

Broadband & Mobile Phone Connectivity Task Group Update Report

1. Background

The Connecting Devon & Somerset (CDS) programme has been set up to deliver next generation broadband infrastructure to areas where the market has failed to invest. The size and scope of the programme, and the time frames Central Government has allocated to the funding, has required more than one phase; the programme is nearing the completion of Phase 1 and contract awards have recently been announced for the six Phase 2 lots with Gigaclear and Airband. It is expected that a small percentage of premises will not be covered by either Phase 1 or 2 plans and CDS will be pursuing several potential solutions to improve speeds.

More recently the Council has commissioned work 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 area. The business case to begin procurement of three separate technologies in two lots has been agreed in principle, subject to further market research.

The Place Scrutiny Committee has received regular updates on the CDS programme and more recently on mobile phone coverage. At its meeting on 27th June 2017 the Corporate Infrastructure & Regulatory Services Scrutiny Committee resolved to set up an ongoing Task Group to monitor and scrutinise the progress of the delivery of broadband and mobile phone coverage across Devon, reporting back to the Committee on a regular basis.

As such, this report is submitted to the Corporate Infrastructure and Regulatory Services Scrutiny Committee as part of the agreed reporting mechanism. The Task Group's final report and recommendations will be produced on completion of their investigation and submitted to this Committee for approval.

2. Task Group Scope

The scope of the Task Group review has been agreed as follows:

- To consider the impact of improved broadband and mobile phone connectivity across Devon on the local economy and local people
- To monitor and scrutinise the progress of the continued rollout of the CDS programme and digital connectivity
- To consider how coverage and speeds for premises not covered by Phase 1 or 2 of the CDS programme can be best improved
- To monitor and scrutinise the progress of mobile phone coverage improvements across Devon
- To report back on a regular basis and make recommendations as appropriate to the Corporate Infrastructure & Regulatory Services Scrutiny Committee

3. Work undertaken to date

The first meeting of the Task Group took place on 7th August 2017. The main objective of this meeting was to agree the scope for the Task Group review and for Members to meet with Councillor Stuart Barker, Cabinet Member for Economy and Skills, and Devon County Council and CDS officers to gain a full understanding of the background to both broadband rollout and plans for mobile phone coverage improvements, and the challenges surrounding this.

The second meeting of the Task Group took place on 14th September 2017. Members met with representatives of the business community, members of the public and parish council representatives. The objective of this meeting was to gain an insight into the experiences of individuals, communities and businesses in accessing broadband and mobile phone connections and the impact that this is having on both productivity and social connectivity. Members also undertook to hear views on CDS' operations, communication and transparency arrangements.

Due to the proximity of the second Task Group meeting to this Scrutiny Committee meeting, it has not been practical to include findings from the 14th September meeting in this report. These findings will however be included in the update report to the 28th November meeting of the Corporate Infrastructure and Regulatory Services Scrutiny Committee.

4. Findings to date

4.1 Background to CDS broadband programme

An initial report to Cabinet in September 2011 detailed proposals to work with Somerset County Council and other participating local authorities to deliver superfast broadband coverage (over 24Mbps) to 90% of premises, resulting a contract with BT to deliver Phase 1. This part of the programme is near conclusion and local authorities will be negotiating claw back monies where actual take up has exceeded predictions.

A later Cabinet Report in September 2014 sought approval for an extension of the programme to deliver superfast broadband to 95% of premises. This resulted in tender award to Airband for Dartmoor and Exmoor National Parks. The contract for the remainder of Devon & Somerset was not awarded to BT, the single supplier through the National Rural Broadband Framework, as following evaluation and moderation the bid was deemed to be deficient in a number of areas.

As a result of this, the tender process for this contract had to be started again from the beginning. The remaining area has now been split into six lots and contracts awarded to Airband (lot 4) and Gigaclear (lots 1, 2, 3, 5 and 6).

4.2 CDS broadband programme key points

- Somerset County Council is the contracting authority for CDS;
- The majority of Devon residents will be covered by commercial roll out; CDS has to be careful that any part of its programme does not cover areas which are considered to be commercially viable, as this would breach state aid rules;

- The cost of roll out in rural areas is much higher than urban; fibre to the premises technology (as installed by Gigaclear) is also a magnitude more expensive for providers to install than fibre to the cabinet or fixed wireless technologies, given greater requirements for digging and private land access;
- It is important to be able to provide accurate information in terms of coverage; better communication with public on coverage is needed going forward;
- It is expected that more meaningful information on coverage will be published from Gigaclear and Airband; lessons had been learnt from working with BT on the phase one contract; CDS have not agreed to same non-disclosure clauses in Phase 2;
- CDS has actually overachieved on its Phase 1 target, however the underperformance of the commercial sector's private investment plans (as stated back in 2012) has meant that CDS has fallen short of its 90% coverage ambition;
- CDS are currently analysing coverage provided by BT to assess whether coverage claims are accurate;
- CDS are currently considering bidding into a new government fund (the Local Full Fibre Networks Fund) which is predominantly aimed at business; currently at the expressions of interest stage.

4.3 Mobile phone coverage background and key points

- There has been far greater private sector investment in mobile phone infrastructure than broadband; O2 have committed to providing 98% indoor coverage by the end of 2017; other UK mobile operators having indicated they intend to match O2's 98% coverage target;
- There remains around 5000 premises in Devon that don't have any mobile phone coverage;
- The HotSW LEP awarded £2.5 million to pilot different technologies and commercial models to improve coverage in 'not spots' across the HotSW area;
- Currently awaiting Ofcom data and state aid advice before moving forward with the pilot programme; there is likely to be more information available in the New Year.

5. Next Steps

The Task Group has invited Somerset County Council's Policies and Place Scrutiny Committee to engage in joint scrutiny activity on this topic and await the outcome when this is considered at their scrutiny committee meeting on 3rd October.

The Task Group plans to engage with a number further of witnesses over the coming months including the CDS Board, Cornwall Council, planning authorities, the Council's Highways Team, Gigaclear and Airband.

6. Membership

Councillors Alistair Dewhirst (Chairman), Kevin Ball, Ray Bloxham and Andrew Saywell.

**Councillor Alistair Dewhirst
Chairman**

**Victoria Church
Scrutiny Officer**