

BROADBAND PROVISION IN THE VALE

1 Purpose

- 1.1 To update the committee with the latest position regarding the rollout of broadband in the district through the Connected Counties programme and also the progress being made with the Aylesbury Vale Broadband pilot project.

2 Recommendations

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| 2.1 That Members note the latest position regarding the broadband programmes and identify any matters it wishes the Chief Executive and Leader to take into consideration in finalising the next stages of the programme. |
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3 Supporting information

- 3.1 In September 2015, the Committee received an update on the progress being made by Aylesbury Vale Broadband, where it was agreed that an update would be provided to this committee.
- 3.2 Members will recall that the Council has committed £1.536m of the New Homes Bonus funding to support the rollout of broadband across the district. £200k of this was to a run pilot project and create Aylesbury Vale Broadband to provide a service to the North Marston and Granborough area.
- 3.3 The funding for AVB has been provided by way of a commercial loan, which is due to be repaid by 2022, with an interest rate of 7.5%. AVB is 95% owned by AVDC and 5% is owned by Ironic Thought. The ambition set out in the original business plan was to start to make an operating profit by the end of the second year of the whole pilot network going live. The company is on track to achieve this.
- 3.4 The Company was incorporated in June 2015 and the physical works commenced in August 2015. The network went live in parts of the North Marston area in November 2015 and this is currently in the process of being extended to Granborough. Of the areas currently served in North Marston, the take up is at 40%, which is significantly higher than the take up for the Connected Counties programme for example, which is just under 20% (“take up” is the industry standard measurement for the percentage of properties using the service out of the households the network reaches). The aim is to increase this take up to the 60% set out in the business plan and increase the take up as the rollout continues.
- 3.5 In addition the school in North Marston now receives the service, which performs significantly better than their previous supplier. This service allows the school to utilise on-line resources that were previously not possible. AVB has also spent time discussing with BCC the issue of broadband services for schools generally and agreed that it will rollout its network to schools in any other areas that it expands the network to.
- 3.6 The original AVB business plan envisaged delivering most of the service via fibre to the cabinet, with some fibre to the home and wireless deployment for other areas. However early on in the programme it was identified that

delivering fibre directly to the home would be a much better future proofed product and it was possible for this to be done, but there would be a delay in the programme as a result. This is a much better service for the customer in terms of the speeds being achieved.

- 3.7 In December 2015, OFCOM determined that ultra-fast broadband would now be classified as delivering at least 300Mb/s (previously it was defined as 100 Mb/s.) The AVB network complies with this classification and is delivering an ultra-fast network that currently only 2% of the UK population is capable of receiving. The residents that have signed up so far are using AVB's ultra-fast network.
- 3.8 In addition to the level of speed being significantly better than most of the other providers, the AVB offering also compares favourably from a price perspective. The cheapest package is £30 per month for 30Mb/s up and down, £38 per month for 100Mb/s and £135 a month for 300Mb/s. AVB has also partnered with one of the world leading landline via fibre providers, Vonage. Whilst no landline is required with AVB's network, if customers want to retain a landline then they can port their landline number to Vonage for £8 per month (including unlimited UK landline calls). AVB customers can use their fibre connection for both traditional telephony as well as their broadband access.
- 3.9 The AVB network is also reaching farming properties, some of which are up to 3km from the centre of North Marston and delivering broadband speeds that these farmers previously thought were impossible. AVB has also delivered a free public Wi-Fi spot around the church in North Marston and in the coming weeks will also be providing free Wi-Fi access to the village hall and shop area. This will help to encourage the use of community facilities as well as addressing the issue of mobile black spots in the village.
- 3.10 In addition to providing an ultra-fast fibre broadband service in rural Aylesbury Vale, AVB's presence has also driven an additional estimated £600k investment by other broadband providers (both fixed and wireless). This investment is unlikely to have happened without AVB's presence in the district. In other words, the £200k loan to AVB has already helped generate at least £600k in additional investment in broadband provision in the Vale. The AVB website contains the latest news and information about the programme. See this for more information and the latest progress www.avbroadband.co.uk.
- 3.11 As is the case with all pilot projects, there have been a number of lessons learned, which will be considered as part of the overall project evaluation. The key lessons relate to:
- the challenges of ensuring that the teams deployed to carry out the civils work are delivering the standard expected and managing this process has been more time consuming and challenging than originally envisaged
 - the importance of pro-actively managing the relationship with BCC's Street works team
 - the need to ensure that there are more effective ways to communicate and manage local expectations particularly when resources are limited due to the tight budget constraints
- 3.12 As Members will be aware there is significant interest and demand from many locations across the Vale for improved broadband provision and there are 55

locations in the Vale that have requested AVB considers extending their service to their area. The company is now focusing on completing the work in the pilot area before actively considering what next as far as other areas to potentially roll out the service to.

- 3.13 As Members are aware alongside the AVB Pilot project, work has also been progressing with the next stage of the Connected Counties scheme. As part of this programme BT have been asked to model over £4m of district council, Local Enterprise Partnership and Government funding.
- 3.14 In order to help focus the responses from BT, a number of preference areas have been included in the extension programme specification. The LEP identified a number of preference areas across the country where there is a high business/homeworking incidence. This includes a number of areas in the Vale.
- 3.15 In addition, the villages of Ashendon, Aston Abbots, Bishopstone, Calvert Green, Charndon, Drayton Parslow, Hardwick, Great Brickhill, Lillingstone Lovell, Newton Longville, Stewkley, Thornton and Wingrave and Rowsham have been specified as preference areas. These have been identified as areas that have very poor or no broadband coverage and where a high level of demand has been expressed through the previous connected counties project or the AVB scheme. BT has been asked to prioritise a solution in these areas if possible as part of their response to the contract extension.
- 3.16 The superfast broadband extension to Bucks, as part of Contract 2 with Herts CC, was a change request and was initially due to be returned by BT to the project team in October 2015 and subsequently rescheduled to December 2015. This was again postponed to February 2016 and BT have now responded to the project with a quotation but not a full impact assessment. Again this is due to ongoing issues between BT and BDUK.
- 3.17 Without the full impact assessment the project cannot formally assess and evaluate the proposals in order to accept the proposals to make it contractually binding for delivery. The quotation from BT includes a proposal which details the areas and timeline that would be part of the superfast extension. This is currently being looked-at but would not be able to be signed-off until completion of the evaluation.
- 3.18 The project understands there are two ongoing issues between BT and BDUK which are holding-off the release of the full impact assessment. One is that BDUK and BT have agreed a new requirement, according to EU state aid regulations, that infrastructure has to demonstrate 'step change' to provide at least 30Mbps to at least one premise being covered by a structure (decision pending). This will have impacts on the contract documents and reporting which are currently being worked on.
- 3.19 The other issue is about new technologies being developed and proposed by BT for the Bucks area which are now undergoing tests by BDUK to ensure that the structures can provide superfast broadband (decision pending). The project is working with BDUK, and BT, to bring speedy resolution to these issues.
- 3.20 Unfortunately, at the time of writing this report we cannot confirm the areas that are in scope for contract 2 of the Connected Counties project and the proposed rollout dates until the contract change request is signed off by all parties, including AVDC. It is not known at this stage when this will be but needless to say all of those involved in the project are keen for the details to

be known and shared as soon as possible to help inform communities what their solution might be and when it might be delivered.

- 3.21 It is expected that AVDC will be in a position to confirm where the rest of £1.356m of the NHB funding it has set aside for broadband activity will be invested by the end April 2016 at the latest.

4 Resource implications

- 4.1 None that cannot be contained within the budget already committed to broadband provision.

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Background Documents	None