

Report to: Place Scrutiny Committee

Date of meeting: 23 March 2022

By: Director of Communities, Economy and Transport

Title: Superfast Broadband Project and “Project Gigabit” update

Purpose: To update the Places Scrutiny Committee on the eSussex Superfast Broadband Project and Government’s new “Project Gigabit” programme, including Gigabit Vouchers

RECOMMENDATIONS:

The Committee is asked to note:

- (1) The progress of the Council’s third (and final) contract under the national superfast broadband programme; and**
 - (2) Information about future infrastructure build under the Government’s “Project Gigabit” programme, including Gigabit Vouchers**
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1. Background Information

1.1 In 2012, Cabinet agreed a Broadband Plan to invest £15m from the County Council’s capital programme alongside £10.64m of funding from Building Digital UK (BDUK), part of the Department for Digital, Culture, Media and Sport (DCMS), to provide the infrastructure necessary to enable access to superfast broadband across the county in areas of market failure (i.e. where there were no plans for investment by the private sector). A three year contract (Contract 1) was signed with British Telecom (BT) Group in May 2013 to deliver the infrastructure. This contract has formally closed on budget and on time, successfully connecting 70,400 premises to fibre infrastructure with 56,200 of these connected at superfast speeds of 24Mbps+.

1.2 A second contract was signed with BT Group in June 2015 using £3m from the County Council together with £3m from BDUK. This contract completed delivery in December 2019 and has formally closed on budget and on time, successfully connecting a further 9,479 premises to fibre infrastructure with 7,026 of these at superfast speeds of 24Mbps+.

1.3 The County Council signed a third contract with BT Group in February 2018, following an open procurement process (known as OJEU, Official Journal of the European Union) open to all national and local telecoms suppliers. The contract was to deliver 7,220 superfast premises, provisionally by the end of March 2020. The East Sussex contract was unique in that we were the only local authority requiring the supplier to carry out surveys in advance of any work starting. The purpose of this was to confirm the baseline for the contract against the baseline set out in the tender through the knowledge gained from the up-front surveys as our experience has always been that surveys throw up anomalies between the data and reality (e.g. buildings no longer existing). It was a long and complex process that took longer to complete than either party anticipated at contract award. The outcome was a formal contract change agreed between the parties and also by BDUK. A revised target of 5,586 superfast premises was set across the county in both rural and urban areas based on the updated data.

1.4 It should be noted that East Sussex is one of a small number of local authorities who have entered into third contracts under the Superfast Programme, the majority having stopped after completion of their second contracts.

1.5 In December 2021 changes to the contract were again necessary due to Openreach (the wholly owned subsidiary of BT Group that manages the network) reviewing and updating its national dataset (cross matching Post Office address data with corresponding network information). This resulted in data changes and reflected increased commercial coverage, which was found to have taken place in the contract's "intervention" area. Premises that were removed as ineligible have been replaced by eligible premises that had previously not been included in the build plan.

1.6 It was a complex negotiation requiring a review of the commercial terms, since replacing premises is not straightforward (building to properties in Hailsham does not necessarily cost the same as building to properties in Rotherfield or Winchelsea Beach, for example, where there may be greater need for traffic management in small rural lanes, tree cutting and so on). Openreach put all premises that were not yet built on hold, until the contract change was agreed so that they could complete solution design and planning for all outstanding build (already agreed and newly agreed) all together. Build has restarted following agreement to contract changes by the County Council, BDUK and BT. The contract will now deliver 5,609 premises with a revised forecast completion date of September 2022.

1.7 Whilst Covid-19 has had an impact on delivery, it has not been significant. There have been some supply chain issues and a relatively small impact arising from the United Kingdom's exit from the European Union as many of the 'civils' teams used by Openreach were non-UK nationals.

1.8 The Place Scrutiny Committee may wish to be aware of the latest figures in relation to superfast (30Mbps+) delivery across East Sussex:

- As at February 2022 superfast coverage across the county is 98%, compared to 95% in February 2018 against a baseline of 3% in 2012
- Take up of broadband services is 79.4% against the national benchmark of 56%

2. Supporting Information

2.1 The Government has set clear, ambitious targets for the future of telecoms infrastructure and the Levelling Up White Paper sets out aims to deliver UK nationwide gigabit-capable broadband by 2030. Gigabit internet delivers download speeds of up to 1Gbps, the equivalent of 1,000Mbps.

2.2 It should be noted that whilst the County Council's broadband project operates under the BDUK "superfast" programme, the project has delivered full fibre (fibre-to-the-premises or FTTP) in both contracts 1 and 2, and that this 3rd contract is delivering solely FTTP, i.e., gigabit-capable. Furthermore, the strategic decision to enter into a third contract has put East Sussex 'ahead of the game' since delivery has included hard-to-reach areas that 'Project Gigabit' aims to address.

2.3 BDUK is responsible for delivering the £5bn programme ("Project Gigabit") to meet Government's aims. At the date of writing this report, BDUK has completed a data gathering exercise in East Sussex to establish what private sector investment plans exist, and we will be working alongside them to review and validate that and other data, provided they are able to supply it to us in the granular detail we expect to see. They have an estimated procurement start date for a contract to deliver infrastructure in East Sussex of August - October 2022, with an estimated contract start date of July - September 2023. All activity will be managed by BDUK, with the County Council in a supporting role only.

2.4 Part of “Project Gigabit” is the Gigabit Broadband Voucher Scheme. The Government is providing up to £210m worth of voucher funding nationally as immediate help for people experiencing slow broadband speeds in rural areas. Businesses and residents are eligible for funding towards the cost of installing gigabit-capable broadband to their premises when part of a group project. Vouchers are worth up to £1,500 for homes and £3,500 for businesses.

2.5 The County Council has provided additional funding of £500,000 to “top-up” DCMS’s Gigabit Voucher Scheme, which provides £1,000 towards each voucher, making the total funding available to our communities of up to £2,500 for residents and £4,500 for businesses. Projects may not need to access any or all of the funding if the costs of their scheme are covered fully by the DCMS core voucher funding, and this will be assessed by DCMS as part of the application process. The scheme is demand-led and individual projects are essentially private arrangements between residents and their chosen telecoms supplier. All administration, including payments, is completed by DCMS who invoice the County Council separately.

2.6 To date, a total of £12,000 (11 residential premises and 1 business premises) has been paid to top up two voucher projects in Cousley Wood and Cross-in-Hand. Whilst we are aware anecdotally of several voucher projects developing across the county, we only receive confirmation of projects when invoices are presented. Invoices are submitted to us when build is complete, which can take up to a year or more since community-led projects can take a long time to bring to fruition. We do not receive information about schemes that go ahead without requiring top-up.

3. Conclusion and Reasons for Recommendations

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 on contract changes we are ensuring the best possible use of public funding in some of the hardest-to-reach areas of the county in commercial and financial terms. Evidence of take up of the Gigabit Voucher top ups is beginning to come through as we also begin work with BDUK on the delivery of “Project Gigabit”.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

Future Telecoms Infrastructure Review (July 2018)
<https://www.gov.uk/government/publications/future-telecoms-infrastructure-review>

Levelling Up White Paper (February 2022)
(<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>)

Project Gigabit (October 2021)
<https://www.gov.uk/government/publications/project-gigabit-delivery-plan-autumn-update>