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SOUTH WEST REGIONAL ASSEMBLY
SELECT COMMITTEE HEARING ON BROADBAND

held at

THE RACECOURSE
TAUNTON
SOMERSET

on

TUESDAY 15th JUNE 2004

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Present:

Mr Ian Munro
(Chair)
Cllr Mike Bawden
CLLR Lady Mavis Dunrossil
Cllr Andrew Govier
Mr Christopher Irwin
Mr Howard Thomas
Mrs Bryony Houlden (Chief Executive)

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Present for the RDA:

Ms Caroline Bull
Mr Geoffrey Wilkinson (Chief Executive)
Mr Nick Buckland (Vice Chair RDA)
Mr Nick Lewis
Mr Fabian King

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Transcript of the Shorthand Notes
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P R O C E E D I N G S

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1
2 **Welcome and Introduction**
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4 THE CHAIR: Welcome everybody, thank you all for coming here
5 today, for a very constructive day, I am sure. It is
6 welcome from me, Ian Munro, chair of the Scrutiny Panel,
7 and it is good to see colleagues from the RDA with us
8 today. If we could just introduce ourselves, obviously
9 there are signs but it is worth going around the table.

10 As I say, I am Ian Munro, I am Chair of the Scrutiny
11 Panel.

12 CLLR GOVIER: Andrew Govier, Member of the Regional Assembly
13 and Somerset County Council.

14 CLLR BAWDEN: Mike Bawden, Member of the Regional Assembly
15 and Swindon Borough Council.

16 CLLR LADY MAVIS DUNROSSIL: Mavis Dunrossil, Member of the
17 Regional Assembly and South Gloucestershire.

18 MR IRWIN: I am Christopher Irwin, I am a Social, Economic
19 and Environmental Partner Member of the Regional
20 Assembly. I am also a Member of the RDA's Advisory Group
21 for the Infrastructure Advisory Committee, therefore I
22 suppose I am flagging an interest.

23 THE CHAIR: That is why we sat you over there!

24 MR LEWIS: I am Nick Lewis, I am Director of Corporate
25 Services of the RDA and I am also currently acting
26 Director of Enterprise and Innovation because it is just
27 a holograph down the other end!

28 MR WILKINSON: Geoff Wilkinson, Chief Executive of the South
29 West RDA.

30 MR BUCKLAND: Nick Buckland, Deputy Chairman of the RDA, but
31 I also chair the South West RAB and I chair the ITC
32 Sector Group and the ITC Driver Group, and I sit on the
33 Infrastructure Group with Chris.

34 MR KING: I am Fabian King and I work at the RDA as the head
35 of regional ICT.

36 MS BULL: I am Caroline Bull. I was the Director of
37 Enterprise and Innovation, regional ICT was in my remit
38 and I am here today.

39 MRS WEISINGER: My name is Miriam Weisinger, I am the
40 stenographer for today.

41 MR THOMAS: I am Howard Thomas, I am a Member of the SWRA, I

1 am a Social, Economic and Environmental Partner
2 representing the Regional Environmental Network.

3 MRS HOULDEN: I am Bryony Houlden, I am Chief Executive of
4 the Regional Assembly.

5 THE CHAIR: Thank you. Obviously, also welcome to both the
6 colleagues of the RDA and our secretariat colleagues who
7 are with us today.

8 Unfortunately, we have had a few apologies today. We
9 have had apologies, really through illness, which is
10 unfortunate, from Gordon Jennings and John Wilkinson and
11 Mike Byatt and Paul Crossley, so we will adjust how we
12 are going to play the questions as we go. It is
13 unfortunate and we wish them well, obviously. Hopefully,
14 everybody has got the right paperwork in front of them.
15 Is anyone short of anything or do you need more? There
16 is plenty floating around and we can find some if you
17 wish.

18 The structure for the day - I hope everybody has seen
19 the programme. We try to be flexible, obviously, with
20 this, but it does give us a framework to follow. If I
21 could just ask you just to cast your eyes over it, as you
22 can see we have panel leads, as is the usual format, and
23 those panel leads will have tried to bring themselves up
24 to speed on those areas, but we will have to box and cox
25 it a bit due to some illness today. We have focused on
26 five main areas, as you can see, the regional context and
27 the strategies needed for broadband, the policy
28 implications, we want to explore those really, the role
29 of the public sector in all of this, which is quite a
30 critical issue now. Then in the afternoon we want to
31 look at the local strategic partnership, which is the key
32 area for making this happen, as I said, and obviously
33 business competitiveness. That is the structure and I
34 hope people are comfortable with that.

35 I would like to say some formal words now for the
36 record, I will just go through those if you do not mind.
37 We have done the welcome and we know who we are, which is
38 great. As you know, the Regional Assembly has a duty to
39 work with the RDA in terms of helping to strengthen its
40 accountability to the region, and we have opted to do

1 this in this region through very much an open process, a
2 partnership approach, with open dialogue and, as we move
3 into looking at the Regional Economic Strategy we have
4 decided to go through these bilateral discussions. The
5 reviews are, as you know, to examine the effectiveness of
6 the Regional Economic Strategy in meeting the region's
7 economic needs, to assess the consistency between the
8 Regional Economic Strategy and other regional strategies
9 - which is a big challenge for us all - and to assess the
10 contribution of other agencies in making the reality of
11 the region's strategic objectives, which is particularly
12 important in an area such as IT infrastructure and
13 broadband and I think that is where we are moving on, it
14 is very much about what other partners' contribution can
15 be to the process as well. Finally, really, the reviews
16 are to assess the South West RDA's contribution to ensure
17 that the Regional Economic Strategy is both a strategic
18 catalyst and a delivery agent.

19 We are here today, fortunately well informed, as
20 always - thanks to everybody - because as you know
21 members of the Scrutiny Panel have had one-to-one
22 interviews and discussions with many stakeholders in the
23 region; we also carried out a questionnaire with members
24 of the Regional Assembly and we are very grateful for the
25 workshop and all those who attended, and the input and
26 contribution of the RDA to what I think most people felt
27 was a fairly constructive day and very informative. We
28 had over 80 people here, which is a good turnout and
29 shows a good level of interest in this area. Obviously,
30 thanks to the RDA and Geoff for sharing the early
31 findings of your research, I think that was particularly
32 helpful to us and really informed us, so thank you for
33 that. Obviously, those discussions have informed the
34 framework of the area that we are discussing today. I am
35 particularly grateful to Professor Colin Millar who is
36 with us today - thank you, Colin - and other contributors
37 on the day, it certainly helped us. Government Office
38 South West as well helped us identify issues and areas
39 that we might wish to explore.

40 As you know, the full report of today, including

1 detailed recommendations will be published later in the
2 year, and that will go to the Regional Assembly in
3 October, that is when it is formally passed to the RDA.
4 As I say, we have a stenographer to transcribe everything
5 today. It is worth noting that the reports do go to
6 government ministers and I do think that is good in
7 flagging up what we are doing in this region. In many
8 respects I think we have got quite ahead of the game.

9 I look to the public gallery - I think we can skip
10 that. I thought there was a bus turning in earlier, but
11 there was not!

12 Finally, I think the context as we come together
13 today - and I was certainly talking to colleagues about
14 this - is very positive. A lot of great strides have
15 been made in this particular area in the region, and I
16 think today it is as much looking back, but it is also
17 looking very much forward, how do we take it to the next
18 stage, how do we work together, how can other parts help
19 support the RDA in taking that agenda forward. So I
20 think that is a very good point at which to start. I
21 will invite Howard, if I may, to open the questions.
22 Thank you.

23 **1. Regional Strategic Context and Roles**

24 MR THOMAS: Thank you very much, chairman. Good morning,
25 everyone. You already have a list of the chief questions
26 we were going to put to you on strategic context and the
27 role of the RDA within that, and it seems to me that
28 there are three main points which you have been made
29 aware of. I want actually to start if I may, perhaps
30 unusually, with the second that is listed, which is to do
31 with the role of the RDA and the Assembly in developing
32 and helping to achieve a vision for broadband in the
33 South West, and we will come on to what the vision should
34 be afterwards. If you were to say to us, well, our role
35 is very limited, then obviously the questions about what
36 your vision might be would be in relation to what you
37 think your role is anyway. So I think I would like to
38 start with that. What is your role?

39 MS BULL: I will kick off on that one. We think there are
40 several key goals for us here, and when I say "us" I am

1 talking probably all the way through this of both the RDA
2 and the Assembly working together. I welcome that, and
3 the idea that this is a bilateral discussion for me is a
4 real move from early days. So that is really good.

5 The key goals, just to headline them for you, are (1)
6 enabling rural areas outside the reach of BT, (2) better
7 uncontended band width, so improved broadband and (3)
8 encouraging best practice in technical innovation. The
9 roles, I think, fall out of that. We have come up with
10 four broad categories really of roles: firstly,
11 awareness-raising. So we have a policy as an Agency of
12 stimulating interest in (as you will have seen from the
13 papers there) and an understanding of the opportunities
14 that broadband internet technology has to offer. We have
15 already done quite a bit of work on that with the
16 Broadband Show being an example there. But we have got
17 future projects on the go as well, so encouraging
18 adoption of flexible working practices, for example,
19 encouraging e-government services and that type of thing.

20 The second role is information gathering so that we
21 can help to improve the planning for broadband. We
22 sponsored three areas of research there: researching into
23 business uptake, business understanding and awareness of
24 ICT and broadband, and that is to help in planning
25 targets for improving usage of ICT; measuring the
26 economic and social impact of broadband, and that is to
27 help to justify future demand stimulation projects; and
28 research into the impact of, if you like, community
29 broadband, so Buckfastleigh Broadband Community Network
30 Project. We think that that is going to help us in
31 planning future community-based projects because it
32 considers the socio-economic impacts of development on
33 the community as well as the technological aspects.

34 The third role is partnership support. You have
35 already heard, I imagine, quite a lot about Connecting
36 South West Partnership, and there will probably be more
37 of that later, I am sure. That is the route by which
38 demand for broadband take-up is being stimulated across
39 each sub-region and therefore regionally, and in due
40 course we are hoping that we and the Assembly will be

1 able to step back from that as the succession planning
2 for those partnerships kicks in.

3 That brings us to the fourth role, the final role, I
4 suppose, which is cohesive leadership. So if we take a
5 lead on research and monitoring, development and
6 planning, and we encourage the sharing of best practice
7 across the county partnerships, then hopefully that will
8 lead to a regional integration of the separate
9 partnerships and a much more cohesive approach to
10 broadband take-up in the region.

11 MR THOMAS: Thank you very much. Let us go over some of
12 those, because that is quite a lot. I do not know about
13 other members, but I was scribbling furiously. So we
14 have got enabling the rural areas that are outside the
15 conventional ---

16 MS BULL: As a goal, rather than a role for us, but we were
17 thinking about what the key headlines should be for what
18 we are trying to do now. The game has changed really, we
19 are always talking about getting broadband here and
20 really broadband is here, even in areas where BT are not
21 providing it then, because of satellite, the coverage is
22 not an issue now for us.

23 MR THOMAS: If we are going to be enabling rural areas it may
24 be in other areas than simply provision of the technology
25 that we are talking about. Okay, that is useful to know
26 straightaway because in the time since we had our meeting
27 here, BT have made their announcement and, as you point
28 out, there are other ways of getting broadband to areas.

29 The band width we will need to come back to later
30 because I think some people see there are opportunities
31 and threats, and I see Fabian nodding. Perhaps we could
32 have a look at that one, what do you see in that area as
33 being your role as regards greater band width.

34 MR KING: Availability is literally geographical coverage and
35 band width is the performance of the service, the speed
36 and capacity. I think our goal is to allow for the
37 private sector to come forward and play their part.
38 Maybe in five years time, if by then we have a
39 competitive and extensive market, there will not be such
40 a large role for the RDA to play, we will actually step

1 back and have other influencing roles to undertake. So
2 band width itself, coming from the private sector, one
3 needs to cultivate the opportunities that the private
4 sector would like exercise, and to run through a
5 shortlist, some of the wireless solutions coming forward
6 that have been taken up under licence have a lot to
7 offer, and we have already spoken to one of the more
8 significant licence-holders. It is a Hong Kong company
9 and sadly they are going to be concentrating on the
10 conurbations around London and Manchester before coming
11 down to the South West, but that had quite a lot to
12 offer. So one has to wait on the private sector having
13 the appetite to pursue it in this region; they hold the
14 licence and we do not really have much room under the
15 current circumstances on that score.

16 When it comes to, say, cable, the cable is already
17 laid in place, but what is interesting is that there are
18 some advances on the capacity made available to broadband
19 usage and, also, there are some changes, recently made,
20 to the commercial offer of that use, which in fact has
21 quite an impact as well. So that is allowing more people
22 to take up a higher performance from cable. When it
23 comes to fibre optic, there are two aspects to consider
24 there: one is that there is a lot of as it is called
25 "dark fibre" running through the peninsula from the
26 Atlantic crossing, which is intended really for massive
27 use later on when there is a much more mature market, in
28 due course, further afield in Europe. It would be nice
29 to have that as a target for opening up, breaking out,
30 within the South West and of course we are talking to
31 people about that, but it is early days, it has to be
32 private sector funding that comes into play there.

33 MR THOMAS: So in fact then as far as the greater performance
34 of a broader band width is concerned, the RDA does not
35 see its role as other than, perhaps, facilitating contact
36 between the people they would like to see benefiting from
37 that greater band width, and the people who are likely to
38 be able to provide it. It is not a financial investment
39 from the RDA that you see over the next years.

40 MR BUCKLAND: I think that is very much a demand stimulation

1 aspect, because if that demand is stimulated the private
2 sector will come in and actually satisfy that demand. We
3 are already seeing that with companies like BT who are
4 losing revenue from their telco or their traditional
5 voice telecommunications, so we are going to see an
6 increase in their business on data transfer and things
7 that are done across the internet, so we are going to see
8 that from the private sector anyway, it has to happen for
9 them to maintain their revenues and profitability.

10 MR THOMAS: If we come on to the third, which I think
11 actually you are beginning to introduce, the technical
12 innovation role that Caroline mentioned, it is alright
13 having all this band width and everything else, but I was
14 very conscious during the Broadband Show meeting that I
15 attended and also the meeting we held here, the
16 workshops, that consultants saw not so much the provision
17 of the technical capability but the ability to use it as
18 being a key role for someone.

19 Just examining that very briefly, because other
20 colleagues will go into this much more deeply as the day
21 goes on, do you see the RDA as having a role - you
22 obviously do - in technical innovation, but is it
23 financial, is it knowledge provision, what will it be
24 over the next few years?

25 MS BULL: I do not think we can give a round figure, but
26 there are a number of things that we are doing and
27 projects that we are funding in fact, which are to do
28 with IT skills, up-skilling people to use the technology
29 that is available, and we are working with the Learning &
30 Skills Councils to encourage them to bring IT into the
31 basic skills - reading, writing, arithmetic and IT.

32 MR THOMAS: Excuse this parochial point, but it is just one
33 that I am aware of. I come from the West Dorset area and
34 I am aware of the Line.Net project (if I can call it
35 that) which the RDA is sitting behind, in connection with
36 the Market Towns Coastal Initiative. They undoubtedly
37 are busy trying to improve the skills of people locally
38 to take advantage of whatever comes along; is that the
39 sort of thing that you see the RDA being involved in? We
40 talked of Buckfastleigh and other places ---

1 MS BULL: Certainly when we get a bit further into this we
2 will talk about community projects and using community
3 centres to almost surreptitiously slip in the opportunity
4 for IT up-skilling. So the answer is yes to that.

5 MR THOMAS: You mentioned, finally, cohesive leadership, and
6 I now want to come back to discussion point one which is
7 that it is quite clear to me from your answers on what we
8 have just covered on your role, that your role is a big
9 one as you see it, a very significant one. So I would
10 like to ask you now, in the second third of our
11 discussion, what you see as being your vision - I do not
12 like that word, frankly, I am not a vision man, but
13 nevertheless you may be, so I will not criticise you for
14 that. Where do you see us in five, ten, twenty years
15 time with this racing technology? Are you following
16 events or are you trying to command them as it were? If
17 I were you I would feel very uncertain, I will be honest
18 with you, as to whether I could now say today, in front
19 of this meeting, that I have a vision of where we are
20 going to be in a certain number of years time because of
21 the sheer pace of technology.

22 MR WILKINSON: It depends how you talk about vision, does it
23 not, five, ten, twenty years is a lot of time in this
24 area. You will be familiar, I think, with this document,
25 this is a South West Information and Communications
26 Technology Strategy, but I looked at the date to remind
27 myself and it was only just over a year ago that it was
28 produced. A huge amount has happened in one year, let
29 alone in five or ten. We certainly do not see our role
30 as in any way determining what happens, that this will
31 happen by a certain date. It is much more of a
32 facilitating and a constantly changing scene that we are
33 working within.

34 But hidden away in this strategy and not labelled as
35 such was a vision, and the vision was that "ICT will
36 provide the opportunity for the South West to increase
37 wealth, enrich society's coherence, choice and standard
38 of living; it will cross the digital divide, reach rural
39 areas and reduce environmental stress." So it was a
40 fairly broadly expressed vision and it was adopted by the

1 region in the context of the strategy.

2 Although it was only just over a year ago, we are
3 looking at how we should review the strategy now, and so
4 we will be looking, and I think today's meeting is an
5 important part of that process, as to what has happened
6 already and what is still to happen. Some of the things
7 in here actually have happened much faster than we
8 thought, but what do we need to review, what do we look
9 at in terms of timing again, and as part of that we do
10 think we ought to look at the vision and, you know,
11 concepts that may be are implied there but are not
12 central, like affordability for instance, that we may
13 think in terms of. Obviously, increasing wealth embraces
14 a huge range of issues, but that is the vision that we
15 have been working to, as we published in the strategy in
16 May last year.

17 MR THOMAS: I think that is very helpful. I do not know
18 whether colleagues agree with me, but I think that is a
19 very, very straightforward vision, but it is quite
20 clearly one which does include the ability to adjust to
21 emerging technology, and the mission, I think, on all our
22 parts is that we cannot foresee this, frankly. Would you
23 agree with me that if we look at, say, the last ten
24 years, would it be foolish to think that one could
25 predict what the level of technical innovation would be
26 in ten years' time?

27 MR BUCKLAND: I think that is absolutely right. You only
28 have to look back at a very simple example, the issue of
29 3G licences and 3G technology for mobile phones. The
30 telco companies spent, I think, in the order of £25
31 billion on those licences not two years ago, and that
32 technology has only just started to come to the fore and
33 it has changed beyond measure from what they were
34 originally looking at. So even the telco companies with
35 their vast research capabilities cannot recognise that,
36 so the speed of change in this sector is extremely fast
37 and I think we would be very foolish to try and second-
38 guess it. We can guess some of the trends and,
39 certainly, there is evidence of where the trends are
40 going to go, but putting a time scale on it I think is

1 very dangerous.

2 MR WILKINSON: I think one of the key lessons that has been
3 reinforced is we thought from the beginning that we
4 should operate as an RDA mostly on the demand side and I
5 think that has been really reinforced. This is, I
6 suppose, more than any other an area where demand creates
7 its own supply, as we were saying earlier, and I think
8 that is where we have got to continue to operate, to
9 stimulate people to be thinking about how you can make
10 better use of this in businesses and in people's personal
11 lives. That is the central part of our role, if demand
12 evolves then supply will follow.

13 MR THOMAS: Before the meeting colleagues were saying that we
14 need to cover the issue of regionality because this is a
15 regional scrutiny process that we are carrying out today,
16 and what I would like to ask you is despite the
17 difficulties we have just been discussing, how would you
18 see the South West compared to other regions, say in ten
19 years time, or indeed internationally, in terms of where
20 we will be compared with those other regions and nations?
21 It is a difficult question.

22 MR BUCKLAND: I think that is very much tied in with part of
23 what we were talking about in terms of technology
24 changes, and it is very difficult to measure where that
25 is going. I think as a region we should be looking to be
26 ahead of comparable regions, not just in the UK but
27 across Europe, and certainly by the use of technology we
28 can overcome some of the peninsula problems for the far
29 west of the region, the viewed isolation of the
30 peninsula. So we can actually look at getting knowledge-
31 based industries to develop here. So I think we should
32 be looking to be ahead of comparable regions across
33 Europe.

34 I think, also, we should be looking to seek a higher
35 level of demand and doing that through the demand
36 stimulation that we are actually looking at across the
37 region. I think the third area is that we have to look
38 at the skills level, and this is something that Caroline
39 touched on earlier; the skills of people within the
40 region to actually (a) take up that demand but also (b)

1 being able to satisfy that demand. So there is an agenda
2 there with regard to skills development and the
3 availability of people to actually take advantage of the
4 technology and also being able to support that.

5 You have doubtless seen the benchmarking activity
6 that we undertook fairly recently, and there was a dearth
7 of support and capability the further down the peninsula
8 you went, so that is something we really do need to look
9 at very hard.

10 MR THOMAS: You have mentioned, if you like, that of course
11 the indigenous population can take advantage of skills
12 and learning initiatives, but it seems to me that if the
13 South West, as we recognise in all our policies, is a
14 desirable place to live - I like the word peninsularity
15 by the way rather than peripherality, it rings truer for
16 me - what is also nice about the peninsula is that people
17 like to go there for their holidays and therefore, if
18 they were able to, they would probably like to go and
19 live there and work from there. In the wider context do
20 you think there are opportunities and threats in the
21 sense of greater pressures on the environment, from
22 inward migration, not now from retired people but from
23 people who can run their businesses from places they
24 prefer to live in?

25 MS BULL: It depends whether you see that as a bad thing, I
26 suppose. When you were talking I was thinking what is it
27 that is special about the South West that we can enhance
28 with the use of ICT, and I put down tourism, remote
29 working and environment, because if by using the ICT it
30 means that there are not so many cars on the road, people
31 are more able to work remotely, then that has got to be
32 good for the environment, it has got to be good for
33 people because it is reducing the stress levels, which
34 Geoffrey referred to earlier on, and then given where we
35 are on tourism, if we could use broadband to our
36 advantage for destination marketing booking, making the
37 South West seem a really go-ahead place that you could
38 easily book, and come to and be in, then hopefully there
39 would be that as well. Mind you, that brings its
40 dangers, the influx of people getting here, so we are

1 going to have to make sure that we have got the transport
2 options available to get them here without clogging up
3 the roads.

4 MR THOMAS: At the Broadband Show, Caroline, I asked the
5 presenter a question - they were showing how wonderful
6 Padstow is via broadband, presumably other countries who
7 have it, and I said it might be possible of course that
8 people having seen Padstow so graphically via broadband,
9 they might decide there is no need to visit it after all,
10 they know what it is like now, and just buy the recipe
11 book.

12 MS BULL: We need to get smell and taste down the wire
13 somehow.

14 MR THOMAS: It is all the senses that are involved, maybe it
15 is the technology increase that we do not yet predict you
16 see, this is the point. Coming back then to
17 opportunities and threats, do you honestly think there
18 are threats to the South West area as a result of
19 increases in broadband? You do not identify threats
20 really, do you?

21 MR BUCKLAND: I think there are many more benefits than
22 threats. A benefit would be inward investment and
23 bringing people in, and there are quite a number of
24 companies who have already moved into the South West and
25 the far South West. In Bath there are quite a number of
26 software companies based around there, also in Bristol,
27 and the far South West has quite a number of companies,
28 people who have decided that that is where they want to
29 live and work. So there is inward investment in that
30 respect and I guess, in a sense, I am one of those who
31 moved down here because of some of the technology that
32 was available to me ten years ago, so it has improved
33 tremendously.

34 MR THOMAS: Yes.

35 MR BUCKLAND: In terms of threats I guess you are going to
36 get, in Cornwall in particular, a vision of outsiders
37 coming in, so there is that potential threat I guess.

38 MR THOMAS: Coming back to discussion point 2 again, is this
39 possibly the area then where the RDA and the Assembly
40 need to work together?

1 MR BUCKLAND: Yes.

2 MR THOMAS: Because it seems to me that we are engaged at the
3 moment on the production of the Regional Spatial Strategy
4 and of course our Integrated Regional Strategy, and I
5 want to ask you, do you recognise that the Assembly
6 eventually has to come up with a solution which covers
7 the three prongs of our policy: social, economic and
8 environmental, so that we underscore the overall
9 strategy, if you like, for the South West which is a
10 pleasant place to live, work and play, all the stuff that
11 we have got in our strategies? Can the promotion then of
12 the use of broadband underpin a lot of our policies, is
13 that the case?

14 MR BUCKLAND: I think that is absolutely the case. I was
15 really struggling to think of threats and I think there
16 are many, many more benefits than there are potential
17 threats.

18 MR WILKINSON: The biggest threat is missing the
19 opportunities and other people take advantage of the
20 opportunities and the region will be disadvantaged.

21 MR THOMAS: Yes, I think some of the things that Fabian was
22 just telling us about regarding services coming to us
23 from abroad, these trans-Atlantic links and all the rest
24 of it, it seems that somebody has got to keep on top of
25 that. Would you see that the RDA is that body that keeps
26 on top of these international developments, or is it the
27 DTI? How do you work with the government agencies?

28 MR KING: We are working very closely currently with the DTI
29 and DEFRA-sponsored rural broadband team. We have worked
30 very closely with them for about a year and a half now,
31 and that is helping tremendously. We were very involved
32 with the DTI when they were considering aggregation with
33 the public sector fund and, as you know, there is the
34 office in Brussels that looks after EU affairs, and we
35 are in communication there to see what is in the pipeline
36 coming to us. That is very important, because that
37 actually starts framing the scope in which we should
38 operate in mid-term.

39 What I would suggest though is that not only is there
40 a threat of missing the opportunity, which would set us

1 back with very difficult entry costs to get back into the
2 game, but also the threat is mismanaging the opportunity,
3 because we need to stay at least on a par with the other
4 regions in the UK and in Europe. We do not want to slip
5 behind, we need to be up amongst the leaders of those who
6 are taking advantage of the technology in order to gain
7 the premium advantage. The advantages start to slip away
8 quite quickly if you are a latecomer to what broadband
9 has to offer.

10 MR THOMAS: Does the RDA have sufficient resources to achieve
11 that? I am not asking you to say you are short-staffed,
12 but you understand.

13 MR WILKINSON: An organisation like the RDA cannot possibly
14 be the leading authority on ICT, we must work with other
15 people and gain economies of scale. It is silly in a way
16 for each RDA to set themselves up to do it, so we must
17 work with the national government and with others in
18 Europe to do that, we cannot do it on our own.

19 MR THOMAS: I am very worried at the moment about the issue
20 of cross-discipline co-operation. Again, anecdotally, I
21 know of educational institutions such as secondary
22 schools and colleges, some places in the South West, that
23 could go quicker in introducing ICT but actually do not
24 have the power supply in order to be able to do so, and
25 the reason is that there is not enough electricity coming
26 down the wire in one particular case. I expect, from
27 what I said earlier, you can guess where that is, I am a
28 governor of Lyme Regis School. It seems to me that there
29 could be something for the future, I cannot believe that
30 that is the only case in the South West where there could
31 be problems. If everybody is going to have access in
32 their homes and in their workplace to this technology,
33 that is an awful lot of power being consumed, and I
34 wondered whether - I see a few puzzled faces - you have
35 looked at that. I think Nick wants to comment.

36 MR LEWIS: I am just looking puzzled down towards Fabian,
37 because in terms of using power there is very little in
38 the way of moving parts in a computer compared to an
39 oven, a microwave or a hairdryer. So I am surprised,
40 Voltage is obviously a problem, but modern PCs and

1 servers can cope with that. So I am just looking to
2 Fabian to see if he is aware of these power problems.

3 MR KING: I am not.

4 MR THOMAS: Then we will leave that because it is obviously
5 something for somebody to look at outside the meeting. I
6 will look into it and come back to you another time.
7 Certainly, if you put 900 people in principle behind a
8 computer in every school, however small each power source
9 is in terms of that PC or server, you are using power,
10 there is no question about it. Anyway, enough of that.

11 Is there an optimum level of demand for broadband
12 solutions that the region should be seeking to achieve in
13 the longer term? I have a bit of difficulty with this
14 question, so I will be led entirely by you. In other
15 words, do we have to look at the difference between the
16 uptake of broadband as opposed to the coverage of it? I
17 have a suspicion that that question has sort of been
18 answered by virtue of BT's announcement and so on, but
19 what has left me in a quandary is the degree to which the
20 educational side of the use of broadband may be lacking
21 at the moment in our region for, certainly, not only the
22 people who are obviously going to be coming here, as I
23 described earlier, but the people who are already here
24 who are totally unaware of what broadband can do for
25 them.

26 What can we look forward to from the RDA in that
27 area?

28 MR BUCKLAND: I think that is very much in the area of demand
29 stimulation and the work we are doing against that, and
30 certainly the projects like ActNow and the various other
31 projects are stimulating demand, and the website
32 Connecting South West. So I think there is a great deal
33 of activity going on with that demand stimulation, and we
34 will certainly cover that later on.

35 I think one of the other aspects that we can also
36 consider for the South West is that the UK is seen as a
37 footfall for most American companies coming into Europe
38 and most Japanese companies coming into Europe, so that
39 new technology can actually come into the country, but
40 the peninsula is actually a very good place to benchmark

1 some of that technology so that we can actually get some
2 of the new technologies being benchmarked down here, and
3 it is a fairly compact and tight area to do that. So I
4 think we can look to all of those factors to actually
5 stimulate demand.

6 As for education, there are certainly things coming
7 through the Learning and Skills Council and various other
8 aspects about increasing IT literacy and actually using
9 IT literacy as a means of getting into some of the basic
10 numeracy and literacy problems, because it is much easier
11 to admit to not understanding computers and how to use
12 computers than it is to admit to numeracy and literacy
13 problems. So there are lots of aspects to doing that,
14 but a lot of it comes down to demand stimulation.

15 MR THOMAS: We have talked about people who perhaps are
16 computer illiterate, but are there key services related
17 to broadband which the public agencies should be
18 promoting? One has the concept that public agencies are
19 not always forthcoming in showing people how we can use
20 ICT to improve both the customer side and the supply side
21 of our services. I am sure if you have dealt with your
22 local council you will have noticed this; what are your
23 feelings on this? Are there key services which the
24 public agencies should be promoting but are not?

25 MR BUCKLAND: I think the government has an e-government
26 strategy, and I think that in some parts it is extremely
27 good, in others it is very lacking. I think a lot of
28 people in the initial stages thought they could get away
29 by putting up a very simple website and that that would
30 cover their requirements, but actually there is much more
31 that can be done against that, and I think the government
32 is trying to push that agenda very hard.

33 There is an issue with the expectation of what can be
34 done versus the reality of what can be done, so there are
35 achievable goals with regard to that, but certainly the
36 government is pushing very hard against that and
37 certainly is pushing local authorities and agencies to
38 make sure that they are pushing that agenda forward.

39 MS BULL: I think there was a risk early on that by some of
40 the public agencies trying to use the internet - I am

1 thinking about the inland Revenue, for example, or some
2 of the local councils - almost before they were ready to
3 was a bit of an offputting factor. I have met quite a
4 lot of people who have said, you know, "I tried that and
5 it did not work", but we are in a second wave now and the
6 ways of doing things are much, much more efficient. So
7 what we have got to do is to share them.

8 If you think about things like housing benefits,
9 where you apply for housing benefit on-line, that is
10 being used with people who otherwise would not perhaps
11 have had access to kit and therefore would not have
12 thought of doing it like that. By introducing that as an
13 easy and quick way for them, it is then showing them that
14 they can use ICT, broadband in all other aspects of their
15 lives.

16 MR BUCKLAND: I have a good example of that. When MAFF first
17 introduced the concept of doing IX responses on line, I
18 got mine and I thought this is great, I can do my IX on-
19 line. I then looked at the details and I found I had to
20 travel from Cornwall to Bristol to get a piece of
21 software, a digital signature piece of software, so it
22 took me two hours to drive to Bristol, an hour to get the
23 stuff and two hours to drive back to complete a two-hour
24 form. So, you know, there was an issue around that, but
25 now they are getting to grips with that and they are
26 actually putting that in a much more sensible way. So I
27 think it is an understanding on the part of the
28 government departments and the like to understand what
29 can be done and actually doing it in a much more user-
30 friendly way.

31 MR WILKINSON: Given some of the difficulties recently in the
32 northern regions with their election, maybe we could
33 leapfrog and go for e-voting.

34 MR THOMAS: I was wondering about exemplar projects and the
35 RDA. If you think about it, we have an increasing
36 elderly population - actually elderly people are using
37 ICT quite effectively in my view. Having said that, one
38 could imagine that in terms of social inclusion there
39 could be projects for people to be able to use local on-
40 line access to industries and all the rest of it that

1 they have to deal with, without actually having to be
2 themselves trained up in how to use these things by, if
3 you like, a local agent. We have talked about
4 Buckfastleigh and I had the idea that there were some
5 social ends to the project that went on there. Is that
6 something you would like to promote?

7 MR KING: The answer is yes, and through the County
8 Partnerships under the Connecting South West programme
9 there will be many instances of that being practised.
10 The Buckfastleigh project, in fact, was based upon four
11 programmes which were put forward to stir up interest in
12 using the technology, and I think the lesson we have
13 learned is that you do not lead on the nuts and bolts of
14 the technology, because that will not take you through to
15 the mass use later on. What really brings forward the
16 mass use is an attraction in taking up the service that
17 is offered and, incidentally, it happens to be over
18 broadband with computers. I think we can expect within
19 about four years time to have many slightly glorified
20 telephones that will be able to deliver services, so,
21 again, what will drive the user will be the service that
22 they are accessing and using and they will become
23 familiar with that, not with the technology.

24 MR THOMAS: That is very helpful. My point has run out of
25 steam, chairman, so if anybody else wants to come in I
26 would be very grateful.

27 THE CHAIR: Thank you ever so much for that and thanks for
28 the answers. There is a chance for some supplementaries,
29 we have about five minutes. Chris?

30 MR IRWIN: I just want to pick up a little bit, if I can, on
31 what I think is the crux, chair, which is whether you
32 develop through demand stimulation or whether you develop
33 through attending to the supply side. I have heard what
34 you are saying, I have heard you saying that you claim
35 you are demand stimulation led, but I was very interested
36 in that Fabian just a moment ago gave the example of
37 providing services which get people to use the thing.
38 That, to me, is supply side working.

39 I know it is a year old, but the strategy is very
40 interesting on threats and weaknesses. If you look at

1 page 9 in the strategy, there is a nice little list
2 there, all forgotten now, and when you look at the list
3 of threats and weaknesses, most of the threats and
4 weaknesses seem to me, on my reading, to be on the supply
5 side - not so much on the demand side. Therefore, what I
6 am trying to drive at is that you say, quite clearly,
7 that your policy is driven by attending to the demand
8 stimulation side of the equation, yet your analysis
9 informally and in your papers talks about the supply
10 side. So I say to myself hello, what are they really
11 talking about.

12 MS BULL: I was just going to say it is a timing issue,
13 because even one year ago we were all struggling to think
14 how do we make sure that everyone can get to use this
15 stuff and now we realise, because it has sort of arrived,
16 that in fact we really need to put our effort into the
17 demand stimulation. Is that a fair analysis?

18 MR LEWIS: Fabian's issue I think was supply stimulation is
19 saying you find something that people want and then they
20 will demand broadband to deliver it, so he was talking
21 about demand stimulation. Even when you want to tackle
22 the supply side, for example when we were trying to make
23 sure that there was an adequate market for satellite
24 broadband, there are two ways of doing it. One way would
25 be to try and pick a winner of satellite provision, pick
26 a company and say "Right, we will set them up in
27 competition with BT, to make sure the infrastructure is
28 there" and we realise that that is not the route to go
29 down. As Geoff said, you cannot pick winners in this
30 game, so what we did is we said we will stimulate the
31 demand, and that will make sure that the supply follows.
32 When the RABBIT project was set up, there were less than
33 a dozen suppliers of satellite technology; you go to the
34 RABBIT website now and you find over 100. The price has
35 come down and the quality has improved. We could not
36 have done that if we had tried to, because some of the
37 companies that we thought would be good have been a
38 complete disaster and have never even got off the ground
39 in the early stages; others have come along - we have an
40 example in the region of Avon On-Line which is a really

1 good provider of services - who were not there two or
2 three years ago. So the only way to do it is to look at
3 the demand side, and then that brings the supply along.

4 MR WILKINSON: If you think of the billions of pounds that
5 have been spent on the supply side by the hundreds of
6 major corporations and all the rest, that is not an area
7 for RDA expenditure, it is an area where we need to
8 understand and keep up.

9 MR IRWIN: So One North-East is wrong, for example, to put
10 money into ensuring coverage in the North East?

11 MR WILKINSON: I think they are rather embarrassed by that
12 now and they are negotiating to try and get some of their
13 money back.

14 MR LEWIS: In the North West they have wasted money - I will
15 not say how much on the public record - looking at the
16 feasibility of creating a fibre optic network in the
17 North West, which I do not believe has actually happened.

18 MR IRWIN: And the Scots are wasting money, putting in money
19 for this vast pipeline, from the east coast into
20 Edinburgh.

21 MR LEWIS: They have done very well, except that they are now
22 subject to scrutiny under state aid interference, so
23 there is a problem there, and their purpose was quite
24 specific and peculiar to Scotland being very remote
25 indeed.

26 MR IRWIN: I personally agree with your analysis of all that
27 and I do believe that stimulating the demand side is
28 right, but it seems to me that the really interesting
29 thing is the question to what extent is that a function
30 of regional structures, getting to that point, to what
31 extent could it have been done by clear, central
32 government and intervention? In other words, what is the
33 USP that regional agencies have bought? I mean, clearly
34 the South West Regional Development Agency has brought
35 enormous good sense in contrast, as you say, to their
36 counterparts in Scotland, in the North West or the North
37 East, but a really intelligent, well-informed DTI
38 presumably could have done all this for you.

39 MR KING: Can I suggest that they have been talking very
40 closely with each of the RDAs, so one could say that you

1 have had a combination of both. It is just a waste, is
2 it not, the way it is exercised. Just to emphasise, we
3 have been concentrating on the demand side in some
4 detail. What we are aiming for by so doing is to help
5 cultivate a competitive and extensive market for
6 provision. I am dipping into ideology here, but I do not
7 think that central government would be able to get that
8 right. We talk a lot with supply side.

9 MR IRWIN: Because?

10 MR KING: Because it is the market forces, it is the
11 marketing of the technology that will realise what it is
12 you are going to end up using.

13 MR IRWIN: And you have to be close to your market to do that
14 effectively.

15 MR KING: It is the market that does that.

16 MR BUCKLAND: I think a very good example of this is ActNow,
17 because if we look at what ActNow was originally set up
18 to do, it was to get coverage, and the agenda has changed
19 there to actually stimulating demand in the system. So
20 there is a very fast-changing market and it changes with
21 regard to what we are actually going to supply. So
22 initially it was supplying broadband into the
23 communities, now it is looking at how you stimulate that
24 demand, and that is why we have got the success of these
25 individuals with regard to their usage of this.

26 I think the other point we might want to make is with
27 regard to the strengths and weaknesses in the ICT
28 strategy, we have to remember that there is the ICT
29 sector and the use of ICT across the various industrial
30 sectors, and this document relates to both the sector -
31 so the companies within that - and also the use of ICT
32 across the various areas. So it covers two dimensions in
33 that sense.

34 THE CHAIR: I am conscious of the time, we have got one more
35 supplementary and then we will have a short break for
36 coffee. Mavis?

37 CLLR LADY MAVIS DUNROSSIL: Mine is a very prosaic one really
38 and I am sure you can answer it quite quickly. On the
39 demand side, I gather that one of the major problems for
40 take-up from SMEs, especially in the smaller category of

1 SMEs, is the use of jargon which continually hinders
2 people realizing what the potential is.

3 CLLR BAWDEN: Especially small companies.

4 CLLR LADY MAVIS DUNROSSIL: Yes, that is right. I wondered
5 whether the RDA has sent out guidelines to Business Links
6 or made some attempt with suppliers to make sure that
7 they address the market in an appropriate manner. I just
8 wondered what the strategy was.

9 MR KING: Only last week we held a steering group called the
10 ICT Driver Group which has quite a lot of people from the
11 region in business and in FSB and Business Links and so
12 on and so forth. We had a very constructive discussion,
13 which has given rise to us seeking all the contact
14 details of over 50 other agencies - I call them channels
15 of distribution - and we are going to be passing to them
16 over 200 case studies which are anecdotes in people's
17 language about what it can do for them. It is those
18 examples, they are stories with messages, they will get
19 the message across without jargon. So I take your point
20 completely, we have to do more than that. We have made a
21 major effort to get these examples out there; we already
22 have them and we have been making them available, but we
23 are saying to the horses "Here is the water" and they
24 have not arrived yet, so we are now going to take it to
25 them.

26 THE CHAIR: Colleagues, thanks very much for that. Thank
27 you, Howard, for leading on that and having to do it on
28 your own. I thought it was a very good discourse, a good
29 discussion, and there were some good thoughts in there.
30 Thanks for the supplementaries: you have now earned a
31 coffee for that. We will have ten minutes and then
32 reconvene. Thanks very much.

33 **Short adjournment**

34 THE CHAIR: Thank you very much, colleagues. Chris, without
35 further ado, I will hand on to you now, looking at the
36 policy implications. Chris is batting on his own for
37 this one.

38 MR IRWIN: I am very happy for others to chip in as they
39 signal or wish.

40 THE CHAIR: Thank you, Chris.

1 **2. Policy Implications**

2 MR IRWIN: I was going to start off very easily in fact by
3 moving towards the first of the three points in this
4 question about broadband coverage and disadvantaged
5 areas, but I thought it might be quite useful for us to
6 segue in from the last session, I suppose starting with
7 the demand stimulation discussion and my slight obsession
8 that budget constraints, affordability constraints and so
9 on may be ties on the ability to realize fully a demand
10 stimulation policy, without a degree of attending to the
11 affordability question. I wondered what thoughts you had
12 about affordability? Is it a brake?

13 MS BULL: The price is going down, is it not, all the time.

14 MR IRWIN: It is still tremendously high. In Boston in 2000
15 I could have bought ADSL in dollar prices for what from
16 last night I pay for broadband to BT in pounds.

17 MR BUCKLAND: I just happen to have here something that
18 states Americans get a raw deal in terms of their pricing
19 and the technology that is available to them, and I think
20 it is the problem of the urban area versus the rural
21 area. There is a degree of take-up in the States, but
22 actually in terms of their overall take-up I think they
23 are behind Finland in terms of output.

24 MR IRWIN: In terms of take-up rather than availability.

25 MR BUCKLAND: Yes, there is high availability at the moment,
26 across the whole of the US it is just under 90%, a good
27 number, but it is a competitive element. If I was living
28 in London I could get broadband very easily through a
29 number of suppliers and, therefore, that competition
30 would be met quite easily.

31 MR IRWIN: Can you sort of burrow in and try and analyse why
32 in the States the take-up, where there is pretty high
33 availability, is relatively low, and then move on to
34 address the questions of the South West?

35 MR BUCKLAND: I think it is at about the 20 per cent level,
36 which is still higher than here but it is still low in
37 terms of availability there. I think it is the
38 availability of applications and what people can actually
39 do with it and understand what they can do with it. That
40 will come as the market develops and I think we are

1 actually getting slightly ahead of the game here in terms
2 of the UK versus the States.

3 In terms of pricing, as Caroline said, prices are
4 coming down ---

5 MS BULL: That is because of competition, is it not?

6 MR BUCKLAND: It is.

7 MS BULL: I have just had my provider tell me that they have
8 given me a reduction without me asking for it. Your
9 mortgage provider would not do that, would they?

10 MR KING: How much would they have given you if you had
11 asked?

12 MR BUCKLAND: In a sense it is a bit like the mobile market.
13 As the competition has increased there, the prices of
14 mobile calls have come down tremendously.

15 MR IRWIN: Mobile prices have partly come down because of
16 regulation, have they not, because of the intervention by
17 independent regulators? We have a note in our pack - I
18 do not know whether it is more widely available - that
19 went from Stefan Stanislawski to Fabian, which is dated
20 April 28th, "Commentary on BT ADSL Enablement
21 Announcement" and in that the author talks about how
22 there will now be a turning towards competition on price.

23 MR KING: Yes.

24 MR IRWIN: What I am really trying to drive at is not are
25 prices going to come down, but is price a barrier to
26 uptake?

27 MS BULL: It must be a barrier to poorer people, must it not,
28 so I guess there is an issue there.

29 MR LEWIS: There are two ways of tackling it. I hear what
30 you are saying, Chris, but it always come back to the RDA
31 cannot manage markets, but if it does stimulate demand
32 then markets will follow. The RABBIT project - again to
33 be boring about it - started off with a £700 grant and
34 now has three others £400, £700 and £1100, because for
35 the very basic one-way satellite service the price came
36 down so rapidly after the RABBIT project got going,
37 because those suppliers got into the market first. With
38 £700 we were almost paying them to take it on, which was
39 not the idea, the purpose of the idea was to give them a
40 subsidy to help them. So I think you can tackle the

1 affordability issue by stimulating demand and then, as
2 Caroline says, competition comes in.

3 Secondly, it is back to collecting South West
4 information because people say that broadband is
5 expensive, but it is not expensive for small businesses
6 if they actually do the sums and look at what they can
7 save on telephone costs, look at what they can save in
8 staff time because they can respond quickly, look at the
9 orders they do not lose because their web line was
10 blocking the telephone line. It is already a cost-
11 effective solution, so I think that stimulating demand
12 has an impact and I think education and information has
13 an impact.

14 MS BULL: We have talked a little bit about community
15 centres, and for individuals they do not all have to
16 individually buy access. We are doing this through some
17 of the projects we talked about, if there is internet
18 access at a community centre they can use it for local
19 services and for learning, they can still take advantage
20 of it without actually having to pay.

21 MR IRWIN: So really the answer to disadvantaged areas who do
22 not currently have access is to stimulate the demand and
23 then let the market run.

24 MR LEWIS: Can I suggest there are two things here.

25 MR IRWIN: I am just thinking about tomorrow morning's
26 Western Morning News headline.

27 MR KING: The analysis report that you referred to
28 acknowledged that the market now had sufficient barriers
29 taken away for there to be free competition exercised.
30 Of course that will have some impact on price, but also
31 it will have an impact on what is being offered, and you
32 will find that there are different flavours of broadband
33 and, in disadvantaged areas, I think that perhaps a
34 starting point is to provide the influence, the
35 persuasion to have people use dial-up services, let alone
36 broadband. It is not just to do with broadband, it is to
37 do with the inclination, the perception of benefit and
38 advantage, is it worthwhile? Once you start unravelling
39 that conundrum you will find that some rather interesting
40 breaks could be made such as using games. China and

1 Korea have had a massive, explosive growth in the use of
2 broadband because of games.

3 CLLR BAWDEN: Who are the games aimed at? Are they aimed at
4 young people?

5 MR KING: One of the games was in fact first designed in
6 Leicestershire and I think it was a combat game. There
7 are gambling games, gambling goes down quite well ---

8 CLLR BAWDEN: For the older people.

9 MR WILKINSON: For some reason that is affordable.

10 MR IRWIN: So you are really saying we should not be looking
11 in a South West policy sense at broadband access being an
12 instrument of social engineering in a sense, let us leave
13 it to the market, the thing is really to stimulate demand
14 by making sure we are attracting services.

15 MR BUCKLAND: In one place in the South West of England, the
16 Gateway Centre, they were getting over 1000 people a day
17 to that centre, and one of the major aspects of what they
18 were doing was actually computer usage and broadband
19 connection, or use of the internet. That was actually
20 stimulating a lot of demand in that area amongst the
21 people who were using that centre. So that is the sort
22 of thing that is going to generate that.

23 MR IRWIN: But that is not engineered, is it, in a policy
24 sense? You are not saying "Let us address the problems
25 of the Objective 2 areas of central Bristol", for
26 example, "by making broadband access more affordable", I
27 imagine you would say "Let us provide them with the
28 services they want, let us give them the gambling".

29 MR BUCKLAND: That is an example of where we are actually
30 helping those individuals and those companies in Cornwall
31 to do that. Again, ActNow is a good example of that.

32 MR IRWIN: I am not sure where you are going then. You are
33 saying on the one hand it is through demand stimulation,
34 but it is not about affordability, you are saying you do
35 not see broadband as a tool of social engineering, but
36 then you say actually look at the project ActNow. I am
37 just trying to sort out in clear headline terms in my
38 mind what you do stand for.

39 MR WILKINSON: I think so many things are mixed up here, are
40 they not? Whether something is affordable depends on how

1 you are going to use it, so if you are going to use it
2 and get huge benefits from it, it is easily affordable,
3 if you do not know what on earth you are going to use it
4 for then you might think it is not affordable.

5 We are not saying that demand stimulation is the only
6 thing that anyone should do in this region. We have a
7 policy throughout where we are involved with skill
8 centres, community centres or whatever, not only putting
9 kit in there but linking that up with appropriate
10 training. So that is part of our policy and strategy
11 here. It is addressing a slightly different situation.

12 MR IRWIN: Sure. Let me tell you what I am after; I am
13 trying to think about justification for different types
14 of intervention, from the point of view of your policy
15 perspective as a whole, where you are taking the region
16 in terms of each economic strategy. From what I am
17 hearing and what I have read about what you are saying,
18 you are saying we are wary about intervening in hardware,
19 making it more affordable, the market can do that and
20 they can do that even better if we provide demand
21 stimulation. We do think, however, there may be a case
22 for intervening in things, for example, like skills
23 development, so that people can access better, maintain
24 it better and so on. Is that right?

25 MR BUCKLAND: Yes.

26 MR IRWIN: So it is intervention in soft things but not in
27 hard.

28 MR LEWIS: There are two different levels, are there not,
29 because the first argument is about how you make sure the
30 infrastructure is in place, and there we are saying you
31 should stimulate demand, not put the infrastructure in
32 place. But once the infrastructure is in place, it is
33 then a question of how you get people to use it and one
34 is about explaining the benefits, but some people, even
35 who can see the benefits, still cannot use it because
36 they do not have the skills, so then you come down very
37 much to the skills level, and where we are working with
38 the LSCs - and Caroline probably knows more about this
39 than I do - is to get the basic skills in IT. It is
40 incremental.

1 MR IRWIN: So you are taking a leadership role from the LSCs.
2 I am just going back to our previous discussion.

3 MR KING: I am having a meeting with Malcolm Gillespie in the
4 near future to talk about the LSC's role in the
5 Connecting South West Partnership, which leads me into
6 talking about distance learning, which is another
7 offering that comes forward. Both those examples point
8 towards the fact that ICT, under an ICT hat, goes so far
9 and then it has to be taken up by all the other agencies,
10 all the other deliveries and functions from the well
11 known deliverers of change and influence within the
12 region. It has to be integrated in these other service
13 provisions, in the other planning that takes place across
14 the region.

15 MS BULL: What we are focused on is the outcomes from having
16 ICT in place and getting people to use it.

17 MR IRWIN: In a sense one of the over-arching outcomes you
18 would say is what?

19 MS BULL: Fabian is talking about distance learning, so if
20 you can then have people with a higher level of knowledge
21 and expertise and qualifications, that has got to be good
22 for the region. So if ICT can enable that, then that is
23 one of the ways in which we would be supporting ICT.

24 MR IRWIN: So access for all is a vision.

25 MS BULL: Yes. When you were talking about affordability I
26 was think about disadvantage, and it is not always the
27 same thing. It is not always people who have not got the
28 money, it is also people who maybe have not got the
29 language skills or who live in remote areas and it is
30 difficult for them to get to places. ICT can help with
31 all of those things, but I would say, having been into
32 quite a few very poor homes very recently, there may not
33 be carpet on the floor and there may not be much food in
34 the cupboard, but there is always going to be a
35 television and very often there is a computer on.
36 Clearly, it is quite a high priority for a lot of people
37 when they are looking at their disposable income, even if
38 it is only a very small amount of disposable income, they
39 are thinking we want to be on the internet, whether it is
40 just for playing games, or whether it is for

1 communication.

2 MR IRWIN: Is it just on internet, or is it access to
3 broadband?

4 MS BULL: Internet, and that is back to Fabian's point about
5 sometimes we are not even getting to the broadband point,
6 it is access to the internet.

7 THE CHAIR: Can I come in, Chris, if that is okay? It occurs
8 to me that we are starting to talk about broadband over
9 here in isolation, which is fine, that is the subject for
10 today, but I think what I would like to try and get us to
11 see is perhaps how it underpins your other strategies in
12 the Regional Economic Strategy because to my way of
13 thinking it is a means to an end in a sense, and I think
14 you have been highlighting that it is important, but it
15 is only going to be ever as good as delivering the whole
16 strategy, and I have touched on skills, social inclusion
17 and a number of things. So I know that is sort of in
18 your thinking, but perhaps in some of the answers it
19 would be quite interesting if you could bring us back to
20 that and how it is helping or it is not helping some of
21 those other strategies.

22 MS BULL: Certainly, that literacy point has come out to the
23 Board as well, I think, on several different visits that
24 we have taken; different organisations that we have
25 spoken to have said that by using IT training as a cover
26 it actually started to help people who have got problems
27 reading and writing.

28 MR LEWIS: I think Ian answered the question for us because
29 that is exactly the case. Broadband and ICT is a cross-
30 cutting thing for the RDA, internally we have a cross-
31 directorate group to look at it for that reason, and it
32 is telling us all sorts of things. I can remember in the
33 early days of the ActNow project, where we were dubious
34 about whether public money should be used to subsidise BT
35 to actually put the kit in, one of the arguments we put
36 forward was we said "Here is the map in the original
37 'Broadband Britain Booklet' and there is no pink down in
38 the South West or hardly any, if we could just colour the
39 peninsula pink, that would be a good regional image
40 thing, so maybe we should think about spending the money

1 for a regional image, economic strategy output, rather
2 for ICT." So it comes in in schools, it comes in in our
3 site development as well because when we are developing
4 sites we do not want to have low value added businesses -
5 I had better not name any - we want higher value added
6 businesses, you know the difference, and making sure the
7 ICT infrastructure is in place is now part of that and it
8 is a developing strategy for the RDA. One of the things
9 I think we are achieving through our cross-directorate
10 group is that all the sites we develop from now on will
11 be broadband-enabled so that those sort of industries can
12 move in, that will be one of the site costs that we see.

13 MR BUCKLAND: The Driver Group that Fabian has already
14 mentioned, I am the chairman of that and the Driver Group
15 is looking at it across the sector, so we have the FSB,
16 we have the CBI, we have manufacturing out there, we have
17 tourism, so it is across a very broad spectrum of the
18 sectors across the region, so it is trying to look at how
19 we can actually drive that up, with co-operation from
20 those groups.

21 MR IRWIN: Do you have any internal targets or measure points
22 within the RDA for broadband uptake in the region?

23 MR KING: Frankly, things have moved so fast that we are only
24 able now to have a figure at all to discuss. We
25 undertook the benchmarking exercise last winter which I
26 think is very nearly a huge success - I say very nearly
27 because we depend upon the second phase, which is that on
28 29th June we are having a workshop to consolidate the
29 research we have done.

30 To get back to your point, the targets that we could
31 talk of would relate to take-up and I believe
32 application. Within the RDA where we have frequent
33 discussions with the rural team, with the different
34 sectors and the flagship area tourism, there is a very
35 large project in fact going on in Somerset now for
36 Destination Management Systems, which in fact has huge
37 potential and could go beyond just Somerset. We have the
38 sites just mentioned, we have the skills area, and we are
39 having quite detailed discussions about an ICT skills
40 strategy for the region, with the skills team.

1 Last year we had a couple of initiatives, such as
2 with tourism and with the rural teams, but it is this
3 year that we are really starting to come of age, I think,
4 as the coverage is now available, as we are now moving
5 beyond the early adopters to take-up at large, knowing
6 that that has to come about through an integrated
7 approach with the delivery of the services that would
8 ride on the back of broadband and of internet
9 applications.

10 MR LEWIS: Setting a numerical target would be nonsensical,
11 somewhat arrogant. The RDA is not the sole player in
12 this area, but I think if we come back to what Geoff was
13 saying earlier, the targets are not numerical, the
14 targets are to take the opportunity, that is key, and not
15 to find ourselves ranking in some league table in Europe,
16 but just to do better than others, to promote the South
17 West as an area where ICT is an enabler, where the
18 facilities are available, both the infrastructure and the
19 skills.

20 MR IRWIN: Presumably you have some sort of sense in your
21 minds about what is a good solid target area for business
22 uptake compared to ---

23 MS BULL: The core target of the Connecting South West
24 Partnership is for 36,000 SMEs adopting and absorbing
25 broadband into their operations by 2008. That gives a
26 feel.

27 MR LEWIS: And we have the take-up figure for that now for
28 SMEs, have we not?

29 MR KING: It is on target, it is about 3,800 ---

30 MR LEWIS: I was thinking of a percentage more.

31 MS BULL: One hundred per cent availability by 2008.

32 MR LEWIS: The percentage take-up now is well ahead of what
33 we anticipated.

34 MR WILKINSON: I think it is 20 per cent of SMEs.

35 MR LEWIS: In setting a target we were not saying that we
36 wanted it to be 27 per cent everywhere, we just note that
37 27 per cent was achievable, having spent that much money,
38 and with a very good project in Cornwall with Cornwall
39 Enterprise, which we take some credit for, that was
40 achievable. So let us try and see what we can do with

1 the rest of the Connecting South West Partnership, who
2 are setting targets themselves.

3 MR WILKINSON: There is a good deal of confusion over take-up
4 figures as well, and one of our priorities is to try and
5 get some decent definitions and research; what do you
6 mean by "take-up", do you mean businesses, do you mean
7 households.

8 MR IRWIN: You were using SMEs just now.

9 MR WILKINSON: But a lot of figures you get quoted are
10 combinations, you say actually having done research to
11 separate those do you mean just ADSL or do you mean all
12 forms of broadband. So there is a huge amount of
13 confusion over the numbers and one of our priorities,
14 with others, is to get sufficient research done to be
15 clearer what the numbers really are.

16 MR IRWIN: I suppose they are qualitative rather than
17 quantitative targets, which say "We would like to see
18 rural areas do half as well as urban areas, or twice as
19 well as urban areas" or something like that?

20 MR WILKINSON: I think it is much more business by business.
21 Some businesses can make much more use of broadband than
22 others.

23 MR IRWIN: So by sector do you have those sorts of targets?

24 MR WILKINSON: No.

25 MR LEWIS: I think the target would be that there are more
26 rural businesses in the South West that are connected
27 than in other regions; that is what we would like to see.
28 We just want to be the exemplar.

29 MR IRWIN: We are coming back to Ian's question in a way, how
30 does it all join up about how it fits in with your rural
31 policies, with your sectoral policies and so on?

32 MR BUCKLAND: I think in many respects we need a benchmark, a
33 base-line to start from, and from some of the research
34 that we have recently done we now understand, one
35 particular project which I forget the name of now,
36 having surveyed 2500 SMEs across the region ---

37 MR KING: Some of you have seen this already.

38 THE CHAIR: We have it.

39 MR BUCKLAND: That is really giving us a very good base as to
40 where we are. The fact that 35 per cent of SMEs are not

1 using ICT at all is a frightening statistic, so there are
2 some basic things there. So we can perhaps use that as a
3 base-line. We are also able to start looking in a couple
4 of sectors there as to what their usage of ICT is, and
5 that starts to look at some of the issues like are they
6 just using it for e-mail, how are they using it, so we
7 can develop that research on.

8 MR WILKINSON: I do not think our approach should be to say
9 there should be 56 per cent of businesses using it. Our
10 approach is to say. "Look what people in your sector, in
11 your industry, are doing with this, and think about what
12 you can do with it". That is our approach, and what we
13 want to do is generate more. I am sure when we get to
14 any particular level we will then want to get more. So I
15 think that makes much more sense than saying it should be
16 56 per cent by 2005.

17 MR IRWIN: Which is consistent really with your whole demand
18 stimulation approach, is it not? It is a non-
19 intervention in supply side approach.

20 MR KING: Apart from just setting targets and achieving
21 targets, we are also laying down platforms for the next
22 round of development. So the figure of 36,000 SMEs is an
23 extrapolation of the actual target which was put down for
24 ActNow in Cornwall and subsequently for the Broadband for
25 Devon Project in the Objective 2 area of Devon, and also
26 the Wiltshire & Swindon SmartPlace. This accumulation of
27 numbers of SMEs whom we would like to help get properly
28 connected and exploiting the technology. That number
29 came to light because we were thinking that once all
30 these partnerships are up and running (hopefully by the
31 end of the winter), they have a programme and the
32 partnerships start to say "We have got it underway." It
33 is an achievement and, pretty soon they will be starting
34 to say "What next?" So the platform that we are laying
35 down is (a) a set of partnerships, like-minded, that talk
36 to each other a huge amount, I think it is fantastic the
37 extent to which they do, but also there will be a large
38 number of SMEs that have gone through the mill with that
39 programme, and they will be certainly in communication
40 with whatever next plan unfolds. So, as I say, this

1 moves into the realm of succession planning, we are on a
2 development path. We cannot see over the horizon yet -
3 many questions have asked what about five years time, ten
4 years time? We cannot see over the horizon, it is an
5 exercise of management, of setting up for the next phase
6 and succession planning.

7 MR IRWIN: The next question really relates to the way you
8 see broadband for the economic and social development of
9 the region. What I am trying to feel my way towards is
10 to understand where broadband really sits in your
11 strategy. Should the region - by which I mean the
12 Assembly wearing its spatial strategy hat as well as
13 yourselves - be working together, for example, to ensure
14 that broadband provision becomes the cornerstone of the
15 planning process, so that developments are linked
16 absolutely into the assumption that broadband is going to
17 be made available, the transport and planning effects?
18 Picking up Caroline's points earlier about remote
19 working, about tourism, about the environment - all of
20 which are absolutely germane here - should one be getting
21 interventionist in policy terms in the whole area of
22 spatial planning, or should we just sit back and say the
23 laissez faire economists had it right, a bit of demand
24 stimulation, you will find that the entrepreneurs pick
25 that up and Bob's your uncle?

26 MR BUCKLAND: I struggle with this a little bit.

27 MR IRWIN: I do too.

28 MR BUCKLAND: In terms of planning, broadband as a technology
29 is telecommunications, it is a utility, it is like
30 supplying electricity, water, gas or whatever. So in
31 that respect, in terms of planning, it is at that level,
32 at the technology level, it is almost building
33 regulations and planning regulations rather than policy
34 against that. I think it is the effect it has which
35 actually is where it starts to affect those sorts of
36 strategic views.

37 MR IRWIN: I am sorry, but just to interrupt for a second, if
38 it is as basic as a utility like water or electricity,
39 would it be helpful if the regional spatial strategy when
40 it eventually emerges said that?

1 MR BUCKLAND: It does.

2 MS BULL: Yes.

3 CLLR BAWDEN: Sooner or later the Regional Assembly wearing
4 its planning hat has got to say to the strategic
5 development and planning authorities that developments
6 above the size of X have got to provide the basic
7 infrastructure - taking your point - of water,
8 electricity and broadband.

9 MR BUCKLAND: It is telecommunications.

10 CLLR BAWDEN: If you are putting a cable down, there is not
11 much difference between putting one cable down and
12 putting a couple down.

13 MR KING: So it is future-proofing.

14 MR BUCKLAND: I think the implications for spatial planning
15 and the like are tied in with changes to the way we work
16 and the way we live and the way we play. Broadband as a
17 utility will change all of that. We have discussed this
18 in the Infrastructure Group to some extent; it can change
19 the way we work, with remote working and those sorts of
20 aspects, more people utilising the internet for booking
21 holidays etc meaning less trips to the travel agents, on-
22 line banking changing the way we bank, the way we buy
23 things. We have had a high street white goods company
24 that has recently announced that it is going to shut down
25 a number of stores because those stores are actually just
26 being used as demonstration centres, and people then go
27 home and actually make their choice on the internet and
28 get the best price. Chris has heard me say this before:
29 I think the internet is actually going to see an increase
30 in white van man's existence because, you know, we have
31 more couriers flying around the countryside delivering
32 these goods. We have all followed the Tesco's van which
33 is delivering somebody's groceries; it is changing the
34 way we buy things and it is changing our way of life.
35 That is happening in a very short space of time and that
36 change will progress. So I think we have to be aware of
37 those changes, and that is perhaps where we start to get
38 an influence on spatial planning and transportation
39 planning.

40 MR IRWIN: I think you are really saying that the Regional

1 Assembly should build-in to its spatial planning work the
2 assumption that broadband ---

3 CLLR BAWDEN: It is a requirement?

4 MR BUCKLAND: I think it is the effectiveness rather than
5 broadband itself. That is where I think the difference
6 is.

7 CLLR BAWDEN: Yes.

8 THE CHAIR: Can we bring Howard in, is that alright, Chris?

9 MR IRWIN: Of course it is, yes.

10 MR THOMAS: The third prong of Chris's session he has also
11 touched on in terms of his questions on the first, which
12 is the disadvantaged areas, and you knew we were going to
13 talk to you about that, about people being left behind.

14 Listening to the very interesting discussion that has
15 just been taking place - and it came back to an earlier
16 scrutiny when I put a rather sharp question about what do
17 we do for the unemployed, just out of prison druggie,
18 they can whistle can they? It was something like that,
19 and I am tempted to ask that now. It seems to me that
20 the big challenge for government policy in the South West
21 is to relieve it of the social problems which are present
22 in the 95 most deprived wards of the South West. What I
23 would like to ask you is how do you see your policy and
24 role with regard to the introduction of these
25 technologies helping that huge problem, because it does
26 not come out to me at the moment. When you were talking
27 about targets of so many Small Medium Enterprises, I can
28 see that the more successful they are the more likely
29 there are to be employment opportunities for the kind of
30 people that I just had in mind. Incidentally, I do not
31 want to paint people with a brush in the way I have done,
32 but I think you know exactly what I am talking about and
33 that is why I gave that kind of anecdotal description of
34 them. I am talking about people who a lot of people in
35 authority regard as hopeless cases, if you like. I do
36 not and I do not think any of us around the table should
37 do.

38 My emotive question is how do you see yourself
39 approaching these problems?

40 THE CHAIR: Before you answer, can I just ask Andrew to tag

1 something onto that?

2 CLLR GOVIER: It is really just a follow-on from what Howard
3 just said and it is really around what Nick said about
4 Tesco and the home delivery man. Have you given any
5 thought to how you use that in deprived areas? It is not
6 necessarily about the type of people Howard was talking
7 about, but the elderly and people like that who live in
8 community, warden-controlled places, that sort of thing,
9 how they get their shopping and so on. That is the sort
10 of issue which it strikes me is one of those things
11 which, if they could access shopping over the internet -
12 and I know there is an issue with minimum levels, paying
13 for delivery and that sort of thing - but that strikes me
14 as the type of thing we should be thinking about really,
15 which could benefit that tranche of society.

16 MS BULL: Shall I start off on the individuals, is that
17 helpful, just thinking of what Howard was saying? The
18 Learning & Skills Councils have targets which relate to
19 those people and relate to basic skills, and when we were
20 talking earlier about the community centre, that is in
21 one of the most deprived wards. Some of our money goes
22 in there, but it is the Learning & Skills Council that
23 have been funding the training of people, and the sort of
24 people who are going there are exactly the sort of people
25 you are talking about, who live in pretty tough
26 conditions, have probably got very varied backgrounds and
27 a number of whom will be relatively illiterate. This is
28 where IT can really support and help.

29 MR THOMAS: So the RDA involvement is in a supportive role,
30 possibly aided by pure funding, say, and the LSC funds,
31 are they adequate for this task? I am sorry to
32 interrupt.

33 MS BULL: I do not know about adequate, but they certainly
34 have a lot of money, far more than we do, to train
35 people.

36 MR WILKINSON: It is obviously only a very small part of the
37 solution, is it not? I think what we have tried to
38 encourage is that it is part of the solution, so where
39 there are facilities being provided then they should
40 include IT facilities, but it would be wrong to put the

1 emphasis on the solution to deprivation is to put more IT
2 in, because that is not right, it must be part of a much
3 broader approach.

4 MR THOMAS: Yes, I think that is well said. The reason why
5 the question was put in that way is partly because it was
6 on our crib sheet and you knew about the fact that we
7 were going to ask about that type of situation, but the
8 Social and Economic Partners Group on the Assembly has
9 made social inclusion its top priority thing to look at,
10 and I think our local authority colleagues share that.
11 Andrew has just given voice to another element of social
12 inclusion, which is as important as the one I mentioned,
13 and I think it is useful in this session that the RDA is
14 aware that we are aware that the region generally is
15 doing very nicely, thank you, but there are significant
16 areas of our region where that is not the case and it is
17 not acceptable. So when we come back to our planning
18 policies and strategic policies, this area is one which
19 is absolutely right up front and I hope colleagues will
20 say they support that. Even though you may not have the
21 prominent role in that area, we would hope that you would
22 be aware that you do have a role because of, obviously,
23 all the things that you have been doing. I see you are
24 all nodding, so I am satisfied.

25 MR LEWIS: We are very specifically aware. We have a Tier 3
26 target that we have got to gear on £40 million of private
27 sector finance for the benefit of those very wards that
28 you talk about.

29 MR THOMAS: Right.

30 MR LEWIS: So when we look at our investment programme, it is
31 to some extent skewed towards those wards, that is Stage
32 1. Stage 2 is that, as Geoff has said, any project that
33 we will be funding in there is cross-cutting and is
34 therefore about the vision.

35 MR THOMAS: So could we have monitorable targets that show
36 that there is an effect being achieved as a result of
37 what we are doing?

38 MR LEWIS: We can show that there is an effect as a result of
39 the overall RDA investment in those wards. To try and
40 track some of back down to broadband provision when it is

1 about community facilities, when it is not just about
2 broadband, it is about the IT training and basic skills
3 training, it is about small business units - broadband to
4 everyone at this table is very important because that is
5 why this team is here, but it is a small part of the
6 holistic approach tackling social exclusion in various
7 wards.

8 THE CHAIR: Caroline wants to come back on Andrew's point ---

9 MS BULL: I have one example.

10 THE CHAIR: And then I want to get back to Chris who is on
11 this session to try and pull it together, or if there is
12 anything else that he has not quite covered.

13 MS BULL: Andrew was asking specifically about the elderly,
14 and I have got an example which I was really impressed
15 with. Hutchison have got broadband via a videophone -
16 you have probably seen those, they are really nifty
17 looking things, though I have not used one myself. But I
18 understand that they are looking at different business
19 and other applications and one of those is to give them
20 to people who find it difficult to get into doctors'
21 surgeries, for example, and the elderly would be a
22 logical extension of that, so that when they have
23 something wrong with them, instead of going to the doctor
24 they have a video link with the doctor and they can show
25 what is wrong. So, you know, "My mum has a bad leg, this
26 is what it looks like at the moment, doctor, what do you
27 think it is?" "It is such and such, I can prescribe this
28 and get the prescription round to you", or somebody is
29 recovering from an accident, again they can see the
30 extent of the recovery and the doctor can do the
31 diagnosis over the phone. So that, I guess, would be a
32 helpful application for the elderly.

33 MR IRWIN: Is that one that you would fund, or just have it
34 there as a policy?

35 MS BULL: It is more where the commercial providers are
36 looking for ways in which they can, I guess, sell more
37 phones, and therefore if they can find a really good way
38 of tapping it into a need, a public need - the public
39 sector, doctors, NHS, theoretically there is funding
40 there for things which make their lives easier.

1 MR IRWIN: So this is, so to speak, the RDA as mentor.

2 MS BULL: I was trying to find an example of how broadband
3 can help some of the disadvantaged people, not
4 specifically to do with the RDA's role in this. The only
5 reason I know about it was because I was talking to them
6 about how what they were doing might be helpful in some
7 of our disadvantaged communities, and that came out.

8 MR BUCKLAND: Andrew's specific point about having a delivery
9 from Tesco, just to use that one example, I have seen
10 examples where people have actually grouped together and
11 met the minimum level and distributed it from either a
12 village hall or a village shop or something like that.
13 So there are ways of actually using that.

14 CLLR GOVIER: Currently we tend to meet that perhaps in more
15 well-to-do villages, but it could be rolled out to other
16 areas.

17 MR WILKINSON: I would have thought there was more a role for
18 local authorities there.

19 MR IRWIN: If I can try and focus it down into the policy
20 implications of improved broadband coverage, you are
21 saying your money is really best spent on interventions
22 to stimulate demand, because the infrastructure will go
23 where the demand exists, and that is the most productive
24 way of leveraging in these other things, but I am not
25 quite sure whether you are endorsing Mike's suggestion -
26 which I would agree with - that there should be a
27 requirement in the Regional Spatial Strategy that
28 accommodates broadband throughout all development in the
29 region.

30 MR BUCKLAND: I think the issue there is what technology do
31 you actually use to support that? Are you saying that
32 there should be broadband connectivity?

33 CLLR BAWDEN: What I am basically saying is that we ought to
34 be saying that the planning authorities should say that a
35 new development area should carry the means of delivering
36 the technology.

37 MR WILKINSON: Certainly we are saying that.

38 MR LEWIS: We are already going to do it and so it would not
39 be a problem to us if there was any such planning
40 requirement, but Nick's point is do you mean laying

1 conduits so that people can put a cable down, or do you
2 mean leaving a space where you can put a mast up so you
3 can WIFI it, and then when you have a mast up you have
4 all the health considerations.

5 MR BUCKLAND: I think one of the problems is the speed at
6 which the technology is changing and perhaps the planning
7 system is a little slower than that, therefore there are
8 difficulties ---

9 CLLR BAWDEN: Only a little?

10 MR BUCKLAND: I am trying to be diplomatic here. There is
11 that issue, you have a very fast-changing technology and
12 you could actually impair the development by saying you
13 need to do this, which is actually something that is well
14 out of date. So one has to be very careful how you word
15 that.

16 THE CHAIR: In terms of what we said right at the start about
17 looking back and looking forward, we try to work together
18 and try and increase take up and that sort of thing. It
19 is that kind of innovative and creative thinking, saying
20 we might not know the technology, but the principle of
21 our planning is insisting on those sorts of
22 infrastructures being put in place. It stops the excuse
23 as well that it is difficult to get access which I think
24 is an important one to capture.

25 MR IRWIN: I think the slight gloss you put on that - if I am
26 not paraphrasing you unfairly - is don't look at
27 broadband as the panacea for all policy problems, whether
28 it is deprivation or social access etc etc. It has a
29 part to play, but of the same order as the electricity
30 grid.

31 THE CHAIR: Yes.

32 MR IRWIN: And then I suppose I could finally ask the blue
33 skies question ---

34 THE CHAIR: We are getting tight on time. Blue skies is
35 good, but can we pick that up after lunch when we might
36 be struggling.

37 THE CHAIR: Thanks very much for leading that, Chris, thanks
38 for the comments and thanks for the feedback there.

39 Can we move straight into Mavis's session, really
40 looking at public sector support. I know that certainly

1 in the feedback this has been a critical element of what
2 we have been trying to do in understanding how the public
3 authorities can, again, move this big agenda forward.

4 Mavis, are you happy to bring people in as and when?

5 CLLR LADY MAVIS DUNROSSIL: Absolutely.

6 THE CHAIR: Thank you.

7 **3. Public Sector Support for Broadband**

8 CLLR LADY MAVIS DUNROSSIL: If I could just remind myself in
9 passing to say to Caroline that I would like to talk
10 about the link with the doctor's surgery, because we are
11 actually doing a local scrutiny on NHS services,
12 transport and access, so to hear about that might be
13 really helpful.

14 The question I would like to start with is the one
15 that I think came under discussion point 2, which was in
16 what ways can the public procurement of broadband in the
17 South West be improved? We in the Assembly had a
18 presentation from the leading man in RAB (Regional
19 Aggregation Body) and for some of us that was sort of a
20 new vision, that that was a big player on the scene,
21 which had overtaken some of the local government
22 initiatives earlier on.

23 Really, I would like to hear from you what you think
24 RAB and the public procurement of broadband as a whole
25 can do and how its role can be, as it were, moved up a
26 grade to be effective?

27 MR BUCKLAND: I guess I am lined up for this one being
28 chairman of the RAB. Certainly, the RAB does give us a
29 great opportunity to pull together in terms of
30 procurement and, certainly, we have the backing of the
31 DTI and high level backing from both the NHS and the
32 DFES. As always, the devil is in the detail of these
33 things and I am pleased to say that we have a very good,
34 strong local team with regard to the RAB, and I think
35 people who are with me on board will have heard me
36 mention Bryan Sergeant. He has a lot of experience in
37 the telco world, as have the other members of the team.
38 It is that aggregation of procurement that will actually
39 help us with regard to that, and that is really where the
40 local authorities and the Assembly, if you like, can

1 actually help with that in steering people in that
2 direction; we have been extremely supportive of the RAB
3 in getting it going and trying to get procurement put in
4 place for that.

5 But it is a fairly slow process because there are
6 existing contracts in place and one has to try and pull
7 those together. So that is a difficult task that the RAB
8 actually has with regard to that, and I know that Nick
9 has been very supportive in writing letters to people who
10 are actually going through the process at the moment,
11 saying the RAB is there to help. The RAB can also help
12 in terms of what is known as "black holes": if we can
13 actually get increased broadband usage in local schools,
14 doctors' surgeries and the like, we can then address some
15 of the band width problems in some of those smaller local
16 communities.

17 Also, we have to be very careful of state aid
18 issues here, and I know there is some work going on to
19 look at an access project in Cumbria, so state aid is the
20 issue against that. Also in terms of the public sector
21 there are issues like remote working and working patterns
22 and that comes back to something that Howard mentioned
23 earlier about the way that the public sector is actually
24 using web technologies and the like to actually increase
25 people's usage there. So there are a lot of things that
26 could be done on the public sector side.

27 CLLR LADY MAVIS DUNROSSIL: Can I ask you a question which I
28 gather has come up locally, and that is that RAB, I
29 understand, when it approaches local authorities says
30 that they do not want to reveal the price, they want
31 people to buy in and attract private sector people in and
32 so on, but not a lot of local authorities know what the
33 actual price is. Obviously, local authorities will find
34 it very difficult to join if they do not know what the
35 bottom line is. Can you cast any light on that?

36 MR BUCKLAND: I think it is pretty transparent. Clearly, in
37 terms of aggregation, if you are bringing a number of
38 people together you have to look at a particular package,
39 and that way you can actually define a price against
40 that. I am surprised that they are not able to find the

1 price.

2 MR WILKINSON: It may be a timing issue, might it not,
3 because you have to agree to come into the group so that
4 we can define the package ---

5 MR BUCKLAND: Yes, that is right.

6 MR WILKINSON: And at that time we would not know the price,
7 but then I do not think that local authorities would be
8 committed at that point.

9 MR BUCKLAND: No, no.

10 MR WILKINSON: They would only be committed once the deal was
11 negotiated, and then if they all bought in it would go
12 ahead, if they did not it may not go ahead.

13 CLLR LADY MAVIS DUNROSSIL: That was obviously a problem for
14 some of the IT directors because they felt, especially if
15 they were involved, as you said, in unscrambling
16 arrangements with schools locally which already go via
17 the LEAs for example.

18 MR WILKINSON: Do you think that the Regional Assembly could
19 help in this process? This was pushed very hard by
20 central government on the grounds that it would
21 predominantly focus on the National Health Service and,
22 secondly, on education. For reasons Nick has said, and
23 other reasons, that is not happening very quickly
24 actually; therefore, there is a body there - and in our
25 region we have set it up on a fairly slimline basis
26 because we did not think we would get a huge amount of
27 work initially - that can focus on public sector
28 aggregation, but it does need some business.

29 MR BUCKLAND: It does.

30 MR WILKINSON: If this was something the Regional Assembly
31 supported, then we might be able to get a bit of momentum
32 going.

33 MR BUCKLAND: I think that is right. I think we are very
34 fortunate in the region in that we have got an extremely
35 strong team. I was slightly sceptical, I think would be
36 the way to describe it ---

37 MS BULL: Totally sceptical.

38 MR BUCKLAND: When the thing started off, but actually I have
39 become much more supportive of it in the practicalities
40 and the workings, and the people we have are extremely

1 good and extremely strong, and I think any support that
2 we can give them is going to be beneficial. So I
3 absolutely endorse what Geoff is saying.

4 MR WILKINSON: I think the RAB is very open to look at ways
5 of working more effectively, so if you see there are
6 snags here - the thing is to talk them through, not to
7 think that everything is cast in stone.

8 MR BUCKLAND: It is a development.

9 MR LEWIS: There is a problem, we are not advocating that
10 local authorities and the Assembly do something that we
11 are not prepared to do ourselves, so we are procuring
12 renewal of our network through the RAB. It is pretty
13 small beer compared to the business the RAB is after, but
14 as a matter of principle we are doing that. I understand
15 exactly what the local authorities are saying; the
16 problem is we signed up for a particular bundle and we do
17 not know what the price is yet because the point about
18 the aggregation is to join several procurements together
19 and, therefore, achieve the best price but also wider
20 broadband coverage. Hopefully it will not just go down
21 the conventional routes, that size of package will enable
22 another supplier than the normal suppliers to come into
23 the marketplace because there is sufficient bulk there.
24 So we have joined into that, but we do not know the price
25 yet; what we know is that that will be properly procured
26 because the RAB is a procurement process, it goes out to
27 its 17 underlying contractors, because it has been out to
28 OJEC, it has got the 17 underlying suppliers and then it
29 goes on a call-up basis to three or four of them to come
30 back to you with a price.

31 The difficulty is that they are not legally
32 committed, and if when they come back to that price we
33 say no, we do not fancy that, then the rest of the bundle
34 is affected, so our procurement partners are affected.
35 So there is a bit of a leap of faith here, and the
36 important point for local authority IT staff and finance
37 directors to understand is that it is simply choosing a
38 different procurement route. It is a proper procurement
39 process, it involved competitive tendering to draw up the
40 original panel of 17 and it involves competitive call-

1 offs to get you the price for your bundle. Therefore,
2 you need to go down that process knowing that you should
3 get a good price, although you can never know absolutely,
4 but you will have this secondary benefit for the region
5 if the RAB achieves its objective of not just being cost-
6 effective procurement but widening the number of
7 suppliers, and therefore introducing competition, the
8 price will come down for everybody.

9 That said, Geoff's point is absolutely right, it is a
10 whole new way of doing things and we need people to buy
11 in.

12 CLLR LADY MAVIS DUNROSSIL: I think people who have
13 inspectors coming around and looking at the use of public
14 money will need to know that they have a cast iron
15 assurance that that is so, especially if the result does
16 not actually beef up the provision in a significant way.

17 MR LEWIS: Absolutely, so what we need to do, perhaps, is to
18 involve those inspectors and the Audit Commission at an
19 early stage and say do you agree that using this RAB
20 procurement process is - perhaps we need to talk about
21 it.

22 MR BUCKLAND: We are getting the ODPM to look at that sort of
23 statement and also the DTI, so work is going on there.
24 Remember, the RAB has actually only been in place just
25 over four months, it is actually a very young
26 organization that is trying to grapple with some fairly
27 big issues there, but it is doing a good job.

28 MR WILKINSON: The ultimate would be for people to be
29 criticized for not using it, achieving lower prices.

30 THE CHAIR: Mavis, in response to the point about working
31 together, Bryony will clarify that.

32 MRS HOULDEN: If I can put on my other hat, the RAB actually
33 came to the South West Local Government Association, and
34 I think if we are going to try and work with local
35 authorities then the Assembly and the RDA should be
36 encouraging the South West Local Government Association
37 to move this forward. In fact, Bryan is coming to see me
38 after the South West LGA meeting to talk about how we
39 might get some momentum going. I think you are right, I
40 am in a partnership with ODPM and the Audit Commission so

1 we can try and bring in inspection and the CPA process at
2 the same time to make sure that there is a good
3 understanding of what is going on.

4 MR BUCKLAND: I think that would be very helpful.

5 THE CHAIR: That would be a very positive outcome, so thank
6 you.

7 MR LEWIS: Just to say from our side, to be clear, it may be
8 small beer but we have taken that leap. We too have
9 inspections to meet, we are audited by the NAO and we
10 have taken the view that the procurement process that the
11 RAB involves is best practice, is best value and we are
12 going to stand by that, myself as finance director and
13 Geoff as accounting officer. Sometimes one has to take a
14 view.

15 CLLR LADY MAVIS DUNROSSIL: I think a whole lot of secondary
16 schools took on something that now needs to be
17 unscrambled, and I gather for instance that the South
18 West Group for Learning, for example, realizes the
19 problems. Video conferencing is now a big issue for
20 schools, especially with the change in the 14-19
21 curriculum, and if it is not going to be deliverable -
22 and apparently in a lot of schools it is not deliverable,
23 the quality is simply not there - the South West Group
24 for Learning cannot do anything about it and it goes back
25 to, I think, the point Howard made that the solution
26 appears to be to have a very expensive, different system
27 which the school cannot possibly afford. So I hope that
28 will be looked at because, especially for schools in
29 rural areas, it is a very big issue indeed.

30 Could I just come back for a minute, before I go on
31 to the business about telephones, to the point that was
32 made about distance learning and the importance of
33 outcomes. I just wondered what sort of close co-
34 operation there was. You mentioned that you did support
35 the South West Learning & Skills Group and so on, but I
36 just wondered how much attention is actually paid to
37 schools which are out of the principal urban areas and
38 their problems, or whether it is all just wrapped up as
39 one big problem.

40 MS BULL: I do not think there is any discrimination at all

1 between where schools are and where learning takes place.
2 MR KING: Tomorrow I am meeting with E-Skills to talk about
3 distance learning. I think, to be honest, that it is
4 this year that we are starting to really get to grips
5 with it. Last year the infrastructure was not in place,
6 people talked of it but could not quite pin down the
7 subject. This year we are pinning it down. The E-Skills
8 group, based in London, has now got a dedicated manager
9 for this region and we are getting engaged.

10 Also, with the Learning & Skills Council we have
11 already opened discussions on the subject, but it has not
12 gone down to the detail that you are talking about.
13 Indeed, the RDA will be talking with the Learning &
14 Skills Council, and I think that is, I would suggest, an
15 example of the way in which we should go forward because
16 we need to ensure that ICT is taken on board by these
17 other groups and that it becomes integrated into their
18 thinking and planning. Earlier on, for example, we were
19 talking about the spatial planning and the incorporation
20 of advances in communications. If the Regional Assembly
21 had an exercise on service delivery, I would suggest that
22 broadband should go into there as well, advanced
23 services.

24 So what I am talking about is integration. We are
25 getting to the stage now where the early adopters, having
26 dealt with the technical nuts and bolts and having had
27 the campaigns for getting coverage, that is starting to
28 reach maturity and we are moving forward. Integration is
29 the name of it.

30 CLLR LADY MAVIS DUNROSSIL: If I could just pass on quickly
31 to the whole teleworking thing, because I think there is
32 a question in that area, in what ways could the public
33 sector be encouraged to introduce greater flexibility in
34 working methods which will lead to efficiency and
35 lifestyle gains. As you know, in some authorities there
36 is a quite a bit of re-thinking on the teleworking issue,
37 I think some embraced it with great enthusiasm some time
38 ago but, for various reasons, are backtracking now. I
39 think there is great support for one-stop shops and so
40 on, but for a general advance on a major teleworking

1 programme, I think it has somewhat stalled. I would like
2 to hear your RDA view on that.

3 MR BUCKLAND: I think the technology for teleworking has been
4 around for some time and I think it is more of a
5 management and cultural issue within organizations that
6 needs to be looked at there. There are certainly a lot
7 of benefits to be gained by having people working
8 remotely and the like, and a good example is Hewlett
9 Packard. You would expect a technology organization to
10 take this sort of approach, but they have a six to one
11 ratio of people to desks so you have to telework in many
12 respects there.

13 As I say, it really does come down to a cultural
14 issue within organizations, and there are ways of
15 addressing that, but I think there are other ways in
16 which local authorities and the like can actually look at
17 this. We have talked a little bit about procurement,
18 buying local services through e-procurement and those
19 sorts of things, making those services available through
20 websites etc and access to the local authority. So it is
21 tied in with a lot of those things, but the technology is
22 there and is available, it really does come down to a
23 policy approach.

24 CLLR LADY MAVIS DUNROSSIL: If I can develop it a bit
25 further, the cultural issue is obviously quite important
26 because things can break down in terms of isolation and
27 so on. I just wondered if the RDA itself has a strategy
28 or a policy on that which suggests where the balance
29 should lie in terms of the public sector.

30 MR KING: The good news is that there is a long, long history
31 in remote working, going right back to social services at
32 Long Benton in Newcastle in the 1980s, which I got fairly
33 close to, and then Surrey Council in the mid Nineties.
34 Meanwhile, there is talk of it, not at policy level but
35 just generating and stimulating ideas at the moment
36 around Exeter City Council. There is talk of it,
37 wondering about the subject, and also in Devon County
38 Council. So things are moving forward.

39 From the RDA's point of view at the moment the last
40 financial year we cast forward with is there a collection

1 of likely projects that could be mooted, and we call them
2 the pre-appraisal project list. What I have put forward
3 in respect of remote working is a plan to assist with
4 very careful planning for the sake of evidence-based
5 planning in the future, to help ride with any initiative
6 by either a private or public sector authority that wants
7 to go into remote working, flexible working, teleworking.
8 So really the emphasis is one of trying to capture the
9 lessons, trying to help give feedback, lay very strong
10 foundations which will be an investment for the outturn
11 of the project and for others, fairly early on in the
12 project, to see what is going on to so as to, at the very
13 least, join in as an audience. We have taken this
14 attitude because we do not know what the answers are, yet
15 we know people are striving to find them.

16 CLLR LADY MAVIS DUNROSSIL: How far down the road with this
17 have you got?

18 MR LEWIS: Fabian, you are talking about supporting other
19 organizations who might want to do this.

20 MR KING: Yes, indeed.

21 MR LEWIS: But I think, Mavis, you are asking about what the
22 RDA has done.

23 CLLR LADY MAVIS DUNROSSIL: Yes.

24 MR LEWIS: As far as the RDA is concerned, we have always
25 been a very flexible employer and we have quite a lot of
26 people who do work remotely from time to time. Of our
27 240 staff, nearly 100 have laptops specifically so that
28 they can dial-in from other sources. We cannot go any
29 further - and unusually I am happy to say it publicly
30 because it is just so clear - we have been severely let
31 down by our IT outsource supplier, therefore we cannot
32 push it any further. So we are not proactively doing a
33 Hewlett Packard and saying there are not enough desks,
34 you cannot come in the office, we are actually just being
35 a very flexible employer, and because of the nature of
36 our work and the nature of our staff, a large number of
37 people have taken that up. Frustratingly for them, they
38 can only take it up on the basis of dialling in on a 56k
39 modem and obviously we want to be able to get them on-
40 line on broadband. There is a project in place, which

1 has been in place for nine months now, and our
2 outsourcers, cannot deliver it. We are putting pressure
3 on them and we are hoping to get them to do it sooner
4 rather than later. So that is the internal RDA position.

5 CLLR LADY MAVIS DUNROSSIL: I found both those answers very
6 helpful actually, both what Fabian is hoping to do and to
7 provide as guidelines and lessons for other people who
8 are wanting to pursue it further, and also what you are
9 doing, because everybody is going to ask us what is the
10 RDA doing.

11 MR WILKINSON: The list Fabian referred to amounts to five
12 times our annual budget.

13 MS BULL: May I just make a quick point, you were talking
14 about teleworking and I was thinking about the public
15 sector. It is not just about people in the public sector
16 working from home, is it, it is the ability of people in
17 the public sector to be able to provide services more
18 efficiently, sometimes by using, say, hand-held
19 technology. We have always experienced the British Gas
20 man, how he used to turn up with his bag of tools and now
21 he turns up with a computer, he feeds everything into it,
22 he gives us quotes and bills, he tells his central place
23 what he is doing and where he is - in fact, they know
24 where he is, which is sometimes a problem for the poor
25 old British Gas man, when he wants an extra cup of tea
26 and he has not got time because they know exactly where
27 he is and what he has got to do next.

28 Certainly, I have seen a number of local authorities
29 who are using that technology. For example, on building
30 support, where you have got teams of people going into
31 council houses, they can now download at the beginning of
32 the day the jobs, what they are going to need for those
33 jobs, through the GIS (Geographic Information System) the
34 best route for them to take and, again, centrally, they
35 will know exactly where they are, so if an emergency
36 comes up in the middle of the day, if a council tenant
37 has got a real problem with a burst water main or
38 something, they can send those workers out to that point
39 at that moment in a much more efficient way than they
40 were ever able to do before.

1 CLLR LADY MAVIS DUNROSSIL: I think local authorities, as you
2 say, have done their best, certainly, to follow that
3 through, but some have found exactly the problem that the
4 RDA has found, and that is that the technology is not
5 always as reliable as it was sold to be, and then what
6 you do is lose part of the faith in the whole system from
7 your personnel because they say they have been stuck with
8 something that does not do the job.

9 MR BUCKLAND: I think one of the statements that Fabian made
10 about flexible working rather than just remote working, I
11 think flexible working is the idea we want to get over,
12 so that people can go into an office and communicate in
13 that way, they can do it in the way that is most
14 appropriate for them and their organization, be it a
15 company or a local authority, it is that flexibility that
16 it gives us.

17 MR WILKINSON: We have certainly made sure that people can
18 log on in any of our offices.

19 MR KING: Can I suggest that with one very small step one
20 moves into collaborative working as well, and the public
21 sector version of that could be when you have a large
22 county council campus, you can work quite easily between
23 buildings on the same document and so on, and then you
24 can start exchanging with some other authorities. It is
25 working together, meaning that you do not have to move.
26 In the RDA, thanks to Nick's innovation, we have a very
27 well used video conferencing facility, and that must make
28 a huge difference - we will find out at the end of the
29 year, I guess - on our travel costs, which also means
30 that people are not in a car for two hours per day quite
31 so much, they are actually working.

32 CLLR LADY MAVIS DUNROSSIL: Obviously, that kind of quality
33 is very attractive, especially to two-tier authorities
34 where there are systems that have historically been put
35 in place which do not always match and causes
36 difficulties when you are trying to share things.

37 MR LEWIS: It is a good point. Technology has to work; the
38 only reason that video conferencing is a success is
39 because the technology works, people do not have to do
40 anything, there is a diary booking system on the

1 intranet, you go in, get your diary, see if the rooms are
2 free, you book them and then you walk into those rooms at
3 the appointed time and the machine is on, you do not have
4 to press any buttons, you just pick up a TV remote
5 control to alter the volume and camera angles and that is
6 it. Because that works reliably, people are using it.

7 MR KING: That is the trick.

8 MR LEWIS: It goes back to this whole thing about remote
9 working, flexible working, which is that you have to have
10 not just the technology but reliable technology to keep
11 people's faith with it.

12 CLLR LADY MAVIS DUNROSSIL: Could I ask just one supplement,
13 because it is my ignorance of the thing. What is the
14 relationship between an ISDN line, for which you might
15 have to pay to beef up your technology, and the broadband
16 issue? Why are they wearing separate hats?

17 MR KING: I will give a very brief, sketchy answer. ISDN was
18 an offering in the early days when the copper cable could
19 not actually achieve the job, so a different cable would
20 be laid down, an ISDN cable. Now that there is
21 technology available called ADSL, that can take
22 technology over the copper, it is reverting to that. As
23 a result, the cost of ISDN cables as offered by the
24 telephone companies has now dropped tremendously to about
25 20 per cent of the cost charged many years ago because it
26 is competing. I am sorry, I am extending beyond the
27 question here, but basically we will see a lot more of
28 this juggling with prices and offering in the future.

29 THE CHAIR: We have a supplementary from Howard.

30 MR THOMAS: I am perhaps showing my lack of homework, but I
31 was just thinking if we prognose about the further use of
32 this kind of technology in public services, Caroline has
33 shown how it affects people doing physical jobs as well
34 as people doing clerical jobs, for example, very
35 graphically, can we, for the South West region, identify
36 what effect this could have on the problems which we as a
37 Regional Assembly are trying to produce a strategy for,
38 namely, for example, our transport strategy? I sit on
39 the Assembly representing environmental groups on the
40 subject of sustainable transport; given the government's

1 aim to reduce congestion, obviously less use of private
2 transport at difficult times would be encouraged, but
3 does the RDA itself have any clue from, for example,
4 exemplar projects - and I think Mavis's council has been
5 involved in some of these trial projects of home working?
6 Then if we were to extend this further, do you have any
7 real knowledge of what the situation might be in, say,
8 five or ten years time?

9 MR BUCKLAND: I will start off and someone can come in
10 rapidly, I think. Certainly, the ICT Driver Group, at
11 our next meeting we will be examining the remote
12 working/flexible working approach. I know that there has
13 been some research done, not surprisingly, by British
14 Telecom with regard to this, I think Dudley University
15 was involved in it. So we are pulling together that
16 information about flexible working and how people work
17 there.

18 I think the impact it can have on infrastructure
19 discussions and certainly commuting, staggered commuting
20 and those sorts of things, I think it comes back to my
21 earlier point about it is more of a cultural thing within
22 organizations and how well that is accepted, and how they
23 can implement that. I am not denying the difficulties,
24 there is the technology there to do it but there is a
25 cost associated with that, so it is how that technology
26 actually proves itself. So it can have an effect there
27 but, as I say, that is something we are going to be
28 examining at our next Driver Group meeting.

29 MR THOMAS: It seems to me that it should be part of our
30 strategy. It is an issue that we in the Regional
31 Assembly could, like Chris was referring to - there are
32 certain hardware implications for the spatial strategy -
33 if we have the evidence in the form of a prognosis, we
34 could be establishing policies with regard to
35 infrastructure provision for transport and so on, which
36 could be very far-reaching indeed, as long as we have the
37 evidence. I agree about culture, but it could be the
38 role of the spatial strategy to influence the culture
39 rather than t'other way round. That is really the
40 question I am asking.

1 MS BULL: We might be able to extrapolate. I do not think we
2 have got any numbers, but I think we might be able to
3 extrapolate though from some of the case studies - and I
4 do not know without looking at them in detail. Perhaps
5 we could do that, that might help you, maybe nationally
6 as well.

7 MR THOMAS: Bryony will tell you more graphically that,
8 obviously, we are relying tremendously on local
9 authorities and other agencies to provide evidence and
10 this type of data which will help us in inputting to the
11 spatial strategy process. It seems to me that it would
12 be very useful if anything that is coming out of the sort
13 of work you are doing with other agencies could be input
14 to Peter Brown and his staff so that we can improve the
15 evidence base. It could be of course that a lot of this
16 is already going on, I am just a common or garden member
17 of the Assembly, but it seems to me that what is coming
18 out of what I have heard this morning is that if it has
19 been implemented successfully anywhere in the South West,
20 one could extrapolate and say therefore it should be
21 multiplied by the number of councils, the number of
22 health authorities and all the rest of it, and this is
23 what we come up with. That could be very important, it
24 seems to me. Do you agree?

25 MR KING: Yes. Could I suggest that we do have a lot of
26 information, I am being more frequently asked for it by
27 economic development officers. Bradford University has
28 done a lot of work on an analysis of the impact of
29 teleworking on the economic environment and social scene.
30 We were juggling with the idea of having a seminar or
31 workshop on the matter of remote working and teleworking;
32 it would in large part cater for the local authorities, I
33 believe, and perhaps I ought to get in touch with the
34 right person ---

35 MRS HOULDEN: We could do it jointly.

36 MR KING: Why not? I think it would be a very good idea, it
37 would help us with our plans and intentions, so shall we
38 take that forward.

39 THE CHAIR: That is good news. We have about five minutes -
40 I have an eye on the clock but I know, Chris, you wanted

1 to come back.

2 MR IRWIN: I think it is probably okay, I just wanted to put
3 down a little amber light really to say one needs to cast
4 around outside our region to find the analogues and the
5 evidence. I personally intuitively suspect that far from
6 teleworking reducing the need to travel - which is where
7 I think your interest is partly coming from, Howard - it
8 may actually stimulate the need to travel in one of three
9 ways, perhaps all ways. One is the tendency to generate
10 greater economic activity (which is significant);
11 secondly, it is going to generate wealth which also
12 generates travel demand; thirdly, new modes like your man
13 in the van. I really would like to see, and I suppose it
14 is the RDA one looks to, work done looking at other
15 territories that have examined this. I suspect there is
16 enough from our estates to get quite a clear picture. I
17 am sorry, it is a statement not a question.

18 MR KING: Perhaps we could pick that up in our discussions to
19 see whether any associated work should take place to do
20 that.

21 MR BUCKLAND: I think another useful way to do it might be
22 once we have had that debate in the Driver Group is to
23 actually put that across to the Infrastructure Group so
24 we actually take it in from both sides. I think that
25 would be helpful.

26 THE CHAIR: Great. Thank you very much, Mavis for that,
27 thank you colleagues for all the discussion this morning.
28 I made a very feeble attempt to try and sum up some of
29 them and gave up, because there were actually so many
30 good things coming out.

31 What did come across, certainly, is the emphasis on
32 the demand side, that certainly came through and I think
33 we understand why that is now, we are at a point on this
34 journey and now it is how we take it to the next stage.
35 That did come through very clearly. I think what came
36 through as well is how that is proving the case, so often
37 we have said during the morning that we now need to
38 convince more of those existing people out there of the
39 benefits, and I think jointly that is something that we
40 can certainly work on together. We are all nervous of

1 targets, absolutely, and I understand why we have said
2 what is the vision and what is around the corner. That
3 is a tricky one - that is not an opt-out, it is just a
4 tricky one to do.

5 I do not want to summarise everything, there is lots
6 more to come out. We need a break, we need to refresh
7 ourselves and clear our minds and then come back
8 fortified for this afternoon's session when we have two
9 main areas we want to focus on really, partnership
10 working - we have had a lot of evidence this morning and
11 we need to just tease that though, and looking again at
12 the future. Something that I said earlier is what is the
13 end game, where does broadband fit in terms of the
14 overall strategy? Clearly part of that is about business
15 competitiveness, and I am sure that has been a major
16 plank and one of the reasons you have put energy and
17 effort into ICT infrastructure. Hopefully, we will tease
18 that one out later. Thanks everyone, if we could
19 reconvene sharpish at half past one then we will be back
20 on schedule.

21 **Lunch adjournment**

22 THE CHAIR: Thank you, colleagues, for reconvening promptly.

23 I know that Nick Lewis has to go to a meeting after the
24 first session but thanks, obviously, for your
25 contribution, if I do not have a chance to thank you
26 later.

27 MR LEWIS: Thank you for feeding our staff who are working in
28 that room at the moment.

29 THE CHAIR: We do our best. This afternoon we are looking at
30 local partnership working and broadband and business
31 competitiveness. As always, I encourage all Scrutiny
32 Panel members to feed in anything they want as we go
33 along. I am going to pass over to Andrew now who is
34 going to lead off on local partnership working.

35 **4. Local Partnership Working**

36 CLLR GOVIER: Obviously, with the registration scheme and the
37 trigger levels with BT, how does the RDA see the future
38 of county partnerships and Connecting South West for that
39 matter, and how should that relationship - I know we have
40 touched on it a bit this morning - work with the Regional

1 Aggregation Board? How should we strengthen that link
2 and ensure that we are maximizing its efficiency?

3 MS BULL: I will start off, if that is alright. The first
4 thing to say I guess is that the Connecting South West
5 Partnership programme did not have as a primary aim
6 increasing coverage, so the BT trigger levels and the end
7 of that scheme does not really have a big effect on that
8 particular initiative. So a strategic purpose was to
9 mobilize a set of partnerships which would
10 comprehensively cover the region to provide a platform
11 for more co-ordinated and ambitious usage, and that is
12 what we have really been talking about for most of the
13 morning. Broadband for Devon, for example, is changing
14 its focus now to concentrate on delivering business
15 benefits, and it has got a new name which is Catalyst for
16 Growth.

17 We see the partnerships as delivering benefits
18 related to four key areas: business growth, which is back
19 to the point you mentioned just before lunch, Andrew;
20 skills and e-learning; flexible working; and e-government
21 and e-procurement. They have no dependency on BT's
22 registration scheme or trigger levels at all. As for the
23 future, we really need to think about succession planning
24 for these partnerships and work with them on succession
25 planning rather than an exit strategy, which is the
26 traditional way to go. We think that as this happens
27 then the membership and the role of those partnerships is
28 going to be changing in the future, because they will be
29 looking at how they can develop and how they might be
30 doing slightly different things in a few years time than
31 they are doing now.

32 Relationship to the RAB, do you want to deal with
33 that?

34 MR BUCKLAND: Yes. I think in terms of the relationship with
35 the RAB, clearly the RAB is looking at bringing together
36 a number of procurements and certainly that is linking in
37 closely with the RDA and what we are trying to do in
38 various of these things. Certainly, as a joint owner of
39 the RAB limited liability partnership, we are going to
40 push that forward. They are working with us with regard

1 to being on the Driver Group, and how we make use of them
2 in terms of Connecting South West and the like, they have
3 made our partners aware of what they are doing there.

4 CLLR GOVIER: Do you think there is a potential barrier there
5 in the sense of the county partnerships to the work of
6 the RAB, is RAB looking to break out beyond the actual
7 county partnerships?

8 MR BUCKLAND: I think it can combine those and that it can
9 actually be beneficial to those county partnerships, it
10 can actually contribute to those so that they can
11 actually utilize the RAB to actually provide their
12 connectivity.

13 CLLR GOVIER: What I was actually meaning was from the RAB's
14 point of view, the fact that there is a county
15 partnership, is that good or would be that in some ways
16 to cut across border issues would suit RAB better?

17 MR BUCKLAND: I think it is pros and cons. Certainly, the
18 amalgamation of what a county group could bring together,
19 that could produce something that the RAB can connect to
20 and actually provide a response to, and actually bring in
21 other partners with regard to that. I think perhaps the
22 disadvantage could be that the county partnership has
23 already been set up so the RAB cannot actually influence
24 that until the contracts start to expire, so there are
25 some issues around that. The cross-border element could
26 be an advantage; again it could be a disadvantage.

27 MR WILKINSON: I would see that the RAB is really being a
28 service, is it not?

29 MR BUCKLAND: Totally, yes.

30 MR WILKINSON: So the county partnership may well want to
31 make use of that as a service and bringing the various
32 players together on a county basis can help in the
33 aggregation process. So I do not think they are in
34 conflict, I would have thought they are more
35 complementary.

36 CLLR GOVIER: I was just thinking that if Devon or Somerset
37 or whatever stuck rigidly to that structure, that may be
38 a barrier to the RAB if RAB felt that organizations from
39 across borders were coming together.

40 MR WILKINSON: The counties have been talking to each other

1 anyway.

2 MR KING: A tremendous amount. That is half the benefit that
3 people enjoy, is the cross-border discussions.

4 CLLR GOVIER: Do you want to pick up the succession planning?

5 THE CHAIR: I am glad you touched on succession planning; it
6 is a real problem for the RDA in a sense in that in many
7 ways you pump-prime projects, you get them going, you
8 evaluate it and you say, I think it has been successful
9 or otherwise, but the expectation among people out there
10 is oh, gosh, the funding has ended.

11 MS BULL: We try to build that in right at the very
12 beginning, so we say how is this project going to be
13 sustainable, how is it going to go forward in the future,
14 and the people we are working with and who are having the
15 funding to do things, know right from the very beginning
16 that if they want this to continue they have got to find
17 a way of doing it ultimately without our money because
18 the funding is not going to go on forever, so they have
19 to look at ways of either things more ----

20 MR LEWIS: I think there is a difference between telling them
21 and them knowing. I think the point is well made, that
22 we have to make that clearer to people that the bit we
23 put in our appraisal and they therefore put in their
24 application about sustainability, which is about the long
25 term funding, is serious. Like all these things, the
26 budget position of the RDA was easier over the last three
27 or four years than it is going to be over the next three
28 or four years, so we need to make the message more
29 serious. A number of projects have in fact had phase 2
30 funding because there has been the capacity to do that,
31 so I think it is an important message that we need to
32 start getting across and we need to help people plan
33 better and we need to put the message across more
34 clearly. Post the next spending review, everybody except
35 for doctors and perhaps teachers, is going to be short of
36 money.

37 THE CHAIR: In terms of successful delivery of the overall
38 broadband strategy, if projects have been successful then
39 obviously one would disseminate the good work in terms of
40 that. What is the next stage, what is the role, are you

1 looking to put on more projects in different parts of the
2 region for those to learn from that, or are you saying
3 "Hang on, we have done this, we are now going to be
4 demand-driven so actually no."

5 MS BULL: If I could just start, what we want to do as a
6 first step is to use the examples, the Broadband Show for
7 example, and we have been working with SEDA to produce
8 some DVDs and then we can use those DVDs ourselves across
9 the region. It is Norfolk and another area who are
10 interested in what we are doing, so that way we can
11 spread it outside the region as well as inside the
12 region. So we are using what we have done.

13 As far as the next stages are concerned ---

14 MR KING: The next stage - there is going to be a continuum,
15 there is not so much a stop. The projects are staggered
16 and ActNow, as a case in point, they are on their third
17 iteration of their project, ActNow C which is just so
18 much more ambitious and appears to be fairly final; they
19 are going for 100 per cent availability by 2008.

20 THE CHAIR: So would they have to come back to you for more
21 funding to continue that?

22 MR KING: They came back to us for a very small portion of
23 funding really, compared to the fact that there is still
24 applying for EU intervention funding for the Objective 1
25 status. So that is continuing.

26 I was speaking with a couple of agencies, but I think
27 it is unfair to name them because they are not
28 contributing yet, but they indeed would be able to come
29 in on the back of the platform already in place, perhaps
30 overlapping the RDA's funding. It is that sort of
31 succession planning that comes into play. The private
32 sector will have a role to play, though we have to take
33 care because of the construction of the partnership
34 involving public sector partners and interfacing with the
35 private sector. I have spoken to many people about this
36 and I have absolutely no doubt that the private sector is
37 going to be spending money, they can spend money in a way
38 that will actually help these partnerships further
39 forward. I have spoken to Microsoft and Intel and they
40 all say "We haven't got a budget but we are very

1 interested", and then as you start to go further forward
2 you find that they have something planned which can take
3 place and, to all intents and purposes, they are then
4 contributing to the succession planning of the project.
5 So in September this year BT will be launching a
6 portfolio of SME services, rather like the application
7 service provision efforts of about four or five years
8 ago. The timing of that is going to coincide very well
9 with the termination of the silly season of holidays, the
10 start of business as normal and, also, the start of
11 partnerships getting to a certain stage with an appetite
12 for applications. The gap is in applications, we have
13 got people starting to take it up and we have got,
14 according to the benchmarking survey which you have got a
15 summary of, there is 17 per cent usage of broadband by
16 SMEs; we need to now put a large carrot in front of them
17 and that has to be good applications. So the private
18 sector, BT, is coming forward; it is not just BT itself,
19 they are wise to the occasion and they are in fact acting
20 a reseller of some carefully developed products from Sage
21 for accounting, from Microsoft and a few others, a nice
22 class of suppliers all coming into play. That is BT and
23 there are others as well.

24 MR BUCKLAND: This is where you start going out into the
25 five, ten year future, where you start looking at the way
26 the internet and ICT are starting to be used and you
27 really get into the futuristic view of where you are
28 then. At that stage in my view, and in a lot of people's
29 views, actually it is the input device and the output
30 device, the screen, the keyboard and the mouse which are
31 something that you will actually own, but the data will
32 be held somewhere out there in the ether and the software
33 you use will actually be out there as well, and you will
34 be micro-charged against that. So the whole way that the
35 ICT business is run and the way you run your business
36 with ICT will completely change because of the speed of
37 communication and the trust in the storage of the data
38 and the availability of archiving, back-up and all those
39 sorts of things. It is those sorts of services which
40 will actually push us down that route, and some of the

1 suppliers of that sort of thing will be very different.
2 They may be the banks, because we currently trust them to
3 hold our money electronically, so we will find different
4 suppliers coming into that area. So future-gazing for a
5 moment, it will change the way that we interact with ICT.
6 MR IRWIN: Chair, very briefly on that and going back to the
7 workshop, this concern that infrastructure should be
8 future-proofed, if you really see it going down that
9 centralized holding of data, access to that becomes of
10 the essence. To what extent do you think that as a
11 regional authority you have responsibility to help people
12 think through the future-proofing implications. Five
13 years may be too far away to worry about.
14 MR BUCKLAND: I think it comes down to the speed at which the
15 technology changes.
16 MR IRWIN: I suppose that deep down I worry all the time,
17 chair, that if the Koreans have gone for one gigabyte or
18 whatever it is ---
19 THE CHAIR: It is more than that.
20 MR IRWIN: And if there is this incredible penetration, which
21 I am told there is, and on the west coast they have got
22 this sort of thing, are we in danger of getting
23 somewhere, patting ourselves on the back while we get
24 overtaken?
25 MR BUCKLAND: I think we have to look there at the fact that
26 the Koreans have actually taken it as central government
27 providing a utility, and that is how they regard it.
28 THE CHAIR: I think it is something about ambition as well,
29 it comes back to the debate we had earlier about
30 government intervention at a national level, the ability
31 regionally to set where you want to go. They have
32 clearly made a huge step to say "This is what we want to
33 do" and I think that is about future-proofing, is it not,
34 because I think everything we have said today has been
35 that it is only going to grow, it is going to get faster
36 and bigger etc.
37 CLLR GOVIER: One other thing I wanted to ask is how do we
38 ensure that people buy the right stuff as well, that is
39 the other thing. We were talking about capacity and that
40 sort of thing, how do we ensure that businesses can buy

1 these packages - we know that they will say "This is
2 exactly what your business needs", we can see it now with
3 people who buy home computers, and they end up buying
4 something which is much more powerful than they need for
5 what they actually use it for. How is that to be
6 controlled?

7 MR KING: There are two ways. One is that you will probably
8 be buying a service, as Nick has pointed out, so the
9 equipment for that has to own up to the promises made by
10 the person who wants to deliver the service. Secondly,
11 OFCOM are doing a major survey at the moment, which the
12 RDA is heavily involved in, to do with catching up with
13 the way the market is currently framed - is that good
14 enough for the future. The range of questions - you have
15 to admire them, they have really got that set of
16 questions right. There was a major debate yesterday
17 between all the RDAs, we are contributing and it may be
18 that the Regional Assembly also wants to comment on this.
19 I will happily follow that through if you wish. So that
20 answers your question directly.

21 Again, at the risk of ideology, I think the market
22 is a fairly fit thing insofar as if it makes a mistake it
23 is cut out and something else takes over. The way the
24 technology is delivered, that is going to change, the
25 mobile telephone market is witness to that. At the
26 moment BT are developing with Vodaphone a dual purpose
27 machine that can act as your land line transceiver as
28 well as your mobile phone, so you just have one thing to
29 take around with you. The benefits of that are purely
30 soft, you only have to maintain one set of telephone
31 numbers for all your contacts on that phone - and you can
32 lose it all at once.

33 THE CHAIR: There is always a sting in the tail.

34 MR BUCKLAND: Another example of the market changing is on
35 video recorders. We all remember the Betamax and the VHS
36 battle and what happened there: one became dormant.

37 CLLR GOVIER: I was not saying the market would not work, I
38 was just concerned that what we are saying here is people
39 are perhaps nervous about entering into this field anyway
40 and if they feel that they have invested, if it is a

1 small business, quite a lot of money - we have seen it at
2 national and local government level where people have
3 invested lots of money in the wrong systems in IT and
4 that type of thing - I am not saying it cannot be worked
5 through but I was just interested and that has provided
6 assurance.

7 Can we move on to the second main question we had
8 which is what lessons have been learned from the use of
9 the DTI planning and the RABBIT scheme?

10 MR LEWIS: The RABBIT project is something very dear to my
11 heart so I will lead off on that, but putting RABBIT to
12 the back of the pile for a start, I think the broadband
13 fund is a cause for some regional pride, so if there is
14 going to be a Western Morning News headline after this
15 session it should be about regional pride. The South
16 West region definitely produced the best set of projects
17 of any of the RDAs out of that £30 million broadband
18 fund, and the ones that have longest lasting effect, ie
19 are still around.

20 MR KING: We can prove that, can we?

21 MR LEWIS: We can prove that. Whilst others frittered their
22 money away, like Yorkshire Forward, on loads of minor
23 website development which has been and gone now, but was
24 jolly nice for website developers in the Yorkshire
25 Forward area at the time, while One North East spent
26 loads of money putting satellite connections into all
27 their managed workspace that no one used, and while the
28 North West spent lots of money on infrastructure
29 feasibility to create a fibre optic network that still
30 has not happened, in the South West we have spent the
31 money on the Broadband Show that has been mentioned
32 before, and we could only do that because of the Bric
33 Group in Bristol who were involved in that project and
34 produced this showcase that not only has been used here
35 but other regions are interested in using and we are
36 certainly continuing to use, you can get to it from our
37 website - the community at Buckfastleigh produced that
38 project, and a number of you have mentioned that and are
39 aware of that, Connecting South West which is the
40 information-giving bit, the joining-up bit, which started

1 off under the broadband fund and is a continuing project,
2 and then last but by no means least the RABBIT project
3 was an example of the South West RDA trying to lead the
4 other RDAs to a sensible conclusion, which was a way to
5 tackle the coverage that was needed for businesses that
6 could not get ADSL or cable or satellite, because
7 satellite was too expensive, there were not enough
8 suppliers and there was not enough information, the point
9 Nick was making a moment ago about which was the best
10 system to go for. So we set up the RABBIT project and
11 there is a website that tells people about all the
12 suppliers, allows them to do frequently asked questions
13 and work out what is best for them, get their quotes and
14 then, depending on the level of connectivity they took up
15 there were differential levels of grant. That is a South
16 West RDA-led project that was joined in be SEDA, the East
17 of England, East Midlands, the West Midlands and,
18 briefly, by Northern Ireland, so we had comprehensive
19 coverage. That is why the South West RDA has a branch
20 office in Solihull, which is where we run the project
21 from, as I always remind people when I am in the West
22 Midlands.

23 So I think the lessons we have learned are that
24 actually the broadband fund is an example of showing that
25 we can achieve our vision, which is for the South West to
26 lead in terms of development of the broadband agenda and
27 to create long-lasting projects. It is not a pat on the
28 back just for the RDA, I have specifically mentioned all
29 those partners.

30 Just as a reality check, which I forgot in my
31 enthusiasm, as Fabian did remind me this morning, among
32 all that waste of resources by the other RDAs there was
33 one other good project in another region that I must give
34 credit to, which was the East of England did come up with
35 the brokerage model which was a website where people who
36 were interested in getting broadband could register and
37 the East of England could then say there are this many
38 people in this area who would like broadband, to bring in
39 people other than BT to compete, because obviously if
40 you have a cluster of people who are interested it might

1 be worthwhile for a wireless operator or someone else to
2 come along, and I think that that concept and the East of
3 England starting off is one of the many things that has
4 pressed BT to move ahead faster than their ADSL roll-out,
5 because they controlled that to get the trigger levels
6 and make sure that there was no competition for BT.

7 THE CHAIR: It is quite an important point to capture and I
8 know where Mike was coming from. Obviously we want to
9 celebrate success for the region and, clearly, if we
10 are now of the nine regions the top boys on this one,
11 is that independently verified or is that just our
12 take on it? Can we stand up and say ---

13 MR LEWIS: That is our take on it. I did try to go to the
14 DTI website last night, rather at the last minute, to
15 see if the DTI had done an evaluation of the broadband
16 fund and I could not find anything. Have they?

17 MR KING: They have not. They took in the returns on it but
18 they have not given a verdict of one region being
19 better than the other, which is the attitude adopted
20 by the rural DTI team. Basically, they do not want to
21 divide or differentiate. You may recall Stephen Speed
22 ---

23 THE CHAIR: Yes.

24 MR KING: Talking about a distinct approach in the South
25 West. He then elaborated and then followed up by
26 saying "and of course there are distinct priorities in
27 the other regions as well."

28 MR IRWIN: On the train back to London afterwards he told me
29 the South West was the best of them.

30 THE CHAIR: Oh, right. That is good enough for me.
31 (Laughter).

32 CLLR BAWDEN: You did tape it of course.

33 MR LEWIS: If you type in "broadband fund" on the DTI website
34 you do not get any useful evaluation, but the top search
35 entry that comes up is Stephen Timms' address to the
36 Broadband Show where he congratulates the South West on
37 leading the way in the use of the Broadband Fund.

38 MR WILKINSON: It is the region that takes the credit for
39 that.

40 THE CHAIR: Yes, but in the context of today and what we have

1 been doing over the last few weeks, that is important.
2 You know, as well as to be critical and constructive we
3 have to celebrate some of the things that are going well,
4 that is only right, so well done. Howard?

5 MR THOMAS: Congratulations on that result. We need to look
6 at what we could learn for the future; it sounds to me a
7 very pragmatic approach that was used and in
8 circumstances where you cannot predict the future it has
9 been shown to be in this case a very good approach.

10 I am just wondering what we would do from now on were
11 we to be allocated more funds because of some new gizmo
12 that we do not know of yet. Would you try and choose
13 these, what I describe as pragmatic approaches? I see
14 you nodding, I am sure that is the description of them.
15 What would be your attitude for the future, were you
16 looking or was it planned?

17 MR BUCKLAND: Can I just say something first, which actually
18 goes back to the point about South Korea and the vision.

19 One of the dangers is that the country is losing the
20 vision because we seem to have settled down that
21 broadband can be called 512K, and one of the most
22 disappointing things was Nick telling me that one of the
23 reasons why the RAB is struggling on the NHS contract is
24 that the NHS has now downplayed the requirement that they
25 need for surgeries from 2 megabytes to 512k. Of course,
26 the great convenient thing about 512k is that BT can say
27 "That is an ADSL" so it is done, whereas what we need is
28 bigger pipe. I would come back to say that if we had the
29 opportunity I would be trying to stimulate demand for
30 proper broadband which is, let us just say, above 512k.
31 Sorry, Fabian, you were bursting to come in.

32 MR KING: Yes, but I am glad you went first because you kept
33 to the question. Basically, what I would say, trying to
34 keep myself to the question, we now have a different
35 situation where we have a federation of partnerships
36 within the region, so there are people to discuss with
37 and organize the most effective use with clear planning
38 and decisions about "For this spend, what are the
39 horizons we are aiming for, what have we achieved so far,
40 where are the efficiencies to ensure value for money

1 regardless of aspiration of application, and so on and so
2 forth. We are in a different context now, which is good.
3 It is not a brains trust, I am not going to speculate as
4 to where the money will go; however, I would ring forward
5 a major aspect of the South West that deserves attention
6 for broadband, and that is the SMEs. Broadband is a
7 utility, but how it could be used for SMEs could really
8 change the prospects that they have for increasing wealth
9 and the circulation of wealth within the region.

10 MR THOMAS: Do you have any particular sector in mind, or is
11 that a general comment?

12 MR KING: A very good question. On 29th June we are going to
13 be having a workshop about benchmarking and we are going
14 to look, quite deliberately, into each of the sectors.
15 That is what I am going to be promoting in the workshop,
16 it is going to be a consensus decision, it is an
17 opportunity. So there will be differences, but what I
18 would say generally about SMEs is - I mentioned
19 collaboration earlier - the way in which applications
20 derived from broadband application, internet application
21 technology, will empower SMEs to be able to wield a scope
22 of operation which hitherto belonged to the big boys, the
23 large companies. They will be able to go to market with
24 a complete portfolio of what they have got to offer, of
25 how they are going to deliver, and this will change,
26 frequently, the power base in the value chain, going from
27 the source of their activity right through to the end
28 user buying the end result.

29 If the value changes then this produces one tricky
30 problem which is that it upsets the very model that we
31 use for planning; in other words there is a bit of chaos
32 coming in, there will be a bit of disruption, but at the
33 end of the day the SME will be able to exercise more
34 power, they will be able to approach more markets, more
35 specifically, for what it is they do, and they will be
36 able to choose in the market where their best margins and
37 prospects are. That means a better order book - not just
38 a bigger order book, but a better order book and
39 frequently this will give rise to the SME redefining what
40 it is it does as a business, let alone the way it does

1 it, so the prospects for SMEs are on the one hand a bit
2 awesome, on the other hand exciting, and not all SMEs
3 want it. Some SMEs have an activity for a sole
4 proprietor which in fact belongs to the pension fund that
5 they have got planned and they do not want to upset it,
6 so it is horses for courses, they are different sectors,
7 but the generality of what I am saying myself and others
8 firmly believe.

9 MR THOMAS: Just one last question, chairman, that approach
10 you have described, is that a lesson you have learned
11 from the initiatives that carried out the £3.8 million?
12 Would you describe that approach?

13 MR KING: At the Broadband Show, many of the cases in that
14 proved the point, and in very enlightening ways, in
15 unexpected ways.

16 MR WILKINSON: In terms of sectors it was interesting, it
17 ranged from aerospace to tourism, so that shows the
18 breadth that there is.

19 MR THOMAS: Thank you for that.

20 THE CHAIR: Thank you. I have Chris, I think, who wants to
21 come in and then Mavis.

22 MR IRWIN: I was triggered just by something that Nick said,
23 which I felt went back to something we were talking about
24 this morning that I thought we had resolved, but I am not
25 quite sure we have resolved. You used the phrase
26 "stimulate demand for 512k proper broadband" and I
27 thought to myself let us just think of the discipline of
28 distinguishing between outcomes, say, and solutions;
29 there is an outcome and there is a solution. It seems to
30 me that 512k is a solution, not an outcome, and I have to
31 say I am suspicious of this concept of stimulating
32 demand. I am not sure whether I am suspicious because I
33 think it may be a little more ideological than practical,
34 I am not sure whether I am suspicious because I am aware
35 that governments do not awfully like spending money, but
36 think back to the electricity grid, which this morning
37 was an analogy, if someone had said in the twenties and
38 the thirties and the forties when the National Grid was
39 being established, "Our job is to stimulate demand, let
40 us encourage Thorn to sell as many electric ovens as it

1 can" or whatever, and let the infrastructure follow. I
2 do not think we would have the robust electricity
3 distribution system we have inherited and I think that is
4 one of my worries about the broadband network.

5 So I want to try just once more to get you to say so
6 clearly, stimulating demand really is what it is all
7 about because --- or to say well, actually, it is a bit
8 of a fudge.

9 MR LEWIS: It is not a fudge but it is the difference between
10 being in government a hundred years ago or in government
11 today but in South Korea, which is that we simply do not
12 have the sums of money that are necessary to make those
13 public sector gestures about creating the infrastructure.

14 MR IRWIN: It does not get high enough on the priority of
15 public spending scales.

16 MR LEWIS: What you can do with small amounts of money is try
17 and stimulate demand and get the markets working.

18 MR IRWIN: So it is a fudge then.

19 MR LEWIS: Well, it is a pragmatic solution. What we know is
20 that if we in the South West tried to say we need 512k
21 plus but the only way to do that would be to either
22 encourage some huge laying of fibre optics or to use
23 wireless, so the answer I think is that it has probably
24 got to be wireless, but already I am starting to make
25 technology decisions that I am not qualified to make.

26 MR IRWIN: What sort of money is one talking about to deal
27 with that sort of thing?

28 MR LEWIS: I do not know, I am not going to go there. To
29 follow the argument through, you then say "Which
30 wireless system?" and then you stop and say "how can
31 we possibly know? What we could do, much like the
32 RABBIT project, is say that we think there are some
33 business benefits to be gained from proper broadband
34 and we would like to see some businesses using it so
35 you can see how they are. So we could offer grants
36 like we do with RABBIT to businesses who want to use
37 that, and there will then be some businesses out there
38 saying "I want more than 512k". At the moment they
39 would either have to be near an existing fixed
40 wireless operator on the table, or they would have to

1 pay BT for a leased line, and it would take quite lot
2 of money to do that, which is why we are answering a
3 hypothetical question. So if pragmatism is a fudge,
4 it is a fudge, but I do not think it is in this case a
5 fudge.

6 MR BUCKLAND: I think your analogy with electricity and the
7 availability of ovens is a very good one, but for the
8 other reason, because it was actually that demand.
9 Electricity was around for nearly 40 years before the
10 demand side would be taken up by the application of
11 appliances, so when people were getting hoovers,
12 radios, electric ovens, light etc and started to
13 install those, that is when it really dragged the
14 electricity industry and pushed the demand and got the
15 capacity in that industry. It was really the
16 appliances and the applications which actually drove
17 that forward, so it was demand stimulation which
18 actually drove that through. So it took 40 odd years
19 for that to start to happen, we are in an industry
20 which has taken perhaps seven years to actually start
21 that. So we have learned from that, but we have a
22 little way to go.

23 THE CHAIR: Thanks, Chris. Mavis?

24 CLLR LADY MAVIS DUNROSSIL: I am not sure whether mine is
25 going backwards, but just to go back to the SME point
26 that Fabian mentioned, I thought when you spoke earlier
27 today that you were applying applications business partly
28 to convert new people, given that there were a lot of
29 SMEs who were not even interested in taking it up. Then
30 you say that that would do a double job because it would
31 also raise the need for bigger capacity because the SMEs
32 who have already taken it up would realize there were so
33 many more applications that they could use it for.

34 My worry is that the people we saw at the Bristol
35 show, who demonstrated how well they were using broadband
36 for tourism or for aircraft engineering, they are the
37 ones you have reached as it were and in a way, because
38 they have often got very good management and so on, they
39 were people who would immediately see the possibilities.
40 I still do not see quite how your programme which is

1 going to start on 29th June is going to get out to the
2 people who you need (a) to take it up, and (b) to convert
3 the ones who are already there to show them how much more
4 they could do with it.

5 MR KING: There are two things, on 29th June that is a
6 workshop for a research study.

7 CLLR LADY MAVIS DUNROSSIL: A research study?

8 MR KING: Yes. The 200 case studies I spoke of this morning
9 which along with other - I hate to use the word -
10 collateral, ammunition or whatever to promote the use and
11 show examples of how you can use broadband technology,
12 that is getting under way now.

13 CLLR LADY MAVIS DUNROSSIL: And where will it go?

14 MR KING: What we are doing is spreading further afield what
15 we already have on our website and have already been
16 promoting, we just want to multiply that effort to get
17 the message of these case studies and so on out to SMEs
18 and users generally, into the sectors. When it comes to
19 the type of SME that you referred to - you referred to
20 one set that are predisposed already to taking up
21 broadband such as the aeronautical industry - there are
22 more cases, I believe, in the 200 case studies we have of
23 people who bake cakes for birthdays, of people who have a
24 fancy dress hire shop, people who run one man businesses
25 or two man businesses; they are able to reach better
26 markets so that they can actually consolidate their
27 operation and say we no longer have to do these side
28 shows of other activities that distract us from doing a
29 good job because we now have a good enough order book.
30 Some of the ways in which this is manifest is sometimes
31 quite bizarre, of someone who has a market in the United
32 States, even though they are based here, for the
33 costumes.

34 I do not want to get sucked into the anecdotes
35 because they are all different, they cover so much
36 ground, but what I would say is that we do want to
37 promote not just to the large engineering companies, we
38 want to help with the cottage industries, we want to help
39 with the cottages that are for let.

40 CLLR LADY MAVIS DUNROSSIL: I take that point because

1 obviously in what you showed there, the big industries on
2 the whole will do their own thing.

3 MR KING: They will.

4 CLLR LADY MAVIS DUNROSSIL: Without help from you, but you
5 feel confident that you are going to reach what we might
6 call the hard to reach groups among the SMEs, you feel
7 your strategy will do that.

8 MR KING: We are talking a lot with FSB to identify the
9 difference and, therefore, any shortcomings in our
10 approach, because we need to go further. I strongly
11 believe that the broadband applications have yet to
12 really make their mark in this small SME field, and that
13 is where the biggest difference, I reckon, will be made
14 in the South West.

15 MR BUCKLAND: Fabian mentioned earlier the ICT Driver Group
16 with the FSB on board, the manufacturing side, and the
17 tourism side. We are talking to them about using them as
18 the distribution methodology through to their membership
19 and their groupings so that they get to understand it.
20 Part of the problem of having everything up on the
21 website is that you have got to have website access to
22 actually look t it, so you have to find a way of
23 overcoming that. As Fabian said, what we are attempting
24 to do now is actually take the water to the horse so we
25 can actually put it in front of them, rather than leading
26 the horse to the water. So those are the sorts of
27 methodologies we use.

28 THE CHAIR: Thank you very much for that; I think, Andrew, we
29 are finished. That is quite a nice link, because we have
30 moved into the business sector, to really go straight
31 over to you, Mike, looking at really the competitiveness
32 issue and what broadband can bring to that issue in the
33 region.

34 **5. Broadband and Business Competitiveness**

35 CLLR BAWDEN: Thank you. We have covered quite a number of
36 areas and we keep coming back to various themes, I think,
37 within the discussions, and the one thing that concerns
38 me is how do you get organizations, firstly, interested
39 in broadband and, secondly, how do you then develop their
40 use of broadband? These are the sorts of questions, what

1 type of industries we go into - using "industry" in a
2 very simple way. I think we all know that major
3 engineering organizations or any major organizations will
4 be able to look after themselves, very often driven by
5 the marketplace, but I think with all the questions that
6 we have put in front of you, you have not really
7 convinced me that you have got a strategy in terms of
8 what I call the matrix. You have got size of
9 organization, type of industry, leave the big ones alone,
10 where is the strategy that says this is the type of
11 industry we will go for, that is the profile of the type
12 of company we will go for, once we have got into them,
13 how do we train people to understand the technology?
14 Having done that, how do we encourage them to actually
15 implement the technology, because I have got a horrible
16 feeling that an awful lot of organizations have got
17 broadband, lean up against the public bar in the local
18 and say to their mates, "I've got broadband", but I am
19 not convinced that a lot of organizations actually use
20 the technology.

21 Can I carry it then a little further to try and
22 bring it all together? How do we get other agencies
23 involved because, with the best will in the world, I
24 think you are perfectly correct when you say you guys
25 have not got the money, there is no way you can do it by
26 yourselves, I totally applaud you when you say you have
27 to go out in the marketplace to move in because they have
28 got money and they are in business to take commercial
29 risks or whatever. I think what I would like is for you
30 to explain how you think you can pull it all together and
31 act as the catalyst in driving this change? We have got
32 a technology tiger by the tail, I have no doubt about
33 that, and none of us in this room have any idea where we
34 are going to be in five years time. Really, at the end
35 of the day, there is no way that we collectively can back
36 a particular approach, it has got to be very much a
37 shotgun, and I do feel quite sorry for your chaps because
38 you are damned if you do and you are damned if you do not
39 and, whichever way you go, you are going to be seen by
40 some people to have failed and others as a total success.

1 Everyone is rapturously delighted that the South West
2 region is perceived as being at the forefront of
3 broadband, but at the end of the day you guys are on a
4 hiding to nothing. Please tell us how you think you are
5 going to try and get as much as you possibly can out of
6 an impossible position? I think you will agree with
7 that.

8 MR WILKINSON: Yes. I think the starting point for a lot of
9 our work with business is that businesses are not
10 particularly interested in talking to the RDA or to the
11 Regional Assembly or to other government agencies.
12 Businesses, if they talk to anyone, are most interested
13 in the main in talking to other businesses doing similar
14 things.

15 MR BUCKLAND: Of a similar size.

16 MR WILKINSON: Yes, either similar size or within the supply
17 chain, either of those. So our approach to sectors first
18 of all is to facilitate bringing those businesses
19 together and helping that process of them talking to each
20 other, and our approach to broadband has been based on
21 the same concept, that we do not have the sum of wisdom -
22 in fact we have very little wisdom - in how to use
23 broadband, but there are a hell of a lot of businesses
24 that have tried it, and that is the concept behind
25 initially the Broadband Roadshow and behind what we call
26 the jukebox and the 200 demonstrators that the best way
27 is to get the businesses to tell each other, and our job
28 really is to facilitate that process, to make it easy for
29 them to do that.

30 CLLR BAWDEN: How are you doing that?

31 MR KING: Can I give you some answers? On the one hand we
32 are organizing a cascade training programme that I have
33 spoken about already which is going to push it out
34 further, we have also got the channels which I have
35 spoken about where we can actually hand over the
36 collateral to those who want. Tomorrow in Bristol I am
37 meeting with the development director of the British
38 Chambers of Commerce, Nigel Hutchings of South West
39 Chambers, whom we are helping organize websites for each
40 of their local chambers and they will have 80 websites at

1 the end of that exercise. The plan is to consider having
2 a programme of what is tried and tested elsewhere in the
3 UK and we call it the e-business club, and this is to
4 allow for this peer to peer discussion of advances made
5 by SMEs.

6 We already have in the South West a new fledgling
7 organization that is coming along quite well called Wired
8 West, so we have Wired West, we have South West Chambers,
9 we have got the FSB who are very active and we are going
10 to bring them altogether in the same room. They are
11 talking anyway, it just happens that tomorrow there is a
12 bit of a clash, we could not get them all there at the
13 same time. Business Links are also very active in this
14 field as well, although they have a rather distinct
15 approach and I need to just cover this to answer your
16 question directly about how do we capitalize, how do we
17 aim and target the companies we go for, because Business
18 Links have a principle of all, many or few. Do you try
19 and satisfy everyone, do you go for more of a segment or
20 do you go for just a handful of organizations and
21 companies that you want to take a long way? They tend to
22 go for the middle and the latter, the many and the few,
23 as opposed to the all.

24 We then have the ActNow project in Cornwall which has
25 worked on a very specific basis of targeting 20 per cent,
26 knowing that there will be cross-fertilisation which will
27 filter into the 80 per cent. At the RDA we have had
28 quite a few discussions about this and we are going for
29 the sector groups on the business front, we are going for
30 the sector groups in particular.

31 CLLR BAWDEN: Can you explain what you mean by sector groups?

32 MR KING: Basically, they are eight prime sectors that the
33 RDA has identified with our partners. They are so
34 diverse I am going to read you the list because I always
35 miss one out. Basically there is advanced engineering
36 (including aerospace), the marine sector, food and drink,
37 ICT, tourism and then the newer sectors which are
38 envirotechnology, biotechnology and the creative media.
39 So between them they cover the stronger part of the
40 economy and it is the economy that we are trying to

1 stimulate, support and improve.

2 CLLR BAWDEN: What size of organization are you targeting as
3 well, because this is a matrix, is it not?

4 MR KING: It is. Business Links would answer that by saying
5 that they would go for the companies offering best growth
6 because that is the target, to go for growth.

7 MR WILKINSON: If you take the aerospace industry - we have
8 worked and supported the WEAFF, the West of England
9 Aerospace Forum, and they have 700 members now and they
10 include the largest right down to the smallest, so there
11 is this very distinct supply chain. So that is the
12 approach in that sector. In marine there are really
13 clusters around the region, around Poole, around Portland
14 ---

15 CLLR BAWDEN: What do you mean by marine? I think of marine
16 as fishing.

17 MR WILKINSON: We have defined marine quite broadly, from
18 marine science to boat-building and we have obviously
19 have boat-builders here and not shipbuilders, but boat-
20 builders making luxury yachts, power boats and so on in
21 the region. There there is a whole regional sector
22 group, but there is also a very strong local group which
23 includes the big Princess Yachtworks and its smaller
24 companies. In Portland there is an investment company
25 which has a sailmakers moved in next to it and so on. So
26 that is what is happening in the marine sector.

27 In tourism we work with South West Tourism and they
28 have got 1800 members, I think. So in each sector the
29 sector has really defined how it wants to work through
30 the supply chain, across the whole region, through parts
31 of the region, and we go with that. So we feed into
32 those sectors and there are eight priority sectors, so
33 that covers a large part of the agenda. But here we want
34 to be broader than that and that is why we also work with
35 FSB, the Chambers of Commerce and so on to cover people
36 we are not picking up through the sector group.

37 CLLR BAWDEN: Can I come back to aerospace? We can define
38 aerospace as being Smiths Industries, Dowty Group in
39 Gloucester, as Rolls Royce at Bristol, we can define it
40 as Westland, but they are major international players.

1 We have also got probably people in the supply chain with
2 two men at the top.

3 MR WILKINSON: Yes, we have.

4 CLLR BAWDEN: So how can you say that you are going to cover
5 everything from Rolls Royce down to two men and their dog
6 in Truro?

7 MR WILKINSON: I would never say we are going to cover
8 everything but if you take Westland for instance as one
9 company, there are 350 SME suppliers to Westland in the
10 region and most of those are members of WEAFF. So there
11 is already a network there; we have not created that
12 network, that is a supply chain network, but we are
13 working through the existing network.

14 CLLR BAWDEN: You are using the big players to use their
15 supply chain.

16 MR WILKINSON: Absolutely.

17 MS BULL: If you think about the specific example - I think
18 it was at the Broadband Show - where they were showing
19 interactive design, you have the big company who knows
20 what it wants, it puts the prototype into the system and
21 then the little supplier down the chain sees it on the
22 screen and is trying to interact with the big company to
23 say what if I put this here, what if I put that angle
24 there, how about we make it out of this material, and
25 they literally share this interactive design. I think
26 that one of the answers to your question, Mike, about how
27 we interest them is that it is not a question of
28 interest, it is a question of competition, and if they do
29 not do this they are just not going to make it. So what
30 we have been trying to do over the last few years is to
31 make it clear to them what the potential is, but actually
32 what the drivers are going to be for future business if
33 they still want to be in business in the future, because
34 it is going to be absolutely essential for business in
35 the future; there will not be many people left around
36 doing things with paper and pen in a few years time.

37 MR BUCKLAND: I think it comes back to Fabian's point, that
38 we can actually compete in the global market with regard
39 to that because you start off by competing regionally but
40 actually you can move into the global market once you

1 have that capability.

2 CLLR BAWDEN: If you are talking about aerospace you have got
3 to.

4 THE CHAIR: Mike, when we did the scrutiny of business
5 support groups, which is fresh in our minds, I think the
6 impression we got quite clearly from businesses is that
7 it is very mixed out there, a mixed level of service and
8 it is often not clear who to talk to. So obviously you
9 have got some confidence that the people you are going to
10 talk to are going to deliver the coherent message you
11 need. I think there is just a word of caution needed
12 here in a sense, if you put your eggs in that basket do
13 not be too disappointed because the impression we are
14 getting is that even to get those businesses past first
15 base and listening to those business links and the other
16 for a is a challenge. So it is absolutely right, you
17 have got to work through partners, we fully understand
18 that, but it is something to be cautious of.

19 MR BUCKLAND: I think the market as well is actually guiding
20 that. You have all the suppliers in the market with
21 regard to broadband actually trying to sell into that
22 sector, you have got a depressed ICT industry attempting
23 to sell into that - I mean, the ICT industry has been in
24 recession for four years so they are very keen to develop
25 this technology and actually get people to take it up.
26 So there are pressures other than those coming from
27 ourselves and our partners.

28 MR WILKINSON: The harsh truth is, as Caroline was saying,
29 that the biggest single contribution to increasing
30 productivity is when a higher productivity firm takes
31 over the business of a lower productivity firm, that is
32 what is happening and that is what will happen, but what
33 we want is the maximum number of firms in the region to
34 have a chance of being those high productivity firms.

35 MR KING: Could I clarify something?

36 THE CHAIR: Yes.

37 MR KING: The question I addressed about what are your
38 sectors I answered. What the ICT and broadband promotion
39 is doing with those sectors is another matter altogether.
40 By defining the aerospace sector I was not giving a

1 message that we are telling British Aerospace how to use
2 broadband, what the ICT team is doing is working with the
3 people who engage with the sectors, so the RDA is able to
4 have a channel going into the sectors and then we meet
5 with those who run the sector forum and we talk about
6 what is possible. I went through this about 18 months
7 ago and the only sector that really was ready to tackle
8 ICT was, I think quite understandably, the tourism
9 sector. We took that opportunity up with gusto because
10 we thought if the others are not ready yet, let us go a
11 long way with this one to show what can be done. I am
12 putting it the wrong way round, I am sorry: they were
13 wanting to do it, all credit to that sector.

14 MR THOMAS: I want to give some words of encouragement
15 because I think there has to be good questioning, but
16 your attitude has been consistently that we are not in
17 the business of picking winners, the winners should pick
18 themselves, and this particular panel member applauds
19 that.

20 My question to you - because I am supposed to ask
21 questions, not give opinions - is have you consulted any
22 sources that would give you data which would change that
23 approach from the one you have now? In other words, I
24 remember those sectors they are repeated in your Regional
25 Economic Strategy, and really I am giving you an open
26 door. What sources could you possibly investigate that
27 would lead you to a different conclusion?

28 MS BULL: Are you talking about conclusion on the priority
29 sectors?

30 MR THOMAS: And the method of approach. You have approached
31 through the clubs of the sectors and whether they are
32 vertical or horizontal, the FSB; it seems to me that if I
33 draw anything from what you have said, it is the FSB
34 sector which is probably most challenging (Federation of
35 Small Businesses) because their representative kept on
36 talking about the fact that they are only really
37 interested in putting enough money aside for their
38 pensions and not investing in the business. I put that
39 rather unkindly perhaps, but he actually came out with
40 that, that a lot of FSB members were more interested in

1 that. I do not know what that is, why plumbers and
2 bakers should be more interested in that than other
3 people who are in business, you would have to ask the
4 FSB, but I got the impression from the FSB that they
5 represent retailers and small service suppliers and
6 therefore those people do not see the function of their
7 business as expansion and would be less likely to look
8 into the new things that are coming along. Would you
9 agree with that?

10 CLLR BAWDEN: I think it is a bit unfair actually. As I
11 understood what the person was saying, a person running
12 his or her own business has got an exit strategy and,
13 depending how old they are, the exit strategy gets very
14 much in focus - I think that is what he was saying -
15 whereas the big public company runs on and on.

16 MR BUCKLAND: I think there is also another factor in there
17 which is risk aversion, and that takes a big part of the
18 lives of smaller businesses. I think this is an example
19 where perhaps the use of this sort of technology can help
20 them overcome some of the risk aversions by actually
21 showing them ways of expanding their business which are
22 not going to be as risky as perhaps otherwise, so
23 employing more people etc.

24 MR THOMAS: My question really is that unless you can tell me
25 otherwise, I cannot see how there is a method of entry
26 into those sectors other than through their associations.
27 Many people actually may be a member of these
28 associations, but I find it very difficult to understand
29 how you could get through to them in the sense that you
30 are getting through elsewhere.

31 MR KING: Can I just say that by developing the market we are
32 lighting the fuse, it is up to them.

33 MR THOMAS: So it is demand led again, that is the point.

34 MR KING: I think one can be very generous about these SMEs
35 and good for them, if it is their pension fund they do
36 not want to rock the boat two years from retiring. There
37 are some very efficient markets now for selling
38 businesses on, which is how they realize their pension
39 fund, and if there is a latent opportunity in a business
40 that has been neglected for three years for going onto

1 broadband technology to find bigger markets, then that
2 opportunity will command a very high price for the sale
3 of the business. There are many people who are very good
4 at starting business and a lot of them are around in the
5 region, and I know of a couple of very efficient "estate
6 agents" let us call them for selling businesses on behalf
7 of those who want to cash in on the latent opportunity
8 which has been neglected hitherto.

9 MS BULL: Every business at some point is a start up and
10 there are some fantastically dynamic small businesses
11 around. It may be the nature of the people in the FSB
12 that some of them are at the end of their working lives.

13 CLLR BAWDEN: One area you guys have not yet convinced me on
14 is training. How do we get people trained on the latest
15 technology? I use "trained" in a broad sense.

16 MR KING: There is only one small organization in the world
17 called Compateer which actually has non-proprietary
18 training packages, otherwise you are training according
19 to Sisco, to Microsoft and whatever. That training I
20 hope will start to recede in importance as the exposure
21 to the technology for the ordinary individual starts to
22 be along the lines of you use what you have got, you do
23 not have to study all the surrounding technologies and
24 all the different functions and how a computer works, you
25 use the service. I am slightly dodging your question by
26 suggesting that the importance of the matter is going to
27 recede. That is on the user side.

28 On the other side, the supply side, there is a huge
29 need for training and that is for those who actually
30 develop the application, who will develop the hardware
31 and the way it is used. That needs a lot of
32 sophisticated attention and there is a lot of attention
33 being given to it in terms of the e-skills agenda. They
34 have a very good modular training approach for the supply
35 side, which actually has broken down a lot of barriers
36 which previously inhibited people taking up training and
37 smaller companies from allowing their people to go
38 through that training. There is also the distance
39 learning that is going to come into play for people
40 learning whilst in employment, and I know that a large

1 number of companies such as Microsoft are organizing a
2 lot of their training packages to go down that route. So
3 that is part way in answering your question.

4 CLLR BAWDEN: What are you doing to engage the LEAs? I know
5 it is long term, but at the end of the day these people
6 come out ---

7 MR KING: It is early days from the ICT point of view. I
8 think some of you know James Harris, our head of skills
9 at the RDA. He and I have had several meetings and we
10 have already engaged a group that is looking into an ICT
11 skills strategy for the region, and that is coming
12 forward.

13 CLLR BAWDEN: What about further education, 16 to 18?

14 MR WILKINSON: I think all colleges now require their
15 students to take what they call key skills which includes
16 a package of computer skills.

17 THE CHAIR: I think in a sense the younger generation are
18 probably in there using it and do not have the fears.
19 There is this band that is sat there, maybe 35 to 45 who
20 perhaps have not made the big leap. Like many things, as
21 those young people through and become the employers of
22 tomorrow and the trainers or the leaders, then it gets
23 embedded and it is not such a problem, but I guess that
24 we are where we are. You are absolutely right, I think
25 the whole education system right the way through
26 understands the use of ICT as so critical for learning.
27 So I guess, you know, we should be a little more
28 optimistic than that, but it is cracking this real
29 problem with many of those employers who are out there,
30 the access is close, it is there, the trigger levels are
31 right but they just do not take that next leap. That is
32 where we have really got to get to, and that is where you
33 are coming from, Mike.

34 CLLR BAWDEN: That is exactly right. Very often the small
35 and medium size businesses are run by a man or a woman in
36 the 50/60 years of age - back to our exit strategy - that
37 is quite a technology challenge for that group. "Why
38 should I put my money in my business in technology, I am
39 going to retire in three years time, I don't want to
40 know."

1 MR WILKINSON: I think a key part of the local and county
2 partnership programme is to identify and then suggest
3 ways of filling training needs as well as other needs.
4 It is one of the core purposes of the county partnerships
5 to focus on that.

6 CLLR BAWDEN: So I should be comfortable with the county
7 partnerships.

8 MR KING: By themselves the county partnerships are not
9 enough, they add to the effort.

10 CLLR BAWDEN: What can we do to get the decision-makers in the
11 small to medium side enterprises?

12 MR BUCKLAND: I think there is another factor; there are an
13 awful lot of ICT training courses out there and a lot of
14 those do lead to qualifications, and certainly the
15 European computer driving licence is one example. That
16 can be something that employers can be encouraged to ask
17 for when they actually employ staff. I think in a lot of
18 cases in the RDA we ask for that as an indication ---

19 MS BULL: All staff.

20 MR BUCKLAND: That there is a degree of computer competency
21 when they join. I think there is a lot that can be done
22 through things like the Institute of Chartered Managers,
23 the IOD and those sorts of organizations to show their
24 members that actually ICT is not something to be feared,
25 and I know those organizations are doing a lot of work in
26 that area. So it is a combination of things, I do not
27 think there is one overriding thing that you can do to
28 actually make that happen, but it is making people more
29 aware of what the possibilities are.

30 MR KING: When you said just what can help the decision-
31 makers, how can we take the lessons to the decision-
32 makers ---

33 CLLR BAWDEN: Of the small and medium sized enterprises.

34 MR KING: Yes, by all means. I think this is where it is not
35 just higher education, you are going beyond the 16 to 18
36 year old, it is not distance learning, it is not the
37 proprietary training, in that instance it is the peer to
38 peer lessons and how to bring them together, suitably
39 seeded with people who have been through the journey and
40 therefore can talk about the experience. The e-business

1 clubs are what I mentioned just now, we are going to
2 discuss that tomorrow, but already in place and all
3 credit to them is what is called Wired West. That has
4 got going already and we need to cultivate as many of
5 these as possible. There are many that are springing up
6 as a matter of course, so it is not just the RDA taking
7 the lead on this, we just want to foster it and try and
8 make more of it.

9 MR WILKINSON: Gradually, it is getting easier. For a
10 business 15 years ago it would have been a huge training
11 effort, but now the packages are so well defined that you
12 need to know what package to buy and that is what all
13 these demonstrators' efforts are directed towards, but
14 once you have got your package it is not a huge job for
15 them to learn how to use that and it is getting simpler.
16 Soon, we said, you will not even have to select software,
17 you will draw down software as you need it. So although
18 it is still a problem, it is not as dark as it might have
19 been.

20 MR BUCKLAND: I think the other aspect is it is turning away
21 from technology and actually defining the business
22 benefits. If you can define a benefit to the business
23 and move it away from the technology, you take away some
24 of that fear.

25 CLLR BAWDEN: How are you going to modify your Broadband
26 Roadshow to address that? Are you going to use that as
27 the vehicle?

28 MR KING: I want to avoid being defensive because there is a
29 whole series of questions one after the other here which
30 are in pursuit of a very important aim. So I think that
31 to start with I would say that it is this year that those
32 questions are so important; last year there was not the
33 broadband availability to pursue that, so it is this
34 year.

35 CLLR BAWDEN: Or next year, which we do not know.

36 MR KING: Sure. So first and foremost I would say that as
37 with everything else we have done so far, we are open to
38 suggestions. If you have got ideas, we are going to take
39 them on board, we have a great appetite for that.

40 Moving beyond that, the Broadband Show, that is a

1 very valuable set of persuasive material, and we are
2 going to make the most of that that we can, and we will
3 follow its course. We have not got any further monies we
4 can spend on making extra modules, but what that does
5 show when suitably exercised by champions who are wanting
6 to persuade others is that it is a huge asset and is very
7 persuasive, and will lead into discussions very quickly
8 which depart from the Broadband Show and will relate to
9 the business concern of the person being spoken to.

10 So what we have done is to get Anthony Storey, who
11 presented at the workshop here a little while ago, he is
12 organising a cascade training package, as I have
13 mentioned twice now. The first example of that training
14 session we hope will be a set of "champions" so-called by
15 Business Link in Somerset. They have a register of
16 people who have put themselves forward for promoting
17 broadband and the idea is that we will show them how you
18 use it and equip them with it. They will then be able to
19 take that out to SMEs and the small sole proprietor and
20 so on so forth.

21 That is the part that the RDA is playing, in
22 conjunction with the partners of the county partnerships,
23 so we would be discussing at the same time - and already
24 are with Kevin Redpath of Business Links in Taunton -
25 about what is the sequence, what is the plan for
26 approaching the champions and the different parts of this
27 particular county? The discussion goes along the lines
28 of have they all got broadband yet? BT will come into
29 play and may nominate that the enablement of some
30 exchanges will be in a particular sequence. It makes
31 sense therefore to follow for the sake of good timing the
32 appetite being raised for people to sign on when the
33 exchange becomes enabled. That is one path to follow.

34 There is another path which is to work through
35 existing SME groups, whether by sector, whether by FSB,
36 chambers of commerce or what have you. We are working
37 with channels as well. So there are many ways to skin a
38 cat, we want to keep the conversation alive, we do not
39 want to say defensively we have done this, thus that, and
40 then defend it to the last man, it is a continuing

1 journey and we try very hard to be quite honest about the
2 role that we have to play. At the moment it is in trying
3 to stimulate the partnerships, to help them come
4 together; some of them are stepping forward wanting to
5 get going, others we have not quite woken up yet, and
6 thank goodness that is the case, we could not deal with
7 them all at once.

8 CLLR BAWDEN: If that works in some settings would you roll
9 it out across the region?

10 MR KING: Sorry, it is going across the region, it is indeed.
11 Furthermore, we are taking the very same training
12 session - we hope - to in particular Bristol, perhaps
13 Taunton and Exeter and Gloucestershire as well, and that
14 is to professional interest groups such as accountants,
15 lawyers, financiers, those who would receive the first
16 approach from SMEs wanting to make investment. They need
17 to know the game being played. We have tried that once
18 already and there was no show.

19 MR IRWIN: Can I just chip in on that a second because I am
20 interested in the potential for fostering interest,
21 understanding broadband amongst micro-businesses, those
22 who are outside the established frameworks because they
23 are new, they are start-ups or they are such sort of
24 home-based small premises operations, seed corn for the
25 new economy. Do you have a strategy there?

26 MR KING: Specifically the answer is no, but it will be
27 catered for. The plan is that it is going to be picked up
28 this year, so you have on the one hand the approach one
29 makes to the supply chain, that will pick up many quite
30 small businesses, you have an approach through the
31 marketing services of some of the chambers of commerce,
32 and already I have said that last year we started helping
33 South West Chambers set up websites on their local
34 chambers ---

35 MR IRWIN: I am probably talking below that level, businesses
36 that are principally not yet big enough, confident enough
37 to be organised, yet may be the Microsoft of tomorrow.

38 CLLR LADY MAVIS DUNROSSIL: Could we just clarify something,
39 did you say that when you went for the accountants and
40 the people who give advice on investment, there was a no-

1 show?

2 MR KING: Yes. We have a very good man, Steve Richards, who
3 is working particularly with the finance sector, and he
4 and I put our heads together to try and get attendance.
5 He was saying that the first meeting he had arranged - it
6 was not specifically for broadband but for similar
7 purposes so we are drawing on that experience - there was
8 no show because there was no immediate benefit apparent
9 to the professions.

10 CLLR LADY MAVIS DUNROSSIL: I was just thinking of the SME
11 problem. So many of the firms that Mike has been
12 describing have resolved their need to get into
13 technology by recruiting married women returners who also
14 have very little background, other than the training
15 given to operate the machine, but the place where they
16 are vulnerable is the investment, and what you said about
17 sell-ons is very interesting, they are looking ahead.
18 But if they are thinking about how they are going to
19 invest to improve it, then the people they would turn to
20 will be the experts, that is the ideal way in. But if
21 they never show, that is very disappointing. I think
22 that is the only way you are going to meet them.

23 MR KING: From my point of view we did not get it right first
24 time so we are going to try and again. We all know that
25 the small sole proprietor will frequently get his best
26 business advice from his accountant who he has, by law,
27 to involve at some stage. So that is the obvious route
28 for us and we must follow that through and make it work,
29 we have to find a way.

30 MS BULL: What we are talking about here I think is creating
31 the critical mass. We are not going to go on forever
32 trying to persuade people to do something that does not
33 make sense to them, and it surely cannot be very long
34 now, if we have not reached that moment already, when
35 people coming into business, starting in business for the
36 first time, would not even think of not using IT, using
37 broadband, but there may be people out there who have not
38 got IT skills because they learned them at school, they
39 picked them up through the work that they do, they have
40 been trained. I have not met anyone for a very long time

1 who has got IT skills.

2 MR WILKINSON: We are never going to find businesses that are
3 completely invisible, but we ought to make it easy for
4 them to find the service they need.

5 MR IRWIN: What about those in the 20 exchanges that are not
6 going to be covered by broadband? This is a commercial
7 view, is it not?

8 MR BUCKLAND: As I live on one of those 20 exchanges, what
9 you have to do is find a local champion, and that is
10 exactly what we have done. I am very fortunate, I am
11 somebody who is actually working with both ActNow and
12 Broadband for Devon; the exchange I live on is right on
13 the Devon/Cornwall border ---

14 MR IRWIN: Is that as Agency or is that as Nick Buckland?

15 MR BUCKLAND: That is as Nick Buckland because I have got a
16 very strong personal interest in doing that.

17 MR IRWIN: So what about the other 19?

18 MR BUCKLAND: I think the other 19 are doing exactly the same
19 thing, there are people in them who should be getting on
20 and doing that.

21 MR IRWIN: And as an agency you will not be intervening?

22 MR BUCKLAND: Broadband for Devon is getting involved and
23 ActNow is getting involved, and they are helping from
24 both sides of the border as it were.

25 MR IRWIN: And the market will go after the rest.

26 MR KING: In part.

27 MR BUCKLAND: I talk to quite a number of people who are
28 actually on those exchanges and they are trying very
29 similar things, so actually it is a way of doing that. I
30 could get broadband today, but it is the cost performance
31 question that I have. It actually works alright for me,
32 but I would dearly love to have broadband.

33 THE CHAIR: I am watching the time. It is Mike's slot so it
34 is only fair that Mike has the last point. A brief one,
35 and a brief answer if we can.

36 CLLR BAWDEN: You mentioned accountants, how do you inform
37 the clearing banks or do they do it as part of their own
38 training? You know the Lloyds Bank or Barclays Bank with
39 the local manager, somebody comes in and says "I want to
40 do broadband".

1 MR KING: We have already approached the banks and have two
2 or three representatives from Lloyds Bank, NatWest and
3 HSBC.

4 CLLR BAWDEN: So you are addressing it.

5 MR KING: Yes, indeed.

6 CLLR BAWDEN: Thank you.

7 THE CHAIR: Thank you very much, Mike. Thank you colleagues
8 for that, I think we have covered most of the issues that
9 we picked up on behalf of the region and we thank you all
10 very much for your prompt responses, detailed responses.
11 I do not know about colleagues, but I found it a very
12 constructive day. There is lots of nodding, I think it
13 has been mutually beneficial for both sides, and I hope
14 you have got something out of the process as well which
15 is really important. I know we have and we will reflect
16 on that.

17 I just really need to thank your colleagues from the
18 RDA, Geoffrey and Fabian and Caroline coming all the way
19 back to see us. Thank you very much indeed.

20 I think a few things have struck me today. You were
21 very clear and you stuck by demand will dictate this, and
22 I think we got that message very clearly, demand will
23 drive this through. I think there is a lot of agreement
24 with us that we would support you on that. Clearly,
25 there is a huge challenge about engaging all those
26 businesses out there and we would urge you, as you are,
27 to use all the partners in the region as best you can.
28 If you are coming up against obstacles, please talk to
29 us, please talk to the Regional Assembly and we will do
30 everything we can to help in that. Clearly, it is
31 successful, I think there is no doubt that we have picked
32 up from today and in our discussions that there is a lot
33 to be proud of and a lot to celebrate about where we are
34 in the region, and what comes through is that you are not
35 complacent, that does come through, there is a lot of
36 energy and commitment coming through and you want to take
37 it to the next stage. So we would congratulate you for
38 that.

39 I would also like to thank our Scrutiny Panel. It is
40 an awful lot of work, a huge amount of reading, lots of

1 time given up, so thank you everyone for your questions
2 and your participation; I think you once again have done
3 a very professional job. Thanks to the secretariat
4 particularly for all their work, because I do not think
5 anything would have happened today without the huge
6 amounts of effort and energy that goes on. It has almost
7 become a fulltime job at the secretariat, has it not,
8 Bryony?

9 MRS HOULDEN: Just about.

10 THE CHAIR: Just about, so there we go. It is probably Andy
11 Wilson's last Scrutiny Panel with us before he moves on
12 to a new role possibly, but he has still been holding it
13 together for us, so thank you very much, Andy, for
14 everything that you have done, it has been good working
15 with you so thank you very much.

16 A transcript will be available shortly on the website
17 so thanks to the stenographer for everything she has done
18 there, it is not easy, especially with RABBITS and RABs
19 and goodness knows what, we have learned a whole new
20 language.

21 We are going to remain for just a few moments to
22 capture some immediate reflections, but I think that is
23 it, thank you all very much indeed.

24 MR BUCKLAND: Chair, I would just like to thank you. We have
25 enjoyed the questioning - the majority of it - but I
26 think it has been a very constructive and useful day and
27 we are very grateful for the opportunity to come and work
28 with you and drive this thing forward. Thank you very
29 much.

30 THE CHAIR: Thank you very much.

31
