

# Connecting Devon and Somerset

## Digital Infrastructure – Chronology and Narrative

### Heart of the South West



### Summary

- **The LEP is investing £10.2m in delivering superfast and gigabit broadband**
- **This investment is leveraging more than £60m additional capital investment from Government, Local Authority partners, ERDF, RDPE and the private sector**
- **The LEP's investment has supported nearly 18,000 homes and businesses receive a superfast broadband service to date and a further 60,000 homes and businesses will be able to connect to a Gigabit capable network by December 2024**
- **The LEP has invested in a Mobile Boost Programme which is on target to support improved mobile phone connectivity to 400 homes and businesses by February 2022.**
- **The LEP is a member of the Connecting Devon and Somerset Programme Board.**

### Phase One

The Government's Superfast Programme sought to uplift 90% of UK premises to a superfast service over a three year period 2013/14-2016/17. The starting position nationally was on average two-thirds of premises were (or would be) served by investment from the private sector, showing a case of market failure and a need for public intervention for 'the final third of premises'. This picture was largely true for the Heart of the SW area, Bath and North East Somerset and North Somerset, which make up the partners within the Connecting Devon and Somerset Partnership.

Some parts of our area, mostly rural locations, including market and coastal towns however had much lower commercial coverage – less than 50% in many cases and less than 20% in some, with no certainty of improved broadband. The commercial market needed public intervention to incentivise them to deliver more than their stated commercial plans as they saw insufficient revenues to make a case to invest more. The market predicted a 20% take up rate of superfast broadband, and needed the public sector to fill the 'gap' on the required investment to reach an additional 30% of premises to hit the national 90% target.

CDS secured Government investment and was one of four areas that worked with Government to establish a national framework of broadband suppliers and supported the EU state aid approval negotiation to investment public money to extend superfast broadband connectivity. CDS local authority partners co-invested £22m alongside a Government grant of £32m and contracted with BT to deliver a £94m contract which served superfast connections to an additional 300,000 homes and businesses. Superfast coverage for the CDS area rose from 60% to 89% at the end of 2016.

## Phase Two

A second round of investment was launched by Government to extend superfast coverage to 95%. CDS secured a further £18m from Government and sought new suppliers to deliver a new programme of superfast broadband. Airband was contracted to provide a fixed wireless solution across Exmoor and Dartmoor National Parks and a proposal from Openreach for the rest of the area was rejected on grounds of value for money.

A second procurement was run and Airband were awarded a further contract to deliver in north western Devon and Gigaclear appointed to deliver a full fibre network across the rest of the area. These contracts, along with a small declared additional commercial level of investment would take the area to 95% superfast by 2019, with some 40,000 premises receiving a gigabit capable solution.

The LEP invested £10.2m in to these contracts, alongside further capital investment from local authority partners. £6m was from the Growth Deal programme and £4.2m was from the Growing Places Fund. Airband and CDS agreed to add in additional premises to the north west Devon contract, and switch some coverage and the additional coverage to full fibre. Openreach and CDS also invested a further £6m to deliver 2000 very rural clusters to full fibre, reinvesting a dividend paid to CDS by Openreach, on the basis of take up from the phase one contract exceeding the take up rate of 20%.

The Gigaclear contracts were terminated in 2019 due to poor performance of the company and a new procurement was launched by CDS in early 2020. The original investment from Government was re-secured and the LEP was able to agree a freedom and flexibility decision (?) to also carry its investment forward. Six new contracts were entered into at the end of 2020 for a further 56,000 full fibre connections, increasing the original coverage offered by Gigaclear. These contracts were awarded to Airband (3), Truespeed (2) and Wessex Internet (1) and will conclude in 2024.

The estimated superfast coverage for the area, at the end of 2024 will be 96%, which includes commercial investment alongside the publicly subsidised delivery. A proportion of this will be gigabit capable. Many premises in the area, particularly the urban areas will also benefit from commercial investment, upgrading superfast services to gigabit services. Projects such as Openreach's rural exchange programme, and other declared plans from City Fibre and Jurassic Fibre are all benefitting residents and businesses.

Under this phase, CDS has also brought forward a Community Challenge programme, working with Government to maximise the use of its Voucher Schemes. The original national programme provided support for superfast solutions, and there was a dedicated rural voucher scheme and CDS offered top up capital grants for community-led initiatives. This has now broadened into a Gigabit voucher proposal, and a number of suppliers are working on community schemes – Openreach and their Community Fibre Partnership, Airband, Voneus etc. Whilst low numbers of connections are being brought forward, and significant engagement and time is required to support such schemes, this community-led opportunity has been very successful for targeting very hard to reach rural communities which would have waited a long time for alternative solutions and options.

## Filling the gaps

Despite the above, of the 900,000 premises in the HotSW area some 4%, circa 35,000, will not be able to access a superfast service, many of which are in smaller towns, villages and rural locations. CDS and the LEP have both set out responses to Government under the Hardest to

Reach Consultation that more targeted investment under their Project Gigabit programme should be considered to address this digital divide.

Government has now moved its Digital Strategy to deliver nationwide gigabit coverage by 2025, and announced a £5bn investment plan. The first tranche of this has been set aside within this parliament, and Government are running a series of central procurements to roll out gigabit solutions. The new CDS contracts, supported by the LEP's investment will support this objective. CDS is currently in the third tranche of areas to go forward under Project Gigabit and is in conversation with Government to prepare for this and to make a case to go more quickly.

Market appetite and capacity are clear constraints on moving this forward, nationally and locally, and several of the earlier announced areas have moved back in the planned sequencing. Given that CDS is now delivering full fibre technologies under all its live contracts, conversations are also underway with Government about adding to these as part of Project Gigabit as a faster way to extend gigabit capable networks.

CDS has developed its community challenge fund into a business case to extend the reach of the gigabit voucher programme into the more remote and rural parts of the area and specifically to target around 5% of the hardest to reach premises within the remaining 40,000 premises. Whilst necessarily costly, these properties are at risk of becoming unreachable in future without creative subsidised build now. Project Gigabit is likely to address some rural communities, but will also serve speed uplift for other communities already on reasonable speeds, leaving the very hard to reach communities behind.

## **Coverage delivered with LEP support**

The LEP has grant funded the following contracts and supported coverage to nearly 18,000 homes and businesses:

- Moors Contract – delivered by Airband – served 6,230 premises
- North Western Devon – delivering by Airband – served 11,500 premises to date

The latter contract will be delivering full fibre and will serve a further circa 6000 premises within North Western Devon and the six additional contracts awarded at the end of the year will deliver full fibre to a further circa 56,000 premises across Heart of the South West, North Somerset and Bath and North East Somerset.

## **Mobile Boost Programme**

This is a LEP grant-funded programme being delivered by CDS. It's targeting small businesses and households in rural communities who currently have inadequate coverage, or have access to only one provider and are currently struggling with connectivity.

Businesses and households can apply for a voucher of up to £1,200 towards the cost of a mobile signal booster from a registered supplier. The value of the voucher will be dependent on the type of technology most suitable for the premises.

There are now three options of equipment available - these are a 4G booster and two models of "signal repeaters" which repeat the outdoor signal indoors. Suppliers will be able to advise on the most appropriate option.