

HAMPSHIRE COUNTY COUNCIL

Decision Maker:	The Hampshire Partnership
Date:	20 March 2014
Title:	Hampshire Superfast Broadband Programme - Update
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

1.1 The purpose of this report is to provide the Partnership with a further update on the Hampshire Superfast Broadband Programme. The report indicates that:

- The currently contracted programme is on track.
- Hampshire remains at the forefront of the national Broadband programme and is one of three 'lead bodies' that will take part in an accelerated procurement process to contract for additional coverage.
- Communication with the public and businesses remains a key priority for the Programme Team.

2. Currently Contracted Programme

2.1 The 'intervention area' in Hampshire includes some 115,404 premises, which means that around 20% of homes and businesses would not have access to superfast broadband through commercial provision. The current contract links some £10 million of public funds with £3.8 million from BT and is now expected to make superfast services available to 59,800 premises in Hampshire by the end of next year. The latest indication of the total number of premises passed is shown below:

Table 1: Forecast of Premises to be Passed (90% Contract)

District	Latest Indication for Hampshire Programme (Public Funds): Phases 1-7
Basingstoke and Deane	12,011
East Hampshire	11,533
Eastleigh	1,500
Fareham	692
Gosport	729
Hart	5,426
Havant	671
New Forest	15,519
Rushmoor	522
Test Valley	6,002
Winchester	5,210
Grand Total	59,815

2.2 Phase One of this programme remains ahead of schedule and at 21 February 2014 new infrastructure that will provide 5,057 premises with access to superfast services has been completed. The first cabinets went live in Oakley near Basingstoke before Christmas and the launch was covered in the local media. Some 400 residents who had registered their support for the programme were notified by e.mail that superfast services were on sale and there are already more than 250 live connections on the new infrastructure.

2.3 Phase Two of the programme will start on schedule in April 2014 and by the end of June, more than 8,000 extra premises will be able to access superfast speeds. As with Phase One, the Team has produced a Map based on the location information confirmed by BT and this will appear on the programme's website this month (www.gov.uk/government/publications/superfast-broadband-extension-programme). Phase Two will 'enable' 56 roadside Cabinets and takes in premises in the following areas:

- | | |
|----------------|---------------|
| Ashurst | Basingstoke |
| Cadnam | Downton |
| Fawley | Gosport |
| Hythe | Lee-on-Solent |
| Lockerley | Long Sutton |
| Lymington | Lyndhurst |
| Milford-On-Sea | Odiham |
| Overton | Romsey |
| Totton | West Wellow |

- 2.4 Some £1 million remains earmarked within the contract to deliver the Universal Service Commitment (USC), which is intended to make broadband services with a minimum speed of 2 Mbps available to all premises. This is included in the programme as Phase Eight at a point when the main investment in the infrastructure has been completed.

3. Rural Communities Broadband Fund (RCBF)

- 3.1. Funding bids were submitted on 26 February 2014 on behalf of communities in the New Forest and the Test Valley. Advice from DEFRA/DCMS¹ was factored into the bids and an announcement on the decisions made is expected at the end of March.

- 3.2. In summary, the bids cover:

New Forest

- 2,117 premises to be passed by Superfast fibre
- Total scheme value: £779,008

Test Valley

- 2,806 premises to be passed
- Total scheme value: £767,450

Combined Totals

- 4,923 premises
- Grant application £1,042,307
- Total schemes value including expected BT contribution: £1,546,458

- 3.3. In the event of either or both bids being successful, it is intended that the procurement will be undertaken using the change control mechanisms within the current contract.

4. Additional Coverage

- 4.1 The County Council has approved the release of additional funding of up to £9.2 million to ensure that at least 95% of premises in Hampshire are able to access superfast speeds (>24 Mbps) by the end of 2017. Detailed background information can be found in the Decision Report considered by the Executive Member for Policy and Resources in December 2013 (http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitemdocuments.htm?sta=&pref=Y&item_ID=5467&tab=2&co=&confidential=).

- 4.2 Dialogue with DCMS/BDUK² early in the New Year established that the Hampshire Superfast Programme would be included as one of three areas (together with Suffolk and Northamptonshire) to pilot an accelerated

¹ DCMS – Department of Culture, Media and Sport

² BDUK – Broadband Delivery UK

procurement process as part of the national Superfast Extension Programme (SEP). Outline agreement on the format of the accelerated process has recently been achieved between DCMS/BDUK and BT and, subject to final clarification on a range of issues, it is expected that a procurement will commence in April 2014. In order to maximise the SEP coverage, it is again important that the most cost-effective investment opportunities are targeted.

- 4.3 In June 2013, government announced that it would make match-funding of £250 million available to local authorities in order to lift the national availability of Superfast services to 95%. A new ambition of 99% availability by 2018 was also announced, but it was noted that other solutions may be required in the final 5% to ensure that acceptable value-for-money is achieved.
- 4.4 On 25 February 2014, Government announced the provisional allocations of funding for the SEP and gave details of the separate £10 million Innovations Fund, which is aimed at the final 5%.
- 4.5 The allocation of match-funding includes £7.69 million for Hampshire. The Programme Team expects to prepare an Expression of Interest by 25 March 2014 and needs to submit a formal Funding Request by 30 June. The level of funding potentially available exceeds the Team's initial estimate of the sum required to deliver Superfast coverage to 95% of premises across Hampshire. This is clearly a very positive development, but it will be important to give further consideration to the scale and timing of the overall investment.
- 4.6 The current Hampshire programme has achieved a low average cost per premise passed, but these costs escalate at an increasing rate beyond 90% coverage. Above a certain threshold, it may be more attractive in terms of the number of premises covered to adopt an alternative approach or technology. The Programme Team plans further discussion with the DCMS/BDUK to consider the opportunities for an investment strategy that might address these alternatives. The Team will also consider the retention of funds outside the second contract in order to provide some further support to communities and businesses that it may not be possible to include.
- 4.7 Across the country as a whole, it is not clear how 99% Superfast coverage can be achieved by 2018. A 10 million fund has been established to support pilot projects for innovative solutions for the hardest to reach areas. Suppliers have been invited to bid to the DCMS/BDUK for these funds by 28 April 2014 via an open tender and field tests will need to comply with the terms and conditions associated with State Aid. Hampshire's interest in hosting one or more of these trials has been expressed to the Secretary of State and to the Commercial Team at the DCMS.

5. Communication and Engagement

- 5.1 As the programme moves into delivery, an increasing focus is being placed on communication and engagement.
- 5.2 The 'Hampshire Superfast Broadband' website will continue to be a key source of information for residents and businesses and it generates a significant volume of e.mail and telephone queries. Typically, these queries focus on why a particular area has not been included in the programme or why part (but not all) of a community is included. Most contact is answered with a simple explanation of the value-for-money principles that underpin the current contract, but the Team also takes part in meetings with communities as requested. A list of these discussions is included in the summary of engagement within Appendix One. The website also includes outline information on the option for communities to self-fund the provision of better broadband and the Team has brokered a number of meetings between communities and BT in support of this.
- 5.3 A range of other communication is planned including: the Spring edition of Hampshire Now; a community briefing event on 01 April 2014 (with BT and Talk Talk); press releases; twitter; newsletters (for County Council Members, Hampshire Association of Local Councils, District and Borough lead officers for Economic Development) in support of the publication of the Phase Two Map, roll-out statistics and the Extension Programme (and potentially the RCBF bids). However, the direct liaison meetings between the Programme Team and District and Borough representatives have not taken place since July last year. The possibility of improving these links by using an established forum, such as exists for Economic Development Teams, is currently being explored.
- 5.4 In conjunction with Economic Development officers, seven Business Briefing sessions have taken place at Andover, Basingstoke, Brockenhurst, Eastleigh, Liphook, Portsmouth and Winchester over recent weeks. These sessions covered the background to the programme and provided delegates with an opportunity to ask questions at first hand. As previously indicated, a significant proportion of the questions related to coverage and most attendees found it helpful to talk through an illustration of the position as set out below:
- The coverage model is based on reaching the largest number of customers with the funds available.
 - Cabinets are ranked based on a number of criteria including the cost of the upgrade and the number of premises that they serve. Examples of Cabinet costs:

Cabinet A	The gap cost is £24,000 and it serves 300 premises, the cost per premise served is £80
Cabinet B	The gap cost is £24,000 and it serves 100 premises, the

cost per premise served is £240

- This indicates that Cabinet B delivers less coverage for the cost incurred and if the programme chooses to upgrade Cabinet B rather than Cabinet A, then 200 premises will miss out.
- Cabinet A would be covered by the 80% - 90% programme and Cabinet B may be included in the Extension Programme for which funding has just been announced and the procurement is just about to start.

6. Conclusions

- 6.1 The programme to deliver 90% availability of Superfast services by the end of 2015 is on track and Hampshire remains at the forefront of the national programme to deliver better broadband.
- 6.2 Funding of up to £9.2 million has been made available by the County Council and Government is making match-funding of £7.69 million available to Hampshire. Taken together with Hampshire's inclusion in the first three 'pilots' selected to run an accelerated procurement process to achieve additional coverage, the programme is very well placed to deliver a significant further increase in the availability of Superfast broadband over the coming years.
- 6.3 Significant effort is being invested in communication and engagement, but 'demand' is understandably high and the effectiveness of the messages and the channels used will have a critical impact on public perception of the programme and, ultimately, on its success.

Engagement Summary

Name	Date	Purpose	Where
Highclere	29/11/2012	Programme update for the area	Highclere
Chilcomb	12/12/2012	Programme update for the area	Chilcomb
Broadband public event	11/01/2013	Programme update	Winchester
New Forest National Park	15/01/2013	Community involvement	Winchester
Surrey CC Broadband Team	21/02/2013	Cross border working	Surrey
Droxford	26/02/2013	Community engagement	Winchester
South Downs National Park	27/02/2013	Park engagement/imvolment	Winchester
Headley	25/03/2013	Community engagement	Headley
West Tytherley	25/03/2013	Community engagement	West Tytherley
Ellisfield	28/03/2013	Community engagement	Ellisfield
New Forest National Park	10/04/2013	RCBF	Winchester
Gigaclear	11/04/2013	Market engagement	Winchester
Districts and Boroughs	18/04/2013	Stakeholder engagement	Winchester
Districts and Boroughs	29/04/2013	Stakeholder engagement	Winchester
Preshaw	02/05/2013	Community engagement	Preshaw
New Forest Broadband Group / National Park	08/05/2013	Community engagement/RCBF	New Forest District Council
Superfast Cornwall	13/05/2013	Programme Update	Cornwall
New Forest National Park	22/05/2013	RCBF	Winchester
Test Valley Borough Council	24/05/2013	Programme update for the area	Test Valley Borough Council
Chilworth	06/06/2013	Community engagement	Winchester
New Forest Broadband Group	06/06/2013	Community engagement	New Forest District Council
Oceanic Estates	26/06/2013	Self fund enquiry	Oceanic Estates, Marchwood
Exbury and New Forest Broadband	27/06/2013	Community engagement	Exbury
Winchester Diocese	02/07/2013	Community engagement	Winchester
Superfast Dorset	11/07/2013	Cross border working	Winchester
Ashmansworth	24/07/2013	Community engagement	Ashmansworth
Districts and Boroughs	26/07/2013	Stakeholder engagement	Winchester
New Forest National Park	02/08/2013	RCBF	Winchester
New Forest Broadband Group	21/08/2013	Community engagement	New Forest District Council
Chilworth (Cllr Finlay)	23/08/2013	Community engagement	Winchester
Chilworth (Cllr Finlay)	09/09/2013	Community engagement	Winchester
HALC	11/09/2013	Programme Update	Froxfield
Romsey	12/09/2013	Community engagement	Romsey

Name	Date	Purpose	Where
Stratfield Saye	13/09/2013	Self fund enquiry	Strafield Saye
Basingstoke and Deane, Parish Councils	19/08/2013	Community engagement	Basingstoke
Winchester, Parish Councils	23/10/2013	Community engagement	Wickham
Northington	13/11/2013	Self fund enquiry	Winchester
Fullerton and Cottonworth	15/11/2013	Self fund enquiry	Winchester
New Forest Broadband Group	20/11/2013	Community engagement	New Forest District Council
South Wamborough	27/11/2013	Self fund enquiry	Winchester
New Forest National Park	09/12/2013	RCBF	New Forest District Council
Oakley Super Switch on day	18/12/2013	Community engagement	Oakley Football Club
Broadband Business Support Workshop	28/01/2014	Community/SME engagement	Basingstoke
Hambledon	29/01/2014	Self fund enquiry	Winchester
Stratfield Saye	31/01/2014	Self fund enquiry	Strafield Saye
Broadband Business Support Workshop	04/02/2014	Community/SME engagement	Liphook
Broadband Business Support Workshop	05/02/2014	Community/SME engagement	Portsmouth
Upton	06/02/2014	Self fund enquiry	Winchester
Steve Brine MP	07/02/2014	Community engagement	Winchester
EM3	07/02/2014	Community engagement	Aldershot
Broadband Business Support Workshop	12/02/2014	Community/SME engagement	Brockenhurst
South Downs National Park	13/02/2014	Park engagement/imvolment	Winchester
Kings Somborne (cancelled)	13/02/2014	Community engagement	Kings Somborne
Broadband Business Support Workshop	18.02/2014	Community/SME engagement	Winchester
West Meon	19/02/2014	Self fund enquiry	Winchester
Preshaw	26/02/2014	Coverage/self fund	Winchester
Broadband Business Support Workshop	28/02/2014	Community/SME engagement	Andover
Broadband Business Support Workshop	05/03/2014	Community/SME engagement	Eastleigh