

Report to: Places Scrutiny Committee

Date of meeting: 18 September 2019

By: Director of Communities, Economy and Transport

Title: Superfast Broadband project update

Purpose: To update the Place Scrutiny Committee on the implementation of the recommendations of the Scrutiny Review Board on the Superfast Broadband project agreed at County Council in July 2017

RECOMMENDATION: The committee is asked to note progress on the implementation of the recommendations made in the Scrutiny Review Board report on the Superfast Broadband Project in March 2017.

1. Background Information

1.1 In 2012, Cabinet agreed a Broadband Plan to invest £15million from the Council's capital programme alongside £10.64million of funding from Broadband Delivery UK (BDUK) to provide the infrastructure necessary to enable access to superfast broadband across the County. A three year contract was signed with British Telecom (BT) Group in May 2013 to deliver this infrastructure (Contract 1). This contract has formally closed.

1.2 A second contract was signed with British Telecom (BT) Group in June 2015 using £3million from the County Council together with £3million from Broadband Delivery UK (BDUK). This contract is now in formal closure.

1.3 East Sussex County Council (ESCC) signed a third contract with BT in February 2018, following an open procurement process (known as OJEU, Official Journal of the European Union) open to all telecoms suppliers. The contract is for £4.3million, with the supplier tasked to deliver a further 7,220 superfast premises. Project completion is provisionally scheduled for Quarter 4 (end March 2020). East Sussex is projected to have 99% superfast coverage by the end of contract 3.

1.4 In July 2017 Full Council considered a report by the Scrutiny Review Board of the Economy Transport and Environment Scrutiny Committee on the superfast broadband project (Appendix 2) and approved the response and action plan set out by the Director of Communities, Economy and Transport (Appendix 1).

1.5 In summarising the report it was clearly recognised that significant investment and excellent progress has been made in increasing coverage of superfast broadband. The Scrutiny Review examined what has been delivered so far under Contract 1 with BT Group, and whether the roll out of Contract 2 will address residents' concerns about broadband speeds and coverage. It also looked at the future provision planned under the Broadband Project, whether residents' expectations of the project were realistic, and wider project communications.

2. Supporting information

2.1 The Scrutiny Review Board set out a number of recommendations around: the provision of information; coverage maps; costs of reaching uncovered premises; options for the future (including community match); and wider communications.

2.2 The recommendations are listed in Appendix 1, together with an update in the response and action plan set out by the Director of Communities, Economy and Transport.

2.3 The Place Scrutiny Committee will wish to be aware that delivery of superfast broadband is currently running behind the schedule envisaged at contract award.

2.4 Requiring the supplier (BT Openreach) to survey premises up front has shown that ESCC was right to insist on including this condition in the contract, given the complexity of reaching the “final few”. The supplier has completed surveys and these have gone through a rigorous checking process to ensure that we have been provided with all the information we need in order to take final investment decisions. Unfortunately, we established that the supplier did not provide good enough information to enable us to sign off plans and we have spent time formally seeking clarification from them.

2.5 Openreach accepts that they were at fault in not putting in place the processes to support a full submission. To be fair to them, the upfront process does introduce much more complexity than previously. East Sussex is the only area nationally where this is happening, so it is a bespoke process. Because of this BT has no previous experience and so it has been much more complex than either party anticipated at the time of contract award. The supplier has, however, continued to build at its own risk and so the project is not at a standing start.

2.6 Openreach has now presented a new deployment plan removing: all premises included at contract award that now receive superfast speeds (either already built as part of Contract 2 or data corrections); duplicates; premises where it does not make sense to deliver e.g. water pumping stations.

2.7 They have also submitted proposals for new premises to be included. The new draft deployment plan is now subject to detailed commercial discussions with them and BDUK. Once these are complete we will need to go through a process called a “change request” (CR) before we can release details of the properties to be included in deployment (and therefore, by extension, not included). A CR is the standard process for dealing with contract changes.

2.8 We regret that the process has taken longer than anticipated, however, given that we are now down to the very hardest to reach properties in commercial and financial terms it is incumbent upon us to spend time getting it right in order that we invest public money wisely. The project has achieved a great deal since the original contract was signed in 2013, with one of the highest coverage figures anywhere in the country.

2.9 The Place Scrutiny Committee may wish to be aware of the latest figures in relation to superfast (24Mbps+) delivery across East Sussex:

- As at July 2019, superfast coverage across East Sussex is 97.3%, compared to 65% in July 2013 against a baseline of 3% in 2012.
- Take up of superfast broadband services is 64% against a national benchmark of 20%.

3. Conclusion and Reasons for Recommendation

3.1 Significant investment and excellent progress continues to be made in increasing coverage of superfast broadband across East Sussex. Despite being behind on the delivery of Contract 3, we are confident that by working with Openreach we will ensure the best possible use of public funding. Take up of services is increasing exponentially. Members are asked to note progress on the implementation of the recommendations made in the Scrutiny Review Board report on the Superfast Broadband Project in March 2017.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None