

Economy and Environment Overview and Scrutiny Panel

Wednesday, 29 November 2017, County Hall - 10.00 am

		Minutes
Present:		Mr A A J Adams (Chairman), Mr P Denham (Vice Chairman), Mr G R Brookes, Mr B Clayton, Mr M E Jenkins, Mr A D Kent, Mr J A D O'Donnell, Ms C M Stalker and Ms R Vale
Also attended:		Mrs L C Hodgson, Cabinet Member for Communities BT: Steve Henderson, Regional Director, Next Generation Access and Rob Shakespeare, Senior Project Manager John Hobbs (Director of Economy and Infrastructure), Rachel Hill (Strategic Commissioner, Major Projects), Steve Ashton (Broadband Project Officer), Nick Alderman (Finance Manager), Wendy Pickering (Finance Manager), Sheena Jones (Democratic Governance and Scrutiny Manager) and Emma James (Overview and Scrutiny Officer)
Available Papers		The members had before them: <ul style="list-style-type: none">A. The Agenda papers (previously circulated);B. Presentation handouts for items 5 and 6 (circulated at the Meeting)C. The Minutes of the Meeting held on 15 September and 3 October 2017 (previously circulated). (Copies of documents A and B will be attached to the signed Minutes).
279	Apologies and Welcome	Apologies had been received from Cllr Pollock, Cabinet Member with Responsibility for Economy and Infrastructure and Cllr Amos, Cabinet Member with Responsibility for Highways. Part way through the meeting apologies were also received from Cllr Miller, Cabinet Member with Responsibility for Environment.
280	Declarations of Interest and of any Party Whip	Agenda item 6 (Budget Scrutiny: Reviewing the 2017/18 Budget Position for Economy and Environmental Services) - Cllr Brandon Clayton declared an interest as a member of Worcestershire Regulatory Services Board.
281	Public	None.

Participation

282 Confirmation of the Minutes of the Previous Meeting

The Minutes of the meetings on 15 September 2017 and 3 October 2017 were agreed as a correct record and signed by the Chairman.

283 Superfast Broadband - Update

The Chairman welcomed to the meeting the representatives from BT (Steve Henderson, Regional Director and Rob Shakespeare, Senior Project Manager) and from the County Council (Rachel Hill, Strategic Commissioner of Major Projects and Ste Ashton, Senior Project Manager).

The Chairman acknowledged the achievements of the Council's Superfast Worcestershire Programme. The discussion today would enable the Panel to look at progress with the programme and contract 2 (to increase the number of premises with access to superfast speeds by September 2017), communications to residents and also value for money.

The agenda included an update report and the Panel had also been provided with presentation slides (attached to the Minutes), which gave a summary of Contract 1, Contract 2 and demand stimulation. The Regional Director of BT referred to some key points, including:

- Overall, the Superfast Broadband Project had been hugely successful with an enthusiastic response from residents and businesses
- Completion of contract 2 had been brought forward from June 2018 to September 2017. Subsequently an extension had been agreed to December 2018 which would enable the "re-investment" into the programme of up to £3.25m, earlier than anticipated
- By the end of contract 1, 96% of premises had access to fibre and 90% had access to superfast speeds. By the end of contract 2, more than 94% would be able to access superfast speeds
- There was an underspend of £4million during the first contract phase of work, enabling further properties to be added to the second contract with BT open reach
- Under contract 2 there were less premises to be delivered, therefore any operational delays would have greater impact on timescales; areas were harder to reach and had increased operational complications which could be frustrating, for

example tree cutting, traffic management and permission from landowners

- The end of contract 2 would see 16,971 premises having fibre availability, of which 13,356 would be superfast (24Mbps and above)
- Contract 1 take up of fibre to the cabinet (FTTC) was very high, and a few percent ahead of the national average, at 47%
- Contract 2 take-up was also outperforming the national average, at 35%
- Interest from social media was also good and increasing, with 45,936 website hits over a 12 month period.

During the Panel's discussion, the following main points were raised:

- Clarity was sought on the timescale for contract 2 and it was explained that as a result of the programme's success there were efficiencies and BT offered the Council the opportunity to reinvest at an earlier stage. The Council agreed to progress and extend the superfast programme into new areas and as a result the contract 2 was extended to December 2018
- The Council's Project Manager advised that as a result of the latest take-up assumptions (50% instead of 20%), the financial models with BT were amended, resulting in a much increased contribution from BT and a reduced public-sector contribution (of £1.2million), which was positive for Worcestershire. This type of contract was known as a gap funding contract
- In response to a query about how members and residents could check whether areas with identified problems would be addressed by December 2018, the Panel was directed to the Superfast Worcestershire website (www.superfastworcestershire.com) which included an online map. The Council encouraged residents to register with the website, who would then receive email updates. Social media was also used
- A member requested a copy of the plan for businesses to be reached by December 2018, however it was explained that the superfast programme worked on a postcode, rather than a premises level
- The Panel Chair urged members to familiarise themselves with the Superfast Worcestershire website, but said that more information for

councillors would be useful, as it was very time-consuming to check individual areas

- The Panel Chair highlighted a problem, raised in previous discussions, concerning people in his division who did not know when they would have access to superfast broadband, for example, those trying to sell their homes. The Officers would look at the possibility of providing details to local members about where the rollout was planned to take place before December 2018
- A member asked about those affected by Gigaclear's commercial plans to withdraw from Worcestershire and the associated online communication for residents. It was explained that the website message was being clarified, however, 1600 to 1700 of 6000 premises were affected
- For those not included in any fibre rollout plans, a member asked whether anything had changed technology-wise, which could assist? The Panel was advised that changes included the deployment of fibre over poles and shared poles with electricity companies. There were commercially funded options, and more detail was included in paragraphs 22-25 of Appendix 1. Community fibre funded options were possible, using the BDUK voucher scheme, and members were encouraged to highlight any communities where community options could be considered
- It was clarified that the reason why one structure (Colwall 1) could not be completed, although it had been added to contract 2 as part of the additional funding, was because it became far too costly for the number of premises involved (over £500,000 for 5 Worcestershire properties). However, there may be opportunities for councils to work together on such cross-border issues
- A member sought clarification about communications to residents in Pound Green, where a recent meeting had been left residents very confused about broadband provision in their area. It was explained that this meeting had been organised by Shropshire Council, which was considering removing aspects from contract 1. A decision from Shropshire was needed before Worcestershire County Council could communicate with residents and the relevant Cabinet Member was pursuing this issue. Reassurance was given that this situation was unusual
- The figures of premises which would have fibre/superfast availability by the end of contract 2

(slide 5) were impressive. Nonetheless a member was concerned about one area and would like to know the numbers who were projected to have access by September 2017, but had not. The Panel therefore requested numbers against targets, ideally explaining where they were. The BT Director would also see if quarterly reviews of target figures could be shared with the Panel

- Information about take-up at ward levels was available on the Members Portal and the Chair urged communication with local members so that they could report to the public and parishes. The Senior Project Officer would check the portal information was up to date
- The BT Director stated that Worcestershire had got it right, and that its broadband contract was very much at the top end of the 16 contracts he oversaw. Successful take up of both contracts was the result of innovative and collaborative working. Costs of demand stimulation activities led to higher take up, with tangible benefits on broadband speeds and more money coming back to the Council to be re-invested
- A member asked what more the Council could do to assist the challenge of extending provision to the remaining 5% who were those hardest and most expensive to reach, who may also be isolated and lonely? The Panel was advised that already effort and flexibility was evidenced. Knowing the people and not just the figures was helpful, as well as giving early notice about infrastructure changes and encouraging communities to help themselves. The Council and CMR delegated responsibility for areas not included in any fibre rollout plans to the local community fibre partnership, which could also help (<https://communityfibre.openreach.co.uk>)
- On 'future-proofing', the Senior Project Manager explained that 24Mbps could be boosted to 30Mbps though fibre on demand, which was being relaunched and typically targeted at businesses.

In summing up, the Panel agreed that Worcestershire's Superfast Broadband Programme was a good news story. Councillors were encouraged to let Ste Ashton know of any gaps in broadband provision and to promote self-help schemes.

The Senior Project Manager for Broadband would see whether it was possible to provide details to local members about where the rollout was planned to take

284 Budget Scrutiny: Reviewing the 2017/18 Budget Position for Economy and Environmental Services

place before December 2018. Quarterly target information would be forwarded to the Panel, as well as numbers against targets, ideally explaining where they were. Links to the Superfast Broadband website and the local community fibre partnership website would be forwarded, and the information on the councillor portal would be verified.

As part of the Council's development of the 2018/19 budget, the Economy and Environment Overview and Scrutiny Panel was tasked with reviewing the 2017/18 budget position prior to consideration of the 2018/19 budget at its January meeting.

Panel members had also met previously with Finance Managers to look through the detail of the 2017/18 budget position, after which further information had been requested on a number of areas.

The Director of Economy and Environment and the Senior Finance Manager gave a presentation, which included the Council's 2017-18 revenue budget, analysis of services for the Directorate, spend, 6 month forecast outturn, commentary on key variances and progress against target savings. The Cabinet Member with Responsibility (CMR) for Communities was also present. The Director highlighted a number of areas, including:

- Productivity had increased significantly over successive recent years, particularly in major capital projects, in spite of reductions in the number of staff from 800 to 400 (approximate fulltime equivalents)
- Whereas previously, areas for potential savings were apparent, the Directorate was now at 'the thin edge' and the next two years would be particularly difficult although workable
- There was a commitment to keep highways in good order, and roads were categorised red/amber/green, with the focus on amber, although 'red' roads would also be repaired. This was the approach advocated by an expert witness to a previous scrutiny review of highway maintenance
- Some of the big projects coming up included Worcester Parkway station, and Carrington Bridge; it was important to enter into contractual arrangements early to show momentum to the Department for Transport.

During the course of the discussion, the Panel sought

further clarification on the areas identified during the earlier development meeting for panel members, and the following main points were made:

- In setting out the purpose of the meeting, which was to review the current budget position, the Panel queried why the information requested from the earlier development meeting had not been provided? The Director was happy to talk through the areas involved, with the Panel
- The Panel had requested inclusion of previous years' budget figures and a breakdown of services, to enable comparison and the Chairman pointed out that the omission of the service breakdown hindered more in-depth scrutiny, without using the budget book which was a lengthy spreadsheet document
- The biggest forecast variance (£1.3m) was from Waste Services, and it was clarified that this was a direct result of the energy from waste plant working more efficiently and producing less process residues and more bottom ash. The Council paid for the difference between waste going in and residual waste coming out
- Further clarity was sought, since members had understood that waste costs would be less from reduced landfill and there would be income from electricity production
- It was explained that there were a number of factors behind the variance, including a growth in waste per head, and also the contract arrangements in financing the plant, which was an asset; the mortgage element of the contract was for 25-30 years, however the contractor's financial contribution needed to be paid off over a much shorter term. Currently, the waste plant was more expensive to run than to operate landfill, but costs would be cheaper over the long-term. The technology involved was always improving, and the Council would be the beneficiary
- It was suggested that the waste contractor would have known that the plant would work more efficiently and the Director advised that the contractor had taken on an element of risk with the plant, and wanted to build its profile in the UK, and the Panel was reassured that the Council 'drove a hard bargain'
- The Panel was therefore reassured that the Waste Services overspend was not a concern moving forward and would reduce the following year. Overall Panel members were very positive about

the operation, and reduction in waste to landfill; several members had been very impressed by a recent visit to the Envirecover plant

- Income from electricity generation would become clearer and it was pointed out that there had not yet been a full year of operation
- Increased recycling was supported and a member asked when district councils would look at collecting food waste, which may also have implications for the waste plant? The Director advised that the volume involved would not threaten the viability of the plant, however he had reservations about food waste collection, including the relatively high costs per tonne.
- The Panel asked about the forecast variance in Scientific Services, of approximately £500,000, which the Director advised reflected the current shortfall in income generation and transformation of the service. One factor involved an approach by scientists from Queens University in Belfast, who had been looking to increase resilience in local authority scientific services. This had been driven by the Elliot Government report, however the premise of funding streams evaporated in the face of the financial climate and changes in government. Secondly, the service had lost £400,000 business from providing asbestos removal, arising from this unexpectedly being part of the services provided by Place Partnership.
- The Panel was extremely disappointed and concerned that entering into the Place Partnership had taken business away from Scientific Services. When asked whether this had affected service resilience, the Director advised that a 'tight' asbestos removal service was a necessity as it presented a corporate risk. Panel members felt the situation did not make sense, given the partnership agreement and asked whether the situation was recoverable? The Director pointed out that 'we are where we are', but stressed the importance of 'screwdriver-tight' negotiations for whoever negotiated contracts across the Council in future
- The CMR, who had recently taken over responsibility for Scientific Services, said that the Place Partnership negotiations had been incredibly frustrating from a member point of view, however the intention was to maintain Scientific Services, of which asbestos removal was only one element
- The Panel went on to query the forecast variance

of £132,000 for the Archives and Archaeology Service, and the Director felt a little time was needed to make sure the service had the right mix of staff for the service model, to up its game and increase income. The service budget of £1.625m had reduced from £1.769 the previous year. The variance was also contributed to by the allocation to the service of accommodation costs for The Hive, which the panel strongly recommended be reviewed

- The CMR referred to the earlier scrutiny exercise, from which a number of points had been taken on board regarding the delivery of the model and service, including the need to promote the service and its expert knowledge. In spite of reductions in hours of the archives service the previous year, the service was recognised as one of the best in the country. The CMR was very pleased with the service and was confident in its direction
- The Panel enquired about the fact that County Enterprises was forecast not to achieve its target of being self-financing by 2017-18, by £114,000. This target had been reduced to £64,000 after using £50,000 from reserves. In discussing the role of County Enterprises, a service which employed people with learning disabilities, and whether it would fit more appropriately with Adult Services, the Director was happy to continue to support the operation to become more productive, although it was very difficult. However the service greatly enhanced the lives and needs of those employed, which would otherwise need to be addressed elsewhere. The Panel commended this initiative, and suggested more publicity
- The Panel was surprised about the variance forecast for Trading Standards of £236,000 and suggested that when the decision was made to bring the service was back in-house it was on the basis that it would not result in any additional cost to the Council. The Director advised that this figure was projected to reduce by £136,000 by the end of the year and resulted from the costs of ensuring a smooth transition of the service, from being part of Worcestershire Regulatory Services (WRS), to being brought back in-house, whilst remaining co-located. Under the shared service, for every £1 spent by the Council, it only got 43p back because of cost sharing commitments. The Panel agreed that the co-location of the Council's 12 Trading Standards staff alongside WRS was a good result, and that being in-house gave the

285 Work Plan

Council control and resilience, but pointed to a lack of perceived transparency around the original business case to bring the service back in house.

- The CMR advised that the service was now working very well, with a target income of £90,000.
- The Director was asked about the potential for a budget for cycling, which the Panel wanted to recommend following its 3 October scrutiny discussion, in recognition of the increasing importance and role of cycling. The Director advised that this was a political priority question and referred to a recent notice of motion to Council on this subject. He would make the response to the notice of motion available to the Panel and would be happy to participate in a future Panel discussion, with the relevant CMR.

It was agreed that a summary of comments on the budget should be circulated to the Panel, including the areas of variance, and the budget information supplied. Panel members should let the Scrutiny Officer know of any comments on the summary, which the Chairman would then report to the OSPB.

The Panel also agreed to urge the OSPB to challenge Place Partnership on the decision not to use the Council's Scientific Services for asbestos removal, and whether this was in the best interest of stakeholders. The OSPB could look at whether any lessons could be learned for any future outsourcing.

Additionally, the Panel would like to consider the resilience of the asbestos removal service, which was now run by place Partnership.

No items were added to the work programme.

The meeting ended at 12.52 pm

Chairman

Scrutiny Board review of Superfast Broadband

29th November 2017



As a result of the successful completion of Contract 1:

- **62,000** premises now have access to an improved fibre based broadband
- In 2013 only 73% of Worcestershire had fibre based broadband (irrespective of speeds). This has now increased to **96%**.
- Similarly, only 44% of business premises had access to fibre broadband, this increased to over **90%** with 86% having access to superfast speeds (24Mbps+).
- **50,500** premises can also access superfast speeds (24Mbps+) as a result of Contract 1 deployment (increase from c. 69% in 2013 to 90% in 2016).
- There was an underspend of at least **£4m** which remains in the broadband programme for future investments
- Over **400** cabinets installed
- The programme over delivered on fibre coverage for less money than was envisaged.

Contract 2 - Introduction

- Initial timeline: **July 2015 – June 2018**
 - Acceleration to deployment agreed – bringing forward completion to **September 2017**
- Initial funding: **£6.2m** - £4.78m Public funding & £1.42m BT; to deliver superfast service to over **8,000** premises
 - Additional funding (£1.2m) and a further 3,000 premises (24Mbps+) have been change controlled into the existing contract (March 17) – to be delivered by **December 2018**
- More than 95% of all premises to have access to fibre with 94% able to access superfast speeds by the end of Contract 2
- Additional coverage delivered in all 6 Districts

Challenges faced in Contract 2

- Less premises to be delivered, hence any operational delays will have greater impact on timescales as less flexibility
- Harder to reach areas; some very rural which take longer to deliver
 - Increased number of network re-arrangements required
 - Complicated wayleaves involving multiple parties
 - Increased and more difficult road management
e.g. road closures
 - Complicated tree cutting
 - Vandalism of cables encountered.
 - Duct blockages encountered which delay progress
 - Increased community engagement (pros and cons)

Contract 2

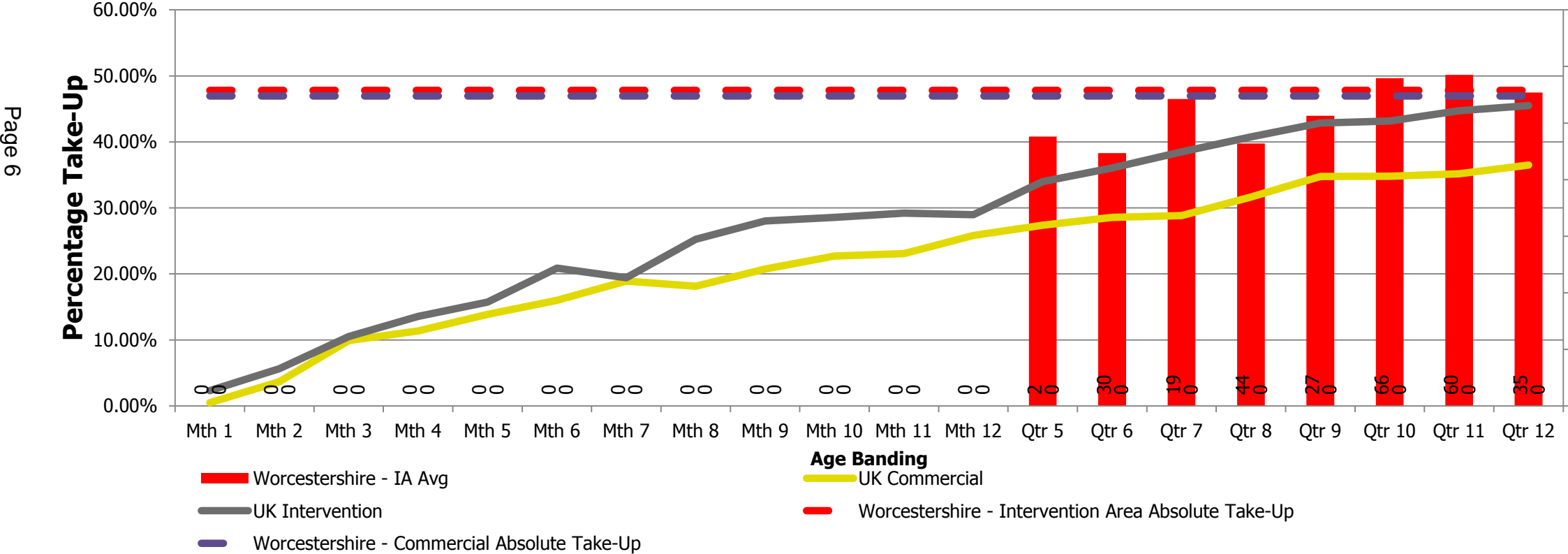
At the end of the contract 2 an extra **16,971** premises will have fibre availability of which **13,356** will be superfast (24Mbps and above).

Current Position

>24Mb IA target	16/17 Q2	16/17 Q3	16/17 Q4	17/18 Q1	17/18 Q2	17/18 Q3	17/18 Q4	18/19 Q1	18/19 Q2	18/19 Q3	Total
Phase 1	2189	1305	621	632							4747
Phase 2			485	983	1430	1331					4229
Phase 3						687	1111	264	373		2435
Phase 4								547	645	753	1945
Quarterly targets	2189	1305	1106	1615	1430	2018	1111	811	1018	753	13356
Cumulative	2189	3494	4600	6215	7645	9663	10774	11585	12603	13356	

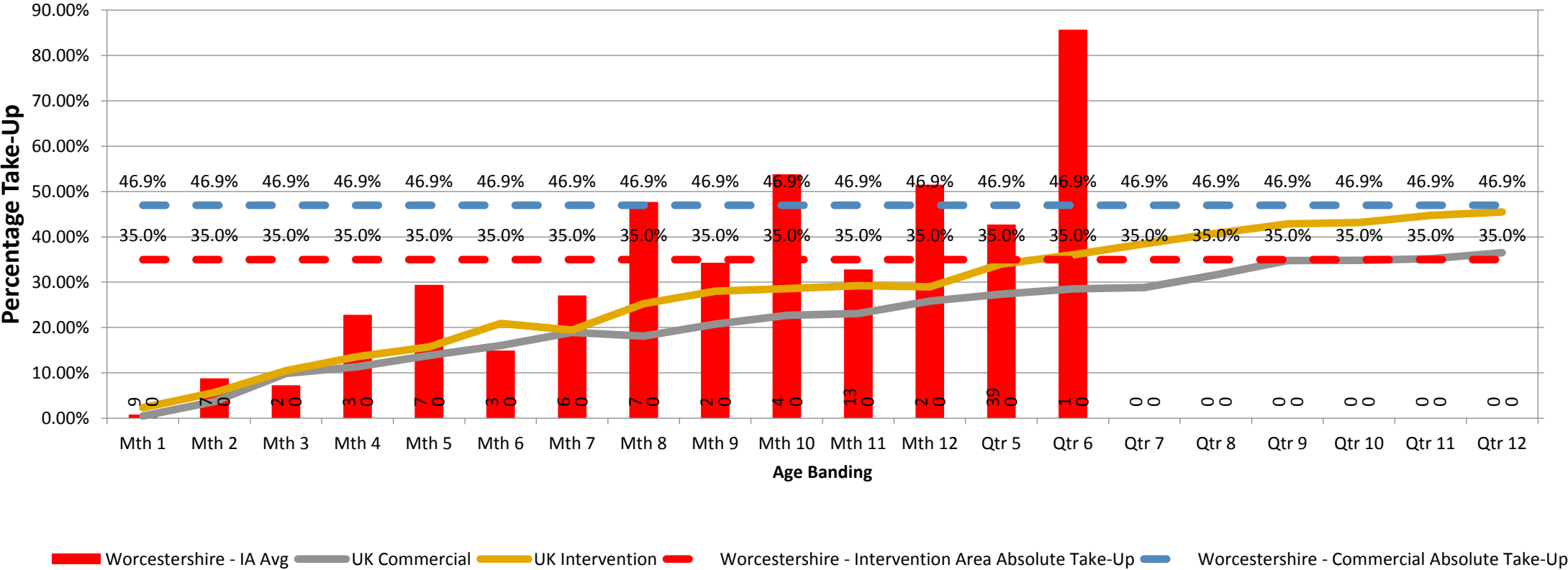
IP THP target	16/17 Q2	16/17 Q3	16/17 Q4	17/18 Q1	17/18 Q2	17/18 Q3	17/18 Q4	18/19 Q1	18/19 Q2	18/19 Q3	Total
Phase 1	2609	1656	789	811							5865
Phase 2			633	1259	2144	1525					5561
Phase 3						1071	1272	453	409		3205
Phase 4								615	781	944	2340
Quarterly targets	2609	1656	1422	2070	2144	2596	1272	1068	1190	944	16971
Cumulative	2609	4265	5687	7757	9901	12497	13769	14837	16027	16971	

County & Cabinet Average Take Up & Cabinet Count by Age-Band & Delivery Programme



County & Cabinet Average Take Up & Cabinet Count by Age-Band & Delivery Programme

Page 7



Demand Stimulation Update - Take Up

openreach

- **Contract 1** take up – **47.8%** - exceeded commercial take up, which has been going a lot longer and remains ahead of UK average (currently c.46%)
- **Contract 2 Take Up** – remains strong at **35%** - quicker increase compared to contract 1 due to mainly more rural areas being in scope - great news, as the contract only started in July 16
- Overall take up on Contract 1 increased by **17.22%** since August 2016.
- Overall take up across both contracts increased by **16.63%** since August 2016

Page 8

Indicator	Aug 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	June 17	July 17	Aug 17	Sept 17	Oct 17
Contract 1 take up	30.6%	35.4%	36.6%	38%	39%	40.72%	41.7%	42.99%	44.00%	44.98%	45.94%	46.78%	47.82%
Contract 2 Take Up	1.1%	14.1%	13.7%	18.5%	22%	18.62%	25.3%	27.36%	27.53%	30.58%	32.49%	33.43%	34.98%
Overall Take Up	29.8%	34%	34.6%	36.2%	37.4%	39.23%	40.65%	41.67%	42.44%	42.75%	44.60%	46.71%	46.43%

Demand Stimulation Update - Online Metrics

openreach

- Total Registrations over 12 month period = 1,389
- Facebook likes up by 9% in 12 months
- Total number of website hits over 12 month period = 45,936

Indicator	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 16	Mar 17	Apr 17	May 17	Jun 17	July 17	Aug 17
Website Hits	4,083	1,761	3,038	2,624	6,602	4,770	3,201	6,406	2,452	2,725	3,215	2,455	2,604
Twitter impressions	n/a	n/a	n/a	n/a	n/a	32,399	34,125	36,360	40,305	31,200	38,998	26,400	13,900
Facebook Likes (cumulative)	2,318	2,314	2,312	2,313	2,357	2,408	2,478	2,527	2,537	2,538	2,543	2,539	2,535
Registrations	112	108	149	93	214	131	130	119	51	58	82	72	70

Ad-hoc / regular activities

- New cabinets going live including website updates, Facebook & Twitter posts as well as direct communication to Parish Councils and local Councillors
- Regular emails to residents and businesses served off newly launched structures
- Relevant content on social media
- Press Releases: e.g. '*Day in the life of an engineer*' content developed with Openreach/Carillion and '*Tree cutting in Oddingley*' – deployment challenges
- Liaison with community champions

Quarterly activities

- Superfast newsletters issued to 12,500 contacts
- Updates issues through programme partners e.g. District Councils, CoC, LEP, FSB, CALC
- Business mail shot
- Parish update for all parishes including sample articles for website / parish magazines
- Emails to all registered premises able to receive improved service
- Cases studies developed and published e.g. Dave Roper Ltd, screen print specialists.
- Photo opportunity with MPs and local Councillors e.g. a recent opportunity at 'Lift Up' gym at Blackminster Business Park

Every six months

- Fliers to people who can upgrade e.g. 50,000 leaflets delivered to homes and businesses during December 16 / Leaflet drop to 487 postcodes (5,500 leaflets to people who can upgrade)
- MP & Councilors briefings in addition to major announcements and cabinet launches
- Communication with places of interest e.g. Public Houses, Doctor Surgeries, Village Halls;
- Posters and other content shared with Parish Councils to display on notice boards etc.

Page 11

Meetings & Events

- Volunteer Weeks e.g. 1-7 June (Broadband Champions)
- Connected Britain, LEP, INCA, Get Online etc. Events and Conferences
- Breakfast meetings as well as business meetings
- Regular attendance at Community / Parish meetings (upon request)

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