

**28 July 2010 at 19:30**

## **Meeting of the Growth & Partnership Select Committee of Milton Keynes Council**

This select committee covers a wide remit from building development, economic partnerships, to regional co-ordination. The remit also includes therefore the development of communications infrastructure in Milton Keynes, which includes broadband (and fibre deployment).

### **The committee & expert witnesses**

The panel consisted of a political spectrum mix of 9 councillors, 1 oversight officer & minute taker, 3 MKC officers (Brian Sandom, Navin Sankersingh and Sarah Evans), plus 3 expert witnesses (an independent telecoms professional plus 2 from Analysis Mason who wrote the commissioned report requested by MKC that was available in the public domain prior to this meeting).

Both Openreach and Virgin Media had been invited with plenty of notice to attend and provide their input. Openreach declined but sent a written response to the report – the written response was from an un-named and un-signed person and the response was **not** made available to the public, merely read out. Virgin Media stonewalled their summons and didn't even have the courtesy to respond at all. We think that tells us a lot about VM's attitude to MK and the CATV network here.

In the public was another councillor (David Hopkins), a cabinet member/councillor (Sam Crooks, also responsible for IT & Telecoms in MK), 2 representatives from Connect>MK, a handful of MK BAG members, Anna Sexton from MK Citizen, a representative from BriteYellow and Bill Guille from the HCA (Homes & Communities Agency, which you might remember variously as English Partnerships, the Commission for New Towns (CNT) and MK Development Corporation (MKDC)).

### **Meeting open**

Other business, including approval of prior minutes was bumped to the end; so that the business around broadband could be discussed immediately. Navin and Sarah opened the meeting with a presentation which was distinctly lacklustre, missed the point, uninspiring and quite frankly condescending. While that sounds harsh, the slides presented included:

1. What is the internet and what is broadband
2. What are the benefits of the internet (including tele-medicine and emailing x-rays!)
3. What are the benefits to the local authority, MKC
4. The challenges faced (aspirations, investment, urban/rural divide, MKC/private partner roles)
5. What is the DIS, the digital switchover and how can we handle Connect>MK

Nowhere in the report were the economic benefits to MK and the businesses here highlighted, which was picked up on later by Councillor John Bint as a total lack of foresight and a serious omission. The committee then asked questions to Navin and Sarah, just around the commissioning of the report and some of the background questions. The discussion then moved to the Analysis Mason (AM) report, which was eloquently explained by the lead representative from AM and went into some detail about why we have an issue in MK, the implications economically and socially for MK, plus what fix could be applied. The committee then asked a number of questions around the AM report.

Those questions related to why wired versus wireless (bandwidth), costs of deployment (£20m FFTC vs £110m FTTP), the FTTx map we saw at <http://depositfiles.com/files/y3v9oe2hd> was sent around which answered some questions about coverage; while highlighting the urban/rural (rural in this case being North MK plus 5,000 homes in the South East corner in Walton Park Ward). CATV upgrades – Virgin Media have estimated to Connect>MK that it would cost £500k-£1m to upgrade the headend of the CATV network in MK to digital, which is required for TV post-April 2011, but still not provide broadband on their network.

The debate then moved to Callum, our independent expert witness on telecoms. This is where the debate hotted up. Callum presented some very interesting examples of best practice from around the country, focussing on Kent and Northumberland, where local telecoms companies have been successful in leveraging underlying fast infrastructure, in association with the local authority. The representative from BriteYellow backed this point up – and I'd agree that multiple solutions should be used to fill in coverage across MK (i.e. fibre, wireless, copper ADSL, satellite).

Councillor John Bint, with agreement from Councillor Brian White made points about future-proofing and that we should have addressed this a number of years ago and what fix we put in place now should be valid for more than 2, 3, 4, 5 years. Cllr Bint made the point that it's more about the ducting than the technology and a debate around the table, including input from the HCA about ownership of ducts and how difficult it can be to have an "independent" owner of them, enabling any through-flowing technology. Again the point was made that it's not just about fibre, but a variety of leveraged technologies. Callum argued that multiple partners should put in infrastructure (maybe 4 or 5 of them) against just having someone like Openreach or VM.

Alan from Brickhill made the beautifully short point that it's not about technology, or acronyms or all that good stuff – it's about just getting it done and getting it done **now** as that's all anyone really cares about – where is the focus, the pressure, the feeling of need and hunger in MKC to remain as the UK's #1 futuristic City?

MK BAG then made our input. We headlined with some simple points:

1. Multiple infrastructure partners – do you want it **now** or in 2020? Multiple partners as ISPs – overlaid, work great for competition and price. But infrastructure should be just 1 or 2 companies to ensure fast, concentrate rollout.
2. Technology type – it needs to be something that will be a common standard for the UK, and internationally, to ensure that kit you buy to access the network is cheap, common and easy to use. Exotic WiMax or proprietary technologies are a no-no for mass deployment.
3. It's about business, business, business. The economic benefits, including the "ripple effect" of people earning more, spending more in MK cannot be underestimated. It was quoted by the expert witnesses that for every 10% extra broadband penetration (not speed) you have, you get a 1% uplift in GDP. We mentioned OMB/SMB businesses and the 1.4 million OMB/VSB's in the UK that rely on home-hosting, email, upcoming cloud computing efforts (even with the retailer Amazon in this space). We quoted 2 businesses looking to move out of MK due to poor infrastructure. Cllr Tamagnini quoted his own business and his £400 loss on a single item due to poor infrastructure.
4. WiMax is not 4G. The MNOs are "into" LTE and for a limited group of people in MK, this could be a solution for a reasonable price in the near future. In the meantime, 3.5G HSPA at 7.2Mbps is reasonable. AM report confirms that growth of HSPA will be in-line with rest of the UK, within MK.
5. There's an environmental payoff here, too. Faster broadband means less commuting; more working from home, less carbon out there. What funds can we tap into here to help pay for everything as we know the actual deployment must be privately funded.

6. **FTTC is a minimum for ALL exchanges serving ANYONE in MK, regardless (i.e. don't forget Old Stratford and Woburn Sands)**
  - a. **Then in 5-7 years, prioritise the upgrade to FTTP borough-wide, but this reduces the cost in the "now" and makes FTTP deployment easier**
7. **Forget about the CATV network, based on VM's attitude. Put video in on the exchanges with fibre and increase TV competition in MK. Strip the metal out the ground and sell it for cash to re-invest into the faster broadband roll-out (regardless of form of faster broadband).**
8. **Convert Connect>MK to a full ISP that sells phone, broadband (both wireless and fibre), TV (over virtual CATV) and possible mobile in the future.**

### **Wrap up**

There was a final round of questions and statements. With one councillor not understanding really what had been discussed ("I don't think we've addressed the DIS report at all") and a resolution to revisit in 6 months with yet another far-out invite going to Openreach and VM. Cllr White proposed a number of resolutions to push the issue as a priority up the MKC Cabinet, which were adopted. Cllr Crooks managed to include a resolution to convert Connect>MK to a public-private partnership, divesting some of it's wholly MKC owned shares in a rights issue to raise cash for investment. Connect>MK said they're about to raise the speeds from 2Mbps to 10Mbps for the basic WiMax services in the near future due to a software upgrade.

### **End and summary**

Overall it was hard to be incredibly inspired by the meeting. While the information educated and got the members up to speed and very much engaged with why the issue is critical to the future of MK, there appeared to be a lack of drive and hunger. We will only be able to see over time with the information that we get back from the MKC cabinet. We need to keep the pressure up on the main 3 points we made and exploit the campaign with the MK Citizen. Let's get the word spread more about MK BAG and ensure that all of our ward councillors are working for this goal... have you written to your ward councillors? (<http://www.milton-keynes.gov.uk/councillors/>)