

Connecting Devon and Somerset

Stakeholder update: May 29, 2019



Introduction

The Welsh Government's announcement that even with a funding pot of £80 million on offer it attracted one bid and that for only partial coverage of its planned [Phase 2 broadband programme](#), is further proof that rolling out full fibre to rural areas is challenging and getting tougher.

CDS is one of a number of local UK broadband programmes hit by delays, but it continues to make the hard yards to ensure our rural communities and businesses benefit from the digital revolution, as this latest update shows.

Over 300,000 homes and businesses now have access to superfast broadband entirely thanks to CDS. Nearly 40,000 more have access to improved broadband connections because of the CDS programme. Over 250,000 miles of optical fibre has been laid by the CDS programme, enough to circle the Earth ten times, in what continues to be one of the biggest mass digital engineering ventures of its kind.

Every month hundreds more homes and businesses are getting access to superfast broadband thanks to CDS. That vital work is continuing and CDS is committed to helping communities get superfast broadband where the commercial market won't provide the infrastructure.

Airband

The number of homes and businesses with access to superfast broadband has now reached 7,000 in the new wireless network Airband is building for CDS. By June 2020 around 16,000 properties across mid, north and west Devon will be able to get superfast broadband as part of the CDS programme. Airband is providing a network to serve around a further 5,000 hard to reach properties in Dartmoor and Exmoor National Parks. In addition, the company has begun successfully constructing full fibre connections direct to homes and businesses for CDS and this is showing promise as an additional option for the programme.

Community Challenge Fund

CDS is to expand its pioneering community-led broadband scheme following successful pilots in Devon and North Somerset. The Community Challenge Fund scheme enables local communities to select an approved private sector partner and co-produce broadband solutions that work best for them with financial support and advice from CDS.

Pilots have been successfully trialled in Harford and Lower Combe in Devon with Openreach and Airband, and a third is nearing completion in Yatton, North Somerset with Openreach. In total, 138 homes and businesses will have access to full fibre to the premise superfast broadband with the capability to deliver speeds up to 1Gbps. The pilots have been supported by £70,000 of funding from CDS.

The pilots have proved really effective at enabling local people in communities with different needs to co-produce a great broadband solution that works best for them with CDS support. Each community has had different characteristics and challenges, ranging from deeply rural areas and protected landscapes to urban fringes.

CDS will apply the good practice learned from these pilots to help other communities co-produce their own solutions. This will add a new dimension to complement the CDS programme and support the Government's full fibre policy.

Market consultation

Now CDS is launching a consultation to identify private sector partners interested in working with local communities in an expanded scheme. CDS intends to launch the scheme itself later this year. The consultation CDS is launching will identify properly qualified and resourced private sector partners that local communities can work with in confidence as part of the Challenge Fund scheme. CDS is also taking the opportunity to test commercial market interest in delivering broadband to the region's final 5% most difficult to reach communities and prudently examine potential alternatives for some of the current Phase 2 programme should that need arise.

Coverage

When the Coalition Government set out its objective for the rural broadband programme it anticipated that only a third of rural England would require publicly-funded intervention to deliver superfast broadband. It was assumed that two-thirds of rural areas would benefit from wholly commercially-funded broadband infrastructure.

That did not prove to be the case in Devon and Somerset where the challenging terrain and sparsely populated countryside was less attractive to commercial investors.

CDS stepped up and quite literally went the extra miles. To date, thanks to CDS it is not just a third of our sparsely populated rural areas that have access to publicly-subsidised superfast broadband, but actually over 50%. In areas like West Somerset, over 80% of the entire broadband coverage is entirely thanks to the CDS programme.

The commercial market is playing its part and it is good to see positive signs that our region is becoming more attractive to private sector investment in broadband in the wake of CDS' ground-breaking roll-out, but the commercial market should do more to provide broadband to areas without a service. It is not enough to simply overbuild on existing provision. Combining the CDS roll-out with commercial provision, superfast broadband coverage is currently around 90%.

Gigaclear

Network construction for CDS is underway in 30 community areas in the following Parliamentary constituencies: North Somerset, North East Somerset, South West Devon, Tiverton and Honiton, Totnes, Wells, Weston-super-Mare and Yeovil. The cost is being borne entirely by Gigaclear, backed by its owner, Infracapital.

However, Gigaclear has by its own admission incurred a number of delays which were no fault of CDS and which were set out in a [joint briefing](#) in November, last year. As a result, the company is significantly behind schedule in all five of its contracts with CDS. Gigaclear has issued public apologies for its failures.

Residents and businesses have been let down as a result of these delays and CDS has made it clear to Gigaclear that this uncertainty cannot continue indefinitely. CDS has allowed the company additional time to evaluate and cost alternative methods of network construction. The company is on notice of default pending receipt of a revised plan by the end of July that is acceptable both to CDS and the Government. CDS will not shrink from taking further tough action if that is deemed necessary.

As a consequence of the delay to the Gigaclear roll-out, CDS, working closely with DCMS, has sought an extension for £18.7 million of Government funding to March 2023.

This is supported as a priority by DCMS and has benefited from the support of local authority partners, LEPs and Members of Parliament.

In recognition of representations made by DCMS and CDS, there has been positive response from HM Treasury which is finalising an agreement for a funding extension with DCMS as part of the Spending Review process.

An extension provides CDS with the flexibility to either agree an acceptable revised timetable with Gigaclear to complete a new ultrafast full-fibre network or for CDS to pursue alternative full-fibre solutions for residents and businesses

Rural Gigabit Connectivity

The Government has identified that approximately 10 per cent of UK premises, largely in rural and remote areas, are unlikely to receive gigabit-capable connections commercially by 2033. RGC is a two year, £200 million UK-wide Government programme focused on this type of area. It will trial an “outside in” approach designed to ensure more remote communities are not left behind in the roll-out of full fibre networks.

RGC will connect public buildings such as schools to act as local hubs in rural areas. The idea is to create a network that other commercial broadband providers can build on and extend full fibre to the surrounding community.

CDS welcomes the new approach and is undertaking analysis in consultation with Building Digital UK (BDUK) to identify potential hubs in the CDS area.

The RGC programme also has a rural gigabit broadband voucher component, offering up to £3,500 for small businesses and up to £1,500 for residents. This will be offered to encourage greater take-up of gigabit-capable connectivity to residents and businesses in rural areas.

Take up

The public take up of broadband services as a result of CDS is nearly 55%, in line with the UK average, and that is generating millions of pounds of additional investment back into the CDS programme thanks to the Government’s gainshare deal with BT.

It is anticipated that an initial expansion supported by £6 million of gainshare funds will extend superfast coverage to a further 2,000 homes and businesses in the hardest to reach areas of Devon and Somerset. CDS will provide full details once the final plans have been agreed with BT and DCMS later this year. Further reinvestment sums are expected up until 2024. CDS, working with BDUK and the Heart of the South West LEP, is developing a Digital Strategy which will include connectivity and infrastructure, as well as considering digital skills and innovation. This will help guide the approach for extending coverage and applying these reinvestment sums, and other funding opportunities.

Vouchers

CDS is part of the national Better Broadband Voucher Scheme which provides a voucher worth up to £350 for basic broadband installation to homes and businesses that will not benefit from superfast broadband within the next twelve months. [More information](#)

For further information about Connecting Devon and Somerset please visit the [CDS website](#).