

WEST OXFORDSHIRE DISTRICT COUNCIL
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE
WEDNESDAY 17 JULY 2019
SUPERFAST BROADBAND PROJECT
REPORT OF THE GROUP MANAGER, BUSINESS SUPPORT SERVICES
(Contact: Phil Martin, Tel: (01993) 861201)

(The report is for information)

1. PURPOSE

To update members on the contract management arrangements in place to manage the broadband contract

2. RECOMMENDATION

That the report be noted.

3. BACKGROUND

- 3.1. On the 4th October 2017 the Council appointed Gigaclear Plc to design, build and run a Superfast Broad Band (SFBB) network covering 4788 premises across the district following a robust procurement process that complied with both OJEU and State Aid requirements.
- 3.2. In preparation for this, the Finance and Management Overview and Scrutiny Committee set up a Member's Working Group in July 2017 led by Peter Emery (chair of FMOS at that point in time) with Cllrs Howard, Postan & Harvey to scrutinise the contract. Following a comprehensive review, which entailed going through the contract in detail, the Working Party found no issues with the proposed contract which was based on a template BDUK document and had been used on similar type projects and fed this back to the committee.
- 3.3. BDUK's Assurance Board formally signed off all the procurement documentation on the 19th October 2017 along with the relevant state aid approval and their £1.6M grant.
- 3.4. The contract between the Council and Gigaclear Plc was formally signed on the 23rd October 2017 and marked the end of the procurement phase and the move into the delivery phase of the project.
- 3.5. Gigaclear started work on the rollout of broadband under the Council's contract during the week commencing 13 November 2017. The project is split into 3 phases and claims will be made at the end of each phase.
- 3.6. In order to reflect the change to the delivery phase, clear contract management arrangements were put in place based around the following meeting structure:

Meeting	Frequency	Attendees
Operational ₁	Weekly	Project Director / Delivery Managers (Gigaclear), Community Engagement Manager (Gigaclear), Project Managers (WODC) & Project Director (BDUK)
Project Team ₂	Monthly	Project Director / Delivery Managers (Gigaclear), Contracts Manager (Gigaclear), Community Engagement Manager (Gigaclear) Project Managers (WODC) & Project Director (BDUK)
Project Board	Quarterly	Business Development Director (Gigaclear), Project Director / Delivery Managers (Gigaclear), Strategic Director (WODC), Cabinet Member (WODC), & Project Director (BDUK)

Notes:

- 1) The operational meeting is a teleconference that is held at 10am every Monday. Officers from OCC have also dialled in when needed to help overcome any issues / avoid delays.
- 2) The Way Leave Manager (Gigaclear) also attends this meeting on a regular basis to provide an update on this is a key risk area that is closely managed. Other key individuals from Gigaclear and WODC also attend on an ad hoc basis depending on the agenda.

- 3.7. The weekly operational meetings focus on ensuring that any issue arising from the actual laying of the cables etc are dealt with in a timely manner to minimise delays, whereas the Project Team and Board meeting look at the overall project timelines, any operational issues escalated, budget / payments and communications activities.
- 3.8. The current position in regards the contract is that 50% of the 'pots' installed are ready for residents to request a service from and all of the build areas (26 in total) will have commenced by September and are scheduled to be completed by the end of March 2020.

4. ALTERNATIVES/OPTIONS

None applicable

5. FINANCIAL IMPLICATIONS

5.1. The contract with Gigaclear is based on the following public subsidy:

- £1,600,000 from BDUK
- £1,556,675 from WODC

5.2. This is supplemented by a minimum of £5.5m from Gigaclear.

5.3. The payment schedule is designed so that the BDUK funding is used first before the Council's capital is draw down. Payments will be made against 3 milestones using the prescribed BDUK model, whereby the number of premises being covered during each milestone are agreed prior to work beginning and then this is assessed against evidence provided by the contractor before any payments are made.

5.4. The first milestone payment will be drawn down in Q2 of the current financial year and will cover the 1946 pots identified in phase 1.

6. RISKS

- 6.1. 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.
- 6.2. The risks associated with contractor poor performance is close to resolution and has been closely monitored and discussed at the weekly operations calls / project team meetings.

7. REASONS

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

Phil Martin
Group Manager, Business Support Services

(Author: Phil Martin, Tel: (01993) 861201; Email: phil.martin@westoxon.gov.uk)
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Background Papers:
None