

**AYLESBURY VALE BROADBAND LTD BUSINESS PLAN**

**Councillor Mrs J Blake**

**Cabinet Member for Business Transformation**

**1 Purpose**

To consider the draft Annual Business Plan prepared by Aylesbury Vale Broadband Ltd following the first full year of trading.

**2 Recommendations/for decision**

2.1	That the draft Business Plan prepared by Aylesbury Vale Broadband Ltd (set out in Appendix 1 in the confidential pages of this report) is agreed.
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**3 Supporting information**

3.1 In December 2014 the Council committed £1.536m of New Homes Bonus funding to support the rollout of superfast broadband across the district. In April 2015 the Council approved an initial loan from this funding of £200,000 to run a pilot project through the creation of a limited liability company Aylesbury Vale Broadband Ltd (AVB) to provide superfast broadband to villages of North Marston and Granborough.

3.2 Progress with the pilot has been reported to the Economy and Environment Scrutiny Committee on a regular basis with the last report on 15 March 2016. The scrutiny committee will also be receiving a report with the business plan on 7 September 2016.

3.3 As a result of the success of the pilot, in April 2016 a further loan was approved for £500k to support further expansion of the service across the Vale. These loans are made under commercial rates terms and are expected to be repaid by 30 June 2022.

3.4 AVB is structured with the majority shareholder (95%) AVDC and 5% Ironic Thought. Ironic Thought is owned by Andrew Mills who was appointed as the Managing Director in July 2016 following a decision by Cabinet.

3.5 Some of the wider benefits of AVB's progress to date that have been achieved include:

- AVB's network, in the middle of rural Aylesbury Vale, is delivering speeds that only 2% of the UK population can currently receive.
- Approximately one in three of AVB's customers are small business owners whose businesses are now benefitting from AVB's 100% fibre broadband.
- As a direct result of AVB's pilot, its competitors (including fixed and wireless providers) have spent an estimated £600,000 on upgrading their existing solutions and providing new services to Aylesbury Vale. This expenditure is unlikely to have happened without AVB's existence

and it means fewer people are having to make do with poor broadband in Aylesbury Vale.

### **Plans for the Future**

- 3.6 The business plan includes plans for expansion which go further across the Vale to deliver fibre to the home (FTTH) to more villages. This is predicated on an additional £550k loan being allocated to AVB from the original £1.535m funds earmarked for super fast broadband.
- 3.7 It is forecast by several industry bodies that demand for bandwidth is expected to “grow exponentially” by 2020. Fibre is in the only known technology that can cope with this exponential demand, without additional investment and therefore by selecting FTTH, AVB is reducing its future support and maintenance costs and therefore increases confidence in the financial forecasts for the future.

### **4 Options Considered**

Not investing in the further expansion of FTTH would leave villages waiting for other providers to possibly extend their reach to their area but with no guarantee and a lesser quality product.

### **5 Reasons for Recommendation**

To continue to expand the access of rural areas across the district to super fast broadband.

### **6 Resource implications**

- 6.1 There are no further resource implications

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Background Documents

None