



**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

**to
FINANCE AND CORPORATE SERVICES COMMITTEE
25 SEPTEMBER 2018**

SUPERFAST BROADBAND IN MALDON DISTRICT

1. PURPOSE OF THE REPORT

- 1.1 To update Members regarding the progress of delivery of the Superfast Essex Broadband Programme in Maldon District, with particular reference to those works that Maldon District Council has committed to co-fund.

2. RECOMMENDATION

That Members review and comment on the contents of this report.

3. SUMMARY OF KEY ISSUES

3.1 Background on Superfast Essex and its Aims

- 3.1.1 Superfast Essex is the county's broadband improvement programme, co-ordinated by Essex County Council, and part of the Government's national Superfast Britain programme. The overall objective is to enable as many homes and businesses as possible to access superfast broadband to enable economic growth and improve residents' quality of life.
- 3.1.2 Superfast Essex, which delivers the Superfast Essex Broadband Programme, operates under the BDUK Framework, a single-supplier framework set up by The Department for Culture, Media and Sports (DCMS).

3.2 Rationale for Public investment

- 3.2.1 To determine the areas eligible for investment and to ensure that the public funding is spent only to supplement the planned commercial roll out of high speed broadband, Essex County Council (ECC) requests all known broadband network operators, including BT and Virgin Media as well as wireless and other broadband technology operators, to submit a list of postcodes that their network covers in Essex. Providers need to evidence that their network meets the European Union (EU) guidelines for Next Generation Access (NGA) broadband, which is kind of the EU code for superfast broadband. Suppliers are asked to provide the number of premises for each post code:

- that are currently capable of receiving superfast broadband via the supplier's service;
- where the supplier plans to make superfast broadband available within three years.

3.2.2 Under EU State Aid regulations, any areas where there is no existing NGA coverage and none planned within the next three years can be declared as areas of Market Failure, and are therefore eligible for public subsidy. Put in other words, these Market Failure areas are the post codes where Superfast Essex is legally allowed to invest. In State Aid jargon, these post codes are also known as "NGA White" post codes.

3.3 **Progress to date**

3.3.1 Superfast Essex Phase 1 was completed in June 2016. This phase extended high speed broadband services to 77% of premises across the District, increasing from a baseline of 38% of premises in 2013.

3.3.2 As part of the Phase 2a rollout, Maldon District is to receive a further 15% increase in connectivity to ensure that up to 92% of the 28,432 premises (homes and businesses) in the District can access superfast broadband.

3.3.3 Phase 2a will see fibre broadband rollout focused on parts of the most poorly served areas within the District, via the process of installations of Fibre-To-The-Cabinet (FTTC) technology. In May 2016 Maldon District Council agreed to provide a contribution of £45,000, paid over three years to contribute to the delivery of Phase 2a (Minute No. 16 refers), and further detail regarding this commitment is included in section 3.2 below.

3.3.4 Phase 2a is still in progress and Phase 3 is planned to start in 2019. Phase 2 and 3 are due for full completion by December 2019.

3.4 **Details of the agreement for funding between Maldon District Council (MDC) and ECC**

3.4.1 In 2014 Maldon District Council agreed in principle to provide funding of £90,994 to Phase 2a of the Superfast Essex programme, following a resolution of the Finance and Corporate Services Committee in its meeting of 29 July 2014 (Minute No. 301 refers). However this was subsequently renegotiated with Essex County Council.

3.4.2 Following renegotiation with Essex County Council in April 2016, Maldon District Council agreed to contribute £45,000, paid over three years of the duration of Phase 2a, as part of the Essex wide programme. This agreement was formalised by Maldon District Council through both the Planning & Licensing and Finance and Corporate Services Committees in April 2016, and at the Statutory Annual meeting of the Council in May 2016:

Minute 1185 – Superfast Broadband in the Maldon District**RESOLVED**

- (vii) that a capital contribution of £45,000 (paid over three years of the duration of phase 2a (i.e. Phase 2a for the whole of the Essex wide programme) that is required for funding Phase 2a of the Essex Superfast Broadband Programme, be agreed.

RESOLVED

- (viii) that subject to the above decisions, the Minutes of the meeting of the Finance and Corporate Services Committee held on 19 April 2016, be adopted.
- 3.4.3 This contribution has not yet been transferred to Essex County Council and a meeting was subsequently arranged with Essex County Council in June 2018 to establish progress and to seek clarity on the trigger points for payment of the agreed funding.
- 3.5 **Details of the progress to deliver the targeted Superfast Broadband improvements and proposed triggers for payment**
- 3.5.1 At the time of the agreement to provide a contribution of £45,000 in 2016, the justification for the additional funding requirement was that in 2013 only 38% of premises in the Maldon District had the benefit of Superfast Broadband to the premises with connectivity at 24 mbps (Megabits per second) or more. By the summer of 2016, this had increased to 77%, through the delivery of the Phase 1 works.
- 3.5.2 Phase 2a was to bring the number of connected premises up to 92% of premises in the District if a contribution was made by Maldon District Council and to be significantly enhanced by the BDUK funding and supplier funding. Approximately 930 premises were to be connected under this next phase. A table showing the premises that would benefit, as agreed at that time is presented in **APPENDIX 1**.
- 3.5.3 According to the latest figures supplied by Superfast Essex at the Superfast Broadband Steering Board meeting on 15 August 2018, Maldon District is currently at 81.5% coverage (refer to **APPENDIX 2**).
- 3.5.4 At the Officer meeting of June 2018 it was agreed that ECC would draw up a bilateral funding agreement to cover the delivery of Phase 2a in Maldon District, to include details of the works to be undertaken, and trigger points for payment, as progress is still at a relatively early stage in delivering the 92% target, it has been suggested that the trigger for payments should be at stages of 50%, 75% and 100% of the programme targets this would equate to transfers of £15,000 at each trigger point up to the end of 2019.
- 3.5.5 This funding agreement has not yet been provided by Essex County Council. They indicated that they would be happy to accommodate the trigger points outlined.

4. CONCLUSION

- 4.1 While coverage levels in Maldon District are currently at 81.5%, according to Superfast Essex figures, reports received from businesses indicate that expected broadband speeds may not be experienced in the field. We are more likely to hear from dissatisfied businesses, so these views may not be representative, but we are aware of a number of potential reasons for the perception that delivery of broadband in rural areas is not meeting expectations.
- 4.2 Firstly, coverage figures provided by Superfast Essex do not guarantee that full speeds are being experienced across the area technically covered. Superfast broadband is provided by FTTC technology with fibre optic cables to specific points (cabinets, colloquially referred to as green boxes). Connections from cabinets to homes and businesses are provided by conventional copper wires. Broadband speeds drop significantly when transmitted over copper wire and the effect is magnified over greater distances. The cabinets also have a maximum capacity, so not all customers may be connected if the demand outstrips the available supply. Finally, the customers have to opt in to the faster broadband service and this may be provided at additional cost, so not all customers take up the available faster service.
- 4.3 Subject to the provision of the funding agreement by Essex County Council, and based on the resolution of the Council, MDC should therefore conclude an agreement with Superfast Essex in the form of a bilateral funding agreement to cover the delivery of Phase 2a in Maldon District with payment on meeting suitable delivery targets.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report links to the corporate goal of “Creating opportunities for economic growth and prosperity” under the objective “improve connectivity”.

6. IMPLICATIONS

- (i) **Impact on Customers** – Indications have been received from customers and partners that superfast broadband speeds experienced, especially in rural areas, are not currently meeting expectations.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – There is a risk that Maldon District Council will be in default of its financial commitments to support Superfast Essex if no funding is transferred by December 2019. Conversely, if broadband speeds do not meet expectations there is a risk that the Council could face questions regarding inefficient application of resources.
- (iv) **Impact on Resources (financial)** – The Council has committed to support the Superfast Broadband rollout over three years of the duration of Phase 2a (2016 to 2019), as part of the Essex wide programme. No funding transfer has yet taken place.

- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – None.

Enquiries to:

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APPENDIX A
APPENDIX 1

The following premises in Maldon District are to benefit from Phase 2A

Ward	Parish / Town	Streets to be connected
Althorne (15)	Althorne (6)	Bridgemarsh Lane
		Chestnut Farm Drive
		Fambridge Road
		Green Lane
		Station Road
		Sunningdale Road
	Latchingdon (9)	Buchanan Way
		Burnham Road
		Heritage Way
		Lawlinge Road
		Lower Burnham Road
		Snoreham Gardens
		St Michaels Close
		Steeple Road
		The Street
Althorne and Mayland (1)	Mayland (1)	Steeple Road
Mayland (2)	Steeple (2)	Maldon Road
		The Street
Purleigh (28)	Cold Norton (6)	Burnham Avenue
		Latchingdon Road
		Lower Burnham Road
		Purleigh Grove
		Station Road

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Ward	Parish / Town	Streets to be connected
	North Fambridge (3)	Victoria Road
		Church Road
		Rectory Road
		Rookery Lane
Purleigh (28) continued	Purleigh (16)	Callowood Croft
		Chapel Lane
		Chelmsford Road
		Church Hill
		Fairfields
		Fambridge Road
		Hawthornes
		Howe Green Road
		Mill Hill
		Mill Lane
		Pump Lane
		The Glebe
		The Street
		Thornhill
		Walton Hall Lane
		Westerings
	Stow Maries (3)	Church Lane
		The Street
		Woodham Road
Southminster (6)	Southminster (6)	Buttercup Way
		Lavender Drive

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Ward	Parish / Town	Streets to be connected
		Primrose Walk
		Rose Drive
		Smyatts Close
		The Brambles
Wickham Bishops and Woodham (2)	Hazeleigh (2)	Burnham Road
		Lodge Road

Appendix 2: Superfast Essex Coverage Forecast

Number of premises					Percentages			Premises			Premises		
Area Name	Existing	Existing and SFE Planned	No Superfast Broadband	<i>change from May</i>	Existing	Existing and SFE Planned	No Superfast Broadband	TOTAL	<i>change from May</i>	New Build or Regeneration Site			
BASILDON	79,483	84,079	1,103	258	93.3 %	98.7 %	1.3 %	85,182	-132	584			
BRAINTREE	60,488	69,599	1,052	63	85.6 %	98.5 %	1.5 %	70,651	-114	331			
BRENTWOOD	31,813	34,611	1,775	16	87.4 %	95.1 %	4.9 %	36,386	-51	352			
CASTLE POINT	40,996	42,633	448	-32	95.2 %	99.0 %	1.0 %	43,081	-1,124	752			
CHELMSFORD	72,700	77,986	4,285	1	88.4 %	94.8 %	5.2 %	82,271	-79	1,730			
COLCHESTER	82,306	86,016	2,734	29	92.7 %	96.9 %	3.1 %	88,750	-151	971			
EPPING FOREST	59,374	63,285	537	97	93.0 %	99.2 %	0.8 %	63,822	-147	439			
HARLOW	39,920	39,920	1,322	-76	96.8 %	96.8 %	3.2 %	41,242	-72	353			
MALDON	24,565	28,549	1,601	-15	81.5 %	94.7 %	5.3 %	30,150	-66	465			
ROCHFORD	33,164	36,442	774	-30	89.1 %	97.9 %	2.1 %	37,216	-27	242			
SOUTHEND	85,138	85,192	3,928	77	95.5 %	95.6 %	4.4 %	89,120	-48	649			
TENDRING	67,053	74,137	1,347	-96	88.8 %	98.2 %	1.8 %	75,484	-123	679			
THURROCK	69,153	69,302	2,887	-1,814	95.8 %	96.0 %	4.0 %	72,189	-125	301			
UTTLESFORD	33,580	39,716	1,655	16	81.2 %	96.0 %	4.0 %	41,371	-517	870			
Essex Total	779,733	831,467	25,448		91.0 %	97.0 %	3.0 %	856,915		8,718			
Status 10 August 2018													