

Wiltshire Council

Overview and Scrutiny Management Committee

28 November 2017

Report to Overview and Scrutiny Management Committee – Wiltshire Online Project

Background

1. The Wiltshire Online programme was designed to provide a fibre broadband service to those premises that commercial providers considered to be financially non-viable. Without Wiltshire Council's investment, approximately 40% of Wiltshire would not have access to superfast broadband. The Council's approach is designed to deliver fibre broadband to the greatest number of premises for the budget available.
2. To date over 85,000 homes and businesses have access to fibre broadband due to Wiltshire Council's Wiltshire Online investment.

Where we are in November 2017

3. I have sat with the broadband project board since its inception. In 2011 40% of the Wiltshire Council area was in need of broadband or improved broadband, when our project is finished in 2019 this will be down to 4%, having used the combined efforts of our intervention scheme and commercial roll out. This 4% may still benefit from payback Wiltshire Council will receive from the project. Those presently with less than 2Mb/s can use £300 to £350 government vouchers to club together forming a self-help scheme. Our small team has worked to win LEP (Commercial development Finance) and BDUK (Government Broadband Finance) funding plus satisfying European directives regarding the spending of public money.
4. The programme has been delivered within budget. We have had our problems for instance when BT has projected a number of premises to be completed by a certain date then fell short. We cannot totally satisfy the final 4%, however if we look at this project as a whole, it is something Wiltshire Council and others can say this is a success story. The government at present appear to be pursuing a universal provision by 2020; this should help address the last 4%.

Contract 1 - update on progress

5. **Deployment update:** Contract 1 build is complete. The contract 1 total homes passed target was exceeded at the end of quarter 1. Following detailed analysis of the speeds delivered it became clear the speed target of over 24Mbps was not met with a reported shortfall of 3% of the overall superfast target. Following discussions

with BT and BDUK the programme signed a contract change to remove the shortfall from contract 1 and add into contract 2. This approach facilitated a timely delivery of the speed shortfall build and allowed the formal closure of contract 1 to begin to crystallise the actual spend.

Achievement: 80,321 total premises passed with fibre broadband.

Spend: The contract closure process is underway; the programme team has received the end of life claim and completed the robust contact closure process with central government and BT. It is anticipated this process will be complete by November 2017 and will confirm the programme has been delivered within budget.

Contract 2 / Gainshare build – update on progress

- 6. Deployment Update:** The delivery of contract 2 has not been without its challenges. The overall delivery target is significantly lower than the original contract 1 (as is the value) but the challenge is arguably greater as we work further into our more rural areas. The rural build goes hand in hand with increasing challenges such as land ownership (wayleaves), road closures, complex traffic management and significant lengths of ducting and fibre needing to be installed.

Currently the build trajectory is as expected.

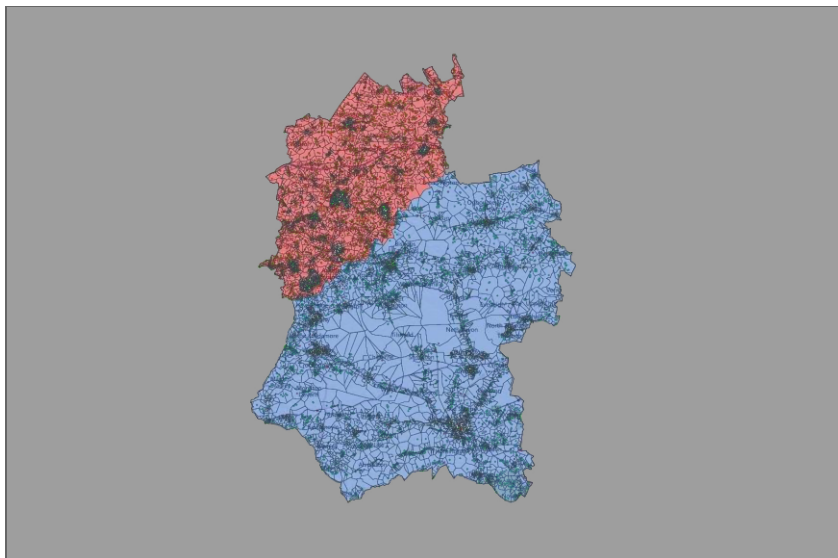
Achievement: Cumulative total premises reached with superfast broadband 5,709.

Spend: The contract is managed on a quarterly basis via the Milestone to Cash (M2C) process. This involves two levels of assurance, the first to allow the team to assure the milestone has been achieved and the second to assess the costs associated with that milestone. The team continue to robustly carry out the M2C process. When assuring the Quarter 3 and Quarter 4 achievements there was a pause in payments as the team worked with BT on outstanding issues. The area of concern has not been the achievement as the team are comfortable with what has been built, the concern has been the quality of evidence BT has provided. Further detail was requested and reviewed and payment was made in October 2017. The M2C process continues as normal for Quarter 2.

Ultrafast

- 7.** Wiltshire Council has been working on procuring an Ultrafast Broadband solution after successfully securing £2m from central government and £1m for the Swindon and Wiltshire Local Enterprise Partnership. As per previous phases of our broadband deployment the intervention area for Ultrafast was defined as per EU State Aid Law to ensure that currently unserved premises not in any future build plans were considered.

8. In order to adhere to comply with EU State Aid Law, the intervention was defined and the county was split into two areas for the procurement, North and South. The decision to conduct an open procurement was taken at the Wiltshire Council Procurement Board on 19 July 2016. The Invitation to Tender (ITT) was published on 28 November 2016.



9. Following a robust evaluation process the contract in the North was awarded to Gigaclear Plc and in the South was awarded to British Telecommunications Plc.

Contract 3. North Lot 1 - Gigaclear

10. 5,774 premises to be served, build begins late 2017 and will be complete December 2019.

11. We are currently in the mobilisation phase of the contract. The contract will mirror both the assurance and governance of the existing contracts with BDUK overseeing the activities.

Contract 3. South Lot 2 - BT

12. 2,964 premises to be served, build begins early 2018 and will be complete March 2019. The BT Plc build model reaches all the strategically important business sites in Lot 2.

13. We are currently in the mobilisation phase of the contract. The contract will mirror both the assurance and governance of the existing contracts with BDUK overseeing the activities.

14. All contracts continue to be closely monitored by both the GWB Board and central government.

Cllr George Jeans
November 2017