

WEST OXFORDSHIRE DISTRICT COUNCIL
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY
MEETING 12TH JULY 2017
RURAL BROADBAND PROJECT UPDATE
REPORT OF THE STRATEGIC DIRECTOR AND HEAD OF PAID SERVICE
(Contact: Frank Wilson, Tel: (01993) 861291)

1. PURPOSE

To update members on the progress of the Superfast Broadband project.

2. RECOMMENDATION

That the Committee notes the information provided and continues to receive regular updates on the project at key project milestones.

3. BACKGROUND

- 3.1. In December 2016 Cabinet approved the establishment of a new Project and subsequent re-procurement exercise to commission directly (rather than indirectly) the rollout of Superfast Broadband beyond the 90% coverage achieved by Oxfordshire County Council. WODC's stated aspiration is to get as close to full coverage as possible.
- 3.2. The broadband market is a highly regulated market and, because it is a mix of public and private infrastructure and, particularly for rural areas, requires public subsidy, it involves additional regulatory regimes around State Aid.
- 3.3. Because of this officers have worked extremely closely with BDUK, the UK government delivery agency who are part of the Department of Culture Media and Sport. BDUK are also funding the scheme with £1.6m of public subsidy and as such require the Council to follow a very closely controlled procurement process adopting a series of standard documentation templates for both tender and contract.
- 3.4. To control the process from an internal perspective, a formal project management approach has been adopted with nominated officer leads to act as intelligent clients for the various aspects of the project.
- 3.5. A copy of the project plan can be found in Appendix A, however key milestones that have been achieved to date include:
 - Development and publication of Open Market Review (OMR) and formal State Aid Public Consultation documents. These assist Councils / lead bodies to understand the existing and planned broadband infrastructure (basic broadband and Next Generation Access (NGA)) in their areas and to define the formal 'intervention area' for the project.
 - Undertaking a compliant State Aid Public Consultation (SAPC) exercise to gather comments from all stakeholders on the proposed Intervention Area. This involved contacting each of the known suppliers and asking for feedback on the results of the OMR to help refine the Intervention Area. In addition to consulting with suppliers, the Council developed an online map to keep residents informed

and give them the opportunity to feedback as to whether the data collected was accurate.

- Development of an OJEU compliant set of tender documentation, which also meets state aid guidance.
- Successful completion of BDUK (Broadband Delivery UK) Checkpoints B1 & B2, that are key milestones in the overall process and fundamental pre-requisites to unlocking the £1.6M Government funding allocated to the project.

3.6. Farrpoint, commissioned by the Council to support the internal team, produced a comprehensive report based on the results of the Open Market Review and State Aid Public Consultation to give the Council a detailed picture of the current coverage, expansion plans, speeds and commercially available packages. This is a pre-requisite to the tender process.

3.7. Farrpoint used the data provided during the Open Market Review and refined during the State Aid Public Consultation to identify the intervention area, which covers 5,392 premises across the district and is built into the Council's procurement documents. The table below provides a breakdown of how the total number of premises were classified:

Total number of Premises	NGA Black Premises₁	NGA Grey Premises₂	NGA White Premises₃	NGA under review premises₄
52,585	17,225	26,911	5,392	3,057

Key

1. Next Generation Access (NGA) Black Premises are where more than one company is already supplying superfast broadband so are not in our intervention area.
2. NGA Grey Premises are where one company is already supplying superfast broadband so are not in our intervention area
3. NGA White Premises cannot get SFBB (superfast broadband) yet, properties are in our project area
4. NGA under review premises are as a result of one of the following potential scenarios:
 - Suppliers have outlined plans to deliver SFBB commercially (without government funding), but details for completion have not been confirmed
 - Areas that may have some premises which cannot get SFBB but, where these individual premises cannot be identified, the areas have also been marked as under review

We will continue to monitor these areas and, if the commercial plans fall away, these premises will be marked as eligible for public support.

3.8. The formal procurement process began on the 23rd May with the issue of the Invitation to Tender. Three companies have formally submitted 'Expressions of Interest', indicating that they are preparing bids. Officers are currently responding to any clarification questions they may have at this stage.

3.9. The closing date for the submission of tenders is 15th August and, based on experience and advice from BDUK, it is anticipated we will be in a position to sign contracts at the end of October after completion of due diligence.

4. FINANCIAL IMPLICATIONS

- 4.1. The Cabinet agreed that an initial sum of £150,000 out of the £1.6m capital funding be set aside to support the procurement and management of the project.
- 4.2. To date £27,500 has been spent on external procurement support and specialist analytical skills due to the complexity of the process and to provide additional capacity to the small internal project team, who are working closely with the Cabinet Member for Innovation.

5. RISKS/IMPLEMENTATION ISSUES

The key risk associated with a new procurement is the ability of the market to deliver a cost effective solution within the financial envelope currently available. This could lead to the Council not meeting its targeted coverage rate.

6. REASONS

To be recognised as a leading council that provides efficient, value for money services.

Phil Martin / Will Barton

Group Manager ICT, Change and Customer Services / Business Development Officer

(Authors: Phil Martin, Tel: (01993) 861201; EMail: phil.martin@westoxon.gov.uk / Will Barton, Tel: (01993) 861482; EMail: will.barton@westoxon.gov.uk)

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