
Superfast Berkshire Phase 3

Committee considering report:	Executive on 28 July 2016
Portfolio Member:	Councillor Dominic Boeck
Date Portfolio Member agreed report:	7 July 2016
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Forward Plan Ref:	EX3159

1. Purpose of the Report

- 1.1 To outline the progress made by the Superfast Berkshire project and to make a recommendation for a new phase of the project (Intervention Phase 3).
- 1.2 This report is based upon recommendations previously endorsed by the Superfast Berkshire Project Board (03/05/2016 and 25/05/2016), Berkshire Chief Executives Group (12/05/2016), Berkshire Leaders (23/05/2016), Thames Valley Berkshire LEP Forum (20/05/2016) and the LEP Executive (12/04/2016).

2. Recommendations

- 2.1 The recommendations to Executive are as follows

- (1) That the circa £2.5m of underspend and gainshare funding from intervention phase 1 of the Superfast Berkshire project and the unspent phase 2 funds from Reading and Wokingham (including LEP contribution) be invested into a procurement for a Superfast Berkshire Phase 3.

The objective of this new phase is to get all Berkshire unitary districts to as close to 100% superfast broadband coverage as possible by the end of 2018. At the very least we should assist all districts in getting to 97% superfast broadband coverage.

- (2) That West Berkshire Council continues to act as the lead authority, for this successful project, both for this new procurement and for overseeing delivery of the existing and new phases of the project.
- (3) That we continue using the governance arrangements, which were set up for phase 1 of the project. (Subject to the proposed updates to the Collaboration Agreement being completed).
- (4) That project resource costs be divided equally across all 7 project participants.

3. Implications

- 3.1 **Financial** Phase 3 of the project will reinvest under spend from phase 1 of the project and gainshare from the higher than expected take-up of broadband by consumers. This will total around £2.5m. A further investment of around £1m will be made by Reading and Wokingham using unspent funds from phase 2 of the project.
- The project is to be underwritten by a Growing Places Fund loan of up to £1.8m from the Thames Valley Berkshire LEP, which will allow the project to be funded until BT releases gainshare and project underspend in 2023.
- 3.2 **Policy** None
- 3.3 **Personnel** The project is managed by a contracted Project Manager, Colin Batchelor and Project Administrator, Sarah Moxon.
- Specialist assurance, financial, legal and technical resources drawn from the Berkshire local authorities (mainly West Berkshire) are also used to support the project.
- 3.4 **Legal** Governance for the project, which has been running since 2011, is well established and effective. A collaboration agreement exists between the 6 Berkshire unitaries and the LEP.
- Legal support and advice is provided by the West Berkshire Legal team and by experts from Broadband Delivery UK (BDUK).
- The project is bound by EU procurement and State Aid rules and by processes and procedures developed by BDUK.
- 3.5 **Risk Management** Risk is managed using the West Berkshire Council risk management methodology.
- The Berkshire Councils Broadband Collaboration Agreement defines liabilities, immunity and indemnity for the project
- 3.6 **Property** None
- 3.7 **Other** None

4. Other options considered

- 4.1 To accept an “Accelerated Gainshare” offer from BT whereby the £2.5m project underspend and gainshare is reinvested with BT under project change control. The Superfast Berkshire Project Board believes that procuring phase 3 in the open market will provide better technical solutions and better value-for-money than accepting BT’s offer (Of course BT is free to bid competitively for this work).
- 4.2 That West Berkshire Council hand over responsibility to another Berkshire authority after completion of phase 2 of the project since it does not benefit directly in terms of increased broadband coverage from phase 3.

However this project is an excellent example of how the 6 Berkshire authorities can work together and it is considered that West Berkshire Council should continue to use the knowledge and expertise it has built up to lead this project to its conclusion. The collaborative working and the infrastructure improvements brought by this project will continue to bring benefit to all project participants.

5. Executive Summary

- 5.1 Superfast Berkshire is a pan-Berkshire project, which began in 2011, led by West Berkshire. It involves all 6 Berkshire Unitary Councils and the Thames Valley Berkshire Local Enterprise Partnership (LEP) who have collectively with Broadband Delivery UK (BDUK) invested around £10m of public subsidy into improving Berkshire's superfast broadband coverage in areas deemed commercially non viable during the broadband market provision (Phase 0)
- 5.2 So far there have been 2 intervention phases to the project which will have, by the end of 2017, helped deliver superfast broadband to 33,027 additional premises in Berkshire.
- 5.3 There is around £3.5m funding available to invest in a new phase of the project (Phase 3) to further increase Berkshire's superfast broadband coverage to between 97% and 100%. This funding comprises;
- Phase 1 gainshare: £816k (and likely to increase)
 - Phase 1 project underspend: £1m+
 - Phase 1 unused basic broadband funding: £623k+
 - Unspent Phase 2 funding from Reading: £383k
 - Unspent Phase 2 funding from Wokingham: £615k

6. Conclusion

- 6.1 Under the leadership of West Berkshire Council the Superfast Berkshire project has been very successful. By the end of 2017, it will have helped deliver superfast broadband to 33,027 additional premises in Berkshire taking superfast broadband coverage from 87.0% to 95.6%.
- 6.2 The frequent enquiries from those individuals and communities that still do not have access to superfast broadband proves that access to good broadband are seen as a key element of modern life.
- 6.3 The project underspend and gainshare funding gives us the opportunity to fill in the remaining gaps in Berkshire's superfast broadband coverage.

7. Appendices

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Equality Impact Assessment – Stage One
- 7.3 Appendix C1 – Superfast Berkshire Phase 3 Procurement Lots (Rural)
- 7.4 Appendix C2 – Superfast Berkshire Phase 3 Procurement Lots (Urban)
- 7.5 Appendix D – Superfast Berkshire Phase 3 Procurement Activities