Devon County Council

Phil Norrey
Chief Executive

To: The Chairman and Members of the Place Scrutiny Committee

(See below)

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Your ref :
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Date : 6 March 2017
Please ask for : Wendy Simpson, 01392 384383

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PLACE SCRUTINY COMMITTEE

Tuesday, 14th March, 2017

A meeting of the Place Scrutiny Committee is to be held on the above date at 2.00 pm in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

1 Apologies for Absence

2 Minutes

Minutes of the meeting held on 20 January 2017 and of the Joint Scrutiny Budget meeting held on 30 January 2017 (previously circulated).

3 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.

4 Public Participation

Members of the public may make representations/presentations on any substantive matter listed in the published agenda for this meeting, as set out hereunder, relating to a specific matter or an examination of services or facilities provided or to be provided.

MATTERS FOR CONSIDERATION OR REVIEW

5 Libraries Unlimited update

The Cabinet Member for Community and Environmental Services and the Chief Executive and Chair of the Board of Trustees of Libraries Unlimited to report.

6 Mobile Phone Coverage in Devon (Pages 1 - 10)

Report of the Head of Economy, Enterprise and Skills (EES/17/3), attached.

STANDING ITEMS

7 Connecting Devon and Somerset (CDS) Programme (Pages 11 - 14)

Report of the Head of Economy, Enterprise and Skills (EES/17/4), attached.

MATTERS FOR INFORMATION

8 Scrutiny Work Programme

In accordance with the previous practice, Scrutiny Committees are requested to review the list of forthcoming business (previously circulated) and determine which items are to be included in the Work Programme.

The Committee may also wish to review the content of the Cabinet Forward Plan to see if there are any specific items therein it might wish to explore further.

The Scrutiny Work Programme and Cabinet Forward Plan can be found at:
http://democracy.devon.gov.uk/mgPlansHome.aspx?bcr=1

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PUBLIC AND PRESS

Nil

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).
Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership

Councillors R Radford (Chairman), G Hook (Vice-Chair), K Ball, P Bowden, C Clarance, T Dempster, A Eastman, R Edgell, O Foggin, J Hawkins, R Hill, B Hughes, R Vint, N Way and J Yabsley

Declaration of Interests

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

Access to Information

Any person wishing to inspect the Scrutiny Work Programme, Reports or Background Papers relating to any item on this agenda should contact Wendy Simpson on 01392 384383. The Work Programme and Agenda and minutes of the Committee are published on the Council's Website.

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Public Participation

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Scrutiny Committees set aside 15 minutes at the beginning of each meeting to allow anyone who has registered to speak on any such item. Speakers are normally allowed 3 minutes each.

Anyone wishing to speak is requested to register in writing with Wendy Simpson (wendy.simpson@devon.gov.uk) by 0900 hours on the day before the meeting indicating which item they wish to speak on and giving a brief outline of the issues/ points they wish to make.

Alternatively, any Member of the public may at any time submit their views on any matter to be considered by a Scrutiny Committee at a meeting or included in its work Programme direct to the Chairman or Members of that Committee or via the Democratic Services & Scrutiny Secretariat (committee@devon.gov.uk). Members of the public may also suggest topics (see: https://new.devon.gov.uk/democracy/committee-meetings/scrutiny-committees/scrutiny-work-programme/

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Induction loop system available

EES/17/3

Place Scrutiny Committee
14 March 2017

Mobile Phone Coverage in Devon

Report of the Head of Economy, Enterprise and Skills

1. Summary

As outlined in our previous Scrutiny briefing, the Economy, Enterprise and Skills Service has commissioned consultants, Broadband Access Strategies LLP (BAS), to research and develop a business case exploring the range of potential options for using public subsidy to improve mobile phone coverage across the Heart of the South West LEP (HotSW LEP).

Early market engagement has taken place with mobile network operators (MNOs) and a business case has now been finalised and submitted for approval to the HotSW LEP.

The business case concludes that despite improved coverage plans by mobile operators, by the end of 2017, there will still be around 7,280 premises in the HotSW LEP area lying in 4G not spots, 5,200 of these in Devon. This includes an estimated 1,150 business premises. This means a potential loss to HotSW businesses of £2.45m per year. The business case for investing £2.5m in supporting coverage of these not spots has been submitted to the LEP for consideration.

This report summarises business case analysis and recommendations, outlines recent market developments and summarises next steps towards addressing these not-spots.

2. Background

The benefits of public investment rest around the estimated loss of income to businesses in rural areas from lack of coverage, as described in the previous scrutiny report, is estimated to be around £100-£200 per month in not-spots.

There are also key sectors, such as Tourism which could be impacted - Devon is the third largest county in England and caters for 34m visitor trips a year – and with 3G/4G now considered ubiquitous by visitors, lack of coverage could adversely impact an industry that forms 12% of the local economy with total visitor related spend estimated around £2.25bn per year in 2013.

The indication is that investment in 4G mobile could generate 0.5% uplift in GVA, which in Devon could equate to an uplift of £94m.

Mobile coverage across Devon can be split into two types of coverage – voice and data. Whilst voice coverage is relatively consistent and extensive in Devon across mobile network operators (MNOs); data coverage varies significantly and is far short of the coverage offered by mobile voice services. However, there still remain significant gaps - areas with no voice or data services are classed as mobile not-spots (see Appendix 1 for comparison of Devon and UK coverage).

As the table in Appendix 1 illustrates, Devon has historically suffered from poor service provision across all MNOs. There are two main differences between past rollouts and current planned 4G rollouts, which should increase 4G coverage beyond 3G levels across Devon on a commercial basis, as follows:

- Firstly, lower frequency spectrum used by current 4G technology has better propagation characteristics. In other words, a 4G equipped mast should generally have greater coverage than an equivalent 3G mast.

- Secondly, mobile coverage policy is far more stringent than in the past. For example, O2's 98% indoor coverage obligation for UK premises by the end of 2017 is far higher than previous 3G coverage obligation targets. This combined with Ofcom's broader obligation for 90% geographic voice coverage by the end of 2017 for all MNOs, has led to other operators pledging and delivering on similar coverage commitments. One provider (EE) has already increased their outdoor 4G coverage extensively across Devon over the last year, and is far ahead of most other MNOs.

The pending policy change to the Electronic Communications Code (ECC) which is managed by Ofcom, and stands to treat mobile infrastructure as a utility service with potential for relaxed planning and lower site rents going forward, may help with increasing coverage in rural areas where new masts are required, addressing some of the issues experienced with the former Government funded Mobile Infrastructure Project (MIP) explained in previous briefings.

The above factors are beginning to have positive impacts on 4G rollouts. Coverage having jumped from just 8% of the UK landmass in 2015, to 40% in 2016, with similar increases expected over the course of 2017. Indoor coverage remains significantly lower than outdoor coverage - 72% of UK premises able to currently receive a 4G signal indoors, compared to 86% outdoor premises coverage across the UK. In Devon, 2016 outdoor geographic coverage of 4G from all providers had increased to 23.2%, and outdoor coverage of premises by all providers has increased significantly to 45.5%.

The significant differences between outdoor and indoor 4G coverage are having an impact on small businesses and home workers which this project aims to address.

So the 4G marketplace is very dynamic with significant increases in coverage in progress. Having consulted with MNOs, we believe that planned commercial investment will result in similar 4G coverage to current 2G services by the end of 2017. Likewise 4G not-spots should also mirror those of current 2G not-spots.

Through analysis of current outdoor 2G coverage data for Devon and Somerset, BAS has concluded that there will still be significant numbers of 4G not-spots following planned commercial investment by the end of 2017. Specifically BAS concludes that around 7,280 business and residential premises will lie within 4G not-spots by the end of 2017 including 1,150 business premises– Devon having the largest share (71.4%) at 5,200 premises, or 1.4% of total Devon premises.

According to a report by DEFRA commissioned in 2014, UK rural businesses nationally suffer losses of approximately £150-£200 per month in mobile not spots. Based on this information, a rural business could be said to be losing around £2,100 per annum (£175/month x 12 months). Based on the 1,150 business premises BAS has identified as currently lying within not spots across the HotSW LEP, this amounts to a £2.45m loss to not spot businesses across the HotSW LEP over a 12 month period.

An accepted conservative estimate of job creation for businesses gaining superfast connectivity is 0.2 FTE for every business connected. If we assume mobile connectivity would generate a similar boost to employment, connecting 1,150 businesses to 4G services could generate an addition 230 FTE jobs. Taking the average GVA per FTE for the HotSW area in 2014 of £42,184, the investment could generate an average additional GVA of £9.7m.

The Economy, Enterprise and Skills team are continuing to engage with MNOs about their forthcoming plans, in order to gain a more accurate picture of future 4G coverage areas and related not-spots. Unfortunately we cannot provide maps of not spots as the analysis is being carried out under Non-Disclosure Agreements with Mobile Network Operators. However Scrutiny Committee received a presentation on the mobile data analysis at the Masterclass session on 20th September 2016.

3. Options to address not-spots

Four options have been outlined in the business case as below. Appendix 2 contains photographs of the technologies being referred to.

Option 1 - Do Nothing

If no public investment takes place, the following is set to happen, given various coverage obligations and commitments from MNOs:

- All operators will deploy at all commercial and MIP macro sites, reducing the current estimated number of premises within not-spot areas in the HotSW LEP by between 500 and 700 premises (to approx. 6,500).
- Telefónica O2 has a coverage obligation to provide 98% indoor coverage of premises with a minimum of 2Mbps under its licence from Ofcom by the end of 2017.
- Other UK mobile operators have expressed similar commitments to O2's coverage obligation for the end of 2017, and following initial engagement with MNOs, it would seem providers are on track to deliver on these ambitions. Changes to the ECC would also aid all providers in increasing 4G coverage.
- The EE Emergency Services Network (ESN) rollout and the extended area services will increase MNOs shared coverage of major and minor roads, primarily using 4G technology.

However this option does not address the 7,280 premises estimated to remain in not-spots following this commercial investment.

Option 2 – Femtocell Investment

A femtocell is a very small mobile phone base station which plugs into a domestic three pin electric wall socket. The device only covers a range of about 20 meters and is intended for providing mobile reception within the rooms of a house (although some will cover a whole house).

This option can address issues with indoor coverage in not-spots where there is suitable broadband access.

The device uses a domestic broadband connection to gain access to the provider's mobile network, and can provide both voice and data functionality. A minimum broadband speed of 3Mbps is usually required for 3G comparable data transfers. For this reason, such solutions will only work in areas with reasonable, stable fixed line broadband. The delivery body will therefore need to work closely with Connecting Devon and Somerset (CDS) to determine which not-spot premises are suited to the technology.

Vodafone, Three and EE currently provide this solution, as does O2, but to business customers only. Femtocells may be the best solution for the most isolated premises which will be out of range of small cells or macro cells.

This option provides good quality indoor voice and reasonable data coverage to individuals in regions which likely to remain in mobile not spots for the foreseeable future. For example, it will allow a person working from home to receive a call in their office, from someone who chooses to phone their work mobile number, rather than their home landline. This will assist small businesses working from home.

Option 3 – Small Cell Investment

A 4G small cell solution would serve anywhere between 20 and 30 premises, constructed using a wooden pole with a height of approximately 15 feet. Small cells can also be installed on the side of buildings or church towers to provide coverage to communities, or parts of communities in not-spots.

In terms of total capital outlay and ongoing running costs, this is a comparatively inexpensive deployment option and would deliver 4G technology to small pockets of premises in a relatively unobtrusive way, with low power consumption and reduced running costs compared to macro cell type infrastructure.

The benefits of this option are that it is has a low visual impact, there are far less stringent planning constraints; and it is relatively quick to install with low power consumption and site rents. The technology is also well suited to the density of premises projected to lie in the vast majority of HotSW LEP not-spots, so is the main element of the proposed solution.

Option 4 – Macro Cell Investment

The final option is to build a traditional 4G macro cell, installed on a single mast ranging between 15 and 30 meters in height and able to provide coverage to between 50 and 150 premises.

In terms of total capital outlay and on-going running costs, this is the most expensive solution. However, in terms of construction costs, the per-premises figure could be broadly similar to that of a small cell.

The main challenges will be higher running costs, increased planning and power constraints, in addition to potential issues with residents objecting to the installation of a large mast. However, such masts can be single pole installations, rather than large lattice masts. In addition, there are similar solutions currently being rolled out on a large scale across Exmoor and Dartmoor, as part of the CDS contract with Airband Wholesale Internet, meaning there may be the potential to share infrastructure.

The main benefit of this solution is that it has a far greater geographic coverage footprint (up-to 10km, compared to 0.2-1km offered by small cells).

4. Key business case recommendation

Based on this options analysis, the business case recommends the adoption of a range of options, rather than focus on a sole technology solution. This provides a flexible approach for the following reasons:

- Investment in femtocell technology is to be targeted purely at the most isolated of premises with suitable broadband provision to provide indoor coverage. Whilst many premises may not have access to suitable broadband to support a femtocell, many will, especially as we move into Phase 2 of the CDS programme, and we believe femtocells offer an ideal solution for such premises.
- Small cell pilots are to be targeted at not-spots consisting of 20 to 30 premises. Most predicted 4G not-spots will only consist of groups of between 20-30 premises, with very few not-spots containing groups of premises in excess of 30 premises.
- Based on not-spot analysis there will be very few not-spot areas containing 40+ premises. Macro cell technology is ideally suited to covering areas with 50 or more

premises. Based on this analysis, we have concluded that 3 macro sites is a sensible number to pilot.

5. Next steps

Subject to business case approval, procurement for suppliers to pilot three different technologies is proposed to start in June 2017, concluding in October 2017. The procurement will be split into two lots – a femtocell and small cell proposal for Lot 1, and a macro cell proposal for Lot 2. By splitting the procurement into two different lots a higher level of interest is expected from the market, with suppliers focussing on their areas of expertise.

Lot 1 will focus on running two schemes in parallel – the first will be an ongoing voucher based scheme, allowing any resident within an eligible area access to a voucher to cover the cost of a femtocell for their property. It is envisaged that this scheme will support around 360 femtocell pilots, and will be run in a similar fashion to the CDS broadband voucher scheme.

The second scheme will initially involve construction of 20 4G small cell pilots across the HotSW LEP. These pilots will explore the range of options available, in terms of mounting and power sources, as well as the various community ownership models which might be required, if such investments are to remain sustainable in the long run. They will also attempt to address any perceived issues with regards to infrastructure sharing on behalf of MNOs, and flag any issues, such as planning or infrastructure capacity issues.

Following these pilots it is envisaged that a larger investment in small cells infrastructure will take place, using the valuable information gained.

Lot 2 will focus purely on delivery of three macro sites across the HotSW LEP for the small number of not-spot areas across the LEP, which have a high enough density of premises to support a macro type cell.

Both lots will include an element of demand stimulation and marketing activity, to ensure residents are aware of the new infrastructure and understand the benefits of the technology. This will be funded with a small allocation from the Economy, Enterprise and Skills budget in Devon and there would be a similar budget from Somerset County Council towards engagement in Somerset, however this is yet to be agreed. It is envisaged that such engagement will start with Parish Councils and appropriate community groups. A dedicated webpage will be setup (potentially on the CDS website), providing information on the programme, and potential for residents within known not-spots to register their interest in the scheme. There may also be significant potential for combining forces with the larger CDS demand stimulation programme, for areas which are set to be beneficiaries of both programmes, and linkages between the two projects are being explored.

We are currently working with all MNOs to determine the areas throughout the HotSW LEP are likely to remain 4G not spots, following planned commercial investment. Pilot areas will decided based on the outcomes of these discussions and the suitability of areas to the proposed technology solutions.

6. Financial Considerations

The HotSW LEP has allocated £2.5 million of capital funding (minus 2%) from their Growth Deal funding package intended to explore suitable approaches for expanding mobile 4G coverage across the region. Subject to approval of the business case submitted, this represents £676,200 for three pilot studies delivering 364 femtocells, 20 small cells and 3 macro cells. The remaining £1,823,800 capital is intended to be invested in further small cell infrastructure, using the knowledge gained from the small cell pilots.

In addition, the County Council with Somerset County Council submitted a business case to the LEP for additional capital funding to support both mobile coverage and superfast broadband coverage under the Growth Deal 3 funding opportunity. This has been successful and whilst the amount of funding is still to be confirmed by the LEP it is anticipated that this will be close to the bid of £10m. The split between broadband and mobile also still needs to be agreed by partners, but this additional investment would support an extension of the mobile coverage pilots to support further communities across the Heart of the South West.

7. Legal Considerations

There are no state aid issues regarding Option 2 (the femtocell solution) as the subsidy is small (£50 approx.) and received directly by individuals. However, where option 3 (small cells) is concerned, there may be issues with the state aid de minimis threshold being breached if ownership models involve special purpose vehicles or similar models. When it comes to community models it is expected that state aid levels will not be an issue. This area will need further investigation by legal advisors during procurement development.

Option 4, the macro cell solution, will likely breach the de-minimis threshold, and as such will have a State Aid component, which will need to be reviewed as part of the procurement process development. This may be further impacted by challenges in getting MNOs to share infrastructure, as potentially required under State Aid regulations.

It will also be beneficial to investigate thoroughly the pending changes to the Electronic Communication Code (ECC), and the associated legal context behind the proposed changes. The revised ECC is set to have large scale changes to planning and caps on site rental amounts. As such the delivery body will require a firm understanding of the legal boundaries of the changes, to avoid a repeat of the Mobile Infrastructure Project (MIP) delivery issues.

8. Risk Management Considerations

There are 3 main risks to this pilot study:

1. It becomes very difficult to implement a technical solution in the smallest of not-spots (less than 20 premises). Its success will depend on the buy-in of the local community. Lessons learned from other UK projects will be used to help mitigate this risk.

2. Technology moves on before the pilot has been implemented. This risk is mitigated by our pre-procurement consultation with the industry, knowing what the challenges are at the start, and maintaining a risk log and actions to address them if they develop. Lessons learned from each pilot need to be transferred to the following pilot not-spots where similar circumstances exist. One such technology advance is potentially 5G. However, initial discussions with providers would suggest that commercial rollouts of 5G are not expected for at least a few years – the priority right now being to extend 4G networks and build capacity, reducing contention constraints and boosting 4G speeds. It is worth recognising that current 4G average speeds are comparatively low compared to the potential of 4G as a technology. With the above in mind, it would seem providers are viewing 5G more as a way of increasing network capacity in urban areas, and ensuring consistency of speeds and the ability to increase monthly data allowances. It does not necessarily follow therefore, that even

with the public subsidy outlined within the Autumn Statement, that 5G investments will be rural in focus, certainly in the short to medium term.

3. The market fails to bid for the macro cell pilots, or that the macro cells pilots fail to deliver due to similar issues experienced by the MIP. These risks are mitigated by extensive research into the reasons for underperformance of the MIP rollout, as well as forthcoming changes to the ECC. Splitting the procurement into 2 separate lots will also help develop a more flexible approach to the rollout, as well as stand to maximise interest from bidders in the scheme. If no bidders respond for the macro cell pilots, this can be accommodated using small cell infrastructure where appropriate.

4. Gaining planning permission may be a formidable hurdle for macro cell sites. However, proposed changes to the ECC may be in place in time to mitigate these risks. By focusing on small cell infrastructure, and only focusing on 3 macro cell sites, we should significantly reduce this risk, providing ample time for delivery of 3 macro sites. Small cells are far less obtrusive and can be installed on the side of buildings or existing telegraph poles.

Keri Denton
Head of Economy, Enterprise and Skills

Electoral Divisions: All

Cabinet Member for Economy, Growth and Cabinet Liaison for Exeter: Councillor Andrew Leadbetter

Chief Officer for Communities, Public Health, Environment and Prosperity, Dr Virginia Pearson

<u>Local Government Act 1972: List of Background Papers</u>

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Background Paper	Date	File Reference
1. Place Scrutiny Committee Report	14 June 2016	http://democracy.devon.gov.uk/documents/g277/Public%20reports%20pack%2014th-Jun-2016%2014.00%20Place%20Scrutiny%20Committee.pdf?T=10

ms020317psc Mobile Phone Coverage in Devon
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Appendix 1
To EES/17/3

Definitions

- **1G networks** are among the first analogue cellular systems, starting in the 1980s.They were designed for voice calls with limited data coverage.
- **2G networks** were the first digital cellular systems and offered voice and data, with theoretical data rates up to 144 kbps.
- **3G networks** offer improved data - The UN's International Telecommunications Union IMT-2000 standard requires stationary speeds of 2Mbps and mobile speeds of 384kbps for a "true" 3G.
- **4G technology** refers to the fourth generation of mobile phone communication standards. No commercial networks meet the ambitious downlink speeds of 1Gbps when stationary and 100Mbps when mobile. However they are very different to 3G and the term 4G is used.
- A “**not-spot**” area is an area where there is no effective coverage by any of the mobile operators, usually because it is uneconomic to do so.

Mobile Coverage in Devon

The table below shows Devon has made significant progress increasing 4G coverage across all providers since 2015. However, Devon is still far behind the UK average in 2016 across all mobile technologies, and a lot of the coverage is concentrated in urban areas.

4G, 3G & 2G coverage	Devon (2012 figures)	Local authority average across UK (2012)	Devon (2015 figures)	Devon (2016 figures)	Local authority average across UK (2016)
4G	-	-			
Outdoor premises coverage: all operators	-	-	2.6%	45.47%	80.21%
Outdoor geographic coverage: all operators	-	-	0.25%	29.75%	70.20%
3G					
Outdoor premises coverage: all operators	46%	67.9%	57.27%	67.34%	88.23%
Outdoor geographic coverage: all operators	12%	49.3%	26.48%	47.15%	77.17%
2G					
Outdoor premises coverage: all operators	82%	90.8%	80.29%	81.27%	91.32%
Outdoor geographic coverage: all operators	60%	78.6%	55.06%	55.86%	78.48%

Appendix 2
To EES/17/3

Figure 1: Two types of femtocell.

Figure 2: Example of a small cell installation.

Figure 3: Example of a macro cell installation (this mast is 15 meters – masts can be as high as 30 meters).

EES/17/4

Place Scrutiny Committee
14 March 2017

Connecting Devon and Somerset (CDS) Programme Update

Report by the Head of Economy, Enterprise and Skills

1. Phase One

At the Scrutiny Committee meeting held on 10th January 2017, it was reported that Connecting Devon and Somerset's phase 1 contractor, BT, had missed their superfast broadband connection target by approximately 11,000 premises. A Remedial Plan has been produced and is being implemented to ensure that the contract target is met by 31st March 2017.

At the time of writing this report BT reported that the number of superfast homes and businesses connected stood at 276,200 with a remaining 1,600 premises to complete by the end of the quarter. An update will be presented to Members at the March Scrutiny meeting.

Much of the remaining deployment is Fibre to the Premise and this requires numerous wayleaves and highways notifications which have in some instances been difficult for BT to obtain. CDS are working with BT where possible to ensure these are secured to support the final connections to be delivered.

Take up of fibre service is now just over 32%, compared to 30% at the start of the year. This increase can in part be attributed to CDS marketing campaigns which have included a mail-out of leaflets to over 143,000 live addresses, press coverage, stickering of cabinets to indicate that a service is available and providing updates to parish councils. Take up now exceeds the 30% level which BT. This is being used to calculate the take up clawback provided for in the contract, this is calculated at the end of the deployment, and at two yearly intervals. This will allow for further deployment of superfast broadband and CDS will begin discussion with BT on how to apply this investment as the current contract completes and planning for the new phase two contracts becomes firm.

2. Phase Two - Airband

As reported to the last scrutiny meeting, Airband Community Internet, the fixed wireless supplier for Dartmoor and Exmoor National Parks, had been experiencing a number of issues hampering the rollout of wireless services across both Moors. A Remedial Plan which sets out the steps the provider intends to take to reach their target by March 2017 has been agreed by the CDS Moors Programme Board. At the same time CDS are working with Airband to provide additional coverage to 1,000 premises across Dartmoor and Exmoor, and these will be brought into the contract for the Moors shortly. This additional coverage has been possible within the existing funding package for the Moors. Some of the premises being brought in will not be covered by the phase 1 programme delivered by BT and can be 'seen' by the masts already planned for delivery. There will also be a small amount of additional infrastructure that will be covered by savings made elsewhere in Airband's programme budget.

At the time of writing this report, Airband had made services available to over 2,500 properties across the National Parks. 2,000 of these properties are on Dartmoor and 500 on Exmoor, with increased build from BT in the national parks furthering delivery in these harder to reach areas. A verbal update on progress will be presented at the March Scrutiny meeting.

Airband Community Internet is working with Dartmoor and Exmoor National Park Authorities to process the final planning applications for the outstanding sites. Further works are ongoing to connect the remaining premises into the network and install the further infrastructure needed to add in the additional coverage to 1,000 premises. This final coverage on the moors will infill those areas that have been left out of the phase one delivery by BT, and as we near the end of phase one CDS and Airband will work together to ensure delivery goes to those areas that need it and any over-build is minimised.

3. Phase Two Projects

The CDS partnership has concluded its procurement of suppliers to deliver phase two of the programme outside the National Parks and has awarded the contract for Lots 2, 3, 5 & 6 to Gigaclear. Mobilisation meetings are taking place including establishing links with Highways Departments and on marketing and communications Initial survey work is also underway. The CDS Team have been working to develop a website that combines phase 1 completed delivery with phase 2 delivery already underway through the Airband contract and proposed delivery through the new phase 2 contracts recently signed. This website will be live in the next few weeks.

Lot 4 has a lead bidder and final assurance is being carried out so that elevation to preferred supplier status can be completed, and contracts signed shortly. Lot 1 (in the Bath & North East Somerset area) is currently the subject of a legal challenge and this process needs to conclude before a contract may be awarded.

An update on contracts awarded and coverage will be provided at the meeting.

The funding so far for the contracted Lots is over £62 million with much coming as part of Gigaclear's own funding investment. Gigaclear will deliver ultrafast Fibre to the Home within its delivery area and contracted suppliers for the remaining two lots must offer at least Next Generation Access broadband services with a minimum of speed of 30 Mbps. The current contracts will deliver to 35,000 premises in Devon and Somerset and tens of thousands more homes and businesses are expected to be delivered in the two remaining Lots. The phase two projects will run until December 2019. Gigaclear will be invited to a Members briefing once it has completed its initial planning work to confirm its rollout plans.

The phase 2 funding package includes £4m from the SW Ultrafast fund and this will be targeted at areas with high business density to deliver broadband speeds in excess of 100Mbps. The CDS team has been successful in its EU ERDF application and conversations are under way with Gigaclear and BDUK on preparing to introduce this additional capital investment into the Phase Two projects. This investment is secure with government agreeing to continue to fund multi-year projects with signed contracts even when these projects continue beyond the UK's departure from the EU.

The CDS team has also been successful in its bid for further funding from Growth Deal 3. The amount is yet to be confirmed by the LEP; however we expect it to be close to the original request of £10m. This is for both superfast broadband and mobile coverage. The next step is to develop and agree with the LEP a business case for extending superfast broadband coverage further and adding this investment into the contracted phase two projects.

4. Voucher Scheme

CDS is committed to ensuring that all businesses and residents have access to at least 2 Mbps. To support this, the CDS team set up its own highly successful Broadband Voucher Scheme. In total over 6,200 Devon and Somerset residents have applied for vouchers with over 4600 being approved.

The CDS voucher scheme is the most successful in England with over 850 installations to date. Some recipients are looking to use the voucher to encourage suppliers to deliver for the whole village or community and we look forward to a number of community schemes being delivered in the next few months.

The voucher provides £500 towards the installation cost of a broadband connection for properties who receive speeds less than 2Mbps download. Residents and businesses can choose their supplier from an approved list which includes 4G, satellite, wireless and fibre providers; and each solution will guarantee at least 10 Mbps download speed. More information is available on the CDS website.

The scheme is being reviewed alongside the new phase two projects and is currently asking new applicants to register their interest only at this stage. Installations for vouchers already issued should aim to be completed by the end of March 2017. CDS is also speaking to other suppliers keen to join any future scheme.

Keri Denton
Head of Economy and Enterprise

Electoral Divisions: All

Cabinet Member for Economy, Growth and Cabinet Liaison for Exeter: Councillor Andrew Leadbetter

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Reference
Nil		

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