

Written statement of a key decision
Cabinet member environment and economy

Title	Programme Change to Fastershire Delivery
Decision maker	Cabinet member environment and economy Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	18 November 2021
Report exemption class	Open
Reason for being a key decision	<p>This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p> <p>This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	The purpose of the report is to agree required changes in the programme combined with taking advantage of new opportunities. The Fastershire Broadband Strategy 2019-22 is in implementation through contracts to network suppliers and bespoke community and business programmes. Through that implementation there has been a number of factors nationally, within the broadband industry and through the delivery methods that are influencing a change of approach. This is particularly relevant as the programme needs to address coverage to high cost premises along with the Government's commitment to reaching 85% of premises with gigabit capability by 2025 and ensuring rural areas are not left behind.

<p>Decision</p>	<p>That:</p> <ul style="list-style-type: none"> a) A Stage 6 is introduced to the Fastershire programme for premises to be part of Project Gigabit (areas as outlined in appendix 1) to include descoping 2,324 premises within the contract with Gigaclear; b) For Stage 5 programmes to be extended to support households, businesses and communities with criteria agreed in consultation with the Cabinet Member for Economy and Environment, including: <ul style="list-style-type: none"> • The community broadband programme to have an increased value for money threshold of £7k per premise with allowance of up to £10k to link communities • A new broadband business programme with a grant allocation of up to £20k per premise with 20% contribution from the beneficiary • Household grant be introduced from February 2022 for the 2,324 relevant premises affected by the descope from the Gigaclear contract; c) Clawback due in March 2022 from the original contract with BT is invested in the Stage 5 programmes for households, communities and businesses with delegated authority to the Chief Finance Officer in consultation with the Cabinet Member for Economy and Environment to amend the grant funding element of this project in the capital programme in line with the income received; d) Remaining Lots within the Gigaclear contracts are extended to completion dates of: Lot 4: June 2022 Lot 2/3c: December 2022; and e) The Assistant Director Corporate Support be authorised to take all operational decisions necessary to implement the above recommendations subject to agreement with Gloucestershire County Council regarding their element of the programme.
<p>Reason for the decision</p>	<p>As set out in the report. Documents relating to this decision are available at http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50039145</p>
<p>Options considered</p>	<ul style="list-style-type: none"> 1. That the premises in the selected areas do not become part of BDUK's Project Gigabit programme and Gigaclear would be contractually obligated to deliver on those premises. This is rejected for the following reasons: <ul style="list-style-type: none"> I. Misses the opportunity for premises in the area to be upgraded to a gigabit capability funded by national government including additional premises in the area sub-30Mbps that have not been successful in attracting any bidders in different stages. The scope

	<p>would also include new-built premises as from May 2021.</p> <ul style="list-style-type: none">II. Gigaclear have confirmed it is not viable to fulfil commitments due to the subsidy level not meeting the cost of reaching remaining premises. This will result in Gigaclear being in breach of contract, which could lead to a legal dispute with risk to the remaining contracted areas being paused until resolved and puts into question progressing to Project Gigabit (see legal section for more detail).III. A local procurement process would be required along with BDUK assurance, which could take in the region of 12-18 months with no guarantee of any supplier bidding or the authorities able to cover the cost within the current borrowing. It could then take up to 6-12 months for a supplier to mobilise (depending if already operating in the area). <p>2. That descoped premises become part of the established Stage 5 community programme. This is rejected for several reasons:</p> <ul style="list-style-type: none">I. Scale: the Stage 5 community programme was launched earlier this year to capture small communities that have missed out in coverage as between network delivery (see later description). The scale of the area in question would not be compatible with the operation of the scheme, which relies on communities to sign up and select the bidder.II. Funds: the Stage 5 community programme is solely funded by the local authorities to the communities. If considering premises at £6k per average at 2,324 premises that would be a cost of near £14m, which is beyond the current capital borrowing.III. Cost cap: there is a cost cap of £500k on the subsidy for each community. To continue with that cap the areas would need to be broken down into much smaller locations and this would need additional cost of managing the scheme. <p>3. That the value for money threshold for Stage 5 community programmes are retained at £5k per premise rather than up to £7k plus allowance for up to £10k for linkage between communities. This is rejected because as the project reaches deeper into rural communities (where there is limited existing infrastructure) the cost per premise rises resulting in some areas receiving no bids from suppliers or an extremely large estimate.</p> <p>4. The establishment of a new business broadband grant does not take place. This is rejected as the current Marches Gloucestershire and Broadband Grant (MGBG) is due to come to an end with no new projects and has proved</p>
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	<p>valuable for businesses in supporting the economic transformation of the county. During COVID this was especially true as a number of businesses were able to adapt and pivot their businesses to survive. The new programme would widen the scope to reflect the rural business set and wider support for diversification.</p> <p>5. The council could opt to refuse the extension request from Gigaclear and terminate the contracts. However, that would mean a new procurement, which would take time and not guarantee an alternative supplier capable of delivering within existing costs and reasonable timescale.</p>
Declarations of interest (see below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	24 November 2021

<p>Councillor:</p> <p>Cabinet member environment and economy (Councillor Ellie Chowns)</p>	<p>Date 18 November 2021</p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted.