

Resources, Fire & Rescue Overview & Scrutiny

5 June 2019

Coventry, Solihull & Warwickshire Superfast Broadband Project

Recommendation

That the Resources and Fire & Rescue Overview and Scrutiny Committee consider and comment upon the good progress that the Coventry, Solihull and Warwickshire (CSW) Superfast project is making to extend Superfast connectivity across the sub-region.

1 Background

- 1.1 The BDUK Superfast programme in progress at present will be completed by June 2020 and will deliver Superfast connectivity to 98% of the premises (businesses and residential) within Warwickshire. Nationally the connectivity will reach 96% in the same period. Superfast connectivity is specified as 24Mbs. This is a mixture of older copper technology, Fibre to the Cabinet (FTTC) and the newer, since 2017, fibre technology, Fibre to the premise (FTTP).
- 1.2 The government has set an aspiration to extend fibre connectivity to all premises across the UK by 2030. Fibre connectivity can provide connectivity speeds from 80Mbs up to 1Gigabit. This will increase the available speeds which consumers and businesses will need into the next decade and beyond. Fibre is necessary and is the only deployment type we are now running.
- 1.3 CSW has successfully secured £5.7m of government funding to extend the fibre network to a range of Public Sector Buildings across Warwickshire, as part of the Local Full Fibre Network Programme (LFFN). This is now in procurement and it is anticipated that contracts can be completed by June 2019. Deployment will need to be completed by December 2020 for financial closure by March 2021.

- 1.4 CSW have developed a website for Officers, Members and MP's to securely access detailed information relating to deployment for the programmes across the CSW region. This will allow parties to view all information on a constituency, ward or local body basis and easily show the works planned, delivered, awaiting delivery and presently out of scope for each area. **Appendix B** provides exemplar screenshots and a short demonstration of the tool will follow the report presentation and questions.
- 1.5 UK planning law does not mandate that broadband services are treated like a utility, gas, mains water or electricity. Developers are not obliged to discuss development or builds with telecommunications providers and this creates issues for CSW where developments are built without Superfast connectivity and parish and local bodies then ask CSW to intervene and look into funding the new connections. In these instances, the new connections are treated without priority over existing planned works and fall to the back of our priority list on the basis that existing planned funded works need to complete before additional works can take place.
- 1.6 One final issue in the Contract 2 and Contract 3 works is that a number of suppliers who had previously stated they would commercially provide Superfast coverage in the region have now pulled out of works for financial reasons. This creates a problem for CSW as we are precluded from intervening in areas when companies declare they will install Superfast broadband owing to State Aid regulations.
- 1.7 Once a company decides it will not provide coverage, the net effect is that CSW inherits what were previously covered areas and has to re-plan deployments accordingly to try to resolve these commercial supply issues. Like new developments these inherited requirements are treated without priority over existing planned works and fall to the back of our priority list on the basis that existing planned funded works need to complete before additional works can take place.

2 Future Steps

- 2.1 CSW will receive, at least, £5m additional Gainshare funding from Contracts 1 and 2 of the Superfast project. This is because the percentage take up of subscribers has greatly exceeded Openreach's estimates in the contracts and we receive a share in the extra take up funds over Openreach's contracted estimate. £2m will be available in 2020/2021, a further £2m will be available in 2022/2023 and, at least, a further £2.1m will be available in 2024/2025.

- 2.2 This Gainshare funding summary is detailed in **Appendix A**.
- 2.3 Gainshare funding can only be used in two ways:
- 100% used for further investment in the deployment of additional connectivity.
 - Retain the returned funds for ten years after the contract end date and then split the funding 50:50 with the Government. The 50% local share could then be apportioned across the partners in proportion to their original investment for use to support budgets more generally.
- 2.4 The long timescales for the second option (extending to 2035) means there is an incentive, built into the process, to use 100% of the Gainshare funding strategically over the next five years to procure wider coverage of fibre connectivity across Warwickshire to deliver connectivity that will be needed for business and domestic use in the future.
- 2.5 The County Council has the opportunity to negotiate further with the Government's BDUK team to seek additional funding for the extension of the Fibre network and to combine that funding strategically to cover the remaining areas with the Gainshare funding explained above. Future plans will be taken through appropriate governance processes once sufficiently scoped and subject to acceptable business cases. Any future extensions would be added to the LFFN programme or the Government's new RGC initiative (Rural Gigabit Connectivity programme) which seeks to build fibre networks in the most difficult of rural areas.
- 2.6 CSW will be liaising with district and borough council planning authorities regarding the approach to provision of broadband services in terms of ensuring planning applications include Broadband connectivity considerations where possible.

3 Financial Implications

- 3.1 Up to £5 million additional funding will be received by the partnership over the next five years as a result of take-up being greater than 50%. The conditions attached to the receipt of this funding strongly incentivise reinvesting the funding in extending/improving coverage further. However, the Gainshare funding does provide the opportunity to fund further applications for investment in superfast broadband/extensions to the fibre network without the need to set aside County Council resources.

3.2 Cabinet and Corporate Board members were asked to agree how the Gainshare funding should be used post the formal cabinet meeting on 16th May 2019. Richard Hopkins, CSW, was asked to make a brief presentation, proposal and answer questions at the request of the Leader to this group.

4.0 Background Papers

None.

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The report was circulated to the following members prior to publication:

Local Member(s):

Other members:

Coventry, Solihull & Warwickshire Superfast Broadband Project

Purpose

The purpose of this appendix is to provide background information of the CSW project and Gainshare, and to provide a summary of progress to date over the contracts completed and in progress.

1.0 Contract 1: Partners: All local bodies except Coventry.

- 1.1 CSW has already successfully procured and completed Contract 1 which ran from 2013 – 2016 with a total public investment of £8.9m.
- 1.2 At the completion of Contract 1, Superfast Broadband coverage across Warwickshire was 90.4%.
- 1.3 Following financial closure of Contract 1 CSW forecast an underspend of £2.2m which was reinvested in Contract 2.
- 1.4 Take-up of Superfast services from CSW deployed structures now exceeds 50%.
- 1.5 CSW has already received a 'Return on Investment', by means of a Gainshare allocation of £1.63m, used in re-investment in the Contract 2 and 3 programmes.

2.0 Contract 2: Partners: All local bodies except Coventry

- 2.1 CSW also successfully procured Contract 2 which was signed on 30th January 2014 and is now in the final stages of deployment. The total public funding for Contract 2 is £10.2m.
- 2.2 Deployment will be completed in May 2019.
- 2.3 At the completion of Contract 2, Superfast Broadband coverage across Warwickshire will exceed 95%.

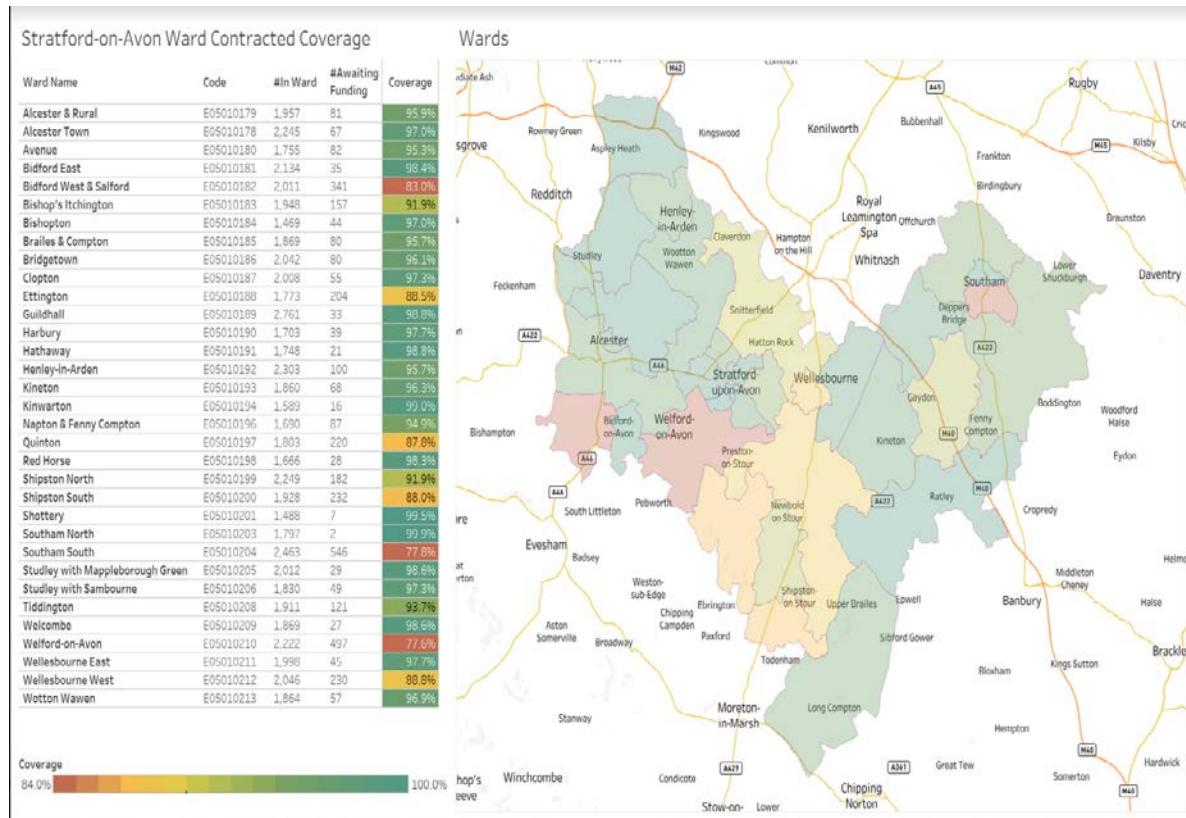
- 2.4 Take-up of Superfast services from CSW deployed structures in Contract 2 has also exceeded expectations and is also above 50%. CSW understands that the take-up figures for Contract 2 puts CSW in the top three Local Bodies, out of 48 Local Bodies running the BDUK programme nationally. This is evidence of a very successful Demand Stimulation programme managed by the CSW project team.
- 2.5 CSW expects a further 'Return on Investment' Gainshare allocation for Contract 1 and Contract 2 take-up. CSW forecasts this to be above £5m for re-investment over the period of the contract to 2026.
- 3.0 Contract 3: Partners: All local bodies plus Coventry**
- 3.1 CSW has now successfully procured Contract 3 which was signed in December 2017. The total public funding for Contract 3 is £15m, including £2m of ERDF funding and £1m of Coventry & Warwickshire LEP funding.
- 3.2 Contract 3 deployment began in September 2018, and will run alongside the final stages of Contract 2.
- 3.3 Completion of Contract 3 is forecast for June 2020 owing to BDUK changes and contractual early deliveries from Contract 2.
- 3.4 Financial closure of Contract 3 is expected to be completed by December 2020.
- 3.5 At the completion of Contract 3, Superfast coverage across Warwickshire is predicted to be above 98%.
- 3.6 CFP Vouchers (Community Fibre Partnerships) have been slow to take off across the region despite active marketing by CSW during Contract 2 and Contract 3 deployments. These offer residents and businesses the opportunity to engage with approved suppliers to combine government funded vouchers (£2500 per business and £500 per residence) to assist in completing a deployment (generally) in difficult to reach areas or areas which are stated as 'awaiting funding'. We are actively trying to use these schemes to assist in areas where value for money installations are proving commercially difficult for suppliers to engage in.

4.0 Local Full Fibre Network (LFFN) Partners: WCC & SMBC Only

- 4.1 The government now considers a Local Full Fibre Network as the future and has launched the LFFN programme to increase the availability of a Full Fibre Network direct to premises. Full Fibre will deliver available speeds for consumers and business of up to 1 Gigabit.
- 4.2 The LFFN Programme details a specific delivery mode which involves the Public Sector Building Upgrade (PSBU) approach. The mode of delivery involves the use of government funding to take a Fibre connection from the network spine direct to the Public Sector Building. For instance, CSW will identify a Public Building (such as a school) situated in a community which is presently without any access to the Fibre network. A Fibre is run into the building, enabling connection up to Gigabit speeds. The fact that there is now fibre available (in the ground) means that other premises within the community should be able to order a Full Fibre service from ISP suppliers. Additionally, where fibre is available then 4 & 5G suppliers will be able to utilise the same fibre for mobile communications.
- 4.3 CSW submitted an application for funding on 26th January 2018. This submission was successful and has secured a further £5.7m for LFFN investment within Solihull and Warwickshire.
- 4.4 The funding available from the LFFN programme did not require matched funding (unlike the BDUK programme). However, to further enhance the submission WCC agreed to invest £200,000 to support the delivery of Fibre connectivity to Warwickshire Schools.
- 4.5 The CSW submission for LFFN funding specifies a total of 320 Public Sector buildings. These include schools, Fire & Rescue buildings and other Public Sector Buildings presently without a secure Fibre Connection.
- 4.6 The Fibre deployed under LFFN will also form the cornerstone of assisting 5G deployments around the region.
- 4.7 The £200,000 investment by WCC will be used to provide support to schools, ensuring these schools can fully utilise the increased performance of the connectivity provided by the new Gigabit Fibre. For instance, this would allow an ICT advisor to work with the teachers, and pupils, to enhance their computing competence and confidence. This will include access to comprehensive safeguarding training. The school can also act as a hub for the community and provide computing and safeguarding training for residents within the community.

CSW Data Analysis Example Screenshots – a demo will be given during the meeting

Data analysis is available to users by Constituency, Ward or Local Body breakdown e.g.



The above shows Contract 1, 2, 3 & LFFN status by the selected areas with live information about connected premises.

It is built to clearly demonstrate works and investments to date but also show the areas needed further investment and planning/deployment.

Each area can be drilled down for breakdowns in total or by contract.

CSW will be arranging 1-2-1 sessions with interested parties to view this data and will roll this out in the coming quarter.

