

HAMPSHIRE COUNTY COUNCIL**Report**

Committee/Panel:	Executive Member Policy and Resources
Date:	23 July 2015
Title:	Superfast Broadband in Hampshire – ‘Getting Connected’
Reference:	6664
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

- 1.1. The purpose of this paper is to provide a high level summary of the current position regarding the Hampshire Superfast Broadband Programme and the wider ‘Getting Connected’ agenda that was set out in January this year. The report also provides an update on several key issues beyond the immediate challenges of the current roll-out Programme.
- 1.2. The County Council is making good progress towards its ambition to make high-speed broadband available to at least 95% of premises across Hampshire and the Government’s Innovation Fund trial has recently been extended to cover 1,750 Hampshire premises. At the time of writing, no new information has become available regarding the Government’s plans for the final 5% of premises across the country as a whole and it remains important that the County Council is alert to further opportunities to secure Government funding or other opportunities to extend high speed Broadband.
- 1.3. In January, the Executive Member agreed a proposal to commit £0.4 million to a scheme of match-funding that would provide assistance to local communities not included in the footprint of superfast coverage within Hampshire and which wished to commission a self-funded solution. Discussions have taken place with BT and the Department for Culture, Media and Sport (DCMS) and this report contains the outline of the proposed scheme for approval.
- 1.4. Across the country as a whole, many new housing developments are not being enabled for superfast services through commercial investment. The failure of developers and broadband providers to make this provision has

produced (and continues to produce) additional premises outside existing delivery commitments. Government is fully aware of this issue and of the need for action to limit the number of new premises built without access to this important infrastructure. In Hampshire, a drive to encourage the private sector to ensure that future developments are enabled for superfast services is now underway. Further investigation has also been undertaken into those sites where residents already living in new homes are encountering the same problems as those in rural and hard-to-reach areas. While this work is not yet complete, there are encouraging signs that the majority of these premises will not be left behind and the scale of the 'retrofit' problem at new sites will not be as great as previously anticipated.

- 1.5. The County Council is working to support a very substantial increase in the availability of superfast broadband across Hampshire (more than 98,000 premises in total). The main delivery programme (>95% superfast) is now expected to be complete by September 2018, but the County Council's involvement is likely to stretch beyond this date as a result of national and local initiatives to lift coverage beyond 95%. Detailed proposals for the 'near universal' coverage anticipated by Government have yet to be developed, but the county Council is well placed for this. In the interim, the Council is seeking to use its influence and leverage to get better broadband for residents where developers and service providers have so far been unable to satisfy the expectations of the public.

2. Contextual Information

- 2.1. A series of initiatives under the title 'Getting Connected' were approved at the Executive Member's Decision Day on 22 January 2015. These were intended to complement and enhance the impact of the two major Contracts arranged by the County Council for the provision of additional infrastructure to extend the availability of superfast broadband services across Hampshire to at least 95% of premises.
- 2.2. The purpose of the Hampshire Superfast Programme is to increase the availability of superfast broadband services to premises in rural and hard-to-reach areas where commercial investment in these services has not been (and is unlikely to be) made. The report in January provided details of the funding arrangements for the existing Contracts and included a forecast that public intervention would lift the availability of superfast broadband from around 80% to at least 96% of approximately 594,000 premises in Hampshire by the end of 2018. The number of premises 'served by fibre' will exceed this total, but the County Council does not yet have information about the speeds available to these other premises and has not included them in its forecasts of coverage. The general background is unchanged and the details of the current arrangements are not reviewed in this report.
- 2.3. In January, the National Audit Office (NAO) published a report scrutinising progress on the national Superfast (Rural) Broadband programme. The DCMS Programme consists of three phases:

- Phase 1: Lift superfast coverage to 90% of UK premises by December 2016 (£530 million of Central Government funds).
- Phase 2: Extend coverage to 95% of premises by December 2017 (£250 million of Central Government funds)
- Phase 3: Test options to go beyond 95% (pilot projects in place by March 2016 with £10 million of Central Government funds)

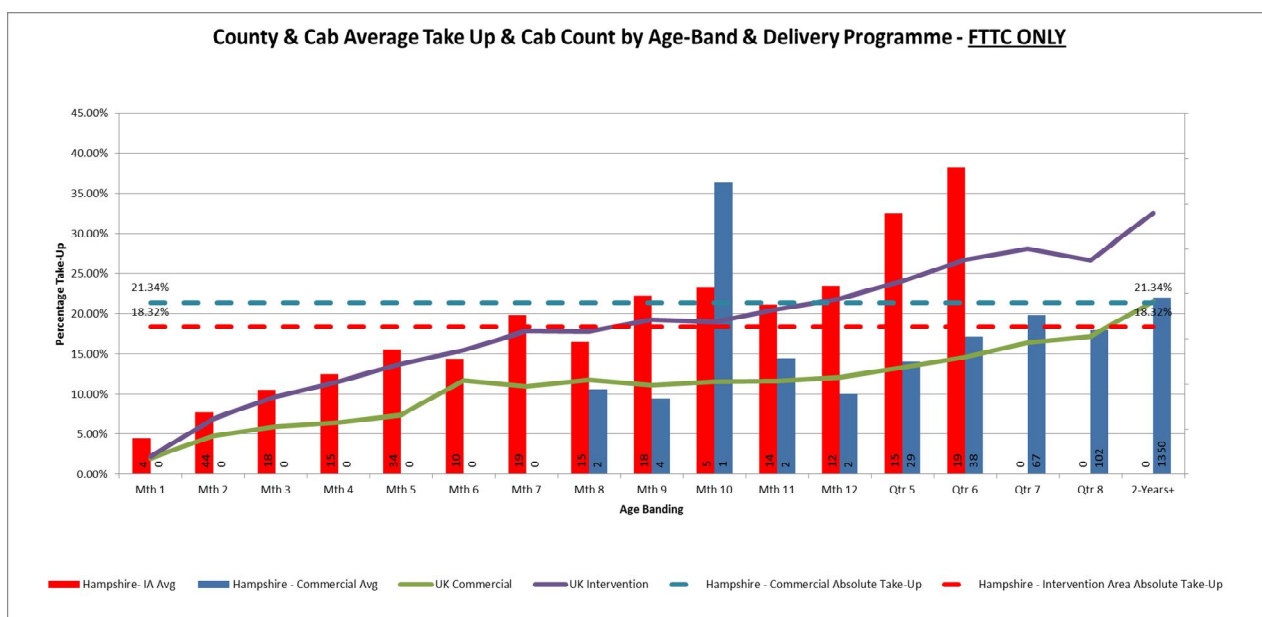
The NAO comments that work to date has included the 'easier' cabinets, but notes overall progress is ahead of schedule and that BT's capital and project management costs are currently below forecast. This position is expected to change as BT starts to build the more complex infrastructure, but these were regarded as positive developments by the NAO. Take-up of the newly available superfast services has also been 'significantly faster' than forecast and both BT and the public sector may be expected to benefit from this. Claw back arrangements apply to the first 7 years after roll-out of all contracts let through the national framework.

- 2.4 The NAO quotes Government's analysis that the overall availability of superfast services will reach 90% in the 44 programme areas by April – June 2016. 18 local bodies are not expected to reach 90% superfast coverage in Phase 1. In January 2015, 10 superfast extension contracts (Phase 2) had been signed – including Hampshire.
- 2.5 The DCMS has not yet circulated details of any expansion of the current programmes to implement the manifesto commitments of the new Government 'to provide near universal access to superfast broadband by the end of the [new] Parliament' and 'to support the adoption of ultrafast broadband as soon as possible'.
- 2.6 Following the Executive Member Policy and Resources Decision Day in January, a briefing session for Members was arranged on 25 March 2015. Presentations were made by the Programme Team and by Bill Murphy, Managing Director, Next Generation Access, BT. The event was well attended and the slides were made available electronically to Members who were not able to attend.

3. 'Getting Connected' in Hampshire - Key Issues/Challenges

- 3.1 At the end of 2014/15, the first Contract was on track with a Total Homes Passed (THP) figure of 54,107 being achieved by mid-April. Initial indications for Q1 2015/16 are that the run-rate has slowed as a result of the more technically demanding workload, resource management issues and the need to address challenges put to one side during earlier delivery periods. The 'live' target for the end of June is 65,000 THP. At the end of May, cabinets capable of providing service to some 62,000 premises were in position, but 34 of the 277 cabinets had not yet been fully commissioned, (i.e. are awaiting power, fibre or copper connections).
- 3.2 11,327 of the available connections were already 'live' at the end of May and 11,966 were live on 24 June 2015. Hampshire is placed towards the top in terms of take-up and this bodes well for income (and reinvestment) over the

next 7 years through the claw back arrangements. An indication of aged take-up for the national and local position is shown in the table below.



FTTC – Fibre to the Cabinet

3.3 Take-up of the new superfast services varies considerably by Ward and the table below shows those areas with the highest current take-up and the lowest.

Current Top 10 Wards	Take-Up %
Rooksdown Ward	68%
Hatch Warren and Beggarwood Ward	49%
Bramley and Sherfield Ward	48%
Wonston and Micheldever Ward	46%
Lee West Ward	42%
Lee East Ward	42%
Downlands and Forest Ward	39%
Upton Grey and The Candovers Ward	38%
Brookvale and Kings Furlong Ward	38%
Oakley and North Waltham Ward	36%

Current Lowest 10 Wards	Take-Up %
St. Faith's Ward	4%
Blackwater and Hawley Ward	4%
Coxford Ward	4%
St. Bartholomew Ward	3%

St. Mary's Ward	3%
Wellington Ward	3%
Manor Park Ward	3%
Netley Abbey Ward	3%
Fareham East Ward	2%
Fareham South Ward	2%

3.4 'Futureproofing' New Developments

This is a key component of the extended 'Getting Connected' programme. Approximately 25,000 new dwellings are planned across Hampshire within the next five years for which there is no absolute planning requirement on the developer to ensure that superfast broadband connections are in place at the time of first occupation. This is broadly equivalent to an increase of 4% in the total number of premises. Currently, there are no national or local plan policies which require the provision of superfast broadband as part of new housing developments.

- 3.5 Approximately three quarters of new dwellings will be provided on the Top 30 new sites. These sites are listed in Appendix 1 and these have been colour-coded to identify those where a contractual commitment exists to secure superfast broadband for the whole or part of the site. The information will be refined and extended over time, but it illustrates that over half of the properties are expected to be connected through currently declared plans.
- 3.6 In April, the County Council held a Forum for the industry in Winchester with over 80 representatives involved in the planning, construction and sale of houses being present. The Forum was valuable in identifying the variable viability of providing superfast connections, the pressures on infrastructure providers, the rapid acceleration in demand for superfast broadband and the importance of improving the information available to prospective purchasers in advance of house purchasing decisions.
- 3.7 The County Council's Chief Executive has written to all the companies and housing associations involved in the medium and large developments planned for Hampshire, confirming the Council's desire to see superfast broadband in all new developments and requesting information on existing contractual commitments to support this. It is intended that the information on which developments are making this provision will be provided for the benefit of prospective purchasers as part of the County Council's Land Availability Monitoring Service (LAMS).
- 3.8 Housing developments have long lead times and the demand for broadband services has changed dramatically in recent years. Many of today's developments reflect an assessment of the market's requirements that is now rather out-of-date. The housing market is not homogenous and not all householders choose to make use of the services available, but the availability of the superfast broadband is clearly of major importance to the economic and social wellbeing of Hampshire.

3.9 In order to minimise future retrofitting and to avoid acute dissatisfaction of purchasers, all new dwellings would ideally be superfast ready when built – both within the home and to the site. In parallel with encouraging developers and infrastructure companies to provide superfast broadband, it is important that prospective purchasers are informed, or can establish with ease, reliable information on the broadband line speeds available before proceeding with the purchase of residential and/or commercial property. There is no current requirement for information on broadband to be included as standard information in the seller's information that must be provided as part of the preliminary searches and enquiries in the package of draft contract information provided to buyer's conveyance at the outset of the conveyancing process. Prospective buyers can help to stimulate the provision of superfast services by requiring this information from sellers or their agents and local councils can take action to promote these enquiries with the objective of reducing the number of sites at which broadband is an afterthought.

3.10 Action has been taken or is planned which:

1. Seeks to encourage provision through better information and collaboration between those involved in the housing and infrastructure development industries.
2. Uses the County Council's information systems to enhance the information available to prospective house buyers on connectivity at new developments (the absence of such information and the failure of buyers, or those acting for them, to establish the quality of broadband before purchase being a major source of post-purchase dissatisfaction).
3. Encourages other professions to ensure their clients – the buyers – are fully aware of the broadband services available.
4. Fosters and encourages local planning policies which reflect the importance of broadband as essential infrastructure.

These actions are further described below.

3.11 Guidance Notes for planning authorities and the development industry have been prepared and shared with all the Local Planning Authorities in Hampshire and with the development industry. Copies of these documents are available on the web at www.hampshiresuperfastbroadband.com/new-sites/

3.12 It is intended that the County Council's policies on broadband will be included in the sale documents for the development of any County Council owned sites. Similar information has been provided to the Homes and Communities Agency which has expressed an intention to include this in their future marketing documents in Hampshire.

3.13 The County Council has also been able to secure the Whitehill and Bordon Delivery and the Implementation Board's intent to require superfast broadband on all the new developments from 2016 onwards on the land to be vacated as a result of the closure of the Bordon Training Garrison later

this year. The proposed development will include delivery of over 3,000 new dwellings over the coming years.

- 3.14 As indicated, the most effective way of securing superfast broadband connections will be through market pressures and discussions with major developers have revealed an increasing awareness and desire to support these services subject to their viability and availability. As the price premium for well connected properties increases, the number of sites where superfast broadband will not be regarded as viable can be expected to reduce over time. For example, Grainger plc, who are involved in major developments to the West of Waterlooville and the Aldershot Urban Extension, has committed to provide superfast connections to all residential properties on their sites in Hampshire.
- 3.15 The County Council has already made representations to the Law Society explaining why, in the Council's view, the standard conveyancing protocol published and recommended by the Law Society should be amended so as to require sellers of newly-built properties to indicate clearly to prospective buyers whether a broadband connection is to be provided, and if so, at what speed, (and also, for that matter, to require information on existing broadband to be provided by the sellers of existing properties)..

'Retrofit'

- 3.16 The Superfast Broadband Programme identified a number of New Build sites across Hampshire that were not included in the responses submitted by broadband providers. Further investigation indicated that up to 4,000 premises had been built at 30 locations which would require a 'retrofit' solution. The largest of the sites being at Abbotswood in Romsey. It has now been established that 19 of these 30 sites, containing some 2,400 premises, will be covered either by commercial arrangements or by the Hampshire Superfast Programme. These are listed below:

Site Address	Status
LAND AT ABBOTSWOOD, SANDY LANE, ABBOTSWOOD, ROMSEY	Contract signed and cabinets stood. Developer/gap funded 2xFTTC.
LAND SOUTH OF SOUTH STREET, WIDE LANE, EASTLEIGH	New site covered by Wave 1 (Hampshire Programme)
WATERLOOVILLE 60 - OLD PARK FARM, LONDON ROAD, W'LOOVILLE	To be delivered in Wave 2 (Hampshire Programme)
FARNBOROUGH BUSINESS PARK, O'GORMAN ROAD, FARNBOROUGH	New site covered by Wave 1 (Hampshire Programme)
LAND AT PICKET TWENTY, ANDOVER	Developers (Persimmon & Bloor) contracted FTTP from Summer, 2012
REGENERATION SCHEME, FAROE MALDIVE CLOSE, BASINGSTOKE	To be delivered as part of Wave 2 (Hampshire Programme)
LAND SOUTH OF, DILLY LANE, HARTLEY WINTNEY, HOOK	New site covered by Wave 1 (Hampshire Programme)
LAND AT, JOHN HUNT SCHOOL, SHAKESPEARE ROAD, POPLEY	To be delivered as part of the commercial roll out
KING GEORGES HOSPITAL,	New site covered by Wave 1

HEWSHOTT LANE, LIPHOOK	(Hampshire Programme)
PICKET TWENTY, ANDOVER	Developers (Persimmon & Bloor) contracted to FTTP
COLDEAST HOSPITAL, COLDEAST WAY, SARISBURY	New site covered by Wave 1 (Hampshire Programme)
BROADLAW WALK, FAREHAM	To be delivered as part of Wave 2 (Hampshire Programme)
ROTARY COURT, NETLEY ABBEY, SOUTHAMPTON	New site covered by Wave 1 (Hampshire Programme)
LAND AT, WORTHY ROAD, FRANCIS GARDENS, WINCHESTER	To be delivered as part of Wave 2 (Hampshire Programme)
RAMSDALE PLAYING FIELDS, WOOLSTON ROAD, HAVANT	To be delivered as part of Wave 2 (Hampshire Programme)
1-25 THE LEISURE CUNNINGHAM DRIVE GOSPORT	To be delivered as part of Wave 2 (Hampshire Programme)
LAND AT, ASH ROAD, BEECH ROAD, LINDEN R BISHOPS GREEN	New site covered by Wave 1 (Hampshire Programme)
LEE-ON-THE-SOLENT 9 - ROGERS HOUSE, ELMORE ROAD	To be delivered as part of Wave 2 (Hampshire Programme)
WATERLOOVILLE 60 - OLD PARK FARM, WATERLOOVILLE	To be delivered as part of Wave 2 (Hampshire Programme)

- 3.17 This leaves a group of 11 sites with around 1,500 premises that have not been shown to be included in current commercial or publicly funded plans. The County Council is working with developers and telecoms providers to identify a solution for these properties.

Site Address
LAND AT, HUNTS POND ROAD, TITCHFIELD COMMON, FAREHAM
LAND WEST OF, HITCHES LANE, FLEET
LAND AT, TAYLOR'S FARM, SHERFIELD PL GAIGER AVENUE, CHINEHAM
QUEENSGATE SITE, GOVERNMENT HOUSE ROAD, FARNBOROUGH
LAND AT, CHANDOS LODGE AND GRANGE HOTEL ANSTEY ROAD, ANTSEY,
SKIPPETTS HOUSE SKIPPETTS LANE WEST BASINGSTOKE
BEECH DOWN PRE SCHOOL, GERSHWIN ROAD, BASINGSTOKE
GRAINGER DEVELOPMENT SITE, NEWLANDS LANE, WATERLOOVILLE
WHITELEY FARM, WHITELEY, FAREHAM
LAND NORTH OF, POPLEY, SHERBORNE ROAD, POPLEY, BASINGSTOKE
BOUNDARY HALL, MULFORDS HILL, TADLEY

- 3.18 The Abbotswood housing development on the north east boundary of Romsey was the largest single housing development scheme on the list of sites in partial occupation which did not have access to superfast broadband services. The factors affecting the provision of broadband to the Abbotswood properties were typical of many sites across Hampshire where contractual agreements with landowners and planning consents reflected a time when the provision of copper based broadband services was generally deemed to be acceptable, demand for internet services was more

restricted and the development industry was in recession. However, the services available at Abbotswood resulted in a great deal of dissatisfaction amongst residents. Dialogue between the County Council, the developers and infrastructure providers led to the provision of Fibre-to-The-Cabinet with no public funding. It is anticipated that superfast will be available to all homes on the Abbotswood development by mid-July 2015.

Community Self-Funding – Proposed Scheme of Assistance

- 3.19 In line with the recommendations approved by the Executive member for Policy and Resources in January, details of a proposed scheme to provide assistance to communities not included in the main roll-out programme are contained in Appendix Two.
- 3.20 The proposed scheme anticipates that:
- £0.4 million is available from the County Council's resources to provide part or match funding to groups seeking access to superfast broadband through community self-funding.
 - These hybrid projects will be integrated with the main delivery programme for Wave 2 (2016-2018) and implemented by BT following a formal change request being submitted by the County Council.
 - The County Council's contribution will be limited to a maximum of £500 per premise served by the proposal.
 - An initial opportunity for communities to submit expressions of interest in the scheme will open on 01 November for a period of three months.
- 3.21 Experience gained through operating this scheme will be used to inform the design of any further schemes of assistance that may be run. This could involve alternative delivery technologies and/or alternative suppliers.

Local Enterprise Partnerships (LEPs)

- 3.22 The Programme Team has sought the assistance of the County Council's Economic Development Team to facilitate a dialogue with the LEPs. There is an obvious overlap between the Council's own objectives regarding the availability of superfast broadband services and the aims of the LEPs regarding infrastructure, the relative competitiveness of the sub-region, the development of electronic commerce, leisure, education, employment and travel and there is a shared interest in promoting greater coverage, faster speeds and a high level of take-up. Initial discussions have taken place with representatives of the M3 LEP about how these areas of mutual interest can be advanced, but a firm programme of joint action has yet to be developed.
- 3.23 Around the country, a number of examples of LEPs using Local Growth Funds to contribute directly to the funding of superfast extension projects (Wave 2) are emerging. The County Council is seeking to identify examples of LEPs being actively engaged in promoting the take-up and effective use of superfast broadband by businesses, residents and the public sector and this has been identified as a possible work stream for joint action by the Programme Team.

Government Innovation Fund

- 3.24 Hampshire is one of eight locations across the UK in which the DCMS is trialling new technologies and business models to address the last 5% of premises. The location for the trial covers two BT exchange areas, Ropley and Bramdean near Alresford. The £1.2m scheme is funded entirely by the DCMS and will bring superfast services to around 1,500 additional premises using a combination of technologies. Around 700 premises have been upgraded already and the project is due to complete by mid 2016. DCMS has, in recent weeks, announced an extension of the trial to the neighbouring exchange area of Privett. This will enable superfast services for a further 250 premises at a cost to the DCMS of around £0.12 million.

4. Other Matters

Universal Service Commitment (USC)

- 4.1 Within Wave 1, BT is required to ensure that all premises in Hampshire have the opportunity to access a speed of at least 2Mbps. In practice, this means premises unable to access a speed of 2Mbps or more via the telephone line, will be offered an alternative technology option. The DCMS is in discussion with BT to finalise the details of the national scheme but it is likely that residents will be offered a satellite solution. Some £1.2 million is earmarked within Contract 1 for the USC. Take-up of the offer is difficult to estimate, but experience elsewhere suggests that a significant proportion of this funding may be available for reinvestment in other initiatives.
- 4.2 Details are awaited from the DCMS, but the scheme is expected to be launched later this year and may be open for applications from residents for a period of at least 12 months.

Acceleration Protocol – Wave 2

- 4.3 The County Council is concluding arrangements with BT Group and DCMS to bring forward the deployment plan for the Contract by 9 months. This will be achieved by removing the proposed break between the end of Contract 1 and the start of Contract 2 so that planning will get underway during an overlap period, and by accelerating the deployment process ‘in life’ by three months. This will bring forward the planned completion date to Q2 2018/19 (July to September).

Claw back

- 4.4 As part of the national model agreed with DCMS, BT made assumptions about the level of take-up of superfast services. If take-up is higher than expected, BT will get additional revenue and there is a mechanism within the Contract to address this and reduce the cost to the public sector. This is known as ‘Clawback’ or ‘Gain Share’. Clawback is reviewed at the end of Years 3, 5, 7, and 9 of the Contract and the current projection of the potential return for reinvestment is below:

Date (End of)	15/16 – Q4	17/18 –Q4	19/20 – Q4	21/22 – Q4	Total
Amount (£)	100,337	275,460	345,509	373,528	1,539,957

The sums involved will increase if take-up continues ahead of the level in the model.

'At Risk'

- 4.5 During the procurement process, BT identified a number of postcodes and cabinets that they hoped to deliver service to under their commercial programme, but were 'at risk' because of unforeseen technical or civil engineering issues. BT is working to mitigate this, but it is possible that some of these postcodes and cabinets will not be delivered without public intervention. In total, BT highlighted a maximum of 4,948 premises connected to 83 cabinets that are 'at risk'.

Funding Position

- 4.6 The total amount claimed from DCMS and payments to BT are on target and are shown below:

Quarter	13/14 - Q3	13/14 - Q4	14/15 - Q1	14/15 - Q2	14/15 - Q3	14/15 - Q4 (due)
Contract1 (SCT3.1)	£74,391	£398,353	£748,200	£1,296,891	£1,321,314	£1,751,319

- 4.7 The Council remains well placed to support further developments in the provision of superfast broadband beyond the 96% expected through its existing contractual commitments. Government is committed to near universal coverage by the end of the current Parliament and further announcements on funding and technology are expected, but it is already possible to identify sources of funding to secure further coverage:
- £1.95 million of County Council/DCMS match-funding not yet committed to the current solution
 - £0.4 million of existing County Council provision
 - Opportunities for local partners to contribute additional funding (up to the maximum headroom of £2.6 million)
 - Potential underspend on the £1.2 million earmarked for the Universal Service Commitment
 - Potential claw back of at least £1.54 million

Superfast Availability By District

- 4.8 As reported, superfast broadband services are likely to be available to around 96% of premises in Hampshire by the end of Wave 2. The target is based on an average across the county (as was the starting position of 80%). An indication of the anticipated availability of superfast broadband in each district is included at Appendix 3 for information. This is for general guidance and is subject to extensive revision of the data as the roll-out programme advances. The commercial roll out is not yet complete and the total number of dwellings is not static. An indication of the starting position in 2013 is provided, together with a projection for 2018.

5. Conclusions

- 5.1 Although the availability of superfast broadband services across Hampshire has mainly developed through commercial investment led by BT and Virgin Media, the County Council is making good progress on lifting the overall availability of these services towards 96%. By the end of 2015, around 91% of premises will be 'enabled' and, based on current commitments, this is expected to rise to more than 95% by September 2018.
- 5.2 Against a complex background, the County Council is seeking to encourage developers and housebuilders, local planning and support initiatives to increase the proportion of sites at which commercial investment is made in superfast broadband for new homes. There is good evidence that awareness of this particular issue is growing and that there is a demand-pull from residents. The County Council should continue its efforts to promote the wider availability of superfast broadband and to collect and publish data for the benefit of the Hampshire public. These initiatives are already bearing fruit and complement the investment made by the County Council and its Partners in extending the availability of superfast services to almost 100,000 existing dwellings and business premises.
- 5.3 The County council is also well placed to take action to further extend the existing programmes (subject to an approach being identified that will offer a value-for-money solution for premises not included in commercial delivery plans or the current programme of public intervention). Significant funds within the existing financial provision are available and these may be supplemented with additional resources as described in the report. In line with the previous recommendations, it is expected that the remodelling of the solution for Contract 2 to take this extra funding into account will be triggered at a date no later than December 2016 with advice and support from the DCMS and the County Council's Chief Executive. Government is expected to announce its proposals to address the Final 5% across the country as a whole and additional coverage in Hampshire is likely to be achieved by a mixture of remodelling Wave 2 and participation in new national arrangements.
- 5.4 In order to meet its objectives for superfast broadband provision, it is important that the number of properties which are built with access to superfast broadband is maximised. The EU, Central Government and Local Planning Authorities will increasingly require developers to provide superfast broadband connectivity, but the long lead-in time for the development industry requires action now to improve the awareness of prospective purchasers of the importance and availability of such services, to highlight companies supporting this agenda, to maintain pressure on infrastructure providers to ensure sufficient capacity is available and to raise awareness of the uplift in sales value and of the shift in market requirements.
- 5.5 Good progress is being made on this agenda through the growing awareness and commitment of the development industry, the activities of infrastructure providers and the involvement of local authorities. While

much remains to be done to meet public demand, Futureproofing is beginning to happen.

6 Recommendations

It is recommended that the Executive Member for Policy and Resources

- 6.1 Notes good progress on the delivery of Wave 1 of the Hampshire Superfast Broadband programme and the improvement in the position reported on new housing developments.
- 6.2 Approves the on-going actions to improve the 'Futureproofing' of new housing developments:
 - (i) Working with key stakeholders to encourage wider provision of infrastructure to support superfast broadband.
 - (ii) Promoting guidance and developments in legislation to the industry and local planning authorities that will enhance the policy framework and result in greater provision of superfast services.
 - (iii) Collating and publishing information about new housing developments that is relevant to new home buyers.
- 6.3 Approves the proposals contained in the report for a Community Self-Funding Support scheme and in particular:
 - (i) The principle of 50:50 match-funding up to a maximum contribution from the County Council of £500/premise served.
 - (ii) The integration of the delivery of the proposed scheme with Contract 2 (2016-2018).
 - (iii) The opportunity for other partners to take part in the scheme by providing additional funds to supplement the initial pot of £0.4 million.
 - (iv) Expressions of interest to be invited from eligible communities during an initial window of three months from 01 November 2015.
 - (v) The Director of the Culture, Communities and Business Services be granted delegated authority to administer the scheme on behalf of the County Council.
- 6.4 Advises the Hampshire Partnership of the work being undertaken with the development industry and seeks the adoption of the guidance notes produced for local planning authorities by the Partnership.
- 6.5 Asks the Chief Executive to make further representations to the Law Society seeking the Society's agreement to a conveyancing protocol featuring:
 - a. The inclusion of information on the speed and availability of broadband services in the standard information that must be provided by sellers as part of preliminary searches and enquiries in the package of draft contract information for the conveyancer acting

for the prospective buyer at the outset of the conveyancing process.

- b. The Law Society to be requested to provide advice for solicitors to encourage purchasers to raise this question where this information is not provided.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Maximising well-being:	Yes
Enhancing our quality of place:	yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Hampshire Superfast Broadband – Getting Connected	EMPR 22/01/2015 Ref: 6456

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

- (a) The County Council is not entering into the provision of Superfast Broadband services to any individual or business. Residents in areas where these services are available will purchase services relevant to their requirements from private sector providers operating in the retail market. As the responsible 'local body', the County council will seek to implement Government policy to make it possible for all residents and business premises to access a service capable of operating at a download speed of at least 2 Mbps.

1. Impact on Crime and Disorder:

1.1. None identified.

2. Climate Change:

- 2.1. How does what is being proposed impact on our carbon footprint / energy consumption? Positive impact.
- 2.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Positive impact.

Top 30 Major New Housing Development Sites

Appendix 1

SITE NAME AND ADDRESS	New build estimate	Proposal	Builder (where known)
ALDERSHOT URBAN EXTENSION, ALDERSHOT	3850	RESIDENTIAL DEVELOPMENT	GRAINGER PLC
NORTH WHITELEY, WHITELEY	3500	RESIDENTIAL DEVELOPMENT - EST 3500	CREST NIC'SON, TAYLOR WIMPEY, BOVIS
WHITEHILL & BORDON,	3000	MIXED DEVELOPMENT – EST3000- 4000	RADIAN TAYLOR WIMPEY/DORCHESTER HCA
GRAINGER DEVELOPMENT SITE, NEWLANDS LANE, WATERLOOVILLE	2063	RESIDENTIAL DEVELOPMENT - 2114	BLOOR
BARTON FARM, ANDOVER ROAD, WINCHESTER	2000	RESIDENTIAL DEVELOPMENT - 2000	0
LAND EAST OF, ICKNIELD WAY, ANDOVER	1640	RESIDENTIAL DEVELOPMENT - 2500	WIMPEY, BRYANT HOMES, BELLWAY
LAND NORTH AND EAST OF BOORLEY WINCHESTER ROAD, BOTLEY	1399	RESIDENTIAL DEVELOPMENT - 1400	0
LAND NORTH OF, POPLEY, SHERBORNE ROAD, POPLEY	769	RESIDENTIAL DEVELOPMENT - EST 950	0
LAND NORTH OF PARK PREWETT, ROOKSDOWN LANE, BASINGSTOKE	750	RESIDENTIAL - EST750 DWELLINGS	DAVID WILSON HOMES
LAND AT, PICKET TWENTY, ANDOVER	695	RESIDENTIAL - 1200 DWELLINGS	PERSIMMON, BLOOR
QUEEN ELIZABETH II BARRACKS, CHURCH CROOKHAM, FLEET	651	RESIDENTIAL - 872 DWELLINGS	BRYANT, TAYLOR WIMPEY SENTINEL
LAND AT PICKET PIECE, OX DROVE_WALWORTH ROAD, ANDOVER	530	RESIDENTIAL - 530 DWELLINGS	0
GRAINGER DEVELOPMENT SITE, LONDON ROAD, WATERLOOVILLE	436	RESIDENTIAL DEVELOPMENT - 436	BLOOR, REDROW
LAND AT, ABBOTSWOOD, SANDY LANE, ABBOTSWOOD, ROMSEY	423	RESIDENTIAL DEVELOPMENT - 800	0
DAEDALUS, MANOR WAY, LEE-ON-THE-SOLENT	352	REDEVELOP FOR RES & COMM USES	0
LAND AT, REDBRIDGE LANE, NURSLING	350	RESIDENTIAL DEVELOPMENT OF 350	0
AREA 7, HANGER FARM, AIKMAN LANE, TOTTON, SOUTHAMPTON	331	RESIDENTIAL DEVELOPMENT – EST 432	STANBOROUGH
WOODCROFT FARM, WOODCROFT LANE, WECOCK, WATERLOOVILLE	320	RESIDENTIAL - ESTIMATED 320	0
ROWNER RENEWAL, GRANGE RD, HOWE RD etc ROWNER, GOSPORT	314	UP TO 700 RES UNITS & RETAIL	0
LAND AT, KENNEL FARM, WINCHESTER ROAD, BASINGSTOKE	310	RESIDENTIAL - UP TO 310 DWELLINGS	0
AREA BETWEEN FRIARSGATE, SILVER HILL, BROADWAY, WINCHESTER	307	REDEVELOP MIXED USES INC 307 RES	0
ALDERMASTON ROAD TRIANGLE, ALDERMASTON ROAD, B'GSTOKE	300	RESIDENTIAL DEVELOPMENT - EST 300	0
LAND AT, SOUTH VIEW, BASINGSTOKE	300	RESIDENTIAL - EST 300 DWELLINGS	0
POLICE HEADQUARTERS, ROMSEY ROAD, WINCHESTER	294	REDEVELOP WITH 294 DWELLINGS	0
LAND AT, PETERS ROAD, LOCKS HEATH, SOUTHAMPTON	254	RESIDENTIAL - 257 DWELLINGS	TAYLOR WIMPEY, BOVIS, HIGHWOOD
LAND AT, EAST OF DODWELL LANE_NORTH OF, BURSLEDON	249	RESIDENTIAL 250 DWELLINGS	0
SIROCCO PARK, LEIGH ROAD, EASTLEIGH	222	RESIDENTIAL DEVELOPMENT - 312	0

KEYDELL NURSERY AND, HAVANT ROAD, HORNDEAN, WATERL'VILLE	220	RESIDENTIAL DEVELOPMENT – EST 220	0
THE MOUNT HOSPITAL, CHURCH ROAD, BISHOPSTOKE, EASTLEIGH	212	RETIREMENT CMMTY (& PRIVATE HOMES)	0
LOT 2, COLDEAST HOSPITAL, SARISBURY, FAREHAM	206	RESIDENTIAL DEVELOPMENT - 206	0
CLIFTON HOUSE, BUNNIAN PLACE, BASINGSTOKE	205	REDEVELOP WITH 205 FLATS	BARRATT HOMES
LAND AT, PITT MANOR, ROMSEY ROAD, WINCHESTER	200	RESIDENTIAL DEVELOPMENT - 200	ORCHARD HOMES, BOVIS HOMES

Note: 'Green' highlight indicates where information has been received that provision for superfast broadband will be made for part or all of the planned development.

Hampshire Superfast Broadband Programme

Community Self-Funding Support Project

Introduction

Hampshire County Council and its partners have embarked on a programme to ensure at least 95% of premises have access to superfast broadband by 2018. This will involve upgrading services to more than 97,000 properties across the county.

A group of around 23,000 premises (nearly 4%) will not have access to superfast services at the completion of the current programmes. Some communities have expressed a wish to help themselves by entering into self-funded agreements with BT Openreach. A small number have signed formal contracts on this basis. The County Council provides assistance to this process, but has made no financial contribution to these schemes.

The County Council is keen to support communities that wish to help themselves and the Executive Member has allocated £0.4 million for this purpose. The Programme Team has investigated how support could be provided to communities that wish to follow this route.

State Aid Restrictions

State Aid rules regarding broadband infrastructure investment require public money to be spent via approved schemes. In Hampshire the County Council is using the Broadband Delivery UK (BDUK) state aid approved Framework. The County Council has two contracts with BT via this framework.

Contract 1 will increase coverage from 80% to around 90% and was let for £10 million. Around 10% may be added to a contract without it being considered a material change. The County Council submitted successful bids for £1 million of additional funding from BDUK to extend coverage in Test Valley and New Forest, which now limits the opportunity in Contract 1 to add extra funding.

In Contract 2, the Council made provision for up to £2.6 million of headroom in addition to committed funding of £18.4m, making a total potential contract value of £21m. This headroom allows the County Council and other funding partners (e.g. district and borough councils) to explore the opportunity of providing financial support to communities that wish to part fund a solution themselves by accepting funds from other sources and administering them via the Contract.

The current process with BT Openreach

A community contacts the County Council or BT Openreach and expresses an interest in pursuing a self funded solution. BT Openreach makes an assessment of the request and the likely cost of a solution and whether any of the postcodes in

the community are due to be upgraded as part of the County Councils main programme.

If the community is confident that it will raise the necessary funding (quotes have ranged in cost from £14,000 to £80,000) BT Openreach then undertakes a detailed survey and provides a gap-funding quote. The community then raises the necessary funds and places an order directly with BT Openreach, paying 50% in advance and 50% on completion. The County Council cannot provide financial support to this process because of rules on the provision of state aid.

New community support scheme within Contract 2

The proposed scheme would allow the County Council to provide financial support to communities by placing the order for the bespoke solution through the County Council's contract with BT Group (Contract 2). This would allow the County Council to accept a contribution from the community and add funding from the County Council without contravening state aid regulations.

A pot of up to £400,000 is available to support communities in this position. It is recommended that the scheme should provide match-funding up to the value of 50% of the gap funded solution with a cap of £500 per premise served by the proposal. This will ensure that a minimum of 800 premises can be supported through the project. The process would be co-ordinated through the main Superfast Broadband Programme office but communities will be responsible for submitting the request for an estimate and satisfying BT Openreach's qualifying criteria.

BT Group and DCMS are both willing to support the match funding scheme as proposed, but it is important to note that any postcode due to be upgraded in Wave 1 or Wave 2 will not be eligible.

The scheme could be extended to offer other public bodies such as the National Parks, District Councils and LEPs the opportunity to add funding to the Hampshire programme to meet specific community requirements such as business parks.

Stage 1 – Qualification

Engage with the local community and define the area (postcode list) that requires a solution, taking into account upgrades planned under Wave 1 and Wave 2.

The community and County Council meet with BT Openreach to assess feasibility and estimate the gap funding requirement. If the community agrees that it will find the necessary funding (taking into account the match element from the Council/Partners) then proceed to Stage 2.

If the community does not express a firm intention to meet this requirement, the qualification process will be 'Closed'. BT Group has reserved its position, but may charge up to £2000 to cover its costs for the detailed quotations. It is therefore important to assess the financial viability of the project before entering the quotation phase.

Stage 2 – Quotation

The County Council issues a request via Change Control in Contract 2 to BT Openreach for a quotation for the gap funded cost for a solution for the defined postcode list for the community concerned.

BT supply a quote for the work and the projected timescale for delivery. Wherever possible, delivery will be integrated with the main programme. Match-funded solutions will not take priority over work planned as part of the main programme.

Stage 3 - Fund raising

The community will be responsible for raising their portion of the required funding and transferring these funds to the Council (in a single payment) before the order is placed. Communities will have to pay VAT on their contribution. This cannot be reclaimed by the Council and must be passed on to HMRC.

The table below describes the contributions made by each party for an example project to serve 25 premises, costing £40,000+VAT.

	Amount	VAT	Total
Gap funded cost for 25 premises	£40,000	£8,000	£48,000
Cost per premise served	£1,600		
HCC contribution (50% capped at £500 per premise served)	£12,500	£2,500 (reclaimed)	£15,000
Community Contribution @ £1,100/premise served (plus VAT)	£27,500	£5,500	£33,000

Remaining Funds = £387,500

Note: The County Council may be asked by BT to combine requests into batches with a value of around £150,000 to reduce administrative costs. This will be monitored initially on a case by case basis as a rigid trigger point could add unnecessary delay to the process for all parties.

Stage 4 – Place order

Once the community has transferred its share of the cost to the Council, the final Change Request to Contract 2 will be submitted by the Council to BT Group. BT will respond with a timescale and the community will be notified.

Notes: under current tax law, the community has to incur and pay VAT on their share of the scheme. The County Council's contribution will be subject to standard VAT procedure.

Stage 5 – Delivery

Where possible, the Council will seek to integrate delivery of the community scheme with the main project, e.g. if the community is part of an exchange area being upgraded in 2017 then the community scheme may be integrated with this work.

Selection Criteria

- Expressions of interest from communities will be dealt with on a 'first come, first served' basis.
- Initial expressions of interest will be invited by publication of details of the scheme on the Hampshire Superfast Broadband website and through a press release
- It is proposed that the initial 'window' for expressions of interest from communities is opened from 01 November 2015 and runs for a period of three months.
- Part of the BT exchange area must be offering superfast services already, or be due for an upgrade
- Evidence of the level of community interest – i.e. registrations via the HCC website
- Ability of the community to raise the necessary funding within a prescribed timeframe
- Clear definition of scheme - number of premises served and postcodes covered
- Total cost of solution/impact
- Cost per premise served
- Viability and integration with existing BDUK projects

Forecast Availability of High Speed Broadband Services

(for information and based on current programmes)

District / Area	% NGA 2013 (OMR)	Additional superfast premises in Wave 2 (estimate)	% NGA At End Wave 2 – Sept 2018 (forecast)
Basingstoke and Deane	75%	4,679	95%
East Hampshire	63%	3,739	92%
Eastleigh	93%	2,176	98%
Fareham	95%	1,775	99%
Gosport	96%	621	>99%
Hart	79%	1,935	96%
Havant	98%	765	>99%
New Forest	69%	4,840	95%
Rushmoor	95%	898	99%
Test Valley	65%	6,121	93%
Winchester	72%	6,696	92%
Hampshire	80%	34,245	96%

NGA: Next Generation Access

OMR: Open Market Review

N.B. These figures are simply estimates based on current information. The 95% target applies to total premises across Hampshire as a whole. The forecasts are affected by the assumptions made and the definitions used and are subject to review and revision.