



Decision Ref. No.

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BDUK/1.1.7.... No Ref No

DECISION RECORD ¹

Urgent Decision

Subject:

To put in place a contract change with BT to deliver additional superfast premises across Hertfordshire – as proposed in the 2017/18 Integrated plan. The contract change to be known as extension to Phase 2 (formally known as the "Superfast Broadband Extension Programme or SEP).

Staff Contact: Owen Mapley

Executive Member: David Williams

Tel: 25601

Portfolio: *Enterprise Education and Skills*

1. Decision

To deliver access to fibre Superfast broadband in Hertfordshire for the maximum number of properties possible at the best Value for Money (VfM) per premise by extending Contract 2 with BT through change control. The works will extend fibre broadband coverage to 5,194 additional premises in Hertfordshire (4,205 of which will be at superfast speed).

2. Reasons for the decision

- offers a cost effective means of increasing NGA superfast coverage as evaluated alongside BDUK in Central Government
- provides additional coverage utilising most of the available sum for investment - improving broadband in some of our remaining most poorly-served communities
- carries the least risk in terms of a successful delivery of contracted outcomes, within budget
- meets both procurement and state aid requirements
- provides availability and choice of national-level Internet Service Providers.
- Takes into consideration current level of inactivity of smaller providers in the county.

3. Alternative options considered and rejected ²

The Connected Counties Programme Team have used national BDUK Value-for-Money (VfM) guidance on the use of Additional Funding (including Advance Gainshare) when assessing alternative delivery routes on how best to extend the rollout of Phase 2 (formally known as the Superfast Extension Programme - SEP) via Contract 2 with available additional funding.

The overall findings were:

- **Very competitive bid** (dominated by Gainshare) compared to other BDUK bids nationally.
- **Cost per premise is low**, at £348 from public subsidy alone. BDUK highlighted the position as very positive in terms of VfM with funding per superfast premises at £435
- **Take-up modelling at 50%** means the money HCC get back to invest is two thirds more than was originally contracted
- **Bid assumptions** – BT's bid for Connected Counties was checked to ensure that its OJEU/Commercial assumptions were consistent when compared with other bids from BT (BDUK and commercial)
- **Speed** – the change represents significant uplift
- **Technology** - significant move in technology from FTTC (Fibre to the Cabinet) to FTTP (Fibre to the Premise) in the balance of technologies to be used in these works.
- **Delivery** - Relatively slow time to deliver projected. Other projects will finish before this project so the Programme may, at that stage, pick up BT delivery capacity. Estimated at 130 premises a week/2 cabs

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Options considered – alternative providers via procurement

(Based on recent evidence of the whole range of alternative network supplier market in Hertfordshire provided via a State Aid Public Consultation for use of advance gainshare)

We note the current level of inactivity of smaller providers in the county.

NGA providers currently active in Hertfordshire are Openreach, Virgin Media and GigaClear.

- GigaClear has recently proposed a withdrawal from activity.
- Virgin Media has confirmed that properties within the Intervention Area are very unlikely to benefit from Project Lightning. To date, Virgin Media has expressed no interest in bidding for projects under either the 2012 National Broadband Scheme, or the 2016 National Broadband Scheme.

Rejected other options/alternative providers for the following practical and timing challenges

- Competition is not certain; open procurement would therefore carry some risk and additional costs.
- Alternative providers, interested in building new infrastructure in an area, have other bidding opportunities and limited capacity and may not prioritise Hertfordshire.
- A new procurement would require considerable additional resources, both financial and personnel, within Connected Counties to complete which would considerably impact on overall value for money.

4. Consultation

(a) Comments of Executive Member^{3 4}

David Williams was supportive of the "change control" approach to extending the Superfast Extension Programme and was therefore happy to support the recommendation to move forward with the BT proposals as modelled.

(b) Comments of other consultees⁵

Our Buckinghamshire partners in this programme were consulted fully during the process and have provided Hertfordshire County Council with written permission to proceed.

5. Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.

Signed: ...

Title: ... **Resources**

Date: 27-4-17

6. Copies of agreed document to:

- All consultees
- Chairman, and Vice-Chairmen of the Overview and Scrutiny Committee
- hard & electronic copy (for public inspection both at County Hall and on Hertsdirect) Michelle DiProse, Democratic Services - Room 213 County Hall.

DECISION RECORD

¹ for guidance see Chief Legal Officer's note "Taking Decisions"

² details of any alternative options considered and rejected by the officer at the time the decision was made

³ record any conflict of interest declared by any Executive Member consulted. If an Executive Member declares a conflict of interest DO NOT PROCEED without seeking advice from the Chief Legal Officer

⁴ If the matter has general significance for the Council and/or is, or is likely to be, controversial, then the officer shall consult the appropriate Executive Member before proceeding. In some cases it will be necessary to consult more than one Executive Member, and in some cases the Leader of the Council will need to be consulted

⁵ If the matter has local significance, but no general significance for the Council and no controversial aspects, the officer shall consult or inform the local member in writing (or by e mail) and proceed. It is essential that all officers responsible for delivering services ensure that local members are kept well briefed on issues affecting their areas.

