

TELFORD & WREKIN COUNCIL

CABINET – 31 MAY 2018

SUPERFAST TELFORD BROADBAND PROGRAMME

REPORT OF ASSISTANT DIRECTOR BUSINESS, DEVELOPMENT & EMPLOYMENT

LEAD CABINET MEMBER – CLLR H RHODES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1. Superfast Telford is the Councils £5.6m broadband programme which is positively transforming the way people live, work, learn, socialise and do business. It is a Council led partnership with British Telecom (BT) and is part of a national Government programme managed by Broadband Delivery UK (BDUK). JoJo Chidlow, a working mum of four, upgraded her family to the new technology as soon as it became available, she said:

“We do so much over the internet. With four children who all want to be online at the same time, being able to have superfast fibre broadband has made a huge difference to us all. Our download speeds are 30 times faster than we had before, and the connection is so much more reliable now.”

- 1.2. Following a three year programme Superfast Telford will have provided a new network of fibre broadband infrastructure for over 9,300 homes and businesses across the borough. This means 98% coverage of Telford & Wrekin for superfast speeds (24Mbps +). This is well above the national BDUK target of 95%. BT say:

“We are pleased with the outcome of the Superfast Telford programme - as with any major engineering programme this is a great achievement and the partnership has worked well throughout ...it's great that the majority of the borough's homes and businesses are now able to enjoy the benefits of superfast fibre broadband.”

- 1.3. Alongside delivering above and beyond the national superfast target, 99% of the borough will also be able to access fibre of at least 15Mbps+ once delivery is complete. This exceeds the Government's national Universal Service Obligation to provide 10Mbps+. The Councils investment in broadband and successful management of the programme positions Telford & Wrekin ahead of neighbouring authorities and supports Government ambitions to put the UK “at the forefront of the global technology revolution”. The Council's performance has also been recognised by BDUK who have said:

“BDUK commend the achievement of the Telford broadband team. The project team have maintained a high level of diligence holding the supplier to account to maximise coverage in the area and ensure value for money for the public purse.”

- 1.4. While Superfast Telford is one of the more recent BDUK contracts we have already achieved 37% take up, through marketing campaigns led by the Council. This puts the borough in the top 3 of the phase 2 contracts nationally. This will allow the Council to earn money back from the programme. If we continue with our strong marketing strategy and reach at least 40% take up, the projected return will be between £475k and £850k over the life of the contract (to 2024).

- 1.5. Superfast Telford is giving broadband access to homes and businesses that would not have benefitted through commercial provision and it reflects the Council’s ambition for digital infrastructure and economic growth that will benefit all our communities. The Programme has been a significant success; fitting for the year that we are celebrating Telford’s 50th anniversary and showcasing the creativity, innovation and ambition of Telford’s communities and businesses.

- 1.6. While the end of the BDUK programme is coming to a close, this is not the end of the Councils ambitions to provide broadband across the borough. The Council has already made additional investments and maximised external opportunities beyond the fibre network build to help close the gap. Superfast Telford is making a commitment to make a connection available, where feasible, to any remaining homes and business that want it with proposals being brought forward for the next part of the ‘Journey to 100%’ in autumn this year.

2. RECOMMENDATIONS

- 2.1 **That Cabinet notes the programme delivery outcomes and successes.**

- 2.2 **That Cabinet approves options for providing further broadband access to those not currently benefitting from a commercial provision or through existing publicly funded programmes.**

- 2.3 **That Cabinet delegate’s authority to the Assistant Director; Business, Development & Employment and Assistant Director, Finance & Human Resources in consultation with the Cabinet Member for Transport, Customer & Neighbourhood Services and Cabinet Member for Council Finance & Service Delivery to approve the final options and apportionment of funding.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<i>Protect and create jobs as a 'Business Supporting, Business Winning Council'</i>

	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	<i>Superfast Telford Programme key dates: End of current programme build: June 2018 Confirm further next phase proposals': Autumn 2018 Build contract end: March 2024</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The Broadband installation contract with BT, allows for a rebate to the authority which is dependent upon the level of broadband take up within the Borough. This was not included in the original business case. Current estimates anticipate a rebate of between £475k and £850k over the life of the contract (2024). A proportion of this rebate could be reinvested in the extension of Broadband services. Revised allocations will be made to the capital programme when the quantum and apportionment of rebates are determined DR 24/4/18
LEGAL ISSUES	Yes	There are no new legal implications. The procurement has been conducted in accordance with domestic and European procurement legislation and in accordance with the Council's Contract Procedure Rules. The Council will continue to utilise the Central Government Framework Agreement through a Call Off Contract and operate in accordance with Central Government processes and requirements. The Council will ensure Best Value to achieve optimum cost efficiencies and best fiscal outcomes. State Aid risks have been mitigated by Central Government having obtained the European Commission's prior approval to state resources funding broadband services. MG 80787
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	<i>Borough-wide impact</i>

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

- 4.1 In July 2014, Cabinet approved funding for Superfast Telford as part of the Broadband Delivery UK (BDUK) Phase 2 Superfast Extension Programme (SEP). This was part of the government's broadband delivery strategy, which aimed to provide superfast broadband (24Mbps+) to 95% of the UK by 2017.
- 4.2 Procurement using the BDUK contract framework was completed and contracts with BT Plc were signed in March 2015. The three phase programme was based on an intervention area which was identified following an Open Market Review. Postcodes across the borough were graded as follows for 3 years:-
 - white areas - no broadband infrastructure and none is likely to be developed in the near future
 - grey areas - one network operator is or will be present and another network is unlikely to be developed
 - black areas - where there are, or there will be in the near future, at least two network operators
- 4.3 This was to ensure compliance with State Aid Rules for public funding which are in place to prevent intervention where there is an existing commercial presence. Only properties in the white category were therefore eligible to benefit from Superfast Telford which at the time was around 10,200 properties in the borough.
- 4.4 In line with BDUK requirements, the Superfast Telford programme was modelled on a value for money approach to ensure that as many as possible benefitted from the available funding.

What Superfast Telford has achieved - Coverage

- 4.5 The programme has successfully filled the gap left by commercial operators in those areas where it wasn't economically viable to provide fibre broadband. Across the borough by the end of the programme superfast (24Mbps+) coverage of at least 98% will be achieved. This is above the national target of 95% and exceeds coverage in neighbouring areas like Shropshire which currently stands at around 83.4% and Staffordshire which is at 94.7%
- 4.6 The Councils investment has however gone further and increased the total fibre coverage figure to over 99%. Of this, indicators show that the majority will be able to access a fibre connection of at least 15Mbps. This is above the Government's commitment to provide everyone with at least 10Mbps through the Universal Service Obligation. Data currently shows that only 0.79% of the borough are still receiving less than 10Mbps.

- 4.7 Significantly, coverage figures have also been checked against the most recent data available and it is anticipated that we will still hit these high percentages when taking the growth of the borough into consideration.
- 4.8 In terms of maintaining coverage levels as the Borough grows, nationally improvements have been made to ensure all new homes have the infrastructure in place, particularly since the Home Builders Federation entered into a partnership with network operators like BT and Virgin Media to better facilitate the roll out of fibre broadband. At a local level the Council continues to work with developers and providers to ensure that all new homes have a fibre broadband service. This is reinforced through the current local plan where there are more robust requirements for developers to ensure new homes have access. According to a recent survey by Rightmove more than two thirds of people check the available broadband speed before moving home.
- 4.9 In achieving these levels of delivery the programme has tackled a number of difficult structure builds and by the end of June will also achieved additional build beyond that anticipated at the outset. The table below summaries the anticipated number of premises that will have received Superfast through the programme:-

Original Superfast (24Mbps+) Target	8822
Revised Target	8679
Further Build	8936
Additional premises on original target	114

Why Superfast Telford – Broadband benefits

4.10 The Council invested in Superfast Telford to help transform the way people live, work, learn, socialise and do business. The following five reasons highlight the benefits of Superfast Broadband for our homes and businesses:-

- **A more harmonious and happy home or business** - use multiple devices to access the internet simultaneously including smart TVs, mobiles, iPads, tablets, Kindles, desktop PCs and game consoles.
- **Enjoy a better work-life balance** - work from home more easily thanks to faster download and upload speeds. Access central systems and connect with customers and colleagues from all over the world.
- **Get through your list of things to do quicker** - enjoy faster web-browsing whether you are at home or at work, online shopping, paying your council tax or catching up with colleagues.

- **Be entertained** - stream content from film, music and TV streaming sites at your leisure and play video games that need an internet connection.
- **Learn something new** - whether training at work or learning at home, better speeds count.

4.11 The investment in infrastructure also supports the Councils Channel Shift objectives which recognise the need to provide our residents and businesses with access to online services. This provides more convenience and a more personalised experience which reflects how people live in a more digitally reliant way. Switching to digital technologies also gives the Council the opportunity to re-shape service delivery and reduce cost at a time of financial constraints.

4.12 The programme directly contributes to the Council's commitment to being 'business supporting, business winning'. By having the infrastructure in place we can offer new and existing businesses a connected business environment that will enable start-ups to thrive, existing businesses to grow and new investors to be attracted into the borough.

4.13 Having access to digital technology is particularly important for our smaller businesses, which can use faster online access to maximise productivity, profit and growth. Across the UK 95% of our smaller businesses use email, 74% have a business websites and 36% use these for sales. It's recognised that the positive benefits of technology include improved communications with existing customers, targeting new ones, innovation within the business and more efficient back office operations¹. Other evidence suggests that tech savvy SMEs grow faster, export more and employ more people² which is exactly the environment a 'business supporting, business winning' Council wants to create.

4.14 During the delivery of the programme we have seen some impressive case studies, which capture the benefits of Superfast. Some of these can be seen at Appendix 1 and include similar stories to Lee Vidor who works from home, he said:-

"I can schedule virtual meetings from home and not worry when everyone else in the house or is getting home from school etc. To be able to carry on working in the office and not notice the difference because the speed is available is great."

4.15 The most recent Superfast Telford survey found that of those who are now live, 78% have already upgraded and 82% of respondents would recommend fibre broadband to their friends and family. The three main benefits people are experiencing since upgrading are:-

¹ *The Digital Imperative, Federation of Small Businesses and Intellect (now techUK), May 2013*

² *Internet matters: The Net's sweeping impact on growth, jobs, and prosperity, McKinsey Global Institute (2011)*

- Increased speeds (78%)
- Benefit of using multiple devices (44%)
- Streaming video and downloads more easily (44%)

Superfast Telford Marketing – Boosting broadband take up

4.16 Effective marketing and communications to encourage broadband take up have been a great success for Superfast Telford. This is important as one of the key components of the BT contract is the ability for the Council to receive re-investment money back through take up of more than 20% on the infrastructure delivered as part of the programme.

4.17 Take up has now reached 37% which puts Telford & Wrekin in the top 3 of the phase 2 contracts across the UK. If we maintain this and achieve between 30% and 40% the range of re-investment would be between £475k and £850k over the life of the contract (2024).³ The first payment is anticipated to be received in early 2019 and is estimated at around £100k. The remaining amounts will then be received every 2 years after that, which would be a further 4 payments until the end of the contract.

4.18 The Superfast Telford marketing and communications strategy focused initially on promoting the programme and informing those due to benefit about the timescales for roll-out. This was important during the first half of the programme when delivery was in the early stages. The focus then changed to targeting residents and businesses in areas where delivery had been completed in order to generate take up which is now the on-going focus of marketing activity. At the heart of this is the following approach:-

1. Get people to register online so they can be contacted directly when broadband is available and ready to order.
2. Ensure people know they have to take action and upgrading doesn't happen automatically once structures are live.

4.19 The website www.superfast-telford.co.uk has been the main source of information during the programme. This has been supported with press and PR, e-marketing, social media and direct mail. The website is currently being developed to better reflect the programme as it comes to the end of the build delivery phase. Messaging will be streamlined with a focus on benefits and case studies and it will also provide more information on what is available for those not currently served by the programme or commercially. Our recent survey results reinforce that this approach has worked and we will continue to stimulate demand for broadband on the infrastructure Superfast Telford has invested in.

³ Figures are based on current take up trends using an indicative model

4.20 See Appendix 2 for examples of marketing material used.

Going Forward - Better broadband for those that want it

4.21 Our ambition to create a digitally connected Borough doesn't end here and the Council remains committed to providing good quality broadband that meets the needs of our residents and businesses. Based on the current data available, which takes the Borough's growth into account, it is estimated that following programme completion between 1.5% and 1.8% of premises across Telford & Wrekin will have broadband speeds of less than 24Mbps. (This figure is reliant on commercial operators achieving what they set out when the Superfast Telford programme was procured).

4.22 The Council has already invested and supported a number of additional initiatives which are set to close this gap and they include the following:-

ERDF (via DCLG) Business Broadband Grant Scheme

- Grants up to £25,000 for business grade connection
- Delivered by December 2019
- Total fund available for eligible SME businesses in Telford & Wrekin is £235k

National Better Broadband Scheme

- £350 subsidy for those that are receiving less than 2Mbps+
- Available up to December 2018

EAFRD (via DEFRA) Marches & Gloucestershire Viable Clusters Broadband Project

- £215,000 fully funded grant for Telford & Wrekin
- To cover three eligible community clusters
- Delivered by June 2020

4.23 The Council also plans to take advantage of the recently announced **National Gigabit Voucher Scheme** for those that are eligible. The subsidy for small businesses and the local communities surrounding them is for a contribution to the installation cost of a gigabit capable connection. The commitment from government that by 2020 all premises with speeds below 10Mbps will be able to request a speed upgrade as part of the **Universal Service Obligation** will also form part of what will be available going forward.

4.24 The next stage, following completion of the superfast programme in June, is a further open market review to understand the geography and nature of the 'gap' and design of the 'Journey to 100%' phase. Details of this will be announced in the autumn.

Finance

- 4.25 The original investment amount for the Council in the programme was £2m, however the Council successfully bid for funding through the Marches Local Enterprise Partnership Growth Deal Fund, resulting in the Council investment being reduced to £839k. See table below for funding breakdown:-

Funding Source	Amount
TWC	£839,000.00
LEP	£1,004,000.00
BDUK	£2,157,000.00
BT	£1,600,000.00
TOTAL	£5,600,000.00

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

N/A

6. PREVIOUS MINUTES

Cabinet meeting held on 21 July 2016: Minute number CB-018

Cabinet meeting held on 19 March 2015: Minute number CB-111

Cabinet meeting held on 24 July 2014: Minute number CB-23

7. BACKGROUND PAPERS

NONE

Report prepared by Claire Critchell, Growth Hub & Broadband Manager, Telephone: 01952 567557

How people are benefiting

Superfast Telford has already brought superfast fibre broadband to more than 2,000 premises across the borough.

Here's what people are saying about how this has changed the way they live and work.

Emma and Edward Thomas from the village of Waters Upton upgraded to fibre broadband as soon as it became available earlier in the year.

Emma said: "We need the high speed broadband in order for us both to be online at the same time and using a number of different devices. It has made a huge difference to us. It means we can live in the countryside but be as connected as if we were in the city."

And it's not just work that has been transformed. Emma explains: "Now we do everything online. That includes banking and shopping. Having a baby, that makes things a million times easier. We use iPlayer a lot for downloading and catching up with TV. But the new service is also fast enough to stream live content as it happens rather than having to download overnight and we also listen to music live over the internet. I have even started to use the Baby Sensory site with Arabella!"



Jenny Gunning, manager of the family run business Ironbridge Fine Arts & Framing commented:

"In order to be able to reproduce images to the highest resolution and make them fine art print quality our customers have to send us massive files. Upgrading to high-speed fibre broadband will give a huge boost to our business making it easier to exchange these huge files via email so we don't have to rely on memory sticks or dropbox. Being able to download documents and upload images and files to the internet much more quickly will enable us to process so many more orders and grow our business."



Paul Gossage, director of engagement for Ironbridge Gorge Museum Trust also welcomed the news:

"We have already seen the benefits that high speed broadband can bring to the museums. Some of our sites are already connected and we are now looking forward to the majority of the Gorge being upgraded. It will make a huge difference to many of our locations, including the Museum of the Gorge in central Ironbridge, where we hope to install a new electronic point of sale (EPOS) system which will make both our ticketing and retail operations more efficient and help deliver even better customer service for the thousands of visitors we get each year."



Alex Nicoll, chairman of the Ironbridge Business Consortium, which represents 50 businesses in the Ironbridge Gorge area and director of the White Hart Inn in Ironbridge, welcomed the arrival of superfast fibre broadband, saying:

"Whether visitors come to Ironbridge just for the day or for a longer stay in a hotel or B&B, one of the first things they like to do is to access the internet. It is key to people's visitor experience so more availability of Wi-Fi in hotels, pubs, cafes and restaurants will be very welcome. It's great news that Ironbridge has entered the 21st century."



APPENDIX 2 – Marketing Material

Website:



E-marketing

Fibre broadband is available in your area - what do you think?

You should be aware that fibre broadband is now available in your area. [Check if your premises can benefit by simply entering your postcode or landing.](#)

If it's good news and you can now access fibre broadband **remember it doesn't happen automatically** you'll need to follow the [3 simple steps on our website](#) to see the benefits.



Take our survey

Tell us what you think

Now that fibre broadband is available in your area, [we'd love to hear what you think](#) about the new faster broadband speeds - or if you haven't yet upgrade what's stopping you?

All responses are anonymous and the feedback we receive will help us to understand the impact of the Superfast Telford programme.

Superfast Broadband has arrived in your neighbourhood.

Check your premises now to see if you can benefit

Simply enter your postcode or landing [here](#)

NEXT STEPS

If you are eligible access to fibre broadband doesn't happen automatically so follow these **three simple steps**.

1 Choose the best internet provider for you

Take a look on our website at [some price comparison sites](#) to find the best deal for you

2 Sign up

3 Get connected and enjoy the benefits of superfast broadband

If you are one of the few premises that is too far from an



Newsletter:

Superfast Telford

news spring 17



Demand for superfast broadband doubles in six months

1 in 5 households already choosing to upgrade to fibre broadband.

Twice as many people are reaping the benefits of the Superfast Telford roll-out of fibre broadband compared with just six months ago.

The percentage of households and businesses choosing an upgrade has jumped from 10% to more than 20% since September – and the number is continuing to grow.

Upgrade to superfast fibre broadband is not automatic for those benefiting from the £5.9m investment that is being made by Telford & Wrekin Council, Broadband Delivery UK (BDU) and delivery partners BT. Once fibre broadband is available, households and businesses must sign up with an Internet Service Provider to benefit from faster speeds.

Take up of broadband nationally is 20%, so we expect the on-fibre infrastructure we have invested in, we will facilitate contracts from the contract with BT which can then be reviewed in the programme.

Currently Superfast Telford is set to deliver fibre broadband that, along with commercial delivery, will result in 90% of the borough being covered. With the take-up contract and other funding streams, we hope to find a solution for as much of the remaining 10% as possible and deliver 100% fibre broadband coverage in Telford and Wrekin by 2020.

More than 3,000 premises across the borough are now able to access superfast fibre broadband as a result of Superfast Telford. Lignwood, Tibberton, Sitchay, Aqueduct and Laxey are some of the most recent areas of the borough to benefit.

Check out the map in this newsletter to see if you are fibre.

It's been around 12 months since engineers from Openreach – BT's local network business – started to connect the first households and businesses to the Superfast Telford network.



By the end of the year, around 6,000 households and businesses will have access to fibre broadband. As the Openreach network is open to all communications providers, local people looking for an upgrade are able to order fibre broadband with download speeds of up to 10Mbps and uploads of up to 20Mbps from a wide range of service providers.

All the latest information on the programme can be found on the partnership's website – www.superfast-telford.co.uk – including a map summarised by postcode where people can sign up to receive the latest updates.

Keep up to date and follow us on [f /superfastTF](https://www.facebook.com/superfastTF) [@superfastTF](https://www.instagram.com/superfastTF)



Direct Mail



Recipient address here

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High speed fibre broadband

We are writing to you following work undertaken by Superfast Telford to provide high speed fibre broadband to homes and businesses across the borough. Your property is in an area that now benefits from the investment.

Not every household or business will be able to receive superfast speeds (more than 24 megabits per second) but it is likely that you can now get improved broadband speeds which could make a noticeable difference to your online experience.

At home, faster broadband will make it easier to download videos and watch catch-up TV, update Facebook or upload files to email. For business you can use a web or social media presence more easily and/or potentially take advantage of online services and solutions that will support development and growth.

What you need to do next

You won't be connected to fibre broadband automatically, so check if your property can benefit and then select the best Internet Service Provider (ISP) for you.

All the links and information needed can be found on the following web page so visit it now to find out more:



www.superfast-telford.co.uk/whatnext

Superfast Telford is a £5.6M partnership between Telford & Wrekin Council, Broadband Delivery UK (BDUK) and BT



 Funded by
UK Government

