SURREY
COUNTY COUNCIL

Council Overview & Scrutiny Committee
23 April 2015

Superfast Surrey Broadband Programme Update

Purpose of the report: Scrutiny of Performance

The purpose of this report is to provide the committee with an update on the rollout, remaining issues and next steps relating to the Superfast Surrey Broadband Programme.

Introduction

In 2012 Surrey County Council (SCC) signed a contract with BT to deliver fibre broadband infrastructure to 84,112 homes and business throughout the county that were excluded from commercial broadband rollout plans. The contract requires Openreach, acting as BT's delivery agent, to deploy fibre broadband coverage to 98.6% of the premises within the identified Intervention Area (IA). Of those premises covered, 93.9% must achieve a minimum download speed of 15 Mbps. The contract is divided into a series of quarterly milestones and recognises that there are a number of premises that are particularly challenging or difficult to reach and that may take longer to plan and deliver than those in the main deployment.

BDUK and BT Group now believe that the County of Surrey is the best connected county in Great Britain.

Contractual Targets and Current Performance

The number of premises within the intervention area (84,112) was defined in 2012 using data provided by SCC, together with responses relating to existing and proposed coverage provided by commercial infrastructure providers. During the life of the programme, the understanding of these data sets has matured, with a recognition that some premises, initially believed to be excluded from the commercial deployments, were in fact already connected to the fibre network. The overall impact of these changes has been a reduction in the contractual target to 82,487 premises.

However, it also became apparent that, within the IA postcodes, the number of premises had increased. These increases have been as a result of new properties being constructed, as well as the identification of instances in the original data of multiple occupancy premises being represented as single dwellings. As a result, the total number of premises that will be connected to the fibre network as part of the Superfast Surrey Programme will be more than the original target, it will have increased to approximately 86,000 premises. The objective of the programme has always been to cover all of the premises within the IA postcodes to the fibre network, with the minimum achievement being delivery of the contractual targets.

The Superfast Surrey Programme completed the main deployment phase on 31 December 2014, covering 81,759 premises and by 31 March 2015 this number had increased to 84,000 premises. This figure will be confirmed once the contractual documentation in April 2015 has been received and verified.

2015/2016

During the first quarter of 2015/16 work will continue to complete the connection of as many of the remaining premises as possible Of these remaining approximately 2000 premises,1,368 are particularly challenging and have been the subject of a bespoke planning review. Table 1 below indicates the current status of this work:

Status	Description	No of premises
Green	Connection solution identified	789
Amber	Still under review	533
Red	No viable connection	46

Table 1

Coverage

The current status of this review shows that the Superfast Surrey Programme will deliver fibre coverage to a minimum of 99.3% of the updated IA contractual target (see Annex A), exceeding the 98.6% target. The table at Annex A shows the percentage of IA premises and the number of cabinets connected to the fibre network in each Borough or District. It should be noted that these percentages are likely to improve as solutions are identified for some of those still under review.

Speeds

The Superfast Surrey Programme not only monitors performance against fibre broadband coverage but also the speeds that are being achieved. The programme is on track to achieve the contractual speed target of 93.9% of premises within the IA obtaining download speeds of 15Mbps or above, although the final level of achievement cannot be calculated until the conclusion of all delivery. Annex B shows the percentage of IA premises in each District or Borough able to access fibre services and

connection speeds of 15Mbps or above. Note that these results are based on the main deployment phase only (up to end of Q3 2014/15).

Take-up of Broadband Services within the Intervention Area

The Superfast Surrey programme has undertaken a proactive demand stimulation campaign utilising e-mails, social media, presentations, direct mail and a website. At the end of March 2015, this campaign has resulted in 27% of premises that have been connected as part of the programme taking up a fibre based service. This is amongst the highest take up figures in the UK. When comparative figures were last published by BDUK in December 2014 that was based on data obtained between September and November 2014, take-up in the Superfast Surrey IA was at 19% and the average take-up for the other 38 listed BDUK contracts was around 8%.

Take-up is important because the Superfast Surrey contract includes a clawback mechanism. This is a requirement of the EC Broadband guidelines to ensure that a successful supplier is not over compensated. Claw-back allows money to be returned and reinvested into adding further coverage once a certain percentage of take-up has been achieved.

Surrey Premises on slow speeds or not connected to the network

IA Premises achieving download speeds below 15Mbps

The contract recognises that, although covered by the fibre network, up to 6.1% of the premises within the IA may not be able to access speeds of 15Mbps or more equating to approximately 5,000 premises. The principle reason for these slower speeds is the length of the telephone line between the cabinet and the property and due to the distribution of Openreach cabinets, this issue is generally more prevalent in the more rural areas of the county.

IA Premises not connected to the fibre network

At the outset of the Superfast Surrey programme in 2012, it was estimated that there were approximately 1,200 premises for which Openreach had not been able to identify a fibre solution. This was reflected in the fibre coverage target of 98.6%. Detailed analysis of the IA as the deployment has progressed revealed the challenge in identifying these individual properties and the difficulty of finding solutions. As Table 1 indicates, solutions have been found for 789 of these premises. The maximum number of IA premises that will not be covered by the fibre network at the conclusion of the current deployment is 579. Of these, 46 premises have no viable solution and 533 are still under review with work continuing to resolve as many of these as possible.

BT Commercial Programme

Surrey County Council has no oversight of BT's commercial fibre broadband deployment. However, throughout the past two years, residents and businesses within BT's commercial deployment area have provided feedback to Surrey County Council relating to broadband connection and speed issues. This has highlighted two issues: a number of cabinets are no longer being upgraded; and the prevalence of premises with slow speeds due to long telephone lines. Due to state aid funding regulations, the Superfast Surrey Programme is not permitted to address these issues because the do not fall within the exising IA. Surrey County Council has no reliable data to understand the extent of the issues identified.

Future of Programme

Identification of Options

In December 2014, the Superfast Surrey Programme Team were tasked by the Portfolio Lead, the Deputy Leader and the Assistant Chief Executive with the completion of the programme and with the identification of options for the use of any remaining funds to either focus on the existing IA or to broaden the scope of the programme.

In producing the recommendations, the Superfast Surrey team considered that:
- Any decision on the use of funding should be taken using the best available information on coverage and speed.
- Any decision taken should reflect value for money
- Any decision needs to be consistent and as fair as possible to businesses and residents in Surrey.

These principles were applied to the following three options:

1. Spend all of any remaining original programme funds on improving speeds for premises within the original IA that are unable to access fibre download speeds of 15mbps or above
2. Spend some of the remaining programme funds immediately (pre new OMR) on improving the percentage of premises achieving 15mbps within the original IA beyond the contractual minimum and all or some of the remaining funds and clawback on addressing connection and/or speeds throughout Surrey (not restricted to existing IA)
3. Utilise all of the remaining original programme funds and clawback on addressing connection and/or speeds throughout Surrey (not restricted to existing IA).

The Portfolio Lead and the Assistant Chief Executive agreed that utilising the remaining funds and any clawback funding should be considered as the preferred option to address coverage and speeds across Surrey (Option 3).

Open Market Review (OMR)

In order to deliver Option 3, it will be necessary for SCC to obtain State Aid approval to further extend broadband coverage across the County following a process laid down by Broadband Delivery UK (BDUK). The first stage is to request current and future broadband coverage information from existing infrastructure providers in an Open Market Review (OMR). This is the only way to establish a clear understanding of the latest position regarding existing and planned fibre coverage throughout the county.

Once the broadband coverage and speed responses are analysed, a map will be produced and uploaded to the Superfast Surrey website as part of the public consultation process. This will be the opportunity for residents, businesses as well as any other infrastructure providers to contact the Superfast Surrey team by email to provide additional information that may further inform the understanding of broadband coverage across the County.

Following the public consultation phase, the Superfast Surrey team will then agree with BT Group, as part of the existing contract and within the constraints of available funding, how to target those areas identified as not having current or proposed broadband coverage or access to download speeds of 15 Mbps or above . The proposed deployment will need to be signed off by Broadband Delivery UK (BDUK) as being compliant with State Aid Funding regulations before any deployment can commence. The timeline is described in Next Steps.

Any deployment would be unlikely to take place before the end of 2015.

Recommendations:

1. Committee to note the status of the Superfast Surrey rollout.
2. Committee to note the requirements associated with obtaining State Aid Funding approval for extension of the Superfast Surrey Broadband Programme including the undertaking of an Open Market Review (OMR), clarification and analysis of submissions, public consultation, negotiation with BT Group for contract changes and BDUK State Aid sign-off.

Next steps:

1. April 2015 - The OMR will commence with a letter being sent to service providers asking for detailed information on their current and planned broadband rollout.
2. June / July 2015 – SCC will collate, clarify and analyse the responses, producing a postcode level map of broadband coverage across Surrey.
3. August 2015 – SCC will commence a public consultation period (minimum of one month) to gather any additional information relating to broadband coverage across Surrey.

4. September 2015 – SCC will commence negotiations with BT Group to agree a contract change to incorporate the newly defined Intervention Area and delivery targets for sign off by BDUK.

5. October 2015 - BT Group will commence planning of rollout to new IA.

Report contact: Graham Cook, Superfast Surrey Project Manager

Contact details: 020 8541 7621, graham.cook@surreycc.gov.uk

ANNEX A

Percentage of contractual THP covered by the fibre network by Borough and District at conclusion of the Superfast Surrey Programme.

DISTRICT	Intervention Area THPs	THP connected to fibre network at end of programme	Percentage delivery
Elmbridge	3686	3671	99.59%
Epsom and Ewell	1151	1109	96.35%
Guildford	13535	13494	99.70%
Mole Valley	7924	7857	99.15%
Reigate and Banstead	6650	6558	98.62%
Runnymede	5385	5355	99.44%
Spelthorne	2012	2003	99.55%
Surrey Heath	5377	5335	99.22%
Tandridge	20193	20087	99.48%
Waverley	14344	14228	99.19%
Woking	2189	2182	99.68%
No district info from GIS data	41	41	100.00%
Grand Total	**82487**	**81920**	**99.31%**

Number of Cabinets stood as part of the Superfast Surrey Programme

Borough / District	Cabs Stood
Elmbridge	28
Epsom and Ewell	11
Guildford	87
Mole Valley	50
Reigate and Banstead	45
Runnymede	39
Spelthorne	28
Surrey Heath	48
Tandridge	98
Waverley	76
Woking	33
Grand Total	543

Annex B

Percentage of IA Premises within the District or Borough able to access
fibre services or able to achieve 15 Mbps or above

District / Borough	% of premises with access to fibre based services (10Mbps or above)	% of premises with 15Mbps or above
Elmbridge	97.95%	96.19%
Epsom and Ewell	99.49%	99.49%
Guildford	96.16%	93.93%
Mole Valley	93.95%	90.55%
Reigate and Banstead	97.99%	97.03%
Runnymede	98.71%	97.73%
Spelthorne	99.86%	99.86%
Surrey Heath	95.61%	94.73%
Tandridge	93.85%	91.67%
Waverley	90.65%	88.45%
Woking	97.14%	96.62%