

## GLOUCESTERSHIRE COUNTY COUNCIL

### GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE

<b>Title:</b>	<b>Broadband in Gloucestershire</b>
<b>Reporting to:</b>	Gloucestershire Economic Growth Joint Committee
<b>Date:</b>	16 March 2022
<b>Chairman:</b>	Cllr Tony Dale
<b>Presenting Officer:</b>	Simon Excell – Assistant Director Planning and Economic Development
<b>Purpose of report:</b>	To provide an update on broadband delivery across the County
<b>Background documents:</b>	<p>The Fastershire Strategy 2019-2022, is available on the Fastershire website at: <a href="https://www.fastershire.com/assets/file/FSB%20Strategy/Fastershire_Broadband_Strategy_2019-22.pdf">https://www.fastershire.com/assets/file/FSB%20Strategy/Fastershire_Broadband_Strategy_2019-22.pdf</a></p> <p>Cabinet decision to approve Fastershire Broadband Strategy 2019 – 2022 and the incorporation the Stage 5 Community Grant offer into the Fastershire Delivery Programme: <a href="https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1393">https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1393</a></p> <p>Individual Cabinet Member Decision report outlining changes to the programme Fastershire Delivery (December 2021) <a href="https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1791">https://glostext.gloucestershire.gov.uk/ieDecisionDetails.aspx?ID=1791</a></p>
<b>Summary:</b>	This information report outlines the focus of the Government’s national commitment for Gigabit enabled digital infrastructure by 2030. It also outlines the impacts of recent decisions regarding local programme delivery. This includes some delivery delays for parts of the county, the transferring of some properties in the Forest of Dean to the Project Gigabit and a review of the community grant offer to ensure it remains fit for purpose.
<b>Anticipated Outcomes:</b>	That the Committee notes the report.

## Background

1. At time of writing this report 96.49% of premises in Gloucestershire have access to Superfast ( $\geq 30$  Megabits per second (Mbps)) broadband connectivity. This level of digital connectivity is consistent with the national position experienced across England (96.96%).
2. Demand for high quality digital infrastructure has never been greater. The experience of the Covid-19 pandemic on households and businesses has changed the way people now live their lives. This has resulted in increased reliance and expectation for faster and more stable digital connectivity to support everyday activities.
3. As demand grows for better digital access, the infrastructure supporting that demand must also grow to meet this demand. The government, having achieved the national target of 95% superfast coverage, has evolved its aspirations to delivering improved infrastructure networks capable of supporting far greater digital download speeds.
4. National aspirations for digital connectivity are now linked to supporting Gigabit broadband connectivity. Gigabit capable broadband is the same as 1,000 Mbps and represents a monumental jump in terms of what this level of connectivity could support. This change does not mean that households will be left behind; it simply means that the level of access provided will be different.
5. Commercial investment in digital infrastructure is critical to meeting this demand. Companies such as Openreach, Virgin Media, City Fibre (and their partners Vodafone), Gigaclear, HyperOptic, Fibre Nation, Airband, Zzoomm, Glide, Full Fibre Ltd and others continue to invest in Gloucestershire where it is commercially viable to do so.
6. Within Gloucestershire, 57.5% of properties have access to Gigabit supported digital infrastructure. For England, national access is 66.14%. The lower figure in Gloucestershire reflects the county's rural character.
7. Where it is not commercially viable to invest in digital infrastructure, the government provides funding to subsidise investment. Despite this additional support, for some rural areas, it remains too expensive within the existing value for money rules to justify the level of subsidy required. Where this is the case, alternative options need to be explored to understand what solutions best reflect the local circumstances.
8. Public sector investment in delivering broadband networks is managed nationally by Building Digital UK (BDUK), part of the Department for Digital, Culture, Media and Sport (DCMS). In February 2022 the Levelling-Up White Paper reiterated the government's commitment that by 2030 the UK will have nationwide gigabit-capable digital network. It should be noted that 11 months earlier in March 2021 a similar commitment was made in terms of a nationwide Gigabit network, but this had a 2025 commitment date. This delay highlights the complexity and significant cost associated with delivering the scale of infrastructure required to meet this commitment.

## Fastershire

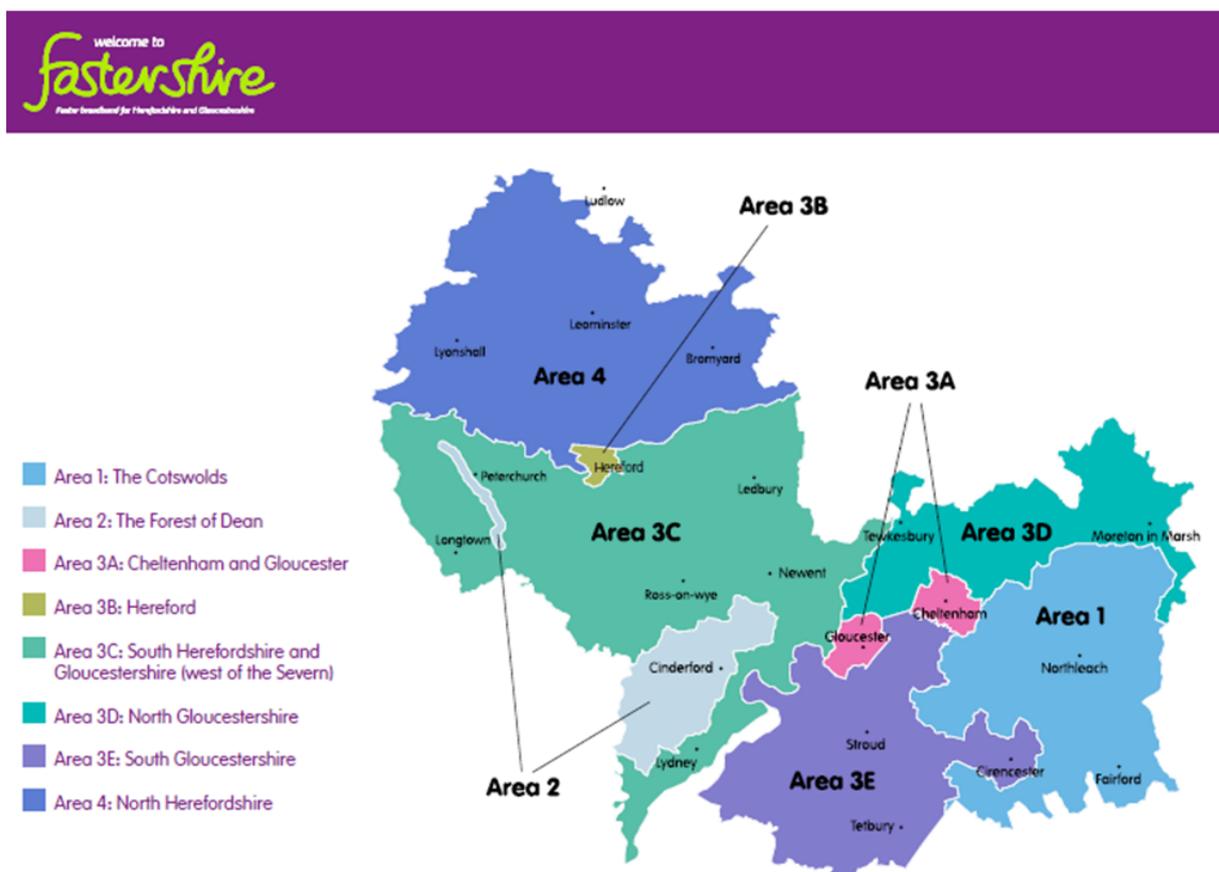
9. At a local level, the Fastershire project manages the subsidised roll-out of digital infrastructure. Fastershire is a formal partnership between Gloucestershire County Council and Herefordshire Council with support from BDUK.
10. Both local authorities agreed to work together to address the challenges of broadband availability across both counties. The project encourages the attraction of commercial investment and enables suppliers to invest in broadband networks by using a range of public subsidy mechanisms to improve the deployment in infrastructure in areas that have proved to be commercially unviable.
11. The focus of the [Fastershire Broadband Strategy](#) 2019-22 is 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 that the first priority is to reach premises still below 30Mbps. Where there is potential the project will also promote the opportunity to have Gigabit coverage.
12. Since its inception in 2012 the Fastershire project has successfully supported an increase in access to superfast networks from 45% of properties to 96.49% during a 10-year period.
13. Where the Fastershire project has contracts for broadband deployment with commercial suppliers, it is based on a gap funding model. This means that the project provides public sector funding (provided by BDUK and the local authority) to subsidise the delivery of broadband services, where it is deemed ‘not commercially viable’.
14. The Fastershire Broadband delivery programme is summarised in the table below. Stage 1 is an ongoing process, Stage 2 has been completed and Stages 3 and 4 are being delivered concurrently. Stages 2 and 3 are funded by a combination of Herefordshire Council, GCC, national Government and private sector match funding. Stage 4 is primarily European Union funded and will end shortly. Implementation of Stage 5 commenced from March 2020 utilising local authority capital funding, to stimulate commercial investment for smaller community cluster solutions.

Stage	Title	Focus of activities
1	Commercial Delivery	Actively monitor the market’s intention to provide both superfast and full-fibre connectivity. Encourage and work with commercial providers to use their own investment to extend access to full fibre broadband.
2	Fastershire-wide Contract	Promotion of broadband delivery across the two counties. BT were awarded a significant contract to deliver superfast coverage.
3	Regional Contracts	Manage the Gigaclear full-fibre rural contracts to their successful conclusion having maximised the opportunities to generate the greatest possible coverage.
4	Small Cluster Contracts	Conclude the BT 2 smaller lots in Cheltenham/Gloucester contracts, and explore

		opportunities to stimulate commercial full-fibre investment.
5	Fastershire Community Broadband Grant and bespoke grant schemes	Launch a Fastershire “Dynamic Purchasing System” through which local communities (either singly or acting in groups) can apply for Fastershire grants to pay for Gbps capable infrastructure. Launch Phase 2 of the Marches and Gloucestershire Business Grant (MGBG) helping individual and groups of businesses to procure the digital connection services they need.

### Stage 3 of the Fastershire Delivery Programme

15. In January 2017, Gigaclear was awarded a number of contracts as part of Stage 3 of the Fastershire delivery programme. Four years into delivering these contracts Gigaclear were finding it increasingly difficult to achieve their contractual commitments. This was due the escalating costs associated with the delivery of full-fibre networks in rural areas. The map provided below outlines the geographic locations of the areas covered by the different contracts awarded across the Fastershire project area.



16. In April 2020 an Officer Decision Report agreed to change the terms of the contracts awarded to Gigaclear subject to state aid approval. BDUK did not approve the proposed changes resulting in a dispute between Fastershire and BDUK.

17. The dispute continued until August 2021 when a compromise was agreed. The proposed changes outlined in April 2020 would not be implemented, however BDUK accepted that the scope of contracts awarded to Gigaclear could be changed.
18. In December 2021, the Cabinet Member for Economy, Education and Skills agreed to a number of changes to the contracts awarded to Gigaclear. These changes were consistent with changes agreed by Herefordshire Council, BDUK and Gigaclear.
19. The changes agreed related to some properties previously identified to receive subsidy support now becoming part of Gigaclear's commercial programme; and some properties being removed from the existing contracts due to the high costs associated with delivering the full-fibre digital infrastructure.
20. The inclusion of additional premises as part of the commercial delivery programme resulted in the completion dates on the following contracts being extended:
  - Lot 2/3c: south Herefordshire and Gloucestershire (west of the River Severn) from March 2022 to December 2022;
  - Lot 3d: north Gloucestershire from June 2021 to April 2022; and
  - Lot 3e: south Gloucestershire from December 2021 to September 2022.
21. For those properties removed from these existing contracts they will transfer to BDUK's Project Gigabit. 1,187 premises located in the Forest of Dean are impacted by the decision and these would now be covered by a new Stage 6 of the Fastershire delivery programme.
22. The map provided below outlines how these decisions impact Gloucestershire.

**Broadband delivery across Gloucestershire  
January 2022**

**Areas completed**

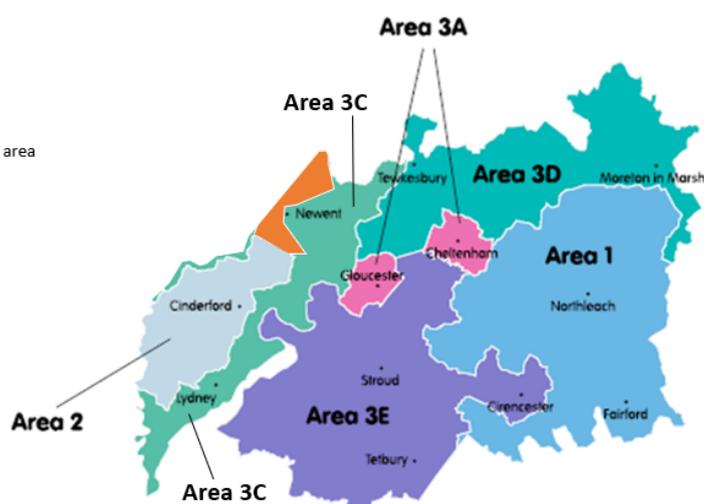
Area 1 – The Cotswolds – Gigaclear completed area  
Area 3A – Cheltenham & Gloucester – Openreach contract area

**Areas where Gigaclear delivery is now delayed**

Area 2 – The Forest of Dean  
Area 3C – West of Severn  
Area 3D – North Gloucestershire  
Area 3E – South Gloucestershire

**Area now covered by Project Gigabit**

Part of Area 3c – West of Severn



**Stage 5 of the Fastershire Delivery Programme**

23. In December 2019 GCC approved the formation of Stage 5 Community Grant scheme of the Fastershire Delivery Programme. This is intended to support

those areas where the market has failed to deliver broadband infrastructure supporting, at minimum, Superfast broadband connectivity.

24. It encourages communities not covered by existing roll out plans/contracts to collectively approach suppliers using a Dynamic Purchasing System (DPS). The awarding of grants to support communities is determined on a cost per premise basis. If the individual grant value is less than £5k, the grants will be approved. If it cost per premise exceeds this value, the total number of non-participating 'still to do' premises covered incidentally by the project will be accounted for and considered within the grant determining process.
25. To date, the Fastershire Community Grant has secured 11 broadband contracts through the DPS with three broadband providers - Airband, Gigaclear and Full Fibre across the two counties. Seven of these are in Gloucestershire (including Bentham, Churcham, Northwick Park and Draycott, Cinderford and Witcombe), totalling 387 beneficiaries. There are also currently a further four grant awards being progressed.
26. As part of the decision taken by Cabinet Member for Economy, Education and Skills agreed in December 2021 regarding the changes to the Stage 3 contracts, there was a commitment to review how the Community Grant scheme operates in Gloucestershire. This review is due to conclude this Spring and will consider if any short-term support can be provided for those properties in the Forest of Dean impacted by the decision to transfer them to BDUK's Project Gigabit.

### **Next Steps**

27. In addition to the conclusion of the Fastershire Community Grant scheme review this Spring, the existing Fastershire partnership agreement between Gloucestershire County Council and Herefordshire Council will need to be reviewed.
28. As the Fastershire Project nears its conclusion it is important to ensure that the project definition outlined in the partnership agreement remains fit for purpose. This work will progress over the coming months, and it is likely it will need to be reviewed on annual basis and informed by an updated Fastershire Strategy, with the existing one due to expire later this year.