Herefordshire Council

Title of report: Programme Change to Fastershire Delivery

Decision maker: Cabinet member environment and economy

Decision date: Wednesday, 17 November 2021

Report by: Assistant Director Corporate Support

Classification

Open

Decision type

Key

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.

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.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Specific wards: Birch, Dinedor Hill, Golden Valley North, Golden Valley South, Kerne Bridge, Ledbury South, Ledbury West, Llangarron, Old Gore, Penyard, Ross North, Stoney Street, Wormside.

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.

Recommendation(s)

That:

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:**
   - **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.**

Alternative options

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:

   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 would also include new-build premises as from May 2021.

   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).

2. That descoped premises become part of the established Stage 5 community programme. This is rejected for several reasons:

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.

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.

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 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.

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.

Key considerations

6. The council's County Plan has a commitment to "enhance digital connectivity for communities and business". The current coverage stands at 93% of premises accessing a superfast speed of 30Mbps or above (from a starting point of 0.6% in 2012).

7. Herefordshire Council and Gloucestershire County Council work in partnership under the "Fastershire" programme to support broadband availability across the two counties in order to enable businesses, communities and individual households to become more connected.

8. Based on the Fastershire Broadband Strategy 2019-22 the focus remains "to increase superfast broadband coverage across the two counties through a mixture of contracts and grants, opting for Gbps capable or full-fibre broadband where value for money allows". This means whilst first priority is to reach premises still below 30Mbps, the project takes advantage of opportunities when there is potential to have full fibre coverage. This is reflected in results where Herefordshire is ahead of England's overall figure for full fibre - with suppliers having to build new network to compensate for limited infrastructure because of rural and dispersed geography of the county.

9. The contracts with suppliers is based on a gap funding model. This means that the public sector (local and national governments) provides the financial difference to make it worth suppliers investing in the county. This is only to premises that are not going to be covered by a network supplier using their own investment, tested through an Open Market Review (OMR) pre-procurement process. However, though suppliers could say they are planning coverage, experience shows that this does not always materialise. It is illegal for the project to invest in those premises due to state aid law. Also because of gap funding, the contracts do not have the same level of penalties on time slippage as expected in other purchasing contracts and based on BT/BDUK framework contracts. The advantage is that the supplier is only paid for evidenced spend at delivery milestones avoiding the council's capital being at risk.

10. The current programme is based on stages (which cross over in time) as outlined in the broadband strategy:

    Stage 1 – Broadband network operators using their own commercial investment.
    Stage 2 – Fastershire contracts with BT, now concluded.
    Stage 3 – Contracts with Gigaclear and smaller contracts with Openreach.
    Stage 4 – Cluster programme with Airband with EU funding.
    Stage 5 – bespoke community and business grants to reach pockets of communities in the last percentage of coverage.

What has changed?

11. **National approach:** The Government target is minimum of 85% gigabit-capable nationwide coverage by 2025. Current figures (thinkbroadband) for gigabit coverage for England is 58.46% of premises. Whilst the Government believe much of the gigabit coverage will be met by the private sector with their own commercial investment Build Digital UK (BDUK) have introduced Project Gigabit with £5b investment to support gigabit coverage in harder to reach areas. Published in March and updated in April 2021 phase 1 plan outlines that BDUK will directly run procurements where the market would not otherwise be willing to invest because of the high costs.

12. **The industry:** in 2012 when Fastershire awarded its first contract there was only one remaining bidder (BT / Openreach). Since then the market has developed, though still not significantly, for some rural coverage may only have one or on occasion no bidders (see later on Stage 5 changes). Other providers are also operating in the county using

their own investment but primarily with a focus on Hereford and the market towns – this is creating a competitive market for consumers with a rush to capture the full fibre market. It is also clear that other providers are using their own investment (or planning to) to build in areas where the local authorities have already invested (this is called overbuild). Where this is evidenced premises are descoped from the contract and not paid for.

13. **Gigaclear contracted delivery:** Via a procurement process in 2016 Gigaclear was awarded contracts in December 2016 and January 2017. For Lot 2 (Golden Valley and Forest of Dean) Gigaclear was the only bidder – Lot 2 was later merged with Lot 3c to create Lot 2/3c – south Herefordshire and Gloucestershire (west of the River Severn); other contracted areas are 3d – north Gloucestershire; 3e – south Gloucestershire; 4 – north Herefordshire.

14. Gigaclear have conceded their original modelling five years ago was at fault in terms of cost and time. An attempt was made to address timescale issues in March and then December 2019 via cabinet member decision, but even if those decisions were implemented it would not solve the problem of current deployment. There are 2,324 Herefordshire premises within Lot 2/3c that were due to be reached via public subsidy that are now considered by Gigaclear as undeliverable due the considerable escalation in cost – appendix one gives details of the premises by ward.

15. **Change request**: in relation to the decision made in 17 March 2019 and then 18 December 2019 all the necessary work was completed to enable additional coverage by Gigaclear and time extensions. However, after all the assurance needed by BDUK to complete this change, the NCC (National Competency Centre) insisted that a consultation through Open Market Review of the areas was needed due to being out of time. Though the project and suppliers disagreed with this stance (and BDUK not financially contributing to the additional coverage) NCC would not allow the change request to proceed based on the interpretation of the regulation. To consult would have meant starting the whole process again and based on previous track record this would have taken at least another year to settle. Through repeating the OMR it is likely the number of premises would have been reduced because of other suppliers delivering in the area (so descoped), however it would have been a higher cost per premise – so costing more for less.

16. **Clawback**: In March 2022 the project is due to receive its first clawback payment from the BT / Openreach contract. This is based on the financial estimates in the contract being based on 30% take up of the service, when this is more like 70%. State aid regulation means that payment needs to be issued back to the project, and this to be spent on broadband network delivery. The amount will not be known until nearer March 2022 when the final calculations on take up are made. The recommendation is to invest those funds in the Stage 5 community and business programmes (outlined below).

17. **Business programme:** Herefordshire Council has been leading a business programme to enable a full fibre connection for companies following the footprint of the Marches Local Enterprise Partnership (LEP) and Gloucestershire LEP. This has been part funded by EU but is due to come to an end in 2022 with no new projects. The programme began in 2017 and has supported a total of 153 businesses across the overall area with 53 businesses supported in Herefordshire and 53 in Gloucestershire

with output of 134 FTE roles created. However, the criteria is defined by the funders and excludes retailers, finance, insurers, farmers, accommodation, tourism, camping, community interest companies and charities.

The response

18. **Stage 6:** To take advantage of the new Project Gigabit programme operated and funded nationally. This will involve descoping premises from the current contract with Gigaclear and include additional premises both over and under 30Mbps speeds, incorporating areas where there has been no bids for high cost premises via the community programme (Tretire and Three Ashes; North Dorstone and Lancaut).

19. Based on the first round of Project Gigabit projects the procurement takes 9-12 months though any escalation route can be explored and the process start in November 2021. Appendix 1 gives map and data information, summarised in the information below as an indication. The contracted figures will be finalised via the procurement:

	Descope total (from current contract Grey & White* premises) (a)	Existing "white" premises from current contract	Additional premises (b)	Total of scope of (a+b)
Herefordshire	6,770	2,324	6,070	12,840

(*"White" premises mean they are at >30Mbps bandwidth and are unlikely to attract commercial investment and "Grey" which are also properties currently experiencing > 30Mbps who will attract commercial investment by network providers as part of contracts awarded)

20. As part of the proposals an agreement would be reached with Gigaclear on incremental investment to support continued delivery in remaining areas in recognition of poor performance, along with funds released for investment in business, community and household schemes. Based on the decision of 18 December 2019, earmarked allocation of £385,692 will be retained by the project as Gigaclear cover the cost of additional premises outlined in that decision.

21. Gigaclear would also meet the additional costs for completing in Lot 4 (North Herefordshire) with 5k contracted "white" premise and some premises in Lot 2/3c (outlined in appendix 1). This would be on an extended timescale as below:

- Lot 4: Current agreed timescale June 2021; revised timescale June 2022.
- Lot 2/3c (remaining contract area) current agreed timescale – March 2022; revised timescale December 2022.

22. **Stage 5 community programme** – Through the bidding process providers presented network coverage which formed the basis of a contract (the project is not able to direct the network design). This has created gaps in coverage and the Stage 5 community scheme was introduced to fill those gaps. This is funded by the local authorities' capital borrowing and communities select suppliers based on the bids submitted. The first area was awarded in April 2021 and so far 19 schemes are in progress and the size of premises within communities range from 8 to 80. The project has a value for money test of £5k per premises, but with the support of a ward member can be advocated for slightly higher if there is a business or social care need. However, two community areas received no bids because the sector could not make it financially

viable at the cost cap of £5k per premises. It is therefore recommended that the value per premises increases to £7k as harder to reach areas are included. Also, bidders/suppliers have been put off bidding because of need to reach between 2 communities where there are no premises. The recommendation is therefore a “corridor” allocation of up to £10k per project where there is strong evidence of need.

23. It is also proposed that a mechanism is introduced to support community network providers to be part of the community programme – the Fastershire project has supported such schemes in the past as bespoke projects where state aid allows. Schemes would still need to evaluated and provide value for money.

24. **Business support** – As outlined no new grants to businesses will be awarded as the current programme closes down. The proposal is to run a new scheme for Herefordshire businesses and open to both businesses and social enterprises that are predominantly SMEs at maximum public sector contribution of £20k with a 20% contribution from the beneficiary. This is supported by available capital borrowing and clawback funds from BT.

25. **Digital Household grants** – it is proposed that a grant is introduced to support the 2,324 households affected by the withdrawal from Gigaclear contract which do not have access to superfast coverage and do not qualify for the Universal Service Obligation (USO). The grant will support new capital installation costs from February 2022 for solutions such as satellite as a temporary measure until fibre coverage is deployed. The grant will be issued on a request basis with more detail on the criteria agreed in consultation with the cabinet member.

Community impact

26. The Fastershire project aims to improve the opportunities for citizens across the two counties to make use of digital connectivity in education and learning, accessing services, enhancing employment opportunities, supporting preventative health or addressing well-being by tackling isolation. The local authorities do not have a legal obligation to invest in broadband but have decided to do so through its capital borrowing. National Government through the Gigabit Programme recognises the importance for broadband in rural communities and therefore investing in areas the commercial sector does not see as financially viable.

27. The public sector funding with investment from the private sector has resulted in significant coverage since the start of the Fastershire project in 2012 – as outlined below:

	30Mbp and over % (July 2012)	Sub 10Mbps (Legal USO) % (Nov 2021)	30Mbps and over % (Nov 2021)	Full Fibre % (Nov 2021)
Herefordshire	0.6	3.26	93.6	36.75
England	67	0.83	97.5	26.72

Information publicly available via www.thinkbroadband.com

28. Though only a small percentage of premises have less than 10Mps, the descoped premises on low speeds will be greatly affected. Whilst some people will not be

interested in taking a broadband service or happy with the current speeds, there are households who have been waiting for faster broadband coverage for a long time. To address this the councils will promote universal service obligation (USO) where BT are working with Ofcom to provide ‘decent’ broadband to properties that can’t currently access a 10Mbps connection or likely to be in the next 12 months. The council will also instigate a “digital household grant” for premises not able to access USO and adversely effected by the change outlined in this report.

29. The council will also work closely with BDUK to progress the new coverage through the Gigabit Programme as swiftly as possible.

30. There are premises in the county that will cost over £7k to reach. £7k is a reasonable cap for spend by public sector based on value for money test. USO can be considered for these premises if less than 30Mbps or different network solutions such as satellite.

Environmental Impact

31. In relation to the council’s environmental policy commitments the recommendations align in the follow way: “Reduce greenhouse gas emissions from our own activities and encourage reductions in partner organisations and those of the wider community” (ref: Environmental Policy, January 2019). The use of broadband to access functions and services means a reduced need to travel. On-line services means less need for paper use reducing paper production, print, postage and disposal including through recycling. Also, fibre uses less energy than a copper connection.

32. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors the council share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire’s outstanding natural environment.

33. The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

34. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

    A public authority must, in the exercise of its functions, have due regard to the need to:

    a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

    b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

    c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

35. The public sector equality duty (specific duty) requires the council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

36. From data from the Office of National Statistics (ONS figures released 2021) 10.5% of people over 16 years old in Herefordshire have not used the internet over the last 3 months or never used; this compares to 28% in 2013. Seen positively, over 90% of adults in the county are regular internet users.

37. In terms of the protected characteristics the most significant impact is on “age” where older residents are less likely to be internet users which could cause digital exclusion. However, this age group has the highest level of adopters over time as the table of national figures show:

		Used in the last 3 months %							
		2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
16-24	Men	98.3	98.7	98.8	99.0	99.1	99.0	98.9	99.5
	Women	98.3	99.0	98.9	99.4	99.2	99.6	99.5	99.5
25-34	Men	97.3	98.3	98.6	98.8	99.1	99.2	99.3	99.4
	Women	98.0	98.4	98.6	99.1	99.1	99.3	99.5	99.6
35-44	Men	95.7	96.7	97.1	98.1	98.3	98.6	99.0	99.0
	Women	96.0	96.6	97.5	98.3	98.5	98.6	98.9	99.2
45-54	Men	90.5	91.9	93.7	95.0	96.0	96.4	97.5	97.4
	Women	90.0	92.6	93.6	94.9	96.3	97.2	97.5	98.4
55-64	Men	82.2	85.4	86.5	88.2	89.9	91.5	92.9	94.5
	Women	80.4	83.0	86.8	88.3	90.2	92.0	93.4	94.6
65-74	Men	66.3	68.9	73.0	75.8	79.1	81.6	84.0	86.6
	Women	56.3	62.3	68.4	72.5	76.0	78.9	82.4	84.4
75+	Men	38.4	41.1	40.7	46.7	47.2	51.3	53.6	59.4
	Women	22.3	25.1	27.3	32.6	35.4	37.6	41.4	49.8

38. The pandemic also showed the reliance on internet access – working from home, connecting with people, school and college work, shopping and access to services. Again, age is a factor for children and young people’s access to education.

Protected characteristic	Negative	Mitigation
Age – older persons	More likely to face digital exclusion	• Courses and classes in libraries and community centres • Covid recovery grant for digital inclusion • Community grants to run sessions locally
Age – all ages for access to work and education	Gaps in superfast broadband coverage	• Continue to rollout the fibre programme and introduce Stage 6 for gigabit capability.

39. Though not a protected characteristic, low income households is a factor in being able to afford subscriptions to broadband network. The council has promoted ways of accessing cheaper tariffs - see link. Also, free broadband access continues to be available in Herefordshire Council operated libraries and at Blueschool House.

Resource implications

40. Herefordshire Council has a capital allocation for this Fastershire project of £35.738m, incorporating council borrowing of £13.816m - so far £4.849m has been utilised which leaves £8.967m borrowing remaining. At the end of the 2020/21 financial year a total of £21.46m has been spent.

41. Of that remaining borrowing £5.300m is already committed to existing deployment being delivered via contracts, business and community schemes. This leaves remaining borrowing of £3.667m to meet new activity listed in this paper – as illustrated below:

	£m
Total grants received and committed	18.573
Total council borrowing spend and committed	10.149
Total spend and committed spend	28.722
Remaining council borrowing less commitments	3.667

42. The above table reflects reduction of spend on Lot 2/3c for reduced coverage which Herefordshire Council can reallocate to Stage 5 programmes and BDUK will retain their match fund contribution. Herefordshire Council will also retain the original allocation for changed premises outlined in the December 2019 report (value of £385,692). The cost of delivery for the change premises will be met by Gigaclear as part of the agreement.

43. BDUK will cover the cost of the Project Gigabit programme and Gigaclear will cover the incremental investment to complete Lot 4 in North Herefordshire and some Lot 2/3c premises as part of the agreement.

44. As previously mentioned, the project is due returned funds through gainshare from the BT stage 2 contract and this can reduce the council borrowing and / or add to Stage 5 community, business and household grants based on demand, an increase in the overall programme would be through approval at Council.

45. Only evidenced expenditure is paid and contracts will include savings on expenditure due to premises coming out of the contracted delivery due to legitimately descoped e.g. overbuild by other supplier. This is not included in the table of paragraph 42, but estimated at £1m that will not be paid to Gigaclear – this will be finalised through formal agreement.

46. The Fastershire Team are supported through existing revenue allocation 50/50 funded by Herefordshire Council and Gloucestershire County Council accounted for within existing budgets.

Legal implications

47. Broadband delivery is not a statutory function of the council, but the general power of competence is available under the Localism Act 2011 to enable councils to conduct the project as set out in this report.

48. The mitigation schemes are subject to further expert advice on subsidy control measures.

49. With the contract between the authorities and Gigaclear there is a multi-staged contractual dispute resolution procedure, which ends at an adjudication stage. Litigation through the courts is not an option. However, the adjudication would have to apply English Law, so the remedies available would be the same.

50. Gigaclear have offered incremental investment to support continued delivery in remaining areas in recognition of poor performance, along with funds released for investment in business, community and household schemes.

51. On the point of asking the court to order Gigaclear to deliver their original contractual obligations which might not be successful, the council is presenting an alternative option for delivery; and Gigaclear will be held to revised end dates as outlined in this report.

52. Additionally legal action is likely to create a delay in proceeding to Stage 6 and continued deployment in Lot 4 as a requirement for parties to enter dispute resolution - this would impact negatively on residents who are seeking broadband coverage.

Risk management

53. Risks as outlined below:

Risk / opportunity	Mitigation
No bidders for the Project Gigabit Lot areas.	The Project Gigabit has a high threshold of cost per premise recognising that reaching rural areas is costly – this should attract bidders but until the procurement process is finalised it will not be guaranteed.
Even with new contracts via Project Gigabit the suppliers could get their estimates wrong and leave the harder to reach premises again.	Suppliers are more aware of the costs and challenges from when Gigaclear formed their bid in 2016.
The delays adversely impact the local economy and the communities' ability to take advantage of high speed connectivity.	Much of rural Herefordshire and Gloucestershire will get provision well before the Government's target of 2025.
Continued delays impact Fastershire's ability to communicate the current position to the community. This presents a reputational risk.	Aim to support communications and updates with the co-operation of BDUK to communities affected.
Remaining Lots not reaching their timescale or cost based on traffic management or road space constraints, wayleave or other matters that would stop a build e.g. recent collapse of sub-contractor	Additional investment by Gigaclear in the remaining Lot areas. Accept that some circumstances might be out of the control of Gigaclear. Evaluation of the legal options for this report will prepare the council if Gigaclear fall into contractual breach.
Loss of local control of the project. The Project Gigabit programme will be run by BDUK at a national level with little input from the authorities.	The local authority will continue its relationship with BDUK to meet the common objective of supporting rural areas in to achieve high speed broadband coverage.
Performance of supplier to complete on contracts.	Contract change will be formally agreed; only verified claims paid by milestones – final claim at RFS (ready for service); regular reporting at board and operational level to track delivery. Plus early warning notice to raise on risk of delivery.

Consultees

54. Ward members – briefings with ward members have taken place 12, 13, 20 and 22 October 2021.

55. BDUK – are in agreement with the approach and agreed to progress via Project Gigabit.

56. The following points (58 to 65) have been made as part of political group consultation which was issued to all members on 12 October 2021. The below also incorporates

points made via ward member briefing and have influenced the content of the report and the recommendations.

57. Rural access – there remains a problem in rural areas for digital access and the currently model does not account for geographical variance and low density housing. Rural counties are already at a disadvantage because they experience lack of service provision in terms of highway infrastructure, public transport, health care centres, with opportunity to use connectively for digital health care technology and connectivity to avoid social isolation.

Response: The impact on communities is outlined in section Community Impact and aspects of digital inclusion in section Equal Duty.

58. Businesses – greater migration to rural areas for people working from home and need digital connection - thus, affecting self-employed and SMEs who are unable to grow their business. Also larger business not relocating to rural areas because of connectivity. There will be a risk of businesses who will have to relocate because the promised upgrade hasn't happened.

Response: the recommendations include a new business programme.

59. Access to education – as seen in Covid lockdowns school children in rural wards had to rely on digital connectivity to access schooling and stay in touch with friends. As such, children growing up in some of the rural areas are at a social and educational disadvantage.

Response: the council in partnership with the Department for Education ran a device and network programme for school age pupils during lockdown. Additional points regarding protected characteristic of "age" is outlined in Equality Duty section.

60. Community lead schemes: Work with communities to design and fund bespoke solutions; and opportunity for community network schemes as community interest companies.

Response: the council introduced bespoke community programme and the proposals incorporate working with community network providers where relevant and viable.

61. Low bandwidth and connectivity – As much about digital access equity and fairness and we need to continue striving to achieve that across the whole county. Should prioritise premises under 2Mbps. Is there any mileage in commercial suppliers in the area extending their infrastructure to the harder to reach properties in the wards affected? Lack of digital connectivity impacts development of 'smart infrastructure' to help rural areas monitor flooding and light & noise pollution. Many areas do not have mobile connectivity - so rely on digital connectivity.

Response: the proposal is to continue network delivery – this includes completing delivery in the north of the county via the Gigaclear contract; and a partnership with BDUK to instigate Project Gigabit for the south of the county. The report refers to the Universal Service Obligation which will be promoted. As regards extending network build that can be via commercial investment by suppliers and any public sector investment will need to be via a procurement route. The current Stage 5 community scheme also allows for extended builds. Communities do have a double impact if not received mobile coverage as mobile coverage can support "smart infrastructure" –

Ofcom provide a mobile coverage checker by address and overview of an area https://checker.ofcom.org.uk/en-gb/mobile-coverage.

62. S106 - Rural wards have seen a significant increase in executive styled housing (but less than 10 dwellings) being built not subject to S106 funds so there's no funding to develop local infrastructure to support digital technology coming into rural areas.

Response: to be explored if relevant to planning requirement.

63. Climate Change - Digital connectivity plays a key role in addressing wider societal issues such as cutting carbon emissions by reducing the need to commute. It is essential to facilitate home working in rural areas to reduce car travel and be consistent with the council's declaration of a climate emergency in 2019.

Response: refer to points Environmental Impact on the report.

64. Contract: Lessons to be learnt from the granting of the contract in question will be picked up for the future, regardless of whether any legal solution is advisable or not.

Response: refer to points in Legal Implications in the report.

65. MP's have been briefed.

Appendices

Appendix 1: Mapped area and ward detail

Background papers

'None identified'.

Glossary

Acronym / Term	Full Title	Description
BDUK	Building Digital UK	An arm of the Department for Culture Media and Sport tasked with funding local authorities to improve broadband coverage.
FTTP	Fibre to the Premise	Where fibre is deployed to a node within close proximity to a premise and which is connected to a premise with fibre once a service is ordered
Full Fibre		End to end fibre link to the premise.
Gbps	Gigabit Per Second	1,000 megabits per second.
Grey premise		A property that can access speeds >30Mbps from one or more suppliers.
LEP	Local Enterprise Partnership	Partnerships between local authorities and businesses to determine local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

Mbps	Megabits Per Second	Measure of broadband speed usually used to express download capability.
NCC	National Competency Centre	Body within BDUK who assure grant schemes and projects against state aid requirements.
ONS	Office of National Statistics	Body to collect and publish national data.
	Overbuild	When another provider supplies broadband to a contracted premise – this will be descoped from the contract to save unnecessary cost.
RFS	Ready for Service	The point at which a premise is recognised by suppliers as being able to order broadband services.
Stage 6		Proposed future stage to include in Project Gigabit.
Superfast		Broadband connection with the capability of achieving >30mbps Download / >5Mbps Upload.
USO	Universal service obligation	For the premises that have access to less than 10Mbps broadband speed BT are delivering the USO to provide 'decent' broadband to properties that can't currently access a 10Mbps connection.
White premise		Property that following an OMR is proven to be without access to superfast broadband and / or is not planned to be upgraded to superfast broadband in the forthcoming 3 years. Premises that are at >30Mbps bandwidth and are unlikely to attract commercial investment.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 20/10/2021
Finance	Karen Morris	Date 05/11/2021
Legal	Kate Charlton	Date 04/11/2021
Communications	Luenne Featherstone	Date 01/10/2021
Equality Duty	Carol Trachonitis	Date 05/10/2021
Procurement	Lee Robertson	Date 05/10/2021
Risk	Paul Harris	Date 21/10/2021
Approved by	Paul Walker	Date 09/11/2021