

**SUPERFAST BROADBAND ANNUAL UPDATE September 2015 - September 2016****Introduction**

1. Worcestershire County Council signed a c.£20 million contract with BT in August 2013 (contract 1) to ensure faster fibre broadband was available to over 90% of the County's residential and 90% of business premises by June 2016; in addition a commitment was made that 100% of premises would have access to the universal basic service commitment for a minimum speed of 2 megabits per second (Mbps).
2. A second contract (contract 2) was signed in spring 2014, again with BT, for c.£6m to increase fibre coverage in the county; specifically to increase the number of premises with access to superfast speeds, defined as 24Mbps and above. At the end of September 2017 superfast speeds are expected to be available to 94% of Worcestershire premises, with over 95% able to access fibre based broadband.

**Update on Contract 1 performance**

3. There have been eight deployment phases to contract 1, the first premises were connected, ahead of schedule in May 2014 and deployment was officially completed at the end of July 2016, the programme office are currently undertaking the necessary paperwork and processing the final claims to close down the 'deployment' of contract 1 and move into 'contract monitoring'. Whilst the final claims remain outstanding, we expect that the first contract will come in within budget.
4. As was reported in last year's annual report to scrutiny, at 30 September 2015, more than 41,820 premises, served from 255 cabinets were then able to connect to fibre broadband as a result of the programme. Since that date, by the close of contract 1, a further 99 cabinets or 'fibre to the premises' structures have been completed (totalling 354 cabinets/structures) and enabling access at a total of 59,751 premises. The majority of deployment within contract 1 has been 'fibre to the cabinet', however a number of structures have been deployed as 'fibre to the premises'.
5. At the close of deployment a number of structures remained 'in progress', all of these remaining structures have been surveyed or are in the progress of being built; these are moving into contract 2, to be deployed at the front end of the programme. Only one planned structure has had to be dropped from the deployment plan, this was due to 'siting issues' and an ongoing issue with existing infrastructure in Worcester city centre.
6. The original Worcestershire Local Broadband Plan set out three high level priorities.
  - To ensure fibre broadband was available at 90% of Worcestershire premises;
  - Uniquely amongst other similar contracts across the UK, Worcestershire also set a 90% business premises target;
  - To ensure that all premises had access to a minimum speed of 2Mbps by 2016.
7. At the end of contract 1 all of these targets had been achieved; fibre coverage has reached c.96% of the county, up from 73% when the programme commenced; business coverage is now at 90%, up from 44%. The third, 2Mbps minimum service commitment, has been enabled through the availability of the 'Better Broadband Scheme'; the scheme enables individuals to secure a connection through a registered supplier of other services e.g. satellite.

8. Below the top level targets, there are two contractual targets. These were for 54,433 premises, within Worcestershire's intervention area, to have access to fibre broadband and for 47,947 of these premises to have access to superfast speeds. The 'fibre' target was achieved ahead of schedule; when the remaining cabinets that are moving into contract 2 are delivered, the 'superfast' target is expected to be overachieved by around 600 premises.
9. Of the 29 structures moving from contract 1 into contract 2, 8 have already been made live, 5 are in commissioning (the final stage before being made live); the remainder are in various stages of the 'build' process, currently all of these cabinets except two are expected to be live by the end of October 2016. The remaining two structures are delayed beyond October due to required road closures and hitting an excessive amount of granite in one of the structures. Whilst these are now anticipated by the end of the calendar year, as with all structures, any issue in the remaining deployment can lead to further delays. All updates on cabinets are available on the programme's website.

### **Transition into Contract 2**

10. County Council and BT have worked together to jointly plan and ensure effective deployment of the infrastructure across Worcestershire – this partnership approach, supported by BDUK, has ensured swift issue resolution, coordinated customer engagement and a team approach to highways and planning requirements. These working arrangements have continued through the transition in to contract 2.
11. Planning for structures in contract 2 is ahead of schedule; over 90 cabinets have been surveyed and are in the process of being built. The first 9 cabinets in contract 2 are already live with 4 further cabinets in 'commissioning' and expected live imminently.

### **BDUK+ Communities Update (formerly referred to as DERA or Rural Community Broadband)**

12. The extra premises enabled by the additional BDUK+ funding were incorporated into the original programme deployment timescales for contract 1, as at the time the programme was ahead of schedule.
13. It was reported at the last scrutiny meeting that we expected to have deployed the majority of the 16 BDUK+ structures by the end of March 2016, with a small number expected to be delivered by June 2016. As at September 2016, 7 structures have been made live and 1 cabinet is in commissioning. The outstanding structures form part of the 29 structures, referenced above, that are moving back into the early part of contract 2

### **Lessons Learnt from issues in delivery**

14. During the deployment of contract 1, one of the key sub-contractors went into administration; this caused a significant delay in deployment during quarter 3 and quarter 4 of 2015/2016, as they effectively were the only supplier working to physically build the cabinets. Whilst the management of sub-contractors is the responsibility of Openreach the programme team have requested that wherever possible resilience is planned in future.
15. As the programme has progressed into increasingly rural areas there has been an increase in the number of wayleaves required for both standing cabinets and building power and fibre ducts or poles. To mitigate against these risks the programme office are working to escalate wayleave issues as quickly as possible to local contacts and look for support from within communities when appropriate.
16. Early in the programme the decision was made to be transparent around the planning and timelines for the build of the cabinets; whilst recognising that all plans are subject to change. Whilst this has been a successful strategy it has led to many communities

assuming that an initial indicative timeline was a target for delivery and in many cases these dates do slip. As the programme continues it will continue to be a challenge balancing transparency with local expectations.

### **Current and Future Opportunities**

17. In addition to measuring the coverage of the deployment another key indicator of the success of the programme can also be measured by Take-Up; where a higher than predicted take-up will drive further benefits to the programme, Worcestershire County Council and the residents/businesses of Worcestershire. The original financial model suggested that take-up of 20% would only be reached post deployment; currently the programme is significantly ahead of plan, c.30% of premises that are able to connect to fibre broadband, as a result of the programme have 'signed up' for the faster service.
18. As was reported at the last annual report to scrutiny the programme has made a commitment to improving take-up through a coordinated approach to Demand Stimulation. This has included the 'wrapping' and stickering cabinets when they go live, this has also been followed up by local advertising, radio and bus advertising and postcards being delivered to addresses connected to the live cabinets. There has also been a further radio campaign, advertising at key sites such as Worcester Racecourse and Worcestershire County Cricket Club. One of the most successful activities has been the extension of the Social Media trial; engagement through Facebook and Twitter has allowed the programme to answer questions of customers and keep individuals informed of cabinets going live in their area.
19. As a result of positive take-up on the programme, BT offered WCC the opportunity to re-invest up to £3.25m into the programme, earlier than anticipated. In November 2015 Worcestershire County Council approved for the re-investment to be explored. In September 2016 BT returned the initial modelling solution that is currently being worked through and discussed. It is anticipated that if the modelling is accepted then the Partnership will be in a position to announce the additional areas to benefit by the end of the calendar year. Further re-investment opportunities may be presented as a result of any underspend or if take-up increases beyond current forecasted levels.
20. During 2016, two commercial suppliers have announced their intention to extend their own networks further in Worcestershire. Virgin Media announced they would be extending commercial coverage in Lickey, Catshill and Upper & Lower Marlbook as part of the areas they have 'handpicked to supercharge over the next 2 years'. In addition, Gigaclear has announced significant commercial deployment in three distinct areas of the county: 'Rowney Green', 'Dodford' and 'Hanley Castle' during 2016 and 2017. However, it should be noted that their deployment stretches beyond the boundaries of these parishes. Again, Worcestershire County Council welcomes the additional deployment from commercial suppliers; all of Gigaclear's deployment is fibre to the premises. Gigaclear's deployment model is demand led, meaning they first undertake marketing and promotion; should they generate interest equating to 30-35% of their target area, they will begin deployment.
21. BT, Gigaclear and Virgin are also looking for individuals and communities to register their interest in bringing faster broadband to their areas. BT's Community Fibre Partnerships scheme looks for communities to make a financial contribution to the build and they will work with the community to model a solution. Virgin's Project Lightning and Cable My Street, looks for individuals to register on their website, areas with high demand will then be taken into consideration. Gigaclear, request that individuals register demand at their website, again when an area demonstrates a high demand they will look to engage with that community.

22. In May 2016 WCC submitted an outline application to the European Structural and Investment Fund, part of the European Regional Development Fund for c.£1.1m. Having already conditionally secured match funding of £1m from BDUK, the application was approved in August 2016; WCC were asked to submit a full application, this application was submitted on 23 September 2016, with decisions expected during November. The focus for this bid is to further extend broadband coverage across the county with a particular focus on business coverage. In an attempt to bring pace to any further action the programme office have already commenced an Open Market Review, so that if the bid is successful we will be in a position to move swiftly.

## **REPORT ENDS**

Prepared by Ste Ashton (WCC Senior Project Manager) September 2016