

## Wiltshire Council

### Overview & Scrutiny Management Committee

6 September 2012

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#### Project Board Update

| <b>Wiltshire Online Project Board</b>   |                   |               |                |
|---|-------------------|---------------|----------------|
| Scrutiny Representative:  | Cllr George Jeans | Last Meeting: | July 2012      |
|   |                   | Next Meeting: | September 2012 |
| <u>Background</u> <p>The Great Western Broadband (GWB) is a partnership of three local authorities, Wiltshire Council, South Gloucestershire Council and Swindon Borough Council working under the National Broadband Digital UK (BDUK) framework to deliver broadband in hard to reach and commercially unviable areas of the three local authority areas.</p> <p>BDUK are supporting the delivery of broadband through a Government-led initiative with £539m pledged to be spent by 2015 on providing a broadband network for the whole of the UK.</p> <p>The headline requirements set by government are:-</p> <ul style="list-style-type: none"><li>• High coverage of &gt;24Mbps in excess of 90% of premises in each local authority areas;</li><li>• All premises nationally to be able to access a minimum of 2Mbps;</li></ul> <p>Great Western Broadband including Wiltshire Online Project, have included further requirements to enhance the project including the expansion of the 90% coverage for superfast broadband and to ensure maximum leverage on bidder contribution and ensuring local requirements are included wherever possible without compromising the overall aims and objectives of the project. The key objectives of the project are:-</p> <ul style="list-style-type: none"><li>• To ensure that the best possible solution both in terms of broadband performance and coverage across our area can be achieved within available funding.</li><li>• To ensure that the project only invests in areas where there is a market failure to provide standard and superfast broadband (State Aid requirements).</li></ul> |                   |               |                |

- To achieve equity of services provided to both rural and urban customers in terms of cost, retail choice and performance.

The project is underpinned by strategies and plans to support the wider inclusion of Information Technology. In Wiltshire these include:-

- Wiltshire Online Programme
- Wiltshire Council Business Plan 2011-15
- Wiltshire Council Business Plan 2011-15 – Economy and Unemployment

The project will enable all premises to access broadband provision and will give all sections of the community to access a greater range of services online including:-

- Local authority services
- Health Services
- Education
- Online shopping / activity booking

A further strand targeting businesses will support the project aimed at stimulating demand within the business sector by using European Regional Development Fund (ERDF) resources.

The Council remains committed to try to make sure the project achieves the outcomes agreed in the original business case of 95% coverage and superfast broadband speed of 24mbs. Discussions continue with Bidders to try to ensure this happens under any new contract.

#### Update

The project is overseen by the Project Board who have met on a number of occasions ensuring that it has received adequate resources and that robust and transparent governance and project management have been used throughout the procedure.

The Board were instrumental in escalating concerns directly to government regarding significant delays to both the conclusion and signing of the National Framework and the continuing State Aid consultations. Although this intervention has helped to resolve the outstanding matters and the National Framework has now been signed, the discussions with the European Commission regarding State Aid are still continuing with an expected conclusion in October. The Board continue to monitor the discussions as this issue still has the potential to cause significant delay to the project.

Although BDUK led on the delivery of the National Frameworks the Board were consulted regularly as part of the decision making process. A robust competition was undertaken leading to the announcement that Fujitsu and BT had been awarded a place on the national framework. Both companies were

subsequently invited to bid for the GWB Project under local 'Call Off' arrangements.

The local tender procedure was launched in July and has a current date of 14<sup>th</sup> September for tender returns. A process of detailed clarification is underway with interested Bidders and this is aimed at refining the core solutions of the National Framework to reflect GWB local priorities and to ensure Value for Money. The tender process is underpinned by a robust and transparent evaluation process previously shared with Bidders and overseen by the Project Board who will deliberate and consider the project teams' recommendations in due course.

Apart from the detailed evaluation to ensure key outputs of Coverage and Leverage are met, the recommendation report will consider the Value for Money (VfM) elements of the project given the Wiltshire investment of £16m. The process undertaken ensures that VfM protections are included in three main areas;

i) BDUK National Framework Agreement – *in place now*)

- Competition to be appointed to the Framework
- Detailed Reference Solution including technical solution components
- Detailed Reference Financial Model
- Shadow Cost Model
- Independent assurance reviews (NAO and HM Treasury)
- Comparison (benchmarking) of Call-Off Projects
- Best Practice transfer of knowledge across local authorities

ii) Local Call-Off Contracts (including GWB) – *currently underway*

- Mini competition process (limited in single bidder situations)
- Certainty of subsidy levels and treatment of survey assumptions
- Payment based on milestone achievement
- Payment only for eligible expenditure
- Agreed target investment ratio

iii) In-life operation of Call-Off Contracts – *Future checks and balances*

- Wholesale project price controls
- Clawback to prevent over-subsidy (State Aid requirement)
- Reporting and Auditing
- Independent review

In order to help ensure that projects deliver VfM, the Department Culture Media & Sport (through BDUK) will continue to support local authorities. This will include guidance, templates and communications events, project assurance and check in order to support local authorities in getting best value.

## Conclusion

The GWB project still has a number of significant challenges to resolve before it is concluded but is now entering the final phase of procurement.

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