

WEST OXFORDSHIRE DISTRICT COUNCIL
FINANCE & MANAGEMENT OVERVIEW & SCRUTINY COMMITTEE
WEDNESDAY 05 JUNE
SUPERFAST BROADBAND PROJECT
REPORT OF THE GROUP MANAGER, BUSINESS SUPPORT SERVICES
(Contact: Will Barton, Tel: (01993) 861482)

(The report is for information)

1. PURPOSE

- 1.1. To update members on how the broadband contract with Gigaclear is progressing.

2. RECOMMENDATIONS

- (a) That the report be noted.

3. BACKGROUND

- 3.1. Gigaclear started work on the rollout of broadband under the Council's contract during the week commencing 13 November 2017. The project was last formally reported to FMOS in October 2018. At that point 30% of the 4,788 premises in the project had been supplied with a pot outside their property although the majority of those were yet to be connected to the network.
- 3.2. In the interim period, over 440km of ducting has been laid, the number of pots installed has reached 2,849 (60% of the total number) with 1,766 of these (37% of the total number) being live, tested and classified as 'Ready for Service' (RFS). Take up is currently running at 10% of properties that are ready for service. Progress is steady but has slipped slightly behind schedule.
- 3.3. The project is split into 3 phases. Phase I of the project should have delivered 1,946 premises RFS by the end of 2018. The missing of this target triggered a process by which Gigaclear had to submit a Remedial Plan that set out the issues and what actions were to be taken to bring the project back on track. The remedial plan was reviewed by both WODC and BDUK officers and was signed off on 11 April. The new milestone date for the completion of Phase I is the end of June 2019.
- 3.4. The main reason for the delay was the negotiation of wayleaves – a process which Gigaclear had significantly under-estimated in their plans. Gigaclear has subsequently engaged Dalcour Maclaren to negotiate wayleaves on their behalf and this has led to a speeding up of the process.
- 3.5. The issues were also compounded with poor performance from one of their two contractors. During the winter there was a regular stream of problems including multiple strikes of other utility pipes and cables, poor work which had to be redone and many incidents of unnecessary mess, inconvenience and poor communication with residents. This particular contractor is now operating under strict supervision and only to finish off work it has already started. It is not being awarded any further parts of the network in West Oxfordshire.

- 3.6. Work on Phases 2 and 3 is already well underway. When complete, Phase 2 will add 1,396 properties and Phase 3 a further 1,446. Gigaclear maintains they are confident of finishing the build by the end of 2019.

4. LESSONS LEARNED

- 4.1. Gigaclear has learned some important lessons as the project has progressed. Communication with parishes was poor and reactive despite WODC officers continually stressing the importance of proactive engagement before the build starts. This led to several instances of complaints and bad feeling from parish councils and residents. Gigaclear appointed a Community Engagement Manager in January 2019 and she has made great strides in addressing this issue as the project progresses.
- 4.2. Calls from residents to the Gigaclear switchboard about issues during the build often did not find their way to the appropriate person leading to frustration and complaints to the Council. Gigaclear has now appointed a Network Build Care Team whose role is to log and deal with issues during the build. This has also improved the situation and is working well.
- 4.3. There is a formal process to follow when cables and ducts have to pass across bridges and culverts. This involves working with Oxfordshire County Council's Structures Team and digging trial holes in their presence to verify the method for safely burying ducting across the bridge. This process does not appear to have been initiated as early as it could have been resulting in several instances of ducting being left above ground while permission to bury it is sought. This has then led to queries and complaints from residents and parish councils. There is now a programme to resolve this issue for all exposed ducting and the verification process is being started much earlier for the remaining parts of the build.
- 4.4. There is no question that this is a really significant infrastructure project for West Oxfordshire. It will see over 700km of ducting buried to bring full fibre to the premise (FttP) broadband to some of the most rural parts of the district, a future proof solution capable of delivering both upload and download speeds of up to 1Gbps. It is to be expected that a project of this scale will encounter issues and the regular conference calls and meetings between WODC officers and Gigaclear ensure they are resolved as quickly as possible with lessons learned for the future.

5. CHANGES AT GIGACLEAR

- 5.1. Gigaclear was founded in Witney in 2010 and is now based in Abingdon. It grew incredibly fast from start-up to large company in the space of 8 years. In 2018, Infracapital (who were already significant shareholders) acquired 80% of the business as part of a deal worth over £200m. Infracapital's priorities included updating some of the systems and changing the company culture from one of small business / entrepreneur driven to a more corporate style. The resolution of some of the issues outlined above is evidence of more appropriate customer focussed resourcing and better back office systems.

6. ALTERNATIVES/OPTIONS

- 6.1. None applicable

7. FINANCIAL IMPLICATIONS

- 7.1. The contract with Gigaclear is predicated on the following public subsidy:

- £1,600,000 from BDUK
 - £1,556,675 from WODC
- 7.2. This is supplemented by a minimum of £5.5m from Gigaclear.
- 7.3. The first claim for £930,000 funding will be made when the Phase I milestone is reached. This will be funded completely by BDUK. The second claim, anticipated in the autumn will be part funded by £670,000 from BDUK and £260,000 from WODC. The final claim, made up of the balance of WODC's committed funding, will be made on project completion.

8. RISKS

- 8.1. The key risk to the project is not meeting the completion date of the end of 2019. Issues that contribute to this risk include delays to wayleave agreements, delays to bridge and culvert crossing and delays getting the relevant permissions / permits to work on the highway. All of these risks are monitored and discussed on weekly operations calls.
- 8.2. Poor communications with parish councils and residents represents a reputational risk. This has been mitigated with the appointment of the Community Engagement Manager and the establishment of the Network Build Care Team.

9. REASONS

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

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Background Papers:

None