

Connecting Devon and Somerset (CDS) Broadband Delivery Programme

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Cabinet Member: Cllr David Hall

Division and Local Member: All

1. Summary

- 1.1. CDS is a local government-led partnership which is working to extend superfast broadband infrastructure in areas where commercial providers do not plan to deliver a Next Generation Access (NGA) broadband service. Next Generation Access (NGA) broadband service is a service capable of delivering download speeds of at least 30Mbps.
- 1.2. Somerset County Council is the Accountable Body for the CDS partnership. This report provides an update to the Scrutiny Committee on the CDS programme
- 1.3. Since the last scrutiny meeting delivery has continued across the region. Progress is being made in Devon working with Airband in Lot 4. The area is also participating in the national Better Broadband Voucher programme which is due to start next month.
- 1.4. Plans are also advancing for the first reinvestment of 'Gainshare' funding working with BT which is expected to deliver additional superfast coverage to a further 2,000 homes and businesses in the hardest to reach areas of Devon and Somerset.
- 1.5. The situation with the Gigaclear contracts however remains in an uncertain place while Gigaclear continue to work on providing a robust and credible position to take these contracts forward.
- 1.6. CDS, working closely with the Department for Digital, Culture, Media & Sport (DCMS), with support from local authority partners, LEPs and MPs has been seeking a funding extension which is supported as a priority by DCMS. In recognition of a CDS/DCMS business case CDS has had a positive response from HM Treasury and is finalising an agreement for an extension with DCMS as part of their spending review process. CDS is agreeing similar support from other funders. Whilst every effort to resolve the situation with Gigaclear is being made, the programme is also working with DCMS and the LEP to consider alternative options and develop a Digital Strategy for the area.

2. Issues for consideration

2.1. This report provides an update on the progress of the CDS programme.

3. Background

3.1. The CDS programme delivers the SCC County Plan objective of investing in Somerset to improve broadband connections to support businesses and residents. The CDS Programme has delivered superfast broadband services to over 300,000 homes and businesses across the region and continues to work to extend broadband coverage in Somerset and the CDS region.

3.2. As previously reported to scrutiny the Gigaclear contracts have fallen behind in build and a joint briefing was provided to stakeholders and published on the CDS website in November.

<https://www.connectingdevonandsomerset.co.uk/wp-content/uploads/2018/11/The-Gigaclear-contracts-with-CDS..pdf>

A further update was provided in March 2019

<https://www.connectingdevonandsomerset.co.uk/wp-content/uploads/2019/03/CDS-Stakeholder-Briefing-March-15-2019.pdf>

The situation remains challenging and CDS has formally placed Gigaclear on notice that it considers that Gigaclear is in default in its contracts.

3.3. Gigaclear is continuing to develop acceptable plans for each contract area backed by fully costed analysis of the network delivery options. CDS and BDUK require key reassurances particularly regarding capacity and acceleration of deployment. In response, Gigaclear is investigating further options to improve its operations in Devon and Somerset in light of the significant delays the company has incurred. One of the consequences of the delays is that exact details about which communities will be in the next phase of the roll-out have yet to be confirmed. Gigaclear states it will provide updated information for the public and stakeholders about its roll-out timetable on its website.

3.4. In the meantime, Gigaclear is continuing to build full fibre networks to 31 community areas in Devon, Somerset and BaNES/ North Somerset for CDS providing ultrafast broadband speeds to 6,000 homes and businesses. In addition, the company is also continuing its commercial build which will serve a further 6,000 premises.

3.5. In Somerset the following cabinet areas are currently in build. Crickham, Croford, Dowlish Ford, Lymphsham, Merriott, Over Stratton, Rooksbridge, Roundham and Weare.

3.6. The company remains on notice of default. Pending a satisfactory outcome CDS is withholding public subsidy and Gigaclear is continuing to build the

network in the CDS area at risk, providing substantial investment of its own. Gigaclear has also opened a regional office in Taunton and has increased its staff.

- 3.7. Although this regrettably means a further period of uncertainty over Gigaclear's roll-out, the potential benefits of allowing the company some further time to complete its analysis are judged to be better than the disbenefits of bringing the contracts to an end at this time. The ultimate aim is to ensure maximum coverage of ultrafast fibre to the premises which will assist in "future proofing" the installation for the consumer. However, CDS has made it clear to the company that this period of uncertainty cannot continue indefinitely. Initial feedback is due from GC in early April.
- 3.8. The CDS board has continued to have regular meetings with Gigaclear management and Infracapital to monitor the actions which Gigaclear is taking.

4. Informing Stakeholders

- 4.1. DCMS and CDS, supported by local authority partners, LEPs and MPs, have also been working to secure a funding extension to the capital grant awarded to the programme. The original deadline for spending this was March 2020. DCMS and CDS have made a case to HM Treasury and have met with the Digital Minister recently to further the case. DCMS judges it is sensible to extend the funding deadline to ensure rural communities and businesses will benefit from the grant funding of £17.8m awarded to CDS for the Gigaclear contracts to deliver full fibre broadband. Following good discussion with HM Treasury, DCMS will make this funding extension a priority in the Department's submission to the Spending Review, and CDS will work with DCMS on a revised funding agreement. Conversations are taking place with other funders on a similar basis. CDS working with BDUK are investigating all possible options for the future roll-out of full fibre broadband while this interim period with Gigaclear continues.

5. Broadband Delivery

- 5.1. The programme continues to work with partners to secure further broadband delivery across the region
- 5.2. The programme board has taken the decision to join the national Better Broadband Voucher Scheme, which is being launched next month. This scheme will benefit some residents and businesses receive support towards improving connectivity. Any home or business with less than 2 Mbps and not part of planned deployment from another publicly funded scheme within the next 12 months can request a voucher. There are a number of providers who can then be selected to provide a new service, including 4g, wireless and satellite solutions. Homes or businesses benefiting from the scheme will not have their status in any future superfast broadband roll-out affected.

Further information can be found at

<https://www.connectingdevonandsomerset.co.uk/cds-now-offering-better-broadband-scheme-vouchers/>

- 5.3. BDUK are also operating their Gigabit Voucher programme which provides businesses and residential properties with vouchers of up to £2,500 and £500 respectively when they come together to develop local partnerships to provide fibre connections capable of at least 100Mbps.
- 5.4. CDS is advancing plans to extend BT's network applying the first £6 million of 'Gainshare' Funding. It is anticipated that this initial expansion will extend superfast coverage to a further 2,000 homes and businesses in the hardest to reach areas of Devon and Somerset. CDS will provide full details once the final plans have been agreed with BT and BDUK.
- 5.5. Further reinvestment sums are expected up until 2024. CDS working with BDUK and the LEP is developing a Digital Strategy for the Heart of the South West area which will include connectivity and infrastructure, as well as considering digital skills and innovation. This will help guide the approach for extending coverage and applying these reinvestment sums, and other funding opportunities. The first stage of this is to run an Open Market Review which will begin over the coming weeks. CDS is committed to working with BDUK to take forward Government's Full Fibre ambitions and options emerging around a Rural Broadband Connectivity Programme.