



Economic Prosperity, Environment and Highways Board
21st April 2016

Update on the Superfast Surrey Programme Public Consultation

Purpose of the report: To provide an update to the Board on the status of the Open Market Review (OMR) Public Consultation.

Introduction:

1. In 2012 Surrey County Council (SCC) signed a contract with BT to deliver fibre broadband infrastructure to premises in Surrey that were determined not to be benefitting from commercial rollouts. The programme is subject to State Aid regulations which prevents intervention into areas that are designated as being in a commercial footprint.
2. As a result of the Superfast Surrey programme, more than 86,000 premises in the Intervention Area have been covered by the fibre network and take-up of fibre broadband services is now above 36%. This is triggering claw-back and Surrey County Council has been advised by BT that it will receive an initial allocation of £3.8m which it intends to reinvest in further coverage as part of the current contract.
3. In April 2015, SCC embarked on an Open Market Review (OMR) to understand the broadband landscape of Surrey prior to any decisions being taken about further broadband deployment.
4. The OMR involves several stages: The first and second stages which involve SCC requesting current and future broadband coverage information from existing infrastructure providers and then sharing the methodology and outcomes of our analysis with Broadband Delivery UK (BDUK) have been completed.
5. SCC's analysis of the data provided by the service providers during the first stage of the OMR has shown that, while the vast majority of premises in Surrey can now obtain a Next Generation Access (NGA) compliant fibre service of 15mbps download speeds or more, there are still around 4% (approximately 20,000 premises) across all of Surrey that

are unable to access fibre broadband download speeds of 15Mbps or above. The principle reason for the slower speeds is the length of the telephone line between the upgraded cabinet and the property. There are also some existing telephone cabinets and other structures serving premises in Surrey that have not yet been upgraded to the fibre network due primarily to engineering complexity and/or associated high cost.

Open Market Review (OMR) Public Consultation

6. In accordance with guidance received from BDUK following their negotiations with the European Commission, SCC has worked closely with BDUK to finalise the documentation and data required for the OMR Public Consultation. This is to ensure that SCC is compliant with the changes to State Aid regulations relating to the reinvestment of Gainshare funding within the terms the current contract with BT.
7. The purpose of the Public Consultation will be to confirm the areas which do not have Next Generation Access (NGA) broadband infrastructure delivering at least 30Mbps, or where there are no plans to provide such infrastructure over the next three years. It will also identify those areas SCC is proposing to target i.e. only where no NGA infrastructure is available, or otherwise NGA infrastructure is available, but where speeds are less than 15Mbps.
8. To ensure that SCC is compliant with State Aid Regulations, SCC must ensure that the reinvestment of Gainshare funding using the existing contract with BT, is only targeted at areas that require public subsidy and does not disincentivise private investment in the provision of broadband infrastructure. To this end, SCC will be seeking evidence from service providers to justify changes to their commercial plans since 2012 where these areas have now been included within the proposed IA and will not be targeting areas where future plans have been announced.
9. The Public Consultation document that will be published on the Superfast Surrey website includes a list of all Surrey postcodes and their State Aid Coverage designation together with a map showing Next Generation Access (NGA) across Surrey. Service Providers, SCC Councillors, District/Borough Councillors, Parish/Town Councillors, residents, businesses and interested stakeholders will be emailed by the Superfast Surrey team and given the opportunity to provide feedback.
10. Subject to sign-off from BDUK, the Public Consultation will commence for one month shortly after the Easter break.
11. SCC will use information provided in response to this public consultation to finalise its proposals for the Intervention Area to BDUK's National Competence Centre (NCC) for clearance. SCC will then publish the Intervention Area on the Superfast Surrey website.
12. SCC will then request modelling of the Intervention Area by BT to determine the extent of further value for money deployment that can be funded through the existing contract. It should be noted that even if

premises do get included in the new Intervention Area, it will not be known if they can benefit from any further deployment until all these stages have been completed which is likely to be later this year.

Recommendations:

- a. For the Board to note the current status of the Superfast Surrey OMR Public Consultation.

Report contact: Graham Cook, Programme Manager, Superfast Surrey Programme

Contact details: GrahamC@superfastsurrey.org.uk

This page is intentionally left blank