

Open Report on behalf of James Drury, Executive Director - Commercial

Report to:	Environment & Economy Scrutiny Committee
Date:	14 July 2020
Subject:	Lincolnshire Broadband Programme

Summary:

To provide an update on the current status of the Lincolnshire Broadband Programme. To outline future plans and to provide details relating to the difficulties of deploying faster broadband to rural end users.

Actions Required:

Members of the Environmental and Economy Scrutiny Committee are invited to review the progress of the Lincolnshire broadband Programme and highlight any comments for future consideration in relation to rural broadband provision.

1. Background

The Lincolnshire Broadband Programme commenced in March 2013. The key objectives of the programme was to provide Superfast Broadband (defined as download speeds in excess of 24Mb/s) to 90% of all premises within the county and secondly, to ensure that all remaining premises had a download speed of at least 2Mb/s. The programme was jointly funded by Lincolnshire County Council (LCC), the seven District partners and BDUK (DCMS). Total funding at the start of the programme was £30M, with BT adding a further £10M Capital.

During the course of the first round of deployment, BDUK released further funding to LCC of £1.8M and this was matched by LCC with a further £1.8M. The objective of this second round of deployment was to push Superfast coverage across the county to 95%. At that point, LCC had agreed with BDUK that 93% coverage was the likely outcome given the scale of the programme which was the second largest in the UK.

The first deployment concluded in March 2016, having reached the 90% objective and with an under-spend of £14M which, under the terms of the contractual Grant Agreement with BDUK, had to be reinvested in further broadband coverage. At the end of Contract 1, a total of 152K premises had been upgraded by the programme.

LCC has added further funding from under-spend to Contract 2 which has extended it from the original deployment of 7.1K premises to a revised figure of 20.3K premises with an aspiration to hit 95% Superfast coverage by the end of July 2020.

At the time of writing this report, an additional 20.3K premises have been upgraded under contract 2 and this contract ended on 31st March 2020. Superfast coverage at 1st July is 94.5%

LCC has closed an Invitation to Tender for a third contract where total funding will be £111M and with an aspiration to get as close to 100% Superfast coverage as possible. Delays at BDUK have meant that we were unable to sign a contract in mid-April. It now looks as though this will happen in mid-July. LCC received only one bid for the contract and it is worth noting that BT did not bid. This aligns with their strategy across the rest of the UK where they have decided to focus more on commercial activities as they seek to bump up the numbers of full fibre enabled premises to hit their commercial targets. At this point, we expect Contract 3 to cover a further 8K premises with faster broadband utilising £3.5M, but it should be noted that we still have circa £7.5M to invest in improving coverage as we look to go to Tender in August 2020 to add to the existing Contract 3 bid.

BDUK are still considering how best to utilise £5 billion funding that has been allocated to improving rural broadband connectivity. The latest update we have is that BDUK will look to provide full fibre (FTTP) to the last 20% of the UK that isn't deemed to be commercially viable. This figure equates to some 5 million premises UK wide. In Lincolnshire, we estimate that our 20% will equate to 68.6K premises and if we were to realise the full projected BDUK funding of £1K per premises, we would be looking for £68.6M from this fund. There are doubts that this will happen as BDUK intend to breakdown the 5 million premises to 'lots' of 3,300 per 'Lot' in each county and then seek a provider to carry out the work. It is estimated that actual work on the ground will commence in late 2021 and this is likely to be phased across at least 5 years. We will be required to work with BDUK to manage all aspects of the deployment, similar to what we did with BT in previous contracts.

We are confident that with our available funding and a fair share of the additional Government funding we can get very close to the 100% coverage aspiration.

In April 2020, Openreach launched the Universal Service Obligation (USO) where everyone that currently has less than 2Mb/s broadband download speed can ask for an upgrade to a minimum of 10Mb/s. We still haven't seen the final details around how this will work, but I expect to see 4G Broadband being widely used as the delivery method in Lincolnshire. This in itself would not be a bad thing as overall 4G coverage will benefit accordingly. Good 4G coverage can easily provide in excess of 30Mb/s download speeds.

We are currently discussing potential full fibre broadband investment into the county by private investors. Discussions are at an early stage and are subject to Non-Disclosure Agreements at this sensitive stage.

2. Conclusion

Members of the Environment and Economy Scrutiny Committee are invited to review the progress of the Lincolnshire Broadband Programme and highlight any comments for further consideration in relation to rural broadband provision.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

Risks and Impact analysis has been continually updated and monitored since programme inception.

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Stephen Brookes, who can be contacted on 01522552450 or stephen.brookes@lincolnshire.gov.uk.

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