approach that has been agreed by BDUK for operating top-ups to the Government's Rural Gigabit Voucher Scheme. This contracting approach has been developed by the Government to ensure state-aid compliance. As explained in the Commercial Case, unlike supply-side broadband interventions, there is no traditional contract between KCC and a supplier.

The project management and governance processes set out in section 6.1 above will be used to ensure that project outputs are delivered to scope, timescale and quality. It should be noted that the stringent terms and conditions which suppliers are bound to as a registered supplier contain a number of provisions to ensure that voucher-funded connections meet a closely defined specification and quality – as well as being delivered within an agreed timescale.

Figure 6-1: Contracting framework established by BDUK for Voucher Top-Up Schemes



6.4. Key stakeholders:

[Describe key stakeholders, including any past or planned public engagement activities. The stakeholder management and engagement plan should be provided alongside the Business Case; max. 0.5 pages.]

The key stakeholders are set out in further detail in the accompanying stakeholder management and engagement plan (attached as Appendix H). These key stakeholders include:

- Local politicians – particularly a number of Kent MPs (including current and past ministers) who are seeking solutions for constituents with poor connectivity.
- District and parish councils – many of whom have been active in promoting and engaging with local residents and businesses to promote the existing Kent Top-Up Scheme.
- Registered suppliers on the Rural Gigabit Voucher Scheme who are active in Kent.
- Homes and Businesses who are eligible for the scheme
- BDUK Voucher Team who are responsible for operating the Rural Gigabit Voucher Scheme.

Upon the launch of this new scheme, we will be building upon our existing demand stimulation, awareness raising and comms work. These activities will include refreshing our broadband

webpages, briefing key stakeholders, working with district councils to raise local awareness and stimulate demand, with the aim of driving take up.

We also have a number of briefings lined up with Kent MPs who are keen for us to launch the new voucher as soon as possible.

6.5. Equality Impact:

[Provide a summary of the findings of the Equality Impact Assessment (EqIA) and attach as an Appendix to the Business Case submission. If an EqIA has not yet been undertaken, please state when this will be undertaken and how the findings of this assessment will be considered as part of the project's development and implementation. The EqIA should be part of the final submission of the Business Case, in advance of final approval from the accountability board; max. 0.5 pages.]

An Equality Impact Assessment (EQIA) has already been undertaken and approved by Kent County Council for the existing pilot Kent Top-Up Voucher Scheme. This has been reviewed in light of this scheme and the recent impacts of the Covid-19 on protected groups. A copy is attached in Appendix I

Summary of key findings from the EQIA

There continues to be higher rates of digital exclusion amongst some protected groups. To overcome any barriers to participation arising from this, we have introduced the following measures:

- Applicants who may have difficulty with accessing online forms will be offered an opportunity to engage with the project by telephone or a 1-2-1 visit (public health Covid-19 guidance permitting).
- The team will send adapted documents upon request and arrange follow-up calls to ensure the information about the project is accessible.
- We will work with the KCC web team to ensure that all online resources are compatible with accessibility software.
- We will work with KCC's alternative format service to provide information in alternative language formats upon request.

Our EQIA also found the following positive impacts arising from the delivery of this scheme – which have increased as a result of the Covid-19 pandemic. These include:

- Overcoming loneliness and isolation - some older people and individuals with disabilities can experience higher levels of loneliness as they can find it difficult to leave their residence. With improved broadband connectivity, these people can become more socially connected through social media platforms and applications like Zoom.
- Supporting individuals being advised to shield - good broadband connectivity has also been invaluable for supporting individuals with disabilities and long-term health conditions who have been advised to shield to during the Covid-19 period – particularly in accessing essential services like food and health care – as well as being able to work remotely and safely from home.

6.6. Risk management strategy:

[Define the Risk Management Strategy referring to the example provided in Appendix C (expand as appropriate), ensuring this aligns with the relevant sections in the Financial and Commercial Case. Please provide supporting commentary here; max. 0.5 pages.]

We have a well-established approach and process for identifying, assessing and managing risk for the existing pilot Kent-Top Voucher Scheme – as well as the wider broadband programme. We have developed a good track record in identifying and managing risks at an early stage and this has been instrumental in enabling us to deliver our broadband projects to plan.

The identification of new, and management of existing risks is a standing agenda item at our weekly operational meetings. We also formally review and update our risk assessment based on new developments or actions taken for the KCC Broadband Steering Group. Any serious escalations in risk, are flagged within our reporting – and, if required, immediately flagged to the project SRO for immediate review and decision, in line with our escalations procedures set out in section 6.2.

The risk register for the scheme is attached in Appendix C

6.7. Work programme:

[Provide a high-level work programme in the form of a Gantt Chart which is realistic and achievable, by completing the table in Appendix D (expand as appropriate). Please describe the critical path and provide details regarding resource availability and suitability here; max. 0.5 pages.]

The high-level work programme for the scheme is set out in the table and Gantt chart in Appendix D. This work programme and the accompanying timescales have been developed based on our experience on operating the existing Kent Top-Up Scheme – and in dialogue with the BDUK Voucher Team who have deep expertise in operating voucher schemes across the UK. The key critical path activities are:

- SELEP assurance approval in place to enable scheme launch.
- BDUK amendments to online voucher award platform and supplier registration terms and conditions being in place for scheme launch
- Amendment to existing BDUK/KCC legal agreement for top-up scheme agreed.

In summary the key milestones are:

Table 6-1: Key milestones

Key Milestones / Deliverables	Completion date
Complete project governance processes around set up including project funding agreement, revised BDUK funding agreement and partnership agreement with Medway Council	21/9/20
Formal Scheme launch	
Demand stimulation work commences	22/9/20
Scheme opens for voucher-top application	
Scheme closes for new voucher applications	31/3/21

Last date for defraying voucher claims	31/3/22
All connections to be in place	18/3/22

Resource issues

We are not anticipating any human resource issues that will significantly impact this project. KCC has a dedicated, highly experienced broadband team that will oversee the delivery of this project. In all our work, we have business continuity plans to manage and mitigate the risk of unplanned absence. Whilst we are planning to recruit two additional officers to provide the additional capacity that will be required to deliver this project, this will be in addition to the existing KCC broadband team. All of the team are trained and will be involved in the delivery of this project, which will mean that there will always be the minimum level of support in place to successfully deliver and manage these projects.

All other resources, including the identified KCC match funding is already in place.

6.8. Previous project experience:

[Describe previous project experience and the track record of the project delivery team (as specified above) in delivering projects of similar scale and scope, including whether they were completed to time and budget and if they were successful in achieving objectives and in securing the expected benefits; max. 0.5 pages.]

This scheme has been developed by the Kent County Broadband Team, which has over 10 years' experience of developing, procuring and delivering successful broadband schemes. These include:

- The Kent BDUK Project – which has delivered better connectivity to over 140,000 homes and businesses and which has consistently met its programme targets and outcomes (according to plan). The latter include ensuring that 95% of homes and businesses across Kent could access a superfast broadband service by the end of 2015.
- The existing Kent Top-Up Voucher Pilot – the successful implementation of this scheme has encouraged BDUK to introduce further top-up voucher schemes and support this scheme – which will extend the scale and scope of the Kent Top-Up Scheme.

The project team will include:

- [REDACTED] is Prince 2 trained and has led the KCC Broadband Team and Programme since its inception in 2010.
- [REDACTED] has been involved in the Kent Broadband Team as a technical advisor. [REDACTED] also has extensive experience in all aspects of the monitoring and assurance of the delivery of broadband interventions
- [REDACTED] (KCC Voucher Subject Matter Expert) – [REDACTED]
[REDACTED] has worked on a variety of past BDUK voucher schemes and has been the project officer for the Kent Top-Up Voucher Scheme. She has been instrumental in working

with suppliers and stakeholders to achieve one of the highest rates of BDUK Rural Gigabit Voucher take up in the country.

6.9. Monitoring and evaluation:

[Complete the Logic Map over the page. This provides a read across between the objectives, inputs, outputs, outcome and impacts of the scheme and is based on the Logic Map established in the Strategic Case. A guide to what is required for each of these is included in Appendix E. Note that the number of outcomes and impacts is proportionate to the size of funding requested.]

Complete the Monitoring and Evaluation Report template and Baseline Report template in Appendix F.]

The logic map is completed below along with the M&E Plan template and Baseline Report template.

In summary, monitoring of outputs (i.e. new connections enabled) will be via the existing procedures used by BDUK in respect of the Rural Gigabit Voucher scheme and KCC in respect of the existing Kent pilot top-up. When suppliers complete delivery of a new connection, this is reported to BDUK, and the voucher value is then drawn down (with checks carried out by BDUK on a sample basis). This is an established system, and is ready to use.

Wider outcomes (in terms of changed business and resident activity enabled by better connectivity, leading to greater productivity) and longer term social, health and educational impacts will need to be measured through beneficiary surveys and built into the evaluation process.

We would want to capture with a Baseline Report the current constraints that lack of connectivity presents to future beneficiaries and how they anticipate that this might change. This could be done by surveying and consulting with prospective business and resident beneficiaries at the point at which they are approved for a CRKM voucher, but before the connection has actually been installed. As part of this process, we would also want to understand the effect that the supplementary voucher value had on their decision to proceed, other funds that are being used to contribute to the cost, and previous barriers to take-up. We could then revisit these beneficiaries at a later date to establish what *actually* happened, and the extent to which the benefits they anticipated have come about (alongside any unexpected/ additional benefits).

We intend to develop the evaluation methodology in conjunction with BDUK. This will ensure that the lessons from the CRKM voucher scheme can be captured in a way appropriate to the delivery of future broadband interventions at national scale (and potentially linked with other scheme evaluations that BDUK has planned or underway).

Benefits realisation

The table below sets out each output, outcome and impact of the project (as per the Monitoring and Evaluation Plan) and states who is responsible for the delivery of each, and how and when they will be brought forward:

Table 6-2: Benefits realisation

Output/ Outcome	Delivery responsibility	Delivery process	Delivery timescale
OP1: Direct broadband connections	Delivery by: Commercial supplier. Monitored by: BDUK and KCC (Project Manager)	Delivery by commercial supplier utilising resident business voucher. Top-up voucher automatically applied to RGV by BDUK	Ongoing following completion of connection works. Completed by March 2022
OP2: Broadband connections enabled through reduced marginal cost	Delivery by: Commercial suppliers Monitored by: BDUK and KCC (Project Manager), inc. via evaluation	Delivery by commercial suppliers, potentially accessing RGV voucher	Ongoing, but sequential to implementation of CRKM voucher scheme.
OC1: Productivity within beneficiary firms	Delivery by: Beneficiary business activity Assessed through evaluation	Take-up of new technology and consequent productivity gain in beneficiary firms	Ongoing, but sequential to implementation of CRKM voucher scheme
OC2: Increased teleworking	Delivery by: Individual beneficiaries Assessed through evaluation	Take up of teleworking technologies and practices	Ongoing, but sequential to implementation of CRKM voucher scheme
OC3: Increased labour market participation	Delivery by: Individual beneficiaries Assessed through evaluation	Take up of teleworking technologies and practices, leading to new employment	Ongoing, but sequential to implementation of CRKM voucher scheme
OC4: Network construction benefits	Delivery by: Supplier contracts Assessed through evaluation	Network construction activity	As new connections delivered. Completed by March 2022
IM1: Social and educational impacts	Wider impacts assessed through evaluation	As set out in Strategic and Economic Case	Ongoing, but sequential to implementation of CRKM voucher scheme

6.91 Logic Map

Objectives	Inputs	Outputs	Outcomes	Impacts
<p>To improve broadband connectivity to the hardest-to-reach rural homes and businesses poor or no broadband connectivity (less than 30 Mbps) that are outside the scope of public and market-led broadband upgrade programmes in Kent and Medway.</p> <p>The Connecting Rural Kent and Medway project will do this through a voucher which will supplement the existing Government Rural Gigabit Voucher scheme, enabling eligible households and businesses to obtain a subsidy of up to £7,000 toward better broadband connectivity.</p>	<p>Grant spend: Getting Building Fund: £2,290,152</p> <p>Matched contributions: Kent County Council: £131,277</p> <p>Levered funding: BDUK Rural Gigabit Voucher: £1,814,333 (estimated value based on take-up and average voucher value assumptions)</p>	<p>Broadband connections enabled through direct voucher use:</p> <p>Business: 179 Residential: 492 Total: 671</p> <p>Additional connections enabled through reductions in marginal cost of connection:</p> <p>Business: 59 Residential: 163 Total: 222</p> <p>Total broadband connections enabled:</p> <p>Business: 238 Residential: 655 Total: 893</p>	<p>Increased productivity within businesses benefiting from improved broadband connectivity: Total £1.525 million uplift in GVA over 10 years. Increased employment</p> <p>Increased productivity through ability of residents to telework: Total £8.778 million uplift in GVA over 10 years.</p> <p>Increased participation in the labour force as people currently unable to access employment are enabled to work from home: Total £1.462 million uplift in GVA over 10 years</p> <p>Increased network construction activity: Total net £495k uplift in GVA over two-year construction period</p> <p>Private household benefits associated with house price growth and journey time savings/ increased leisure time.</p>	<p>Productivity gains leading to increased GVA over time.</p> <p>Increased business activity within rural areas</p> <p>Environmental benefits as the need to travel is reduced.</p> <p>Social and health benefits as isolation is reduced and health and social care can be more effectively delivered digitally.</p> <p>Greater resilience to future economic shocks (e.g. 'second wave' of Covid, or exceptional weather events) as services can be provided remotely and people can work flexibly.</p> <p>Increased leisure time and flexibility for rural workforce</p> <p>Educational benefits as more can access remote learning.</p> <p>Reduced 'digital divide'</p> <p>Savings to public sector as services increasingly shifted online.</p>

7. DECLARATIONS

<p><i>Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?</i></p>	<p>No</p>
<p><i>Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors</i></p>	<p>No</p>
<p><i>Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?</i></p>	<p>No</p>

**If the answer is "yes" to any of these questions please give details on a separate sheet of paper of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded SELEP funding.*

I am content for information supplied here to be stored electronically, shared with the South East Local Enterprise Partnerships Independent Technical Evaluator, Steer Davies Gleave, and other public sector bodies who may be involved in considering the business case.

I understand that a copy of the main Business Case document will be made available on the South East Local Enterprise Partnership website one month in advance of the funding decision by SELEP Accountability Board. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption, as stated in Appendix G.

Where scheme promoters consider information to fall within the categories for exemption (stated in Appendix G) they should provide a separate version of the main Business Case document to SELEP 6 weeks in advance of the SELEP Accountability Board meeting at which the funding decision is being taken, which highlights the proposed Business Case redactions.

I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. I declare that the information I have given on this form is correct and complete. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend of Local Growth Fund must be compliant with the Grant Conditions.

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

<i>Signature of applicant</i>	
<i>Print full name</i>	
<i>Designation</i>	

8. APPENDIX A – ECONOMIC APPRAISAL ASSUMPTIONS

[The DCLG appraisal guide data book includes all of the appraisal and modelling values referred to in the appraisal guidance. Below is a summary table of assumptions that might be required. All applicants should clearly state all assumptions in a similar table.]

Appraisal Assumptions	Details
QRA and Risk allowance	This is essentially a subsidy scheme rather than a construction project, and the costs to the public sector are fixed at the voucher value. Cost increases will be reflected in reduced benefits, rather than overruns. We have therefore not applied a QRA in this case.
Real Growth	All prices quoted at 2020 values
Discounting	3.5%
Sensitivity Tests	Applied in relation to three alternative scenarios, detailed in the Economic Case
Additionality	Adjustments made for displacement, deadweight, substitution and leakage
Administrative costs of regulation	N/A
Appraisal period	10 years from 2020/21
Distributional weights	N/A
Employment	N/A
External impacts of development	Explained in Economic Case
GDP	Explained in Economic Case
House price index	Although house price uplift is reflected as a benefit, this is not included in the BCR
Indirect taxation correction factor	N/A
Inflation	2%
Land value uplift	N/A
Learning rates	N/A
Optimism bias	10% on benefits. Not applied to costs, since voucher values are fixed and increased costs will be reflected in reduced benefits (see sensitivity tests)
Planning applications	N/A
Present value year	2020
Private sector cost of capital	N/A
Rebound effects	N/A
Regulatory transition costs	N/A

9. APPENDIX B - FUNDING COMMITMENT

Draft S151 Officer Letter to support Business Case submission

Dear Colleague

In submitting this project Business Case, I confirm on behalf of [Insert name of County or Unitary Authority] that:

- The information presented in this Business Case is accurate and correct as at the time of writing.*
- The funding has been identified to deliver the project and project benefits, as specified within the Business Case. Where sufficient funding has not been identified to deliver the project, this risk has been identified within the Business Case and brought to the attention of the SELEP Secretariat through the SELEP quarterly reporting process.*
- The risk assessment included in the project Business Case identifies all substantial project risks known at the time of Business Case submission.*
- The delivery body has considered the public-sector equality duty and has had regard to the requirements under s.149 of the Equality Act 2010 throughout their decision-making process. This should include the development of an Equality Impact Assessment which will remain as a live document through the projects development and delivery stages.*
- The delivery body has access to the skills, expertise and resource to support the delivery of the project*
- Adequate revenue budget has been or will be allocated to support the post scheme completion monitoring and benefit realisation reporting*
- The project will be delivered under the conditions in the signed LGF Service Level Agreement or other grant agreement with the SELEP Accountable Body.*

I note that the Business Case will be made available on the SELEP website one month in advance of the funding decision being taken, subject to the removal of those parts of the Business Case which are commercially sensitive and confidential as agreed with the SELEP Accountable Body.

Yours Sincerely,

SRO (Director Level)

S151 Officer

10. APPENDIX C – RISK MANAGEMENT STRATEGY

Business Case Risk					Description of Risk	Impact of Risk	Risk Owner	Risk Manager	Likelihood of occurrence (Very Low/ Low/Med/ High/ Very High) (1/2/3/4/5) *	Impact (Very Low/ Low/ Med/ High/ Very High) (1/2/3/4/5) **	Risk Rating	Risk Mitigation	Residual Likelihood/ Impact Scores
Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case									
√	√	√	√	√	Risk 1: New market investment connecting final 5% premises	Scheme no longer required	KCC	Project Manager	Very Low (1)	Very Low (1)	1	Based on engagement with broadband providers this risk event is unlikely to materialise. If it did, it would only affect a small percentage of eligible premises which would be descope so they were not eligible for voucher award.	1
√	√	√	√	√	Risk 2: State Aid Complaint	Delay to scheme	KCC	Project Manager	Very Low (1)	High (4)	4	The Kent Top-Up Voucher is part of a DCMS Government Scheme which has state aid approval. The Kent Top-Up Scheme has been assured by DCMS as state aid compliant	1
√	√	√	√	√	Risk 3 Early closure of BDUK Rural Gigabit Voucher	Kent Top Up works alongside this voucher scheme	KCC	Project Manager	Very Low (1)	Medium (3)	3	Government is committed to continuing this demand lead approach and the fund remains very underspent. We could quickly establish a viable standalone voucher scheme in the unlikely event that this risk	3

													could materialise. We also have identified delivery of some connections via the existing BDUK contract as an alternative delivery and contracting mechanism.	
√	√	√	√	√	Risk 4: Low take-up by businesses and consumers	Impact on forecast spend and scheme benefits	KCC	Project Manager	Medium (3)	High (4)	12		This programme has been developed in response to local need. We will work with local stakeholders and suppliers to raise awareness of the opportunities as outlined in our stakeholder engagement plan. A dedicated and targeted demand stimulation campaign will be used to drive take-up within the required timeframe	6
√	√	√	√	√	Risk 5 Insufficient participation by suppliers in Kent Top Scheme	Delays and reduced spend	KCC	Project Manager	Low (2)	High (4)	8		The Kent Top-Up Scheme is already live. Suppliers have proved to be more active than most other areas of England. We will continue to work closely with suppliers to enable and support the infrastructure build.	6
√	√	√	√	√	Risk 6: Suppliers not quoting and contracting for voucher-funded connections within the required time frame	Delays and potentially reduced spend	KCC	Project Manager	High (4)	Medium (3)	12		We monitor this closely within the existing programme and work with suppliers to ensure that quotes are received on timely basis and that they are not 'lost in the system'. There is also an escalation path to BDUK should this be required.	6
		√		√	Risk 7: Extreme engineering difficulties creating a delay	A risk that some vouchers affected	Supplier	Supplier Lead	Medium (3)	Medium (3)	9		We would expect that this risk would only apply to small percentage of vouchers. Where extreme engineering	6

					with some voucher-funded connections	vouchers would not be claimed on time						difficulties occur we work with the supplier and local communities to try and resolve the issues. All vouchers will be issued with a time limit on them.	
	√	√		√	Risk 8: Suppliers fail to complete some connections within the required time frame	A risk that some vouchers would not be claimed on time	Supplier	Supplier Lead	Medium (3)	Medium (3)	9	We would expect that this risk would only apply to a small percentage of vouchers. All vouchers will be issued with a time limit and we want to contract all vouchers by the 31 st March 2021 to allow sufficient build time.	6
	√	√		√	Risk 9: Extreme weather events	Delayed build and completion of some connections	Supplier	Supplier Lead	Medium (3)	Medium (3)	9	Whilst it is very hard to mitigate against the impact of extreme weather events e.g. persistent heavy winter snow, we will encourage suppliers to factor in sufficient 'headroom' in their build plans to try and manage this	9
	√	√		√	Risk 10: Difficulty in securing wayleaves for some connections	Delayed build and completion of some connections	Supplier	Supplier Lead	Medium (3)	Medium (3)	9	The KCC broadband team has extensive experience in working with suppliers to resolve wayleave issues. Wayleaves will only be required in specific situations and tend to be easier to secure for community sponsored voucher schemes. Where these cannot be resolved we would work with the supplier to identify an alternative route for the connection.	6

	√	√	√	√	Risk 11: Traffic management requirements	Delayed build and completion of some connections	Supplier	Supplier Lead	Medium (3)	Medium (3)	9	The KCC broadband team will work with the Kent Highways Team to ensure that suppliers meet street works requirements and apply for permits within the required timeframe. The Kent team have extensive experience in managing these issues and have worked with the DCMS Barrier Busting Team around the development of national best practice for efficient broadband street works practices. Not all connections will require permits.	6
√	√	√	√	√	Risk 12: Insufficient resource within the Suppliers' supply chains	Delayed build and completion of some connections	Supplier	Supplier Lead	Medium (3)	Medium (3)	9	This was a significant risk factor pre-Covid. Most suppliers have continued with significant recruitment and training initiatives and we anticipate that competition for resources will be less acute than otherwise forecast. Through Kent's Economic Recovery Planning process we will also be looking at new ways to maximise the job creation opportunities through this scheme and within the wider sector.	6
				√	Risk 13: Unplanned absence of key personnel	Potential delays in project delivery and spend	KCC	Project Manager	High (4)	Medium (2)	8	This is an increased risk with the current pandemic. We had robust business continuity plans and will ensure that the project management of this scheme is prioritised and	4

												covered should this risk materialise	
√	√	√	√	√	Risk 14: Covid-19 Lockdowns/Second Wave	Potential delays in project delivery and spend	KCC	Project Manager	High (4)	High (4)	16	Whilst suppliers' continued with their infrastructure build throughout the lockdown period, the rate of build was impacted by social distancing requirements. Full fibre broadband connections require premise-based installations which could be delayed in the event of a second wave/local lockdown	16
√	√	√	√	√	Risk 15: Delayed start to this project	Insufficient time for suppliers to work with communities to develop projects and submit applications before the 31 st March (final date to enable build window). BDUK have insisted on September start.	KCC	Project Manager	Very High (5)	Very High (5)	25	This is a viable scheme which seeks to extend the scope and scale of an existing national pilot scheme. It will address a number of acute issues for SMEs and homes affected by poor connectivity – which have been exacerbated by Covid 19. We will work with SELEP to ensure that the necessary assurance processes for this scheme can be completed within the necessary timeframe,	4

* Likelihood of occurrence scale: Very Low (1) more than 1 chance in 1000; Low (2) more than 1 chance in 100; Medium (3) more than 1 chance in 50; High (4) more than 1 chance in 25; Very High (5) more than 1 chance in 10.

** Impact scale: Very Low (1) likely that impact could be resolved within 2 days; Low (2) potential for a few days' delay; Medium (3) potential for significant delay; High (4) potential for many weeks' delay; Very High (5) potential for many months' delay

Please note, not all sections of the table may require completion.

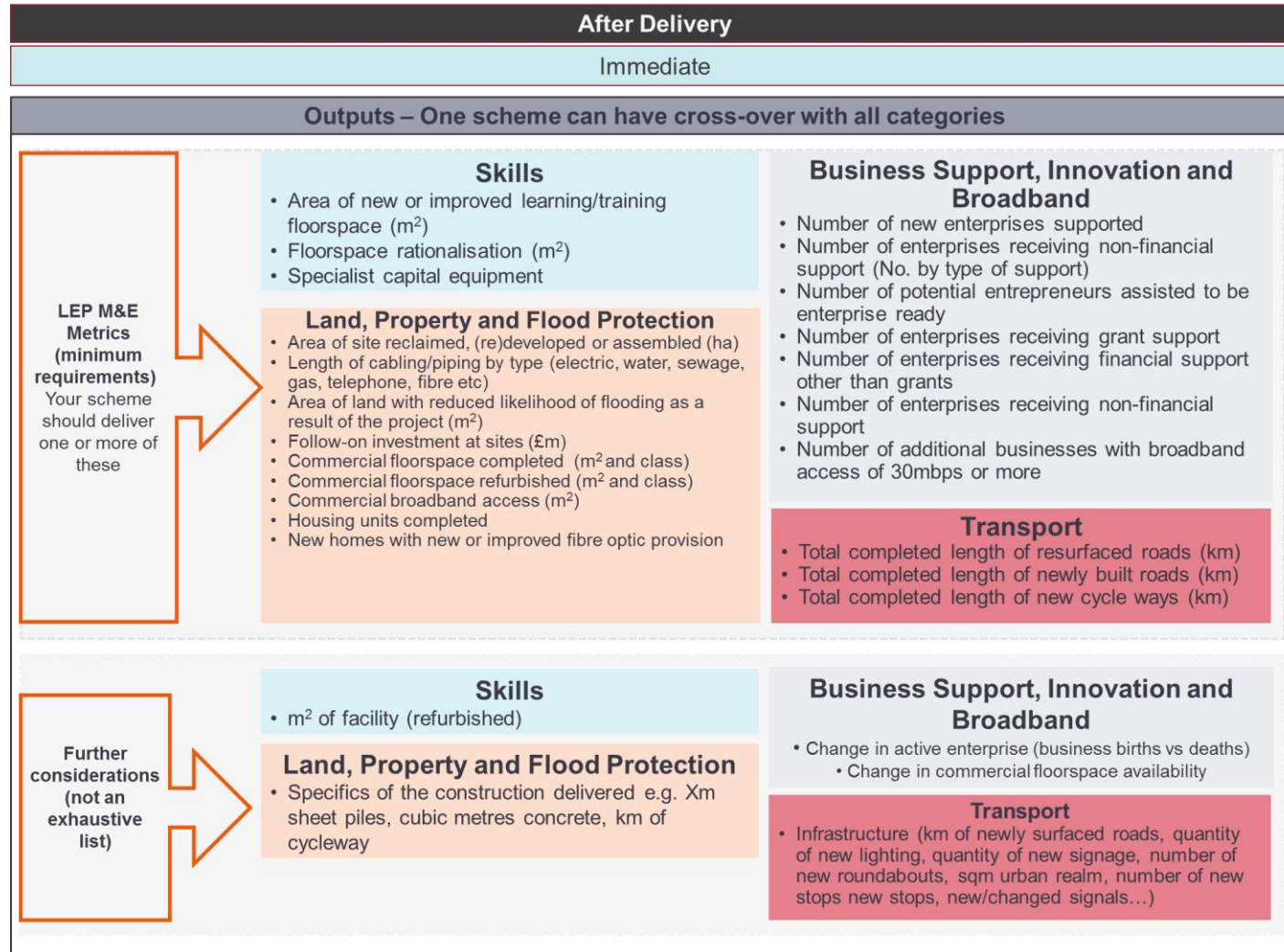
11. APPENDIX D – GANTT CHART

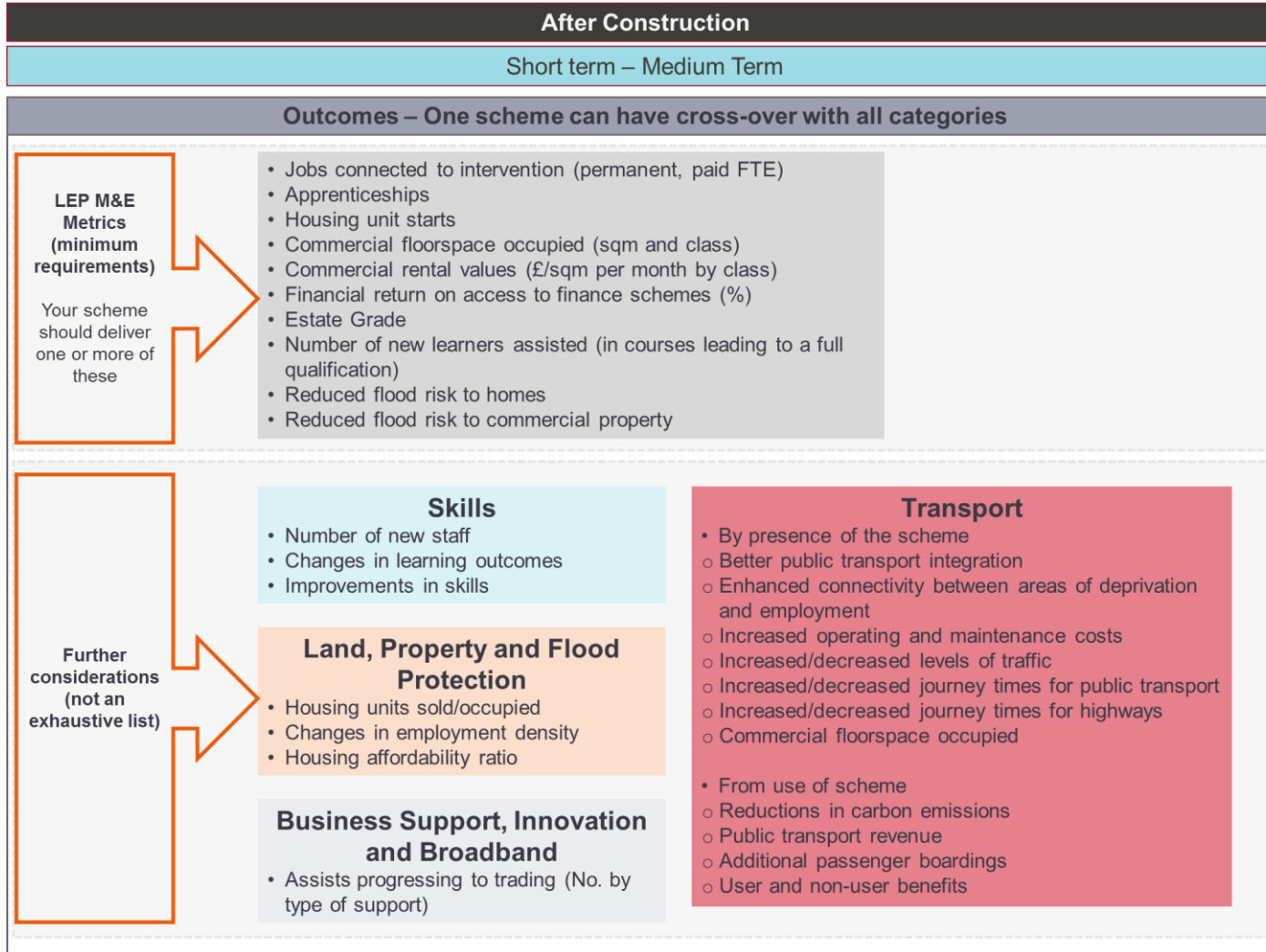
Tasks	Start date	Finish date	2020					2021				2022	
			Aug	Sept	Oct	Nov	Dec	Jan-Mar	April-June	July-Sept	Oct-Dec	Jan-Mar	April
Project Mobilisation	3/8/20	28/8/20											
Work with BDUK to implement changes in scope to existing Kent Top Up Scheme.	3/8/20	28/8/20											
Plan and prepare demand stimulation work to drive take-up (including stakeholder and customer engagement materials)	3/8/20	28/8/20											
Brief and engage with broadband suppliers	10/8/20	28/8/20											
Project Delivery & Build													
Scheme open for voucher applications to be received and processed	22/9/20	31/3/21											
Planning and build work to install connections for voucher recipients <i>(n.b. – this will commence for voucher recipients as each voucher and group scheme</i>	28/9/20	31/3/22											

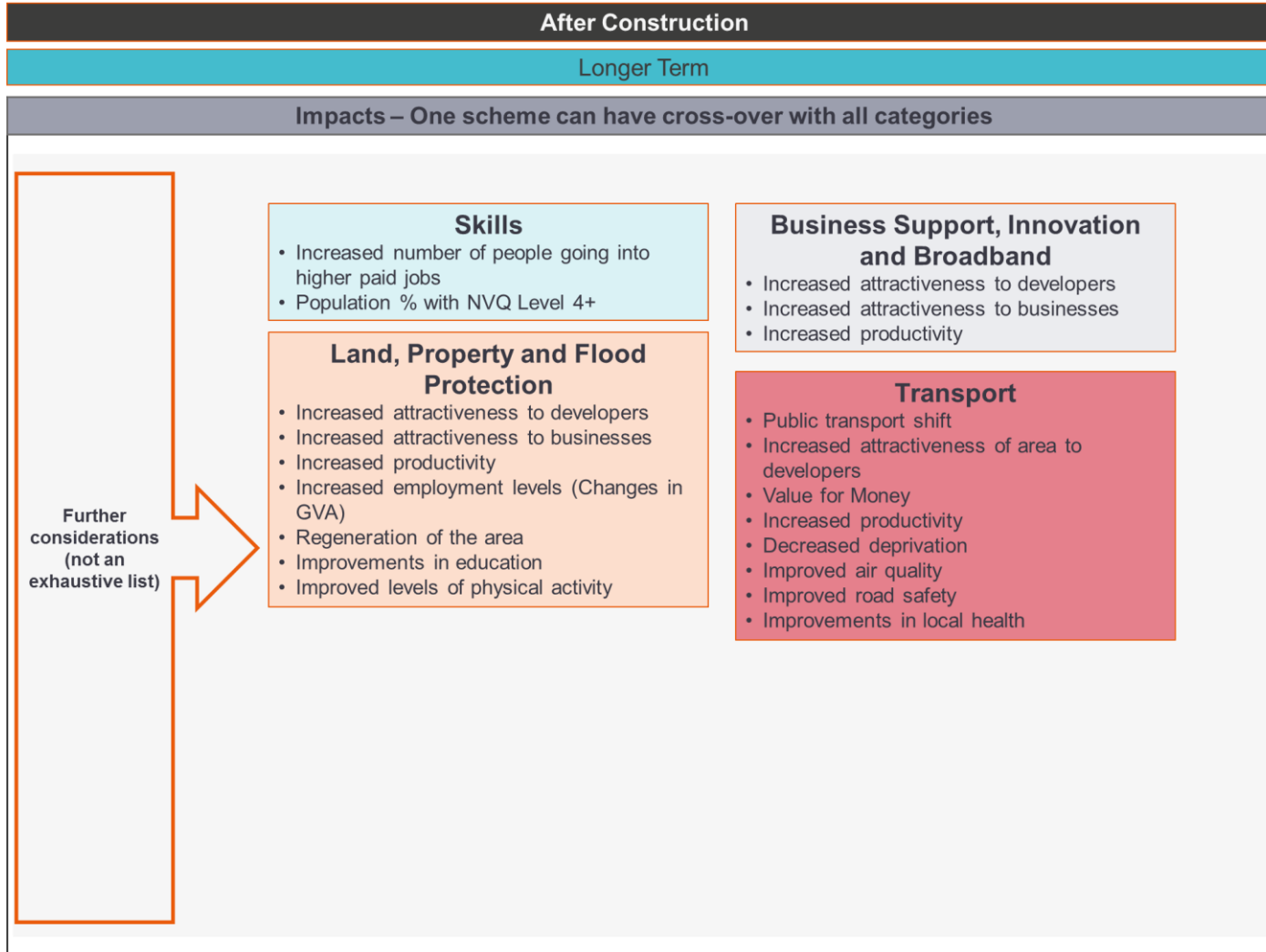
Tasks	Start date	Finish date	2020					2021				2022	
			Aug	Sept	Oct	Nov	Dec	Jan-Mar	April-June	July-Sept	Oct-Dec	Jan-Mar	April
<i>award is accepted). Installation of connections is required within 12 months of voucher award.</i>													
Scheme evaluation <i>Case study evidence of the benefits to homes and businesses will be sought throughout the project. A project evaluation report will be commissioned towards the end of the project.</i>	1/9/20	31/3/22											
Project closure	15/3/22	22/4/22											
Key Milestones / Deliverables	Completion date												
Complete project governance processes around set up including project funding agreement, revised BDUK funding agreement and partnership agreement with Medway Council	21/9/20												
Formal Scheme launch Demand stimulation work commences	22/9/20												

Tasks	Start date	Finish date	2020					2021				2022	
			Aug	Sept	Oct	Nov	Dec	Jan-Mar	April-June	July-Sept	Oct-Dec	Jan-Mar	April
Scheme opens for voucher-top application													
Scheme closes for new voucher applications	31/3/21												
Last date for defraying voucher claims	31/3/22												
All connections to be in place	18/3/22												

12. APPENDIX E – MONITORING AND EVALUATIONS METRICS FOR LOGIC MAP









SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

13. APPENDIX F – MONITORING AND EVALUATION PLAN AND BASELINE REPORT TEMPLATES



MONITORING AND EVALUATION PLAN

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. These values will most likely come from the Business Case, but may also come from supplementary documentation associated with the scheme.
- The Monitoring and Evaluation Plan details of how inputs, outputs, outcomes and impacts will be measured in the One Year After Opening Report and the Five/Three Years After Opening Report and any associated costs.
- The Monitoring and Evaluation Plan also outlines the proposed approach to measuring the baseline information for each of the inputs, outputs, outcomes and impacts and any costs associated with this.
- When the baseline information has been collated, it is reported upon in the Baseline Report template.

A NOTE ON COSTS

The Monitoring and Evaluation of a scheme will rely on internal resource and potentially, some external resources. Both could come at a cost either in terms of time or money.

The Monitoring and Evaluation Plan is to be completed as part of the Business Case. At the same time, a Baseline Report would also be completed.

The costs that are anticipated for the collation of the Baseline Report are therefore current costs. However, the costs incurred for data collection for the One Year After Opening Report and Five/Three Years After Opening Report would occur in the future. Therefore, it is important to consider the effect of inflation on these costs.



AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The LGF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including LGF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of LGF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case



CONNECTING RURAL KENT AND MEDWAY

This Monitoring and Evaluation Plan provides the details of the inputs, outputs, outcomes and impacts of the Connecting Rural Kent and Medway project how they will be measured, and the costs associated with this for the Baseline Report and One Year After Opening Report and Five/Three Years After Opening Report.

The overall goal of the scheme is to improve broadband connectivity for the hardest-to-reach rural homes and businesses with poor or no broadband connectivity (less than 30mbps) that are outside the scope of public and market-led broadband upgrade programmes in Kent and Medway.

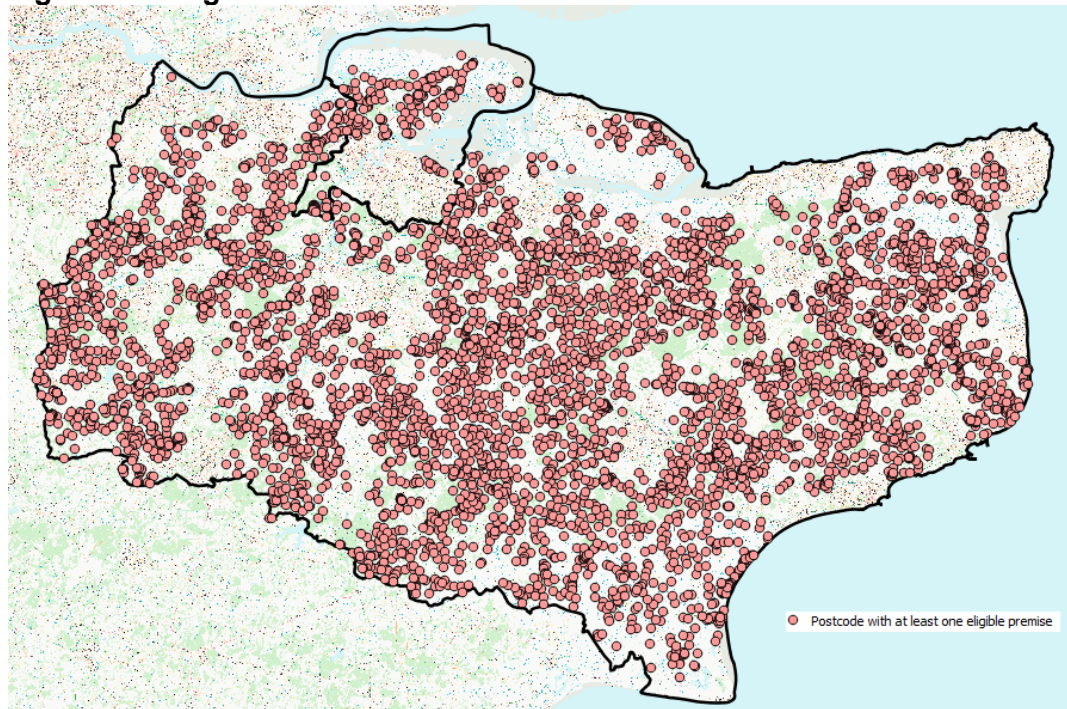
The objectives of the scheme are:

- **Objective 1: Improving rural connectivity and access to services:** As stated earlier in this Business Case, rural areas are vulnerable to market failure in the supply of digital connectivity. This compounds wider connectivity challenges linked with remoteness, distance from physical services and poor access to transport. Improving broadband connectivity will enable people in rural areas to access services more efficiently.
- **Objective 2: Increasing the ability to work and learn flexibly:** New technology has enabled more people to work and study from home, reducing the need to commute and opening up economic opportunities for those who are unable to travel for work. This has led to a growing trend towards flexible working, which has been accelerated by the Covid-19 crisis. However, poor broadband connectivity impedes people's ability to take up these opportunities.
- **Objective 3: Increasing productivity through access to new markets and through better use of technology:** Technology has made it easier for small firms to trade nationally and internationally, and digitally-enabled processes and systems help firms to improve efficiency and increase productivity. Better broadband enables businesses to take these up.
- **Objective 4: Reducing public sector costs by driving transactions online.** It is a long-established policy aim to increase the number of transactions that can be made digitally, reducing public costs and improving customer service. This can only be achieved if citizens have access to the right level of connectivity

The eligible postcode areas are widely distributed across the County with a range of demographic and economic profiles. This makes it difficult to produce granular economic data at individual postcode level.



Figure 2-1: Eligible Intervention Area



Source: Kent County Council

INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the values in the Business Case.

- Update the table to include actual Financial Years for the period of delivery and approaches to monitor/track these values
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2020/21				2021/22				2022/23				
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
IN1	Grant Spend	Planned		Spend based on voucher take-up, monitored by BDUK and KCC	Weekly; update to LEP quarterly	Planned/ Forecast Spend Profile	Q4: £260,543 Total: £260,543				Q1: £233,527 Q2: £238,527 Q3: £743,027 Q4: £814,527 Total: £2,029,608							
IN2	Matched Contributions Spend	Planned / Forecast		Kent County Council expenditure records (mainly salary cost)	Monthly; update to LEP quarterly	Planned/ Forecast Spend Profile	Total: £57,554				Total: £58,705				Total: £14,970			
IN3	Leveraged Funding	Planned / Forecast		Based on BDUK RGV voucher take-up	Weekly; update to LEP quarterly	Planned/ Forecast Spend Profile	Total: £136,075				Total: £1,678,258							



INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Scheme launch	21 September 2020
Scheme opens for applications; demand stimulation begins	22 September 2020
Scheme closes to new applications	31 March 2021
All connections in place	18 March 2022
Last date for defrayal of voucher claims	31 March 2022

INPUT 5: RISK MITIGATION

- See Risk Register (this will be replicated/summarised in the M&E Plan, but not pasted here to avoid repetition within the business case pack).



OUTPUTS

- Please provide information about:
 - The planned/anticipated value for each output with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the output will be monitored and evaluated for the One Year After Opening Report – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the output
 - The anticipated cost of undertaking the monitoring and evaluation of the output for the One Year After Opening Report
- The approach used to obtain baseline information for each output
 - Costs associated with this



ID	Output Description	
OP1	Direct broadband connections	Details: Planned/Anticipated Output Value and Proposed Approach for Monitoring
		Value: New broadband connections (residential/ business) funded with voucher
		Source of Value: Full Business Case, Economic Case
		Future Monitoring Approach: Through confirmation of delivery from supplier to BDUK Rural Gigabit Voucher team
		Frequency of tracking: Monthly
		Costs Allocated to Monitoring: Incorporated in administration cost to BDUK detailed in Financial Case
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: Existing intelligence within KCC Broadband Team; take-up of current vouchers via regularly BDUK reporting
		Costs Allocated: Incorporated in management costs.



ID	Output Description	
OP2	Broadband connections enabled through reduced marginal cost	<p>Details: Planned / Anticipated Output Value and Proposed Approach for Monitoring</p> <p>Value: Additional broadband connections enabled as a result of the reduced marginal cost to suppliers resulting from the voucher subsidy to direct beneficiaries.</p> <p>Source of Value: Full Business Case, Economic Case</p> <p>Future Monitoring Approach: Through higher levels of take-up of the 'standard' Rural Gigabit Voucher, collected and monitored by BDUK</p> <p>Frequency of tracking: Monthly</p> <p>Costs Allocated to Monitoring: None; already monitored by BDUK</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Existing intelligence within KCC Broadband Team; take-up of current vouchers via regularly BDUK reporting</p> <p>Costs Allocated: Incorporated in management costs.</p>



OUTCOMES

- Please provide information about:
 - The planned/anticipated value for each outcome with the delivery of the scheme and reference this value from the Business Case or supporting documents
 - How the outcome will be monitored and evaluated for the One Year After Opening Report and for some outcomes, the Five/Three Years After Opening Report as well – you may need to include maps/diagrams to support this
 - The frequency of data collection related to the outcome
 - The anticipated cost of undertaking the monitoring and evaluation of the outcome for reports after opening
 - The approach used to obtain baseline information for each outcome
 - Costs associated with this



ID	Outcome Description	
OC1	Productivity within beneficiary firms	<p>Details: Planned /Anticipated Outcome Value and Proposed Approach for Monitoring</p> <p>Value: Estimated increase in firm-level productivity as a result of improved broadband connectivity</p> <p>Source of Value: Full Business Case, Economic Case</p> <p>Future Monitoring Approach: Survey of direct beneficiary businesses to consider anticipated and actual changes in technology use, access to new markets, etc. This will be incorporated in the evaluation commissioned to support the project (which will be co-designed with BDUK).</p> <p>Frequency of tracking: Once on connection, focused on anticipated benefits, and at One/Three Year stage.</p> <p>Costs Allocated to Monitoring: Included within £30k evaluation budget.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Interviews with sample of businesses that have secured CRKM voucher support, prior to connection. Included within evaluation budget.</p> <p>Costs Allocated: Included within evaluation budget</p>



ID	Outcome Description	
OC2	Increased teleworking	<p>Details: Planned / Anticipated Outcome Value and Proposed Approach for Monitoring</p> <p>Value: Estimated increase in teleworking/ teleworker activity productivity as a result of improved broadband connectivity</p> <p>Source of Value: Full Business Case, Economic Case</p> <p>Future Monitoring Approach: Survey of direct residential beneficiaries to consider anticipated and actual changes in technology use, teleworking practices, etc. This will be incorporated in the evaluation commissioned to support the project (which will be co-designed with BDUK).</p> <p>Frequency of tracking: Once on connection, focused on anticipated benefits, and at One/Three Year stage.</p> <p>Costs Allocated to Monitoring: Included within £30k evaluation budget.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Interviews with sample of beneficiaries that have secured CRKM voucher support, prior to connection. Included within evaluation budget.</p> <p>Costs Allocated: Included within evaluation budget</p>



ID	Outcome Description	
OC3	Increased labour market participation	<p>Details: Planned/Anticipated Outcome Value and Proposed Approach for Monitoring</p> <p>Value: Increase in labour market participation as a result of improved broadband connectivity</p> <p>Source of Value: Full Business Case, Economic Case</p> <p>Future Monitoring Approach: Survey of direct residential beneficiaries to consider changes in working practices/ access to employment. This will be incorporated in the evaluation commissioned to support the project (which will be co-designed with BDUK).</p> <p>Frequency of tracking: Once on connection, focused on anticipated benefits, and at One/Three Year stage.</p> <p>Costs Allocated to Monitoring: Included within £30k evaluation budget.</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: Interviews with sample of beneficiaries that have secured CRKM voucher support, prior to connection. Included within evaluation budget.</p> <p>Costs Allocated: Included within evaluation budget</p>



ID	Outcome Description	
OC4	Network construction benefits	Details: Planned / Anticipated Outcome Value and Proposed Approach for Monitoring
		Value: Increase in output as a result of network construction activity Source of Value: Full Business Case, Economic Case Future Monitoring Approach: Inferred based on network construction spend Frequency of tracking: Once on completion of connections Costs Allocated to Monitoring: Included within £30k evaluation budget and ongoing monitoring by BDUK
		Details: Proposed Method of Collecting Baseline Information
		Approach for Collection: N/A Costs Allocated: N/A

IMPACTS

- Impacts are often not measurable but can be anecdotal or inferred. However, if they can be measured then an approach and budget should be allocated for this.
- They are a longer-term effect of the scheme being in place and often occur as a result of the outcomes
- They would not be monitored or tracked beyond the Five/Three Years After Opening Report

ID	Impact Description	
IM1	Social and educational impacts	<p>Details: Planned/Anticipated Impact Value and Proposed Approach for Monitoring</p> <p>Value: There are a range of social, educational and health impacts set out in the Full Business Case.</p> <p>Source of Value: Full Business Case, p42</p> <p>Future Monitoring Approach: Via evaluation. A full specification for programme evaluation will be developed in conjunction with BDUK</p> <p>Frequency of tracking: To be determined within evaluation plan</p> <p>Costs Allocated to Monitoring: Within evaluation budget</p> <p>Details: Proposed Method of Collecting Baseline Information</p> <p>Approach for Collection: See above</p> <p>Costs Allocated: See above</p>



BASELINE REPORT

PURPOSE

- The Monitoring and Evaluation Plan details what the intended inputs, outputs, outcomes and impacts are of the scheme. It provides details of how they will be measured and any associated costs of the monitoring process.
- The Baseline Report provides information and metrics about the current situation in the impact area of the scheme before delivery commences. Information should be provided for each of the intended inputs, outputs, outcomes or impacts. This baseline data can be used in subsequent stages to identify the scale of change brought about by the scheme.
- The tables in the report provide the basis for a tracking spreadsheet (Benefits Realisation Profile (BRP)) which will be shared with the LEP. The tracking spreadsheet is used to track the baseline, planned/anticipated values and the actual values for every input, output, outcome or impact after the scheme opens.
- The tables in this report include a space for baseline values and for planned/forecast values for each input, output, outcome or impact. These values are likely to come from the Full Business Case, but may also come from supplementary documentation associated with the scheme.



AN OVERVIEW TO THE MONITORING AND EVALUATION PROCESS

The following provides information on the process for Monitoring and Evaluation and how the reports fit into this process.



PROPORTIONATE APPROACH TO COMPLETING THE REPORT

The LGF supports a wide range of schemes in terms of scope and capital costs.

The Monitoring and Evaluation process has been designed to be aligned to the scale of the scheme based on its total delivery value (including LGF allocations). As a minimum, the number of jobs and housing brought forward by the scheme should be considered. These are factors which the Ministry of Housing, Communities and Local Government (MHCLG) consider to be key outcomes of LGF schemes.

The following is an indicative guide to which inputs, outputs, outcomes and impacts should be included within the Monitoring and Evaluation process for different scales of intervention.

This is based on the scale of the total value of each scheme or the value of a package in totality. Where there are complementary phases of a scheme that are funded at different times, consider establishing the Monitoring and Evaluation for the overall scheme delivered.

Value of Scheme/Package	Inputs	Outputs	Outcomes	Impacts
Under £2m	As described within the report templates	As described within the report templates	Number of jobs and houses delivered	n/a
£2m- £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case
More than £8m	As described within the report templates	As described within the report templates	All those prescribed by the LEP and applicable to the scheme/package plus applicable measures from the 'Further considerations' section (see Appendix A supplied separately) Also include any additional outcomes that have a large or moderate benefit / disbenefit in the Business Case	Those relevant to the scheme/package from within the list in Appendix A (supplied separately) Also include any additional impacts that have a large or moderate benefit / disbenefit in the Business Case



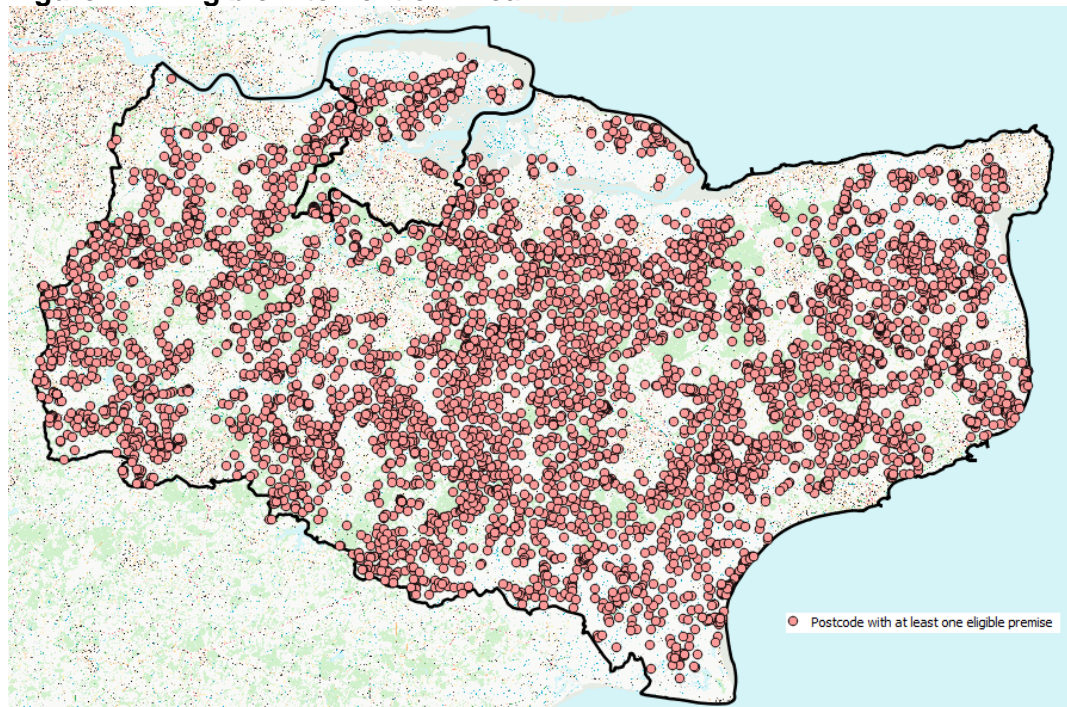
CONNECTING RURAL KENT AND MEDWAY

This Baseline Report provides the details of the proposed inputs, outputs, outcomes and impacts of the Connecting Rural Kent and Medway, before the scheme is constructed/delivered.

The objective of the scheme is to improve broadband connectivity for the hardest-to-reach rural homes and businesses with poor or no broadband connectivity (less than 30mbps) that are outside the scope of public and market-led broadband upgrade programmes in Kent and Medway.

The eligible postcode areas are widely distributed across the County with a range of demographic and economic profiles. This makes it difficult to produce granular economic data at individual postcode level.

Figure 2-1: Eligible Intervention Area



Source: Kent County Council

INPUTS

This section requires the scheme promoter to provide information about Scheme Spend, Project Delivery, Project Risk and Project Changes. These are referenced against the information provided in the Monitoring and Evaluation Plan.

- Update the table to include actual Financial Years in the period before opening.
- Monetary values should exclude inflation (nominal values) to easily compare forecast and actual values.
- *Note – you may need to extend this table if the funding occurs in a period more than 3 years before your scheme opening date.*
- Only the values for spend and leveraged funding will go into the BRP.

ID	Input Description	Source of Value	Monitoring Approach	Frequency of Tracking	Source	2020/21				2021/22				2022/23				
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
IN1	Grant Spend	Planned		Spend based on voucher take-up, monitored by BDUK and KCC	Weekly; update to LEP quarterly	Planned/ Forecast Spend Profile	Q3: £125,271 Q4: £125,272 Total: £260,543				Q1: £507,402 Q2: £507,402 Q3: £507,402 Q3: £507,402 Total: £2,029,608							
IN2	Matched Contributions Spend	Planned / Forecast		Kent County Council expenditure records (mainly salary cost)	Monthly; update to LEP quarterly	Planned/ Forecast Spend Profile	Total: £57,554				Total: £58,705				Total: £14,970			
IN3	Leveraged Funding	Planned / Forecast		Based on BDUK RGV voucher take-up	Weekly; update to LEP quarterly	Planned/ Forecast Spend Profile	Total: £136,075				Total: 1,678,258							



INPUT 4: PROJECT DELIVERY AND MILESTONS

- Please complete the table of planned Key Milestones

Milestone	Planned Date of Delivery
Scheme launch	21 September 2020
Scheme opens for applications; demand stimulation begins	22 September 2020
Scheme closes to new applications	31 March 2021
All connections in place	18 March 2022
Last date for defrayal of voucher claims	31 March 2022

INPUT 5: RISK MITIGATION

- See Risk Register (this will be replicated/ summarised in the Baseline Report, but not pasted here to avoid repetition within the business case pack).

OUTPUTS

- Please provide information about:
 - what the baseline value is for each output and its source;
 - how the baseline value was measured;
 - what the planned/anticipated value is for the output and reference this source; and
 - how the value will be measured after the scheme opens.



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP1	New broadband connections directly enabled	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	671 (179 businesses + 492 residential)	Through confirmation of completion by suppliers to BDUK	Once for One Year After Report	Full Business Case – Economic Case	From start of scheme – September 2020

Details: Method of Collecting Baseline Information

Connections will be delivered by a supplier registered with BDUK, which the household/ business will be able to choose. Once the connection is a) in the pipeline (i.e. committed) and b) delivered, the supplier will report this to BDUK.

At the start of the project, there will obviously be no connections enabled as a result of the voucher. But we will be able to assess the number of connections in the eligible area that are enabled through existing schemes through the same method (on which our deadweight assumptions are based).



ID	Output Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OP2	Broadband connections enabled through reduced marginal cost	Baseline	Zero	n/a	n/a	n/a	n/a
		Planned/ Anticipated	222 (59 businesses + 163 residential)	Estimated based on increase in take-up of existing RGV scheme and survey of suppliers	One Year After and at Three/ Five years	Full Business Case – Economic Case	From start of scheme – September 2020

Details: Method of Collecting Baseline Information

At the start of the project, there will obviously be no connections enabled as a result of the voucher.

OUTCOMES

- Provide information about:
 - what the baseline value is for each outcome and its source;
 - how the baseline outcome value was measured;
 - what the planned/anticipated value is for the outcome and reference for this source; and
 - how the value will be measured after the scheme opens.

Outcomes (in terms of changed business and resident activity enabled by better connectivity, leading to greater productivity) will need to be measured through beneficiary surveys and built into the evaluation process. At this stage, we cannot add further information to that set out in the Monitoring and Evaluation Plan, although we would want to capture with a Baseline Report the current constraints that lack of connectivity presents to future beneficiaries and how they anticipate that this might change.

This could be done by surveying and consulting with prospective business and resident beneficiaries at the point at which they are approved for a CRKM voucher, but before the connection has actually been installed. As part of this process, we would also want to understand the effect that the supplementary voucher value had on their decision to proceed, other funds that are being used to contribute to the cost, and previous barriers to take-up. We could then revisit these beneficiaries at a later date to establish what *actually* happened, and the extent to which the benefits they anticipated have come about (alongside any unexpected/ additional benefits).

We intend to develop the evaluation methodology in conjunction with BDUK. This will ensure that the lessons from the CRKM voucher scheme can be captured in a way appropriate to the delivery of future broadband interventions at national scale (and potentially linked with other scheme evaluations that BDUK has planned or underway).

This applies to outcome and impact reporting. We have therefore not completed the following tables at this stage, but will prepare a Baseline Report once the evaluation methodology has been agreed.



EXAMPLE							
ID	Outcome Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1	Jobs connected to the intervention	Baseline	10 jobs from one business	Short email questionnaire	n/a	Email questionnaire before opening	2020
		Planned / Anticipated	30 jobs – 15 from construction and 15 total FTE as a result of the scheme (5 additional jobs delivered in each year after opening for the first three years only)	Construction jobs from contractors data. FTEs from surveying new businesses along the route of the tram with a short email questionnaire after scheme opening.	Once after opening and once for five years after opening report	Full Business Case, p22	After opening
Details: Method of Collecting Baseline Information There is one business in the impact area of the scheme on a small business park which is newly opened. This is a small accountancy firm. Through an email questionnaire before opening, we found that it employs 10 FTE. The cost of finding out this information was 1 day of internal resource.							



	Outcome Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC1		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

	Outcome Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
OC2		Baseline					
		Planned/ Anticipated					
Details: Method of Collecting Baseline Information							

IMPACTS

- Impacts are often not measurable but can be anecdotal or inferred. However, if they can be measured then an approach and budget should be allocated for this.
- They are a longer-term effect of the scheme being in place and often occur as a result of the outcomes.
- They would not be monitored or tracked beyond the Five Years After Opening Report.

EXAMPLE							
ID	Impact Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1	Improved road safety	Baseline	14 slight 7 serious 2 killed	STATS 19 (Road Accident Statistics)	n/a	STATS 19	2020
		Planned/ Anticipated	General downwards trend in accidents	STATS 19 (Road Accident Statistics)	Annually	Full Business Case, p42	By 2026

Details: Method of Collecting Baseline Information

Map STATS19 data and analyse results for key roads and junctions affected by reductions in traffic as a result of the scheme. This required 1 day of GIS time. STATS19 data was free to use.



	Impact Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM1		Baseline					
		Planned/ Anticipated					

Details: Method of Collecting Baseline Information

	Impact Description		Value	Monitoring approach	Frequency of Tracking	Source	Date
IM2		Baseline					
		Planned/ Anticipated					

Details: Method of Collecting Baseline Information

14. APPENDIX G - CATEGORIES OF EXEMPT INFORMATION

There is a clear public interest in publishing information and being open and transparent. But sometimes there is information which we can't publish because it would cause significant harm to the Council - for example by damaging a commercial deal or harming our position in a court case. Equally sometimes publishing information can harm someone who receives a service from us or one of our partners.

The law recognises this and allows us to place information in a confidential appendix if:

*(a) it falls within any of paragraphs 1 to 7 below; and
(b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

- 1. Information relating to any individual.*
- 2. Information which is likely to reveal the identity of an individual.*
- 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)*
- 4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.*
- 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.*
- 6. Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.*
- 7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*

CONNECTING RURAL KENT AND MEDWAY:

Top-up Voucher Scheme

Stakeholder & Communication Engagement Plan

Version: V0.1

Date: 5th August 2020



VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Owner's Name
Draft	5/8/20	First draft version	[REDACTED]

Introduction

1. Introduction & Project Objectives

This project seeks to improve broadband connectivity for rural homes and businesses across Kent and Medway with poor or no broadband connectivity.

This will be achieved through expanding the scope of the successful Kent-Top Up Broadband Voucher Scheme by:

- Introducing a new 'F1' top-up voucher to connect the rural 'final 1%' homes and businesses. This will make available up to £7K of public funding (including any BDUK contributions), reflecting the costs and challenges involved in connecting these homes and businesses.
- Expanding the scheme to include rural homes and businesses in Medway which are currently outside the scope of the Kent Top-Up Scheme.
- Extending the Kent Top-Up voucher scheme so that businesses as well as residential properties are eligible for a top-up voucher.

2. Purpose and objectives of document

This document sets out the engagement and communication plan for the extended Kent Top-Up Voucher Scheme.

It identifies who needs to be engaged and how and when they will be engaged – and sets out the approach and framework as to how this will be implemented.

This plan builds upon the existing stakeholder communication and engagement approach that has been developed for the existing KCC Top-Up Voucher Scheme and the wider broadband programme – but focuses on the specific actions that will be required to:

- Raise awareness of the new funding opportunities that the extended voucher scheme can now offer to homes and businesses with poor or now connectivity.
- Ensure that there is the correct flow of information between the project team and the project's stakeholders about this new scheme.
- Manages and mitigates the engagement and communication risks set out in the project's risk register.
- Stimulate demand and drive take-up for the new broadband top-up voucher opportunities.
- Provide a framework for the subsequent development of a 'live' communications plan for the 'demand stimulation' work package, aligned to the project timelines and milestones

3. Stakeholder Mapping

Table 1 below sets out the stakeholders for this (extended broadband) top-up voucher project.

There are already effective partnership working arrangements in place for the majority of the identified stakeholder groups – in addition to strong support for Kent County Council’s Broadband Programme – which will further assist the delivery of this plan.

Internal to KCC	External to KCC
<p>Cabinet Members</p> <p>GEDDC Cabinet Committee</p> <p>County Councillors (Members)</p> <p>GET Directorate Management Team</p> <p>Wider KCC teams/staff</p>	<p>Homes and residents who are eligible for broadband top-up vouchers</p> <p>District Councils</p> <p>Medway Council</p> <p>MPs</p> <p>Parish Councils</p> <p>Kent Association of Local Councils</p> <p>Rural Organisations & Land-Based Organisations (Action with Communities in Rural Kent, NFU, CLA)</p> <p>Business representative organisations (FSB, Chambers of Commerce, Visit Kent, Produced in Kent)</p> <p>Kent and Medway Economic Partnership (KMEP)</p> <p>South East Local Enterprise Partnership</p> <p>BDUK</p> <p>MHDCLG</p>

Stakeholder Engagement

Kent County Council and Medway Council are keen to develop and build upon these excellent stakeholder relationships. The table below summarises the ongoing engagement with key stakeholders

Stakeholder Group	Channel	Frequency/Date	Lead Officer
Internal Stakeholders			
Cabinet Members	<ul style="list-style-type: none"> Written updates to Cabinet Members Briefing Meetings Regular 1:1s with Cabinet Member overseeing Broadband Portfolio (Project Sponsor) 	Quarterly updates; monthly 1:1s	Project Manager
GEDDC Cabinet Committee	<ul style="list-style-type: none"> Quarterly performance reports 	Quarterly	Project Manager
County Councillors (Members)	<ul style="list-style-type: none"> Written briefings Online briefing sessions 1:1 Meetings 	Ongoing	Project Manager
GET Directorate Management Team	<ul style="list-style-type: none"> Written updates 	Monthly	Project Manager
Wider KCC teams/staff	<ul style="list-style-type: none"> Updates via GET newsletter, staff internet and KCC website 	Ongoing	Project Team
External Stakeholders			
District Councils	<ul style="list-style-type: none"> Regular communication with lead officers in each district (1:1 conversations, monthly email updates etc) 	<ul style="list-style-type: none"> Monthly during demand stimulation phase (Sept-March 2021); quarterly thereafter. 	Project Team
Medway Council	<ul style="list-style-type: none"> Regular communication with lead officers in each district (1:1 conversations, monthly email updates etc) 	<ul style="list-style-type: none"> Monthly during demand stimulation phase (Sept-March 2021); quarterly thereafter 	Project Team
Parish Councils	Via regular update via Kent Association of Parish Council's newsletter	<ul style="list-style-type: none"> Update to be supplied for two newsletters during Autumn 2020 as part of demand stimulation and awareness raising work 	Project Team & Kent Association of Local Councils
MPs	<ul style="list-style-type: none"> 1:1 meeting's upon request Updates to be included within regular liaison with MPs offices 	<ul style="list-style-type: none"> Ongoing 	SRO, Project Sponsor & Project Team



Rural Organisations & Land-Based Organisations (Action with Communities in Rural Kent, NFU, CLA)	<ul style="list-style-type: none"> • Standing item at Kent Rural Board meetings • Information to be circulated to key rural organisations for awareness raising amongst their membership – including articles for their newsletter. • Engagement with senior leads to identify opportunities additional opportunities to raise awareness. 	<ul style="list-style-type: none"> • Bi-monthly during demand stimulation phase 	Project Team
Business representative organisations (including Federation of Small Business, Chambers of Commerce, Visit Kent, Kent Business Advisory Board)	<ul style="list-style-type: none"> • Information to be circulated to key rural organisations for awareness raising amongst their membership – including articles for their newsletter. • Engagement with senior leads to identify opportunities additional opportunities to raise awareness. 	<ul style="list-style-type: none"> • Bi-monthly during demand stimulation phase 	Project Team
Kent residents and individual SMEs eligible for the scheme	<p>In addition to promotional work to be undertaken by District Councils and Medway:</p> <ul style="list-style-type: none"> • Press and demand stimulation campaign to promote scheme and drive uptake. • Updates on Kent.gov.uk and KCC Communication Teams Social Media Feeds 	<ul style="list-style-type: none"> • Dedicated demand stimulation plan being developed. Will involve weekly activity to raise awareness and encourage take-up 	KCC Project Team
Kent and Medway Economic Partnership (KMEP)	<ul style="list-style-type: none"> • Updates to be supplied through regular engagement channels and project monitoring requirements. 	Quarterly	KCC Project Team
South East Local Enterprise Partnership & MHDCLG	<ul style="list-style-type: none"> • Updates to be supplied through regular engagement channels and project monitoring requirements. 	Ongoing	KCC Project Team
BDUK	<ul style="list-style-type: none"> • Ongoing dialogue with BDUK Voucher team • Attendance at steering group meetings 	Ongoing	KCC Project Team

APPENDIX I: Equalities Impact Assessment

Kent County Council
Equality Analysis / Impact Assessment (EqIA)
for decisions, policies, procedures, projects or services
Growth, Environment and Transport Directorate (GET).

- Please complete this cover sheet, including the Document Control Section, and Part 1 initially.
- Part 1 will inform your decision on whether you need to complete Part 2
- Part 2 will inform your decision on whether you need to complete Part 3

Further guidance is available at http://www.kent.gov.uk/data/assets/pdf_file/0019/11809/Equality-impact-assessment-policy-guidance.pdf

Name of decision, policy, procedure, project or service:

Kent Broadband Voucher Scheme

Brief description of policy, procedure, project or service

The Kent Voucher Scheme is a national pilot with Building Digital UK (BDUK). It provides additional ‘top-up’ funding for those applying to the Government’s Rural Voucher Gigabit Scheme.

This scheme has been designed to help homes and businesses with poor connectivity access a better broadband connection. It recognises that in some parts of Kent, the costs to connect some rural premises are much higher than costs to connect premises in suburban and urban locations.

Aims and Objectives

The aim of the scheme is to bring better connectivity to homes and businesses in final 5% areas that remain outside the scope of market-led and publicly-funded broadband investment programmes – and to help overcome the barriers and issues created by poor connectivity.

Document Control

Revision History

Version	Date	Authors	Comment
V0.1	19/02/18	[REDACTED]	Initial Screening
V0.2	04/04/18	[REDACTED]	Review
V0.3	18/4/18	[REDACTED]	Review
V0.4	3/5/18	[REDACTED]	Comments for Review
V1.0	3/5/18	[REDACTED]	Final Amends for approval
V1.1	29/7/20	[REDACTED]	Review and update

Document Sign-Off (this must be both the relevant Head of Service and the relevant Director)

Attestation

I have read and paid due regard to the Equality Analysis/Impact Assessment. I agree with the actions to mitigate any adverse impact(s) that has /have been identified.

Name	Signature (for paper copy only)	Title	Date of Issue
[REDACTED]		Head of Service	
[REDACTED]		Director	



Part 1 - Screening

Regarding the decision, policy, procedure, project or service under consideration,

Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?

Could this policy, procedure, project or service promote equal opportunities for this group?

Please note that there is no justification for direct discrimination; and indirect discrimination will need to be justified according to the legal requirements

Protected Group	Please provide a brief commentary as to your findings			High/Medium/Low Favourable Impact
	High Negative Impact	Medium Negative Impact	Low Negative Impact	
Age	None	None	<p>Low</p> <p>ONS data continues to indicate higher rates of digital exclusion amongst those who are over 65. Applicants who may have difficulty with online forms on the KCC website will be offered an</p>	<p>Medium–</p> <p>Older people: Some older people can experience higher levels of loneliness. This voucher scheme will help to enable this group to become more socially involved and stay in contact with friends and family through the use of applications e.g. Zoom. Clinically vulnerable older people would also</p>



			<p>opportunity to engage with the project by telephone or request a paper copy of the application. A Project Officer will also be available by phone to answer questions and discuss problems.</p> <p>We will use of a range of communication tools to disseminate information. Project promotion materials will be disseminated through a range of channels, both accessible online and in hard copy in order to ensure that awareness about the project and its activities is available to a wide range of clients and businesses.</p>	<p>have improved access to services such health care and online food shopping which supports the implementation of public health guidance around Covid-19.</p>
Disability	None	None	<p>Low – Applicants who may have difficulty with accessing online forms will be offered an opportunity to engage with the project by</p>	<p>Medium – Some people with disabilities can experience higher levels of loneliness as they can find it difficult to leave their residence. With improved broadband connectivity, these people can become more socially connected</p>



			<p>telephone or a 1-2-1 visit.</p> <p>The team will send adapted documents upon request or arrange face to face/telephone contact to ensure the information about the project is accessible.</p> <p>We will work with the KCC web team to ensure that all online resources are compatible with accessibility software.</p>	<p>through social media platforms and applications like Zoom.</p> <p>Good broadband connectivity has also been invaluable for supporting individuals with disabilities who have been advised to shield to during the Covid-19 period – particularly in accessing essential services like food and health care – as well as being able to work remotely and safely from home.</p>
Gender	None	None	None	Medium – males over 50 years of age have been identified as being at higher risk of contracting severe Covid. Good broadband connectivity will support wider and future public health guidance around measures that can be taken to reduce these risks.
Gender identity/ Transgender	None	None	None	None
Race	None	None	Low – there is a risk of potential language barriers.	Medium – members of BAME groups have been identified at being at higher risk of contracting severe Covid. Good broadband connectivity will support



			We will work with KCC's alternative format service to provide information in alterative language formats	wider and future public health guidance around measures that can be taken to reduce individuals vulnerability to contracting severe Covid.
Religion and Belief	None	None	None	None
Sexual Orientation	None	None	None	None
Pregnancy and Maternity	None	None	None	Medium – pregnancy has been identified as a risk factor for severe Covid. Good broadband connectivity will support wider and future public health guidance around measures that can be taken to reduce individual's vulnerability to contracting severe Covid.
Marriage and Civil Partnerships	None	None	None	None
Carer's Responsibilities	None	None	None	Low – Carers would be able to take advantage of digital equipment and technology such as next generation Telecare which requires a broadband connection.

Next Steps

1. Having completed the screening, if you have identified **High and / or Medium** Non Favourable (Negative) Impacts on one or more of the Protected Groups, then move to Part 2
2. Having completed the screening, if you have identified a **Low** Non Favourable (Negative) Impact on all of the Protected Groups, then please provide the form to diversityinfo@kent.gov.uk. They will provide any comments which will need to be considered and implemented.
3. The Head of Service and Director must then approve this document
4. Once the document has been formally approved and signed please send to GETcsp@kent.gov.uk in Word format. It will then be logged and published on the KCC Intranet as well as available to external customers upon request.
5. Please note that the EqIA must be reviewed within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.
6. If the activity will be subject to a Cabinet decision, the EqIA must be submitted to Democratic Services democratic.services@kent.gov.uk along with the relevant Cabinet report.
7. The original signed hard copy and electronic copy should be kept with your team for audit purposes.

Part 2 - Full Equality Analysis /Impact Assessment

Brief description of policy, procedure, project or service Context

(What we do now)

Aims and Objectives

(What we are planning to do and why?)

Protected groups

(Who will be affected by the changes?)

Information and Data used to carry out your assessment

(Please list your data source and if you have it provide a link to source. Please highlight any gaps)

Who have you involved consulted and engaged with?

(Please list stakeholders)

Analysis

(What have you found out and what does it tell you about protected groups)

Adverse Impact,

(What is the effect on the protected group? Please state mitigation in the action plan provided in Part 3, if an action is intended)

Positive Impact:

(Please highlight any positive impacts in relation to protected groups)

JUDGEMENT

Set out below the implications you have found from your assessment for the relevant Protected groups. If any negative impacts can be justified please clearly explain why. Your judgement should explicitly articulate whether you intend

- **No major change** - no potential for discrimination and all opportunities to promote equality have been taken
- **Adjust and continue** - adjust to remove barriers or better promote equality
- **Continue the policy** - despite potential for adverse impact or missed opportunity. Set out the justifications: there is no justification for direct discrimination; and indirect discrimination will need to be justified according to the legal requirements.
- **Stop and remove the policy** – policy shows actual or potential unlawful discrimination it must be stopped and removed or changed

Next Steps

1. Having completed Part 2, if you have identified potential for adverse impact on particular groups and **have found scope to improve the proposal**, then move to Part 3
2. Having completed Part 2, if you have identified potential for adverse impact on particular groups but **no scope to improve the proposal** (remembering that there is no justification for direct discrimination; and indirect discrimination will need to be justified according to the legal requirements) then please provide the form to diversityinfo@kent.gov.uk who will provide any comments which require to be considered and implemented.
3. The Head of Service and Director must then sign this document off and it be finally sent to GETcsp@kent.gov.uk in Word format It will then be logged and published on the KCC Intranet as well as available to external customers upon request.
4. Please note that the EqIA will need to be repeated within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.
5. If the activity will be subject to a Cabinet decision, the EqIA must be submitted to Democratic Services democratic.services@kent.gov.uk along with the relevant Cabinet report.
6. The original signed hard copy and electronic copy should be kept with your team for audit purposes

Part 3 - Action Plan

Document the range of options and identify the effects of each. Identify the option(s) chosen and document the reasons for this.



Protected Characteristic	Issues identified	Action to be taken	Expected outcomes	Owner	Timescale	Resource implications



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Have the actions been included in your business/ service plan? (If no please state how the actions will be monitored)

Yes/N

Next Steps

1. Having completed Part 3, then please provide the form to diversityinfo@kent.gov.uk who will provide any comments which require to be considered and implemented.
2. The Head of Service and Director must then sign this document off and it be finally sent to GETcsp@kent.gov.uk. It will then be logged and published on the KCC Intranet as well as available to external customers upon request.
3. Please note that the EqIA will need to be repeated within three years or at a time of significant change to the decision, policy, procedure, project or service, whichever is sooner. If the decision, policy, procedure, project or service is closed then GETcsp@kent.gov.uk should be advised immediately.⁴ Please also forward a final signed electronic copy to the Equality Team by emailing diversityinfo@kent.gov.uk
4. If the activity will be subject to a Cabinet decision, the EqIA must be submitted to Democratic Services democratic.services@kent.gov.uk along with the relevant Cabinet report.
5. The original signed hard copy and electronic copy should be kept with your team for audit purposes.

