

Record of officer decision

Decision title:	Fastershire Stage 3 Lot 1 Cotswolds Contract Closedown
Date of decision:	24 February 2021
Decision maker:	Assistant Director Corporate Support
Authority for delegated decision:	<p>Chief Executive Scheme of Delegation –point SA78 delegated authority to Assistant Director Corporate Support for County-wide broadband deployment and digital inclusion.</p> <p>Delegated authority to the Assistant Director Corporate Support to take operational decision to delivery recommendation (a) within cabinet decision report of 18 December 2019.</p>
Ward:	N/A
Consultation:	<p>Gigaclear Gloucestershire County Council BDUK Legal advice</p>
Decision made:	<p>That:</p> <ul style="list-style-type: none"> • The Stage 3 Lot 1 contract with Gigaclear has been successfully delivered; • The Milestone Achievement Certificate for Milestone 5 should be issued; and • A final Deed of Variation should be issued to formally reduce the value of subsidy and to descope the required APR records.
Reasons for decision:	<p>The Stage 3 Lot 1 contract covering the central Cotswolds was signed in 2015 and was the first contract of its kind to be agreed with Gigaclear.</p> <p>The contract was largely and successfully delivered by 2017. Including consequential coverage, 9,565 properties now have access to full fibre broadband as a result of the contract. 4,383 households and businesses are actively consuming those services giving a current take up rate of 46% rising to 51% of the contracted premises. It is also the primary reason that the Cotswolds District has the second highest volume of Full Fibre access of any rural district in the country.</p> <p>Whilst the outcomes have been successful, accepting the closure of the delivery phase of this contract and the release of the final payment has been an ongoing issue for at least 2 years.</p> <p>The process has been hindered by the use of Address Point Referencing (APR) to determine what constitutes a property within the contract and the more recent switch to the alternative Unique Property Reference Numbering system (UPRNs). As a result, a number of APR records do not have a corresponding UPRN. Furthermore, Salesforce (the system used by the supplier, report service capability) does not recognise all of the UPRNs or addresses where there is a match to a contracted APR property. These issues have made it extremely difficult to close the project out.</p> <p>The Fastershire Project Board agreed in December 2018 that a figure of £52,090 should be withheld from the final payment to account for the various descopes that have taken place. More latterly in June 2020, the team informed Gigaclear that it was the project’s intention to withhold an</p>

	<p>additional £3,500 for each contract record where a case could not be made that service was available.</p> <p>Gigaclear submitted their last Lot 1 data for assurance on 28 September 2020. A detailed assessment took place to confirm as much of the delivery as possible given the challenges outlined above regarding address referencing. This resulted in only 190 of the original 6,495 APR references being either unmatchable or not showing as Ready for Service. A further assessment used GIS analysis to understand how far the physical locations of those APR records (which could not be matched) are from the funded network. The results were as follows:</p> <ul style="list-style-type: none"> • Type A: numbering 30 premises of the original records did not match to a UPRN. It was concluded that these could be connected should they still exist or are now recognised as something else. • Type B: numbering 124 premises were within 300m of Gigaclear’s network. It was concluded that these would be servable should they become visible in Gigaclear’s data. • Type C: 9 premises of the original records were deemed to be 300-999m from Gigaclear’s network. It was decided that if Gigaclear confirmed in writing that should any of these request a service that a) they would be served and b) that a non-standard installation fee would not be charged, they should also be considered to be Ready For Service. • Type D: totalling 27 premises of the original records were neither RFS and/or are over 1km from the Gigaclear network. Therefore they should carry a descope penalty of £3,500 per premise. <p>On this basis an offer was made to Gigaclear to close the contract, subject to Gigaclear assuring the Council that all 133 premises <1km from the network (types B and C) would be offered a service with a standard installation fee. This would result in:</p> <ul style="list-style-type: none"> • Fastershire rendering 163 premises of the unaccounted records as RFS in its baseline and re-categorising the 27 as ‘still to do’; • Adding £94,500 to the £52,090 funding to be withheld to account for the 27 locations that have not been passed; and • Issuing the Milestone Achievement Certificate for Milestone 5 and releasing a final payment of £616,314 to Gigaclear. <p>Gigaclear have now responded with their own final analysis. The net result is that the figure to be withheld slightly increases to £150,090 making the final payment due £612,814.</p> <p>As the overall impact is only marginally different from the offer made, it is recommended that no further time be dedicated to the exercise. Furthermore, to close the contract, it is recommended that the M5 Milestone Achievement Certificate is issued, the final claim for £612,814 is assured and paid and a Deed of Variation is signed to detail the reduction in subsidy and the full list of descope APR records based on Gigaclear’s final analysis.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>Finance: As the final claim the costs of this decision will lie solely with GCC who are expecting this to be paid this Financial Year. The withheld £150k will be recycled into the Gloucestershire budget for the Stage 5 Community Grant.</p>

	Legal: The Deed of Variation will be drafted following this decision.
Details of any alternative options considered and rejected:	Fastershire could continue to challenge Gigaclear regarding the contested records but there is a law of diminishing returns and the process has already taken more time to conclude than the value of the contested premises.
Details of any declarations of interest made:	None

Signed..... Date: 24 February 2021