

Wiltshire Council

Overview and Scrutiny Management Committee

4 June 2019

Update on Wiltshire Online Programme from Cllr George Jeans, OS Project Board Representative

Background

1. I have been attending the Broadband Contract Board for several years. The Wiltshire Online (WOL) programme is designed to provide a fibre broadband service via a variety of technologies, including Fibre to the Cabinet (FTTC) and Fibre to the Premises (FTTP). The areas we intervene in is where commercial providers consider them to be financially non-viable – overall this is known as the Intervention Area (IA). The design of the IA, procurement and contract is completed in accordance with strict EU State Aid law. Without Wiltshire Council's investment, approximately 40% of Wiltshire would not have access to superfast broadband. Each State Aid compliant activity is monitored and assured by central government.

Summary of last update

2. To ensure that we do not breach State Aid law, the Wiltshire Online delivery team must monitor our funded build footprint on an ongoing basis. It is essential that we continue to invest public funds only in those premises that do not have a superfast fibre service.
3. This ongoing state aid due diligence work identified premises across Wiltshire that already have a superfast service via commercial providers amending their build plans or deployment efficiencies, that were not identified when defining the Intervention Area; this is referred to as overbuild. This is a national issue, although Wiltshire Online was instrumental in highlighting the problem and we have been working with both central government and suppliers to determine a way forward. This State Aid issue has had a direct impact on three of the currently 'in build' contracts.

Challenges

- Length of time it takes the suppliers to model the removal of premises, associated cost and impact on remaining premises in existing build plans.
- Length of time it takes the suppliers to re-model to new premises.
- Length of time it takes Central Government to assure before we complete the contractual change.

- Build in some areas has been paused as we look to understand the overbuild.
- An impact could be the current build plans change or there is a need to extend the build timeline and the message to residents needs to be managed.

Opportunities

- The result of commercial investment and increased competition of fibre providers means more premises are receiving a fibre service.
- The overall percentage coverage of broadband in Wiltshire is increasing.
- The 'unserved' percentage is decreasing.
- Premises we remove due to overbuild free up funds so we can make progress and extend our reach to pick up even more premises without a service.

Update

4. There are currently 4 contracts being managed within the WOL programme:

Contract 1	BT	<p>Build complete. 80,321 premises reached with FTTC fibre broadband.</p> <p>Contract 1 was a great success with a take-up of the service of over 60%; this excellent take up rate demonstrates the demand and the impact of our investment.</p>
Contract 2	BT	<p>Build complete. State Aid due diligence complete. Following contractual change completed to remove the overbuild and associated funds it releases.</p> <p>A further activity is now underway to understand the remaining IA and how best to extend the build footprint with the released funds per State Aid rules. ETA for proposed contract change to go to central government assurance is September 2019.</p>
Contract 3 (Ultrafast South)	BT	<p>In-build. State Aid due diligence complete.</p> <p>A contractual change is now working through the assurance process with central government to descope the overbuild and identify funds it releases. ETA descope complete June 2019.</p> <p>A further activity is now underway in parallel to understand the remaining IA and how best to extend the build footprint with the released funds per State Aid rules. ETA for</p>

		proposed contract change to go to central government assurance is July 2019.
Contract 3 (Ultrafast North)	Gigaclear	<p>In-build. State Aid due diligence complete.</p> <p>The contractual changes to both descope the overbuild and associated funds and extension to the build footprint funded by the released funds in currently with central government assurance and it is expected be complete by June 2019. Some initial premises are now live.</p>

5. The process of working with both suppliers and central government on a resolution of the State Aid issues identified has been onerous and protracted. This has been both disappointing and an additional strain on the team. The challenges have been managed via weekly informal working sessions, monthly formal operational meetings and quarterly board meetings. Cllr John Thomson, Cabinet Member, attends the Contract Board regularly and has challenged central government, local politicians and suppliers via correspondence and face to face meetings to push for a timely and agreeable solution for Wiltshire. This challenge has been critical as the funding for all three contracts is provided by central government and SWLEP. Both funding opportunities have a specific timeline with the central government deadline ending March 2020. An extension to the Gigaclear funding offer has now been verbally agreed by HM Treasury so the risk to the delivery has now been removed. HM Treasury has not yet agreed to an extension of the Openreach funding and work continues to minimise risk to the funding window.

Proposal

6. To note the update from Cllr George Jeans on the **Wiltshire Online Programme**.

Report by Cllr George Jeans, OS Programme Board Rep

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