



Report to Growth, Infrastructure and Housing Select Committee

Date:	17 th February 2022
Title:	Digital Infrastructure Update
Cabinet Member(s):	Cllr Martin Tett
Contact officer:	Lisa Michelson/ Claire Phillips
Ward(s) affected:	All
Recommendations:	That the Committee note this update on current broadband connectivity activity and details of the government's new programme to deliver gigabit capable broadband speeds.
Reason for decision:	To ensure the committee is kept up to date with activity to maximise connectivity across Buckinghamshire

1. Executive summary

- 1.1 There are 5 programmes of work to enable the ongoing enhancement of digital infrastructure in Buckinghamshire. This paper will provide an update on existing contracts as well as looking towards the new programmes that will support the governments ambition to deliver nationwide coverage of gigabit-capable broadband as soon as possible.
 - a) Bucks Rural Broadband Project (Live programme)
 - b) Gigabit Broadband Voucher Scheme (Live programme)
 - c) Project Gigabit (New programme)
 - d) Project GigaHub (New programme)
 - e) Connected Counties Broadband Programme (Closing programme)
- 1.2 Buckinghamshire has consistently lagged behind the national averages for broadband connectivity for Superfast, Ultrafast and Gigabit capabilities (Appendix 1). Although

good progress has been made in some areas of Buckinghamshire via the voucher scheme, supplier engagement, and rural contracts, there is now a real opportunity to build our Gigabit capability to match our ambitions and vision for a connected county.

2. Content of report

A. Buckinghamshire Rural Business Broadband Programme

- 2.1 This Defra funded programme aims to connect the most rural businesses from below superfast connectivity (<30mbps) to gigabit capable ($\geq 1,000$) broadband. The council has a £1.8M contract with Openreach which must be completed by the end of 2022 as we must reclaim our expenditure from Defra as it uses European funding.
- 2.2 This contract focuses on provide broadband infrastructure to 'white areas' (areas where there are no commercial delivery plans from suppliers) that are rural businesses. As part of our contract, we have been able to connect other properties from the same structure which has enabled a wider benefit to residents.
- 2.3 Delivery of the contract has been subject to delays as a result of covid. Openreach connected the first structure in June 2021. Delivery will be concluded by the end of 3rd quarter 2022 (Connectivity to circa 620 premises across the county).
- 2.4 During Q3 we required Open Reach to produce a remedial recovery plan due to constant delivery issues and slippage against original plan. We are currently undertaking due diligence to ensure that Openreach's build plans are compliant with DEFRA eligibility rules. Delivery targeted for completion June 2022.

B. Gigabit Broadband Voucher Scheme

- 2.5 Central Government provides up to £1,500 for rural residents and up to £3,500 for rural businesses to gain gigabit-capable broadband. Residents/Businesses apply directly to BDUK for these vouchers. In recognition of the challenges and costs in delivering connectivity to rural areas using Getting Building Funding from the LEP Buckinghamshire Council has offered top-up vouchers which add up to £2,000 for rural residents and £3,500 for rural businesses, bringing total voucher value for rural residents in Buckinghamshire to £3,500 and £7,000 for rural businesses.
- 2.6 Since the inception of the Gigabit Voucher Scheme, and excluding the Buckinghamshire top-up, over £3,300,000 has been committed to improving broadband connectivity to communities across Buckinghamshire, with over 1,767 vouchers being requested.
- 2.7 Total top up funding to date from Buckinghamshire Council (Issued + Paid + Requested) minus over commitment is over £910,000. Circa 500 premises connected

so far out of targeted 2,000 (note that connection can take up to 14 months post voucher issue).

- 2.8 Using their grant, beneficiaries can contract with suppliers as part of a group scheme (a project) for gigabit capable products. Projects must include at least two beneficiaries and once approved suppliers have 12 months to deliver all promised connections.
- 2.9 This has been a hugely successful initiative in Buckinghamshire with the local top up making the difference to a viable connection in a local area and offering good value for money for investment.
- 2.10 As part of the recently launched Project Gigabit scheme by the Government, there is a continued Broadband Voucher Scheme available - Over the next 3 years, up to £210m (UK wide) will be allocated to deliver a voucher scheme.
- 2.11 The Bucks Gigabit Voucher 'Top Up' scheme has been made live again due to underspend against the grant, which means that some businesses and residential premises may be eligible for Gigabit Vouchers and 'Top Up' support from Buckinghamshire Council. Eligible applications will be dealt with on a first come first served basis.

C. Project Gigabit

- 2.12 The Government wants to deliver nationwide coverage of gigabit-capable broadband as soon as possible. It is encouraging commercial investment and stimulating suppliers to go further into harder to reach areas, by using subsidies to stretch that commercial activity further.
- 2.13 Project Gigabit programme targets properties that would otherwise have been left behind in broadband companies' rollout plans and prioritises those that currently have the slowest connections. Buckinghamshire has been designated in a region that also includes Hertfordshire and East of Berkshire, known as 'Lot 26'.
- 2.14 Our role will be to work directly with the Government's delivery agency Building Digital UK (BDUK) and suppliers over the coming months and years, to get the maximum investment for Buckinghamshire residents and businesses. Local Authorities are critical partners in delivering the Government initiative entitled 'Project Gigabit' and the wider build against national gigabit targets, with key emphasis on areas with sub-Superfast connectivity.
- 2.15 We will influence, shape and provide the appropriate challenge to BDUK and suppliers in relation to their planned intervention areas, build plans, and supplier issues on the ground. We will be able to influence the build in our area through participation at a number of stages to ensure the right actions and decisions are taken.

2.16 The timetable for implementation of 'Lot 26':

- August 2021: Open Market Review (OMR) for 1 month plus a few months period of validation, evaluation, and assurance. Followed by the Public Review (PR) for 1 month again followed by a few months period of validation, evaluation, and assurance - currently the OMR is near completion and Public Review due to commence in February 2022
- Summer 2022: Procurement starts
- Spring 2023: Contract commencement date

2.17 BDUK will work closely with the Council to extend gigabit coverage through a centralised procurement approach. An anticipated 142,000 premises will be connected through this contract for Lot 26 (Bucks, Herts and Berks). There is an indicative contract value £140-237m, however the value of the contract and number of premises to be connected is likely to change over the course of the public review and procurement process and the breakdown for Bucks is not known at this stage.

2.18 Once the results of the Open Market Review are published, we will have up to date data of where the builds are and will be, and where our 'white' areas will be, by UPRN (unique property reference number). We will then potentially be better equipped to answer direct resident/business queries about plans to improve connectivity in their area. We can also publish the maps BDUK produce.

D. Project GigaHub

2.19 Over the next 3 years, up to £110m of government funding UK wide will be invested into connecting rural buildings with no existing or planned superfast broadband such as schools, GP surgeries, libraries, and other public buildings to bring new fibre right into the heart of communities for the first time. These buildings will then act as 'hubs', from which industry can connect surrounding homes and businesses. There is an opportunity for us to work with local partners to identify priority locations and suitable buildings for these hubs in Buckinghamshire.

2.20 In order to qualify for Gigahubs funding DCMS are ideally looking for projects with a minimum of 100 eligible sites. The site needs to be classified as a public sector building (i.e., owned by central government, Buckinghamshire Council, or any other public sector body) and be performing a public function. We will be looking at the potential to work as connected counties with Herts and Oxfordshire for critical mass.

2.21 If we participate in this programme the council will be required to provide resource to programme manage and develop a business case. We will have to identify the premises and contact potential public sector partners who could aid with the collation of premises and have knowledge of local gigabit broadband demand.

E. Connected Counties Broadband Programme

Contract 1

- This contract started in June 2013, with a three-year network build, and a ten-year contract term. By March 2016, the contract delivered 45,780 improved broadband connections across Buckinghamshire, of which 40,508 can access superfast speeds (above 24mbps). This contract was split 64% for Buckinghamshire and 36% for Hertfordshire as Buckinghamshire at the time were behind on their superfast delivery.
- The Contract is now in its “In Life” phase until March 2023, during which period take-up is monitored with formal review points scheduled every two years.
- Within the contract, Buckinghamshire Council and Bucks LEP (as well as the Hertfordshire and BDUK partners) receive a monetary bonus known as gainshare for any take-up above 20%. In May 2021, take-up was at 81.1%.

Contract 2

- This contract was signed in April 2015 without Buckinghamshire, who joined in August 2016. The original aim was to complete the contract in December 2019, but due to it being placed under a Default Notice in November 2017 over slow progress, the delivery was extended to be completed by December 2020. Due to various reasons, including the Coronavirus pandemic, Openreach concluded at the end of March 2021. This contract is split the opposite of Contract 1, so 64% in Hertfordshire, and 36% in Buckinghamshire.
- Within the contract, Buckinghamshire Council and Bucks LEP (as well as the Hertfordshire and BDUK partners) receive gainshare for any take-up above 27%. In May 2021, take up was at 66.9% and is following a similar trajectory as Contract 1.

Gainshare Data

These estimations were provided by BDUK in January 2020 and are for the life span of the whole contract:

Contract 1	Gainshare amount	Total	Total amount (minus BDUK portion (47.12%))	Funding proportion
Total gainshare	£6,758,747		£3,574,025	
Hertfordshire	£2,433,148		£1,286,649	36.00%
Buckinghamshire	£4,325,598		£2,287,376*	64.00%

*The Buckinghamshire portion is split 54.05% BC and 45.95% LEP reflecting the original investment in the contract

Contract 2	Gainshare amount	Total	Total amount (minus BDUK portion (est.50.3%))	Funding proportion
Total gainshare	£7,472,966		£3,714,064	

Hertfordshire	£5,006,887	£2,488,422	67.00%
Buckinghamshire	£2,466,078	£1,225,641*	33.00%

*Contract 2 is split 63.01% Bucks and 36.99% LEP and there is an estimated gainshare of circa £770k for Bucks and £450k for LEP over 7 years post deployment. Deployment ending in 2021



APPENDIX 1: BROADBAND COVERAGE STATISTICS (Source: Think broadband Statistics, Jan 2022)

