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# Business Case

## Ultrafast Broadband

### Programme Office



## **INFORMATION**

### **Project Name:**

Wiltshire Online – Ultrafast Broadband

### **Lead Organisation:**

Wiltshire Council  
County Hall,  
Bythesea Road,  
Trowbridge,  
Wiltshire, BA14 8JN

### **Senior Project Lead:**

Sarah Cosentino – Portfolio Manager

### **Email address:**

[sarah.cosentino@wiltshire.gov.uk](mailto:sarah.cosentino@wiltshire.gov.uk)

### **Business Case Author:**

Adrian Grant - Project Officer

### **Email address:**

[adrian.grant@wiltshire.gov.uk](mailto:adrian.grant@wiltshire.gov.uk)

### **Postal address:**

Wiltshire Council, Programme Office,  
First Floor, County Hall, Bythesea Road  
Trowbridge  
Wiltshire, BA14 8JN

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Notice: This document and its contents have been prepared and are intended solely for Wiltshire Council's use in relation to the Ultrafast Broadband Business Case submission to the Swindon & Wiltshire Local Enterprise Partnership.

# Document Control

## Revision History

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V1.0	Business Case	Final	15 <sup>th</sup> Dec 2017
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## RACI (Responsible, Accountable, Consult, Inform)

Issued To	Title	RACI
Carlton Brand	Corporate Director	Responsible
Ian Baker	Programme Office - Head of Service	Accountable
Catherine Dixon	Programme Office – Portfolio Manager	Accountable
Sarah Cosentino	Programme Office – Portfolio Manager	Accountable
Matthew Croston	Strategic Economic Programme Manager	Consult

## Document Approvals

Role	Name	Signature	Date
Project Sponsor/Senior Responsible Owner	Carlton Brand		
Project Review Group	SWLEP / Ian Baker / Catherine Dixon / Sarah Cosentino / Adrian Grant		
Business Owner	Wiltshire Council		
Project Manager	Sarah Cosentino		
Head of Programme Office	Ian Baker		

# 1. Executive Summary

## Background

Broadband is now routinely described as the fourth utility, after gas, electricity and water. The internet increasingly impacts every aspect of our lives, and access to Superfast broadband speeds are becoming more important and for some, especially businesses, arguably critical.

The UK's 5.2 million Small and Medium Enterprises (SME's) are critical to driving economic growth: they constitute 99.9% of UK businesses, and account for 60% of private sector employment and 47% of business revenue. High quality communications connectivity is essential to their ability to participate in and drive the digital economy<sup>1</sup>. SMEs employ 60% of the UK workforce and account for around 50% of GDP<sup>2</sup>.

Overall, around 8% of SMEs (190,000) in the UK are unable to access broadband services with download speeds of 10Mbit/s or higher, compared to around 5% of all premises. Most of these SMEs are in rural areas, where over 130,000 SMEs receive less than 10Mbit/s.<sup>3</sup>

This report represents the Business Case for the delivery of an Ultrafast / Next Generation Access (NGA) (>100Mbps / >30Mbps) Broadband network solution, to include SME's<sup>4</sup> across the Wiltshire Council area.

Wiltshire Council (Wiltshire Online) has been awarded £1m grant support from the Swindon and Wiltshire Local Enterprise Partnership (SWLEP), as 33% match funding, against £2m previously committed to the scheme by Broadband Delivery UK (BDUK - The Department for Digital, Culture, Media & Sport). This total £3m scheme has procured and will deploy an Ultrafast/NGA (>100Mbps/>30Mbps) Fibre Broadband Network, to include premises within specifically identified growth areas of the county, directly aligned to BDUK's, Wiltshire Council's and the SWLEP's Economy & Regeneration policy and aspirations and its "Revised Strategic Economic Plan" published on 25<sup>th</sup> May 2016.

In March 2015, the Government published its Policy Paper, "[The Digital Communications Infrastructure Strategy](#)", which called on "*all local authorities to be supportive of applications by telecommunications companies which will result in improved digital connectivity in their area*" and "*for all local enterprise partnerships (LEPs) to ensure that the broadband needs of their local small and medium-sized enterprises (SMEs) are reflected in future strategic planning.*"

This implementation will be project managed by the Wiltshire Online team, who are recognised by BDUK as having high levels of experience, expertise and competency in this area of State Aid compliant technology procurement, contract management and network deployment, through both their current and previous Superfast Broadband projects.

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<sup>1</sup> [Ofcom SME Broadband Study – June 2015](#)

<sup>2</sup> [UK Government Statistical Release November 2014](#)

<sup>3</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0035/95876/CN-Report-2016.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0035/95876/CN-Report-2016.pdf)

<sup>4</sup> Defined as businesses with fewer than 249 employees

This match funding was important to both Wiltshire Council and the SWLEP, as Wiltshire's economy needs to remain competitive, sustainable and resilient with high levels of inward investment, a broad employment base and a greater proportion of high value and skilled jobs.

As such, Wiltshire will remain one of the best locations in the UK to do business. According to a recent survey by the Country Land & Business Association (CLA), Wiltshire is currently the tenth most popular location in England from which to run a rural business. ([CLA Rural Business League Table Map](#)). It is a destination of choice for new businesses and a place where small and medium businesses (SME's) can access the capital and support they need to expand. As a county, Wiltshire has a high proportion of SME's and a rapidly growing knowledge based economy.<sup>5</sup>

Businesses have high survival rates and thrive because of Wiltshire's infrastructure: links to other major economic zones, Superfast broadband to date, through investment by Wiltshire Council, BDUK and BT, and proactive use of surplus public-sector land for employment and housing, as well as the provision of the Wiltshire Business Support Service.<sup>6</sup>

Local public services and central government agencies have also worked together to maximise the economic and social benefits of the military presence in Wiltshire. By 2020 there will be more Army personnel based in Wiltshire than any other county in the UK (approximately 14,800 including dependants).

One significant example of Wiltshire Council's ongoing commitment to economic growth is the new forthcoming development of the Science Park at Porton Down, the first phase of which will open in early 2018. This project is funded via the Local Growth Fund, Wiltshire Council investment and European Structural and Investment Funds.

The development at Porton Science Park, on land adjacent to the Defence Science and Technology Laboratory (Dstl) and Public Health England (PHE) facilities at Porton, Wiltshire, will comprise a 3870sqm, health and life sciences incubation and innovation centre, providing laboratory facilities for new and growing science and research based enterprises in Wiltshire. Work to build started in early 2016.

This development alone will create 220 jobs locally whilst introducing opportunities for wider sector collaboration. It presents opportunities for advanced skills training in the bioscience sector and additional investment and development of a wider Science Park in subsequent phases, perfectly demonstrating a business development which would clearly benefit from an Ultrafast connectivity infrastructure, ensuring future sustainability and growth.

More broadly, next generation Ultrafast broadband technology is crucial to ensuring that the countywide digital offering by Wiltshire is not only competitive and continues to attract businesses to the area, but that Wiltshire remains among the best connected rural counties within the UK, without which, both new and existing business partners may inevitably be forced to migrate elsewhere.

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<sup>5</sup> Total employees working in knowledge based industries in Wiltshire grew 27.8% between 2011 and 2014. Source: BRES, NOMIS.

<sup>6</sup> Wiltshire 3 year survival rate 61.4% (UK 3 year survival rate 57.1%) source: ONS Business demography 2013.

This Wiltshire Online Business Case also aligns with the Government's wider Devolution agenda, as per the DEFRA "Towards a One Nation Economy: A 10-point plan for boosting productivity in rural areas" statement, delivered on 10th July 2015 by HM Treasury, Department for Business, Innovation & Skills, The Chancellor and Rt Hon Sajid Javid MP, details of which can be found [here](#).

This Ultrafast / NGA Broadband network deployment will also help contribute towards Central Government's wider agenda of increasing the current national average of 95% Superfast coverage, which was achieved in late 2017.

The full cost of implementing this Scheme is £3 million. (CAPEX only)

## Strategic Case

UK small businesses provide 60% of private sector employment and there is wide agreement on their importance to the economy.<sup>7</sup>

As the only Ultrafast / NGA broadband project supporting SME's in Wiltshire, aligned to many of the economic objectives contained with the Wiltshire Council's [Core Strategy](#) (adopted 20th January 2015), the strategic importance of this scheme is self-evident.

The problems relating to the lack of SME targeted Ultrafast / NGA Broadband in Wiltshire present a barrier to delivering key policy objectives, including those relating to housing and employment growth in the [Wiltshire Core Strategy](#) and economic objectives of the [SWLEP](#).

- Challenge 1 – Poor SME connectivity across the county due to its high % of rurality. (It is widely acknowledged that the South West has some of the most difficult rural topography in the UK, for fixed broadband deployment.)
- Challenge 2 – Current lack of commercial “private sector” investment to support ultra-high speed broadband network connectivity for both SME's and Residents across the county.
- Challenge 3 – The inability of SME's across Wiltshire to access government funded broadband connectivity incentives, such as the broadband connection voucher scheme, which ran through 2015 and was targeted at cities and urban areas.
- Challenge 4 - Planned employment growth / inward investment across the county constrained by poor digital connectivity.

Four SWLEP objectives for the Ultrafast broadband scheme have been identified. Strong progress against all objectives is expected by 2022 (3 years after infrastructure deployment has been completed).

1. Facilitate countywide business expansion and employment growth, through inward investment.
2. Reduce the number of SME's / businesses migrating out of the county due to poor connectivity.
3. Attract new SME businesses to Wiltshire with improved NGA broadband infrastructure.
4. Encourage further commercial provider investment in Wiltshire's broadband infrastructure.

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<sup>7</sup> [Broadband Stakeholder Group Small Business Study - September 2015](#)



This Scheme demonstrates a very strong alignment to national policy as well as the Swindon and Wiltshire Local Enterprise Partnership's (SWLEP) key priorities and objectives. The Scheme helps correct market failure of Ultrafast broadband infrastructure for SME's in areas of high rurality, such as Wiltshire.

## Economic Case

The Economic Case demonstrates that this Scheme, supported with £1m SWLEP match funding, will complement the £2m of BDUK grant funding awarded to Wiltshire Online and significantly advantage the SWLEP.

A competitive OJEU procurement process was also executed to ensure that the maximum "Value for Money" (VfM) was achieved.

It is clear that the static economic benefit of the Ultrafast Broadband infrastructure outweighs its costs and any potential negative impacts. The wider dynamic economic benefits of greater SME competitiveness, more jobs and sustained employment will also be realised.

Independent research carried out on behalf of the Government in 2013, identified that broadband investment would bring significant economic benefits, as well as supporting innovation and greater small business competitiveness.

Key findings concluded that the Government's current programmes provided excellent value for money – with a net economic impact of up to £20 for every £1 of public invested by 2024<sup>8</sup>;

The study's authors noted that this was an unusually high level of return for public funding, but they stated that they considered it to be realistic, given that broadband is a General-Purpose Technology which has an increasingly critical role in the day-to-day operations of the majority of UK businesses.

The Government's interventions are substantially improving the quality of this technology across a significant proportion of the UK, which, in the long term, will benefit hundreds of thousands of businesses, employing millions of people. The bulk of this economic impact comes from improvements in the productivity of broadband-using firms, but there are also significant benefits from safeguarding employment in areas which would otherwise be at an unfair disadvantage, from productivity-enhancing time-savings for teleworkers, and from increased participation in the labour force.

In addition, households will be able to make savings of £45 million per year by 2024 through people being able to work from home more than at present, and around 0.4 million tonnes a year of CO2e savings will be achieved through reduced commuting, business travel and firms shifting to more energy-efficient cloud computing.

The routes to economic impact, which have been identified and included in the model

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<sup>8</sup> SQW – UK Broadband Impact Study – November 2013.

produced as part of the UK's research, within the [BDUK - UK Next Generation Network Infrastructure Deployment Plan](#) (March 2015), include the following:

- Productivity growth of broadband-using enterprises.
- Safeguarding of local enterprise employment.
- Teleworker productivity.
- Labour force participation.
- Network construction impacts.

Taken together, it is estimated that the net increases in Gross Value Added for the UK, attributable to faster broadband speeds since 2008, will increase to £17 billion per year by 2024. Of this, approximately £6.3 billion per year can be attributed to Phase 1 of the Government's Superfast Broadband Programme.<sup>9</sup>

Further significant impacts can be expected from the current Superfast Phase 2 broadband projects currently underway, as well as this Phase 3 (Ultrafast / NGA) Scheme.

There therefore remains an excellent economic case for further continued investment in the rollout of high-speed NGA broadband in the UK.

McKinsey estimated in 2011 that small businesses could increase productivity by 10 per cent through doing more online<sup>10</sup>. Similarly, Booz and Co estimated that if all small businesses maximised their use of digital services, growth would increase nationally by £18.8 billion per annum<sup>11</sup>.

A more detailed summary of Economic Impacts can be found below in section 4.5.

## Financial Case

The Financial Case presents evidence of the scheme's affordability and liabilities (whole life costs). The full cost of implementing the Ultrafast/NGA broadband infrastructure is £3.0 million. (£2m BDUK + £1m SWLEP Match Funding Awarded = £3.0m Total Cost – CAPEX only).

The Scheme is expected to have the following implications on public accounts:

- The SWLEP grant match funding award of £1m.
- BDUK (Department for Digital, Culture, Media & Sport) £2m Grant to Wiltshire Council.

## Commercial Case

Wiltshire Council is the accountable body and is the lead delivery partner. As such the work has been procured by the Council in accordance with its Procurement and Contract Rules. Wiltshire Council is an experienced deliverer of similar schemes.

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<sup>9</sup> BDUK – UK Next Generation Network Infrastructure Deployment Plan – March 2015.

<sup>10</sup> McKinsey, Global Institute, Internet Matters: The Net's sweeping impact on growth, jobs and prosperity, May 2011. Available at [http://www.mckinsey.com/insights/high\\_tech\\_telecoms\\_internet/internet\\_matters](http://www.mckinsey.com/insights/high_tech_telecoms_internet/internet_matters)

<sup>11</sup> Booz and Co, with Go ON UK, This is For Everyone, The Case for Universal Digitalisation. Available at <http://www.go-on.co.uk/wpcontent/uploads/2013/12/The-Booz-Report-Nov2012.pdf>

(BDUK Superfast Broadband Programme – Phase One & Two).

The procurement option adopted, based on an initial assessment and State Aid guidance from BDUK, is detailed below in [section 6.4](#). To avoid State Aid issues, Wiltshire Council (Wiltshire Online) undertook a competitive OJEU tendering process for this Scheme. These requirements were formalised as part of a legal agreement(s) between Wiltshire Council and the successful supplier(s).

## Management Case

Wiltshire Council submitted the HM Treasury Green Book Outline Business Case (OBC) to the SWLEP on 30<sup>th</sup> June 2016.

- Wiltshire Council (Wiltshire Online) is the Promoting Body, and successfully secured £1m grant match funding from the SWLEP. As per the SWLEPs Assurance Framework process and guidelines, the OBC was submitted to the SWLEP on 30<sup>th</sup> June 2016 for review.
- Wiltshire Online's Board, comprising senior Wiltshire Council representatives, Scrutiny Member and BDUK Project Director, to oversee delivery of the Ultrafast Broadband Programme. An SRO and Project Manager are already in place, with the Project Manager reporting directly to the Wiltshire Online Project Board.

The SWLEP and Wiltshire Council have existing suitable and robust governance for the detailed planning and delivery of this scheme, with Wiltshire Council as the lead delivery partner.

Recognised best practice in project management, risk management, contract management and change management will be deployed.

## 2. Introduction

### 2.1 Context

This report presents the Full Business Case (FBC) for the Ultrafast Broadband Project in Wiltshire, which is strategically aligned to the Wiltshire Core Strategy 2011-26 (adopted 20<sup>th</sup> January 2015).

***“A strategy which places an emphasis on economic growth as the driving force behind meeting our objectives strategy”***).

An Independent Technical Assessment (ITA) for this Scheme was submitted, carried out by “Cushman & Wakefield”, amended slightly by Wiltshire Online and then returned and completed on 17<sup>th</sup> February 2016, as part of the Swindon & Wiltshire Local Enterprise Partnership's (SWLEP) prioritisation process.

Work to develop the HM Treasury Green Book OBC commenced in March 2016 and the OBC was submitted to the SWLEP for approval on 30<sup>th</sup> June 2016, with the £1m grant subsequently being agreed and awarded.

## 2.2 Background

### Need for the Scheme

An Ultrafast Broadband network provision for targeted eligible SME postcode areas is a strategic priority for both Wiltshire Council (Wiltshire Online) and the Swindon & Wiltshire Local Enterprise Partnership (SWLEP) alike.

Wiltshire's businesses are generally smaller than the regional and national averages, with approximately 87% having fewer than 10 employees (micro businesses) and 10% having 11 to 49 employees (small businesses). Keeping and attracting new businesses into Wiltshire is a vital target within the council's business plan, which prioritises access to good connectivity.

Smaller businesses and home workers are particularly reliant upon the prevailing broadband infrastructure and available services and are also unlikely to have the resources and expertise to develop their own solutions. Through joint working initiatives, the need for both Superfast and Ultrafast broadband infrastructure across the county has been highlighted as essential to ensuring all businesses can benefit from technological advances.

The need to have improved rural connectivity in terms of availability, speed and reliability has been a constant issue for both our businesses and residential users.

As such, Ultrafast is the next evolution of broadband connectivity. It will give users much faster broadband connections, improved bandwidth and faster download and upload speeds than they get today, radically transforming the way organisations and people use technology, trade commercially and communicate.

Geographic coverage and take-up of Superfast broadband in the UK is already the highest of the 5 largest economies in the EU<sup>12</sup>. The government's Superfast broadband programme has recently reached over 4.4 million premises (March 2017)<sup>13</sup>. There is a need to go further, particularly to better connect rural areas and as such:

- The government will work with Local Enterprise Partnerships (LEPs) and other partners to ensure that EU funding to support broadband infrastructure in rural areas can be targeted effectively to support growth.
- To support fixed high-speed broadband infrastructure, the government has made permanent the planning relaxations introduced in 2013.
- Over the longer term, the government will support the market to deliver Ultrafast (at least 100 Mbps) broadband coverage across the UK.<sup>14</sup>

There is compelling evidence that access to technology and good connectivity does allow businesses to grow at faster rates than those who don't make best use of this. The need for

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<sup>12</sup> HM Treasury, July 2015.

<sup>13</sup> [House of Commons Briefing Paper – 9<sup>th</sup> March 2017](#)

<sup>14</sup> [DEFRA - 10 Point Plan to Improve Rural Productivity - August 2015](#)

much improved connectivity and performance, is therefore one of the key drivers within the Wiltshire Online programme.

94% of SME's think a reliable internet connection is critical to their businesses, while 14% say that the lack of Superfast/Ultrafast internet is their main barrier to growth, as cited in the [FSB "Verve" Independent Study](#).

To further support this grant funding and to emphasise the real need for investment within the Wiltshire business sectors, Ofcom estimated that, as of August 2015, 46% of premises in SME-only postcodes had broadband connections with a maximum speed of less than 10Mbps, 24% had maximum speeds of less than 5Mbps and 12% had maximum speeds of less than 2Mbps.<sup>15</sup>

## **2.3 The Scheme**

Wiltshire Council (Wiltshire Online) is deploying an Ultrafast/NGA Broadband network, to targeted eligible "white" postcodes, including SME postcode areas, within the Wiltshire Council geographic area.

Modelling of the targeted intervention area was based upon the eligible "white" "No Build / Sub <30Mbps" areas remaining, using the June 2016 Open Market Review (OMR) output results and the subsequent "Speed and Coverage Template" created, as the core baseline data.

This is a prescribed EU State Aid compliant activity to avoid any possibility of duplication of public investment, with commercial provider's networks that are already built / to be built within the next three years. Identification of these investment areas was formally sought from commercial providers by Wiltshire Online, as part of an "Open Market Review – OMR" during June / July 2016, as per the newly notified and prescribed 2016 EU State Aid requirements.

## **2.4 Document Purpose & Status**

The primary purpose of this document is to provide a full Business Case and high-level description of the delivery arrangements under which Wiltshire Online will carry out its activities and achieve its objectives for the above mentioned Ultrafast / NGA Broadband network project, in relation to the SWLEP £1m grant match funding awarded.

As per EU State Aid requirements, private sector investment was stimulated and potential suppliers were also required to make clear at the ITT stage of the procurement exercise, their proposed levels of investment into the overall investment fund, over and above the total Scheme costs of £3.0m.

Following the procurement process / contract award, the successful supplier(s) will also deliver the Scheme. The detail regarding the delivery of the Ultrafast/NGA network has been developed as part of the modelling / planning activities for the intervention area, through the second half of 2017.

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<sup>15</sup> [Ofcom Connected Nations 2015 Report](#) – Published 1<sup>st</sup> December 2015.

As per the SWLEPs Assurance Framework process and guidelines, the OBC was submitted to the SWLEP on 30<sup>th</sup> June 2016 for review. The SWLEP used the contents of the submitted OBC to approve £1m grant match funding for this Scheme.

## 2.5 Document Structure

As required by the SWLEP Assurance Framework, this Outline Business Case has been developed to follow HM Treasury's 'Green Book' guidance

- **Strategic Case** (Chapter 3), setting out a clear rationale for an Ultrafast Broadband network and the need for investment in Wiltshire, that fits with wider public policy objectives.
- **Economic Case** (Chapter 4), identifying the key economic, environmental and social impacts of the Scheme and its overall "Value for Money – (VfM.)"
- **Financial Case** (Chapter 5), presenting evidence of the Scheme's affordability both now (for the implementation and deployment phase) and in terms of ongoing revenue liabilities.
- **Commercial Case** (Chapter 6), summarising the preferred approach to scheme procurement and justifying the commercial and legal viability of such an approach; and
- **Management Case** (Chapter 7), setting out how Wiltshire Council will ensure that the Scheme is delivered successfully – on time and to budget, with suitable governance and risk management processes in place. This reflects the shared approach between Wiltshire Council and the SWLEP.

## 3. Strategic Case

### 3.1 Overview

As part of the Swindon & Wiltshire Local Enterprise Partnership Assurance Framework, this Ultrafast Scheme fully aligns with the SWLEP's objectives and particularly, Strategic Objective No. 3, which is focused on enhancing the LEP economy's digital capabilities, a priority action of which is to deliver 100% high speed broadband coverage. It will benefit SME's in key identified Wiltshire Council priority employment sectors. It also fully supports Wiltshire Council's corporate and economic objectives. The project also aligns with the key economic and planning policy objectives of Wiltshire Council.

There is compelling evidence that access to technology and good connectivity does allow businesses to grow at faster rates than those who don't make best use of this. The need for much improved connectivity and performance is therefore one of the key drivers within the Wiltshire Online programme.

In November 2017, the UK's Independent Industrial Strategy Commission published its final [report](#)<sup>16</sup> citing the fact that *"in addition to the needs of new technologies, there are several areas where the UK's existing 'hard' infrastructure is acknowledged either to be weak or to need significant investment in the next 10-20 years, including Fixed and mobile broadband and fibre."*

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<sup>16</sup> The Final Report of the Industrial Strategy Commission

One of the reports key contributors, [Professor Dieter Helm](#), stated that *“If there is any area of infrastructure that is most immediately in need of attention it is broadband. A digital economy cannot work without it, and companies’ productivity is directly affected by its quality.”*

The Commission also noted that “there are specific infrastructure needs associated with investment in new technologies and their diffusion. This includes electric and autonomous vehicles, but more broadly the UK’s lamentable fixed and mobile broadband infrastructure. As Professor Dieter Helm has commented, *‘Few would locate in Britain because of the attractiveness of its existing network infrastructures. Few will be attracted by the state of its broadband.’*”

94% of SME’s think a reliable internet connection is critical to their businesses, while 14% say that the lack of Superfast/Ultrafast internet is their main barrier to growth. ([FSB research](#)).

To further support this funding and to emphasise the real need for investment within the Wiltshire business sectors, Ofcom estimate that, as of August 2015, 46% of premises in SME-only postcodes had broadband connections with a maximum speed of less than 10Mbps, 24% had maximum speeds of less than 5Mbps and 12% had maximum speeds of less than 2Mbps.<sup>17</sup>

Improving connectivity across the county is also part of Wiltshire Council’s wider Wiltshire Online Programme agenda, which includes Connectivity and Provision of On-Line Services.

Through 2017 and beyond, there will be a strong competitive market for the provision of a wholesale based superfast broadband across Wiltshire. The availability of Passive Infrastructure Access (PIA) is seen as an opportunity to enable more wholesale providers to enter into this market, possibly offering solutions for specific groups, e.g. Ultrafast speeds with very high synchronous “upload = download” bandwidth.

Access to the internet through high-speed broadband is becoming increasingly important and for some critical. Businesses are now reliant upon the services they can provide and access through their online presence, to reach customers and remain competitive.

Supporting the local economy is a priority for Wiltshire Council, increasing the number of jobs, attracting high growth and high value businesses, whilst supporting our existing ones to grow and extend their reach. Access to high speed connectivity throughout the county underpins social inclusion and educational priorities; this includes reducing rural isolation, reducing out-of-county commuting, improving access to e-learning and workforce transformation.

Our vision is for Wiltshire to be a digitally inclusive county, supporting infrastructure developments, access to on-line services and the ability of businesses to be confident users and maximise the benefits which being on-line can bring. By leading a step-change to provide access to Ultrafast broadband for business users across the county, it will be possible to realise the vision to remove the digital divide felt by some SME’s.

Similarly, this scheme directly aligns to the *SWLEP’s Strategic Priority Objective No 3*, within its January 2016 Economic Plan, namely:

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<sup>17</sup> [Ofcom Connected Nations 2015 Report](#) – Published 1<sup>st</sup> December 2015.



- Deliver 100% high-speed broadband and mobile coverage and prepare for the delivery of ultrafast broadband; and
- Support business and residents to take up and maximise their use of additional broadband capacity to support business growth and community development.

This section sets out the 'case for change', by explaining the rationale for making investment and presenting evidence on the strategic policy fit of this scheme.

The Strategic Case establishes the:

- Context for the business case; outlining the strategic aims and responsibilities of Wiltshire Council;
- Broadband-related problems that have been identified, using evidence to justify intervention;
- Specific, Measurable, Achievable, Realistic and Time-bound (SMART) objectives that solve the problem, identified through alignment with Wiltshire Council's strategic aims and responsibilities;
- Measures for determining successful delivery of the objectives;
- Scheme scope; determining what the project will and will not deliver;
- Analysis of constraints and opportunities for investment;
- Breakdown of interdependencies on which the successful delivery of the Scheme depends;
- Details of main stakeholder(s); and
- Evaluation of the options considered.

## Constraints

Local authorities must take account of the [European Commission's State aid and competition regulations](#).

Local broadband projects will receive varying levels of public funding from the BDUK programme, as well as other sources public funding.

In almost all cases, therefore, the funding for these local and community broadband projects will give rise to State aid: the funding is from or through State resources, it will confer a selective advantage on the suppliers appointed to deliver the local and community broadband projects (and other third parties), and it is liable to affect competitive and trading conditions in the EU market place.

On 26<sup>th</sup> May 2016 the European Commission approved the 2016 National Broadband Scheme, which is an umbrella scheme for broadband projects in the UK. The Decision can be accessed [here](#).

Local bodies could apply to BDUK directly for confirmation that their local broadband projects comply with the terms of the umbrella scheme and are therefore state aid compliant, which was the case with this scheme.



An important part of the operation of both the 2012 and the 2016 National Broadband Scheme is transparency of the scheme itself, projects funded under it, and the rules to which local bodies and successful suppliers will be subject.

Full details of the 2016 EU mandated State Aid compliance guidelines can be found [here](#).

### **3.2 Business Strategy**

Wiltshire Council, as the promoting authority, has key local policies for spatial planning and transport that guide decisions on connectivity infrastructure investment; including any proposals for the Ultrafast Broadband network.

These local policies are the Wiltshire Local Transport Plan 2011-2026 (LTP3)<sup>10</sup> and the Wiltshire Core Strategy<sup>11</sup> (adopted 20th January 2015) which includes the Trowbridge Area Strategy and the Trowbridge Transport Strategy.

Any scheme that addresses the identified problems of countywide next generation connectivity for SME's in Wiltshire must align with these policies, the relevant aspects of which are presented in this section.

The Wiltshire Online programme is strongly linked to a number of key partnerships and Wiltshire Council plans and plays a strategic role in supporting many of the expected outcomes, including but not limited to:

- [Wiltshire Council Business Plan 2017-27](#)
- [Wiltshire Local Broadband Plan](#)
- [Wiltshire's Community Plan 2011- 2026](#)
- [Wiltshire Council Core Strategy 2011- 26](#)
- [Swindon & Wiltshire Local Enterprise Partnership \(SWLEP\) Strategic Economic Plan](#)
- [The Wiltshire 100 Programme - Enterprise Wiltshire](#)
- [Climate Change Strategy – Core Strategy](#)

Crucially, schemes promoted by Wiltshire Council also need to support the economic growth aspirations of the [Strategic Economic Plan \(SEP\)](#), prepared by the SWLEP, which this does.

### **3.3 Problems Identified and the Impact of No Change**

SME's are hugely important to the Wiltshire economy. The vast majority of businesses in the region are micro-enterprises, with 77.5% of all businesses employing fewer than five people. This is a higher proportion than the national average and is set to grow<sup>18</sup>. Despite this, the area has a lower level of businesses per 1,000 residents than almost all of its benchmark Local Enterprise Partnerships and the ratio of businesses to 1,000 residents has fallen over recent years<sup>19</sup>. The area will need to reverse this decline if it is to secure an economic recovery led by existing and new business growth. The number of business births in the region has also not yet returned to

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<sup>18</sup> ONS, 2013

<sup>19</sup> ONS, 2011

pre-recession levels and there is a recognised need to promote new business start-ups and enterprise.

Wiltshire's businesses are generally smaller than the regional and national averages, with approximately 87% having fewer than 10 employees (micro businesses) and 10% having 11 to 49 employees (small businesses). Keeping and attracting new businesses into Wiltshire is a vital target within the council's business plan, which prioritises access to good connectivity.

According to Ofcom's "[Connected Nations](#)" Report<sup>20</sup> published in December 2015, too many people and businesses – especially micro, small and medium sized firms – have not benefited. 2.4 million households and small businesses (around 8% of all UK premises) cannot yet access a decent broadband speed of 10Mbps.

Smaller businesses are particularly reliant upon the prevailing broadband infrastructure and available services and are also unlikely to have the resources and expertise to develop their own solutions. Through joint working initiatives, the need for Superfast and Ultrafast broadband infrastructure across the county has been highlighted as essential to ensuring all businesses can benefit from technological advances.

The need to have improved connectivity in terms of availability, speed and reliability has been a constant issue for both our business and residential users.

As such, Ultrafast is the next evolution of broadband connectivity. It will give users much faster broadband connections and download speeds than they get today, radically transforming the way organisations and people use technology, trade commercially and communicate.

Wiltshire Council and the Swindon & Wiltshire Local Enterprise Partnership recognise that the region is suffering from a lack of high quality / high speed broadband network connectivity which will impact on the economic growth prospects for the area. This shows that a market failure currently exists within Wiltshire for this type of next generation Ultrafast broadband infrastructure.

Wiltshire is a good place to be in business. The challenge here is to create a technical environment, where businesses, especially SMEs, can thrive alongside larger organisations in high-value growth sectors. A crucial ingredient for this success is to provide a technical environment where businesses of all scales can access next generation connectivity.

### **3.4 Objectives**

In order to solve the problems outlined, four SMART (Specific, Measurable, Achievable, Realistic & Time Based) objectives for the Ultrafast Broadband network have been identified.

Strong progress against all objectives is expected by 2022 (3 years after deployment concludes).

1. Increase the number of Non-Residential premises across Wiltshire with access to Ultrafast/NGA broadband by up to c.537 by December 2019, subject to survey, planning and technical modelling.

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<sup>20</sup> [Ofcom Connected Nations Report – Published 1st December 2015](#)

2. Where point No.1 above is not technically achievable due to infrastructure constraints, increase the number of Non-Residential premises across Wiltshire currently with a sub <30Mbps service, with a 100% “step change” improvement in Superfast NGA speeds by December 2019.
3. Increase the number of Residential premises across Wiltshire with access to Ultrafast/NGA broadband by up to c.8201 by December 2019, subject to survey, planning and technical modelling.
4. Complete all deployment by December 2019.
5. Unlock additional private sector supplier investment over and above the total £3m project costs, through the competitive procurement process.
6. Generate additional “CAPEX” reinvestment income opportunities, through contractual “Clawback” mechanisms.
7. Following Wiltshire Online’s June 2016 “Open Market Review – OMR” exercise and in line with the recently notified 2016 EU State Aid scheme, ensure that the project only invests in areas where there is a market failure to provide Ultrafast and / or NGA Superfast broadband over the next three years.

### 3.5 Measures for Success

For each objective set out in section 3.4 above, at least one ‘indicator of success’ has been established to determine what constitutes successful delivery of any Ultrafast Broadband-related improvements. Indicators and related targets for outcome indicators are outlined in the table below. Further details, including output and scheme delivery monitoring, are presented in the Benefits Realisation, Monitoring and Evaluation Plan.

Benefit Indicator	Targets	Relating to Objective No #
Ultrafast/NGA connectivity available for end-users.	Minimum 537 Non-Residential / 8201 Residential premises reached by Dec 2019.	No 1
100% step change in previously available fibre broadband speeds <30Mbps.	Minimum 537 Non-Residential / 8201 Residential premises reached by Dec 2019.	No 2
All build completed by December 2019.	Deployment to Non-Residential / Residential premises with a fibre service.	No 3
Private sector investment	Potential for between 5%	No 4

stimulated over and above the £3m project costs.	and 25% additional investment, dependent on the chosen supplier.	
Additional Capex reinvestment funding generated through advanced levels of fibre take-up.	> 60% take-up.	No 5

### 3.6 Scope

Given the problems identified in [Section 3.3](#) and the objectives identified in [Section 3.4](#), the immediate area of impact to be addressed by any intervention is concerned with the Wiltshire Council geographic business areas, which can be viewed [here](#).

- Business User premises were initially identified by cross referencing Wiltshire Council's Local Land & Property Gazetteer (LLPG) "non-domestic" rate payer's data (Non-Residential), against the "Speed and Coverage Template – SCT, which was a direct output of the prescribed June / July 2016 State Aid "Open Market Review – OMR" exercise.
- Residential premises were initially identified by cross referencing Wiltshire Council's Local Land & Property Gazetteer (LLPG) "domestic" rate payer's data (Residential), against the "Speed and Coverage Template – SCT, which was a direct output of the prescribed June / July 2016 State Aid "Open Market Review – OMR" exercise.
- Due to specific State Aid constraints, this scheme can only target areas defined as Next Generation Access (NGA) 'White Areas', ergo, that there is currently no planned or targeted commercial uplift to existing infrastructure delivering NGA with speeds of greater than >30 Mbps, to enable Ultrafast capability of greater than >100 Mbps.
- Eligible "white" strategic employment site postcodes, supplied by the SWLEP, were also factored into the above dataset for primary consideration by potential suppliers within the Intervention Area (IA), during the ITT process.
- Intervention areas were identified, cross-checked for eligibility and mapped to define the 'White Areas' for this intervention, to ensure that compliance with the newly notified 2016 EU State Aid public consultation requirements were met.
- Wiltshire Council complied with the procurement regulations for compliance within the newly notified 2016 EU State Aid regulations.
- For this project, Wiltshire Council initially targeted the final "No Build" Non-Residential premises left without a Superfast broadband solution, following the prescribed June / July 2016 "Open Market Review - OMR" exercise.
- If 100% Ultrafast coverage proves technically unachievable with the available budget, then Wiltshire Council will continue by targeting the sub <30Mbps Non-Residential & Residential

premises, clearly demonstrating a significant “step change” in speeds, utilising a combination of both Ultrafast & Superfast NGA technologies.

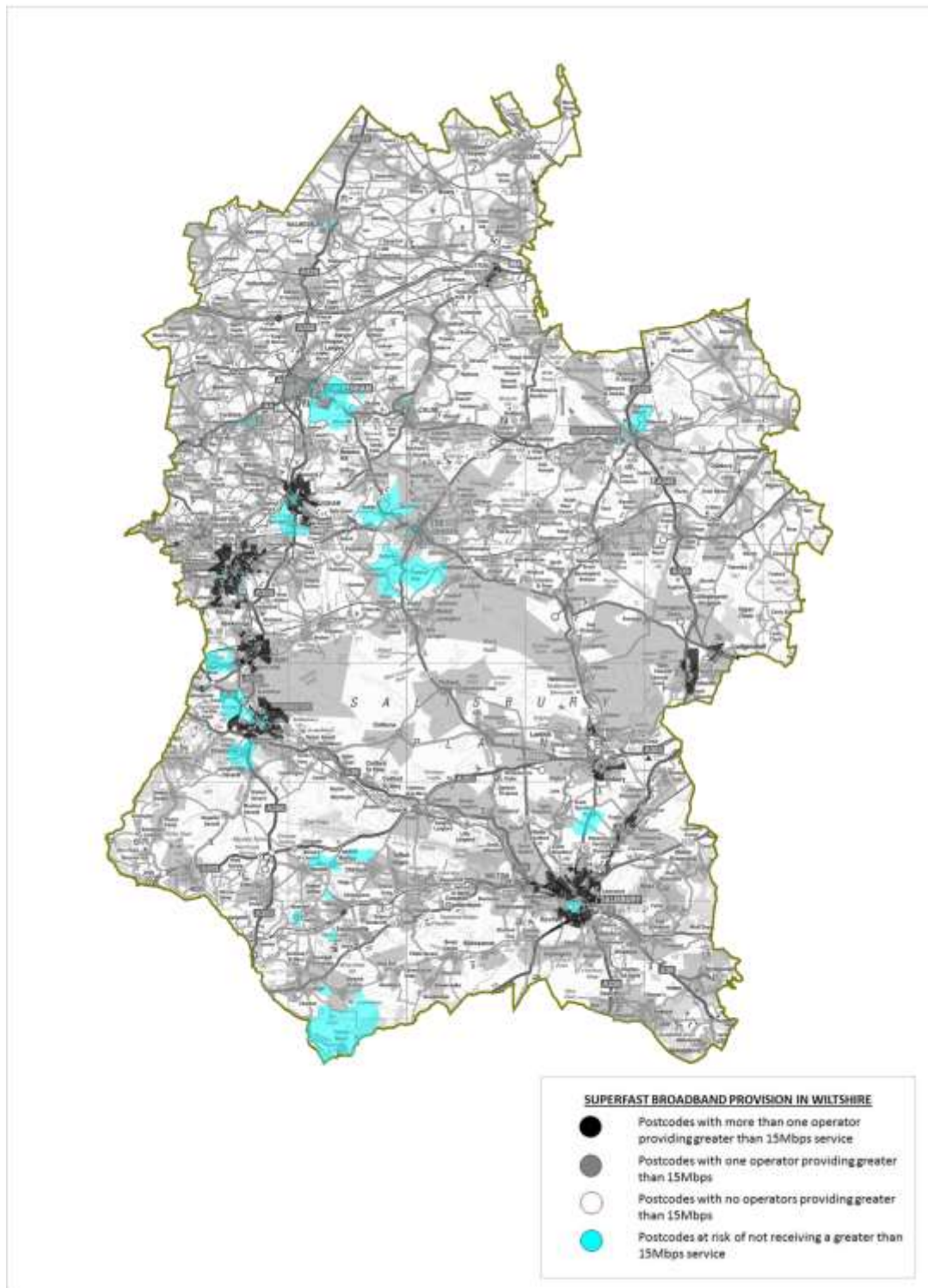
- This solution will provide an Ultrafast / NGA Broadband solution to c.537 eligible Non-Residential premises and c.8201 Residential premises by 31<sup>st</sup> December 2019, subject to planning and survey, within the geographical area defined in our [Executive Summary map](#).
- To qualify for funding, Wiltshire Online must deliver a ‘material increase’ or ‘step change’ in terms of broadband availability / speeds. The purpose of this requirement is to ensure that use of public subsidy is well justified. Step change can be achieved when three conditions are met, namely:
  - *The investment represents significant new investments in the Ultrafast (>100 Mbps) broadband network.*
  - *The new infrastructure brings significant new capabilities to the market in terms of Superfast broadband service availability, capacity and speeds >30 Mbps.*
  - *The subsidised network should be pro-competitive, i.e. allow for effective access at different levels of the infrastructure.*

## Wiltshire Online “In Scope” State Aid Mapped Area

Intervention Area - The “white” areas on the map below constitute the “Intervention Area (IA)”.

Note: These areas were remapped following Wiltshire Online’s June/July 2016 prescribed State Aid “Open Market Review (OMR)” exercise.

Updated high resolution fibre coverage maps can be found and downloaded [Here](#).





## Overview of the Methodology Applied

Wiltshire Online's first priority considered for Ultrafast broadband intervention were the business postcode areas, aligned to Wiltshire Council's most strategically important growth and employment development business sites, as supplied by Wiltshire Council's Economic Regeneration team, with the Porton Down Science Park site of most importance strategically.

All postcodes within the proposed Intervention Area (IA), both Non-Residential & Residential, were manually cross-referenced as follows:

- Firstly, against the July 2016 SCT for eligibility as "No Build / <30Mbps", in line with the prescribed 2016 EU State Aid investment criteria and requirements.
- Secondly, against data provided by Wiltshire Council's "Spatial Planning" Department (LLPG dataset), for a list of current premises with non-domestic rates. (Non-Residential. i.e. Businesses) and domestic rates (i.e Residential).
- Following the above two exercises, all data was de-duplicated, to avoid repetition of postcode areas / double investment.
- Eligible business premises identified were also weighted more heavily than residential premises within the evaluation and award scoring methodology, within the ITT criteria, as detailed below:
  - The unserved "white" strategic employment sites postcodes, as called out in the Wiltshire Core Strategy and verified by Wiltshire Council's Economy & Regeneration team colleagues.
  - Porton site weighted most favourably.
  - Non-residential premises weighted more favourably than residential (to support SME's).
  - An additional level of weighting was added to score more favourably those premises planned to receive the biggest gain in speeds (step change)
  - An additional level of weighting was awarded for a planned ultrafast service but did not exclude opportunities to provide upgrades of significance (i.e. current speeds under 2Mbps to 50Mbps)
  - Additional weighted score in favour of delivery volumes by December 2017, as per BDUK's national requirements and aspirations.
  - Ensured that if investment was proposed to happen close to residential areas yet to be upgraded, we did not restrict the supplier's ability to bid and include all those residential premises, to achieve maximum value for money (VfM) output.

An extract of both the "Level 3" qualitative evaluation award criteria and the Speed & Coverage scoring template, for both Lot 1 North & Lot 2 South, can be found in the table below:

Lot 1 (North) Level 3 Criteria		Lot 2 (South) Level 3 Criteria	
2.5.1 For the extent to which the timescales meet the requirements set out in Part 2 Paragraph 2.4.2.	23%	2.5.1 For the extent to which the timescales meet the requirements set out in Part 2 Paragraph 2.4.2.	23%
2.5.2 For the extent to which all other baseline and maximum capability requirements are addressed.	23%	2.5.2 For the extent to which all other baseline and maximum capability requirements are addressed.	23%
2.5.3 The extent to which Bidders have addressed the Ultrafast speed requirement set out in Part 2 Paragraph 2.2.1.	23%	2.5.3 The extent to which Bidders have addressed the Ultrafast speed requirement set out in Part 2 Paragraph 2.2.1.	23%
2.5.4 The extent to which Bidders have addressed the requirements to consider solutions for businesses / SME's in areas of strategic importance for the Local Body as set out in Part 2 Paragraph 2.2.2.	31%	2.5.4 The extent to which Bidders have addressed the requirements to consider solutions for businesses / SME's in areas of strategic importance for the Local Body as set out in Part 2 Paragraph 2.2.2.	21%
		2.5.5 – The extent to which Bidders have addressed the requirements to consider an Ultrafast solution for Porton Science Park as set out in Part 2 Paragraph 2.2.3.	10%



## Speed & Coverage Template (SCT) - Scoring Principles

- 1) Covering premises attracted different points as we prioritised them, for example:
  - \* Non-Residential (i.e. Business) premises scored higher than Residential premises.
  - \* Premises with the lowest current speeds scored higher than premises with higher current speeds.
  - \* Premises in specific priority areas scored higher than premises outside such areas.
- 2) Covering premises also attracted different points depending on the (download) access speed of the solution delivered to that premises.

Type Code	Type of Premise	Premise Type Weight
R	Residential	1.0
NR	Non-Residential	2.0
*Other if applicable	N/A	0.0

Priority Area Code	Priority Area	Premise Area Weight
A	Under Review	0.0
B	Not Used	0.0
C	Not Used	0.0
Z	In scope for build	1.0
X	Not In scope for build	0.0

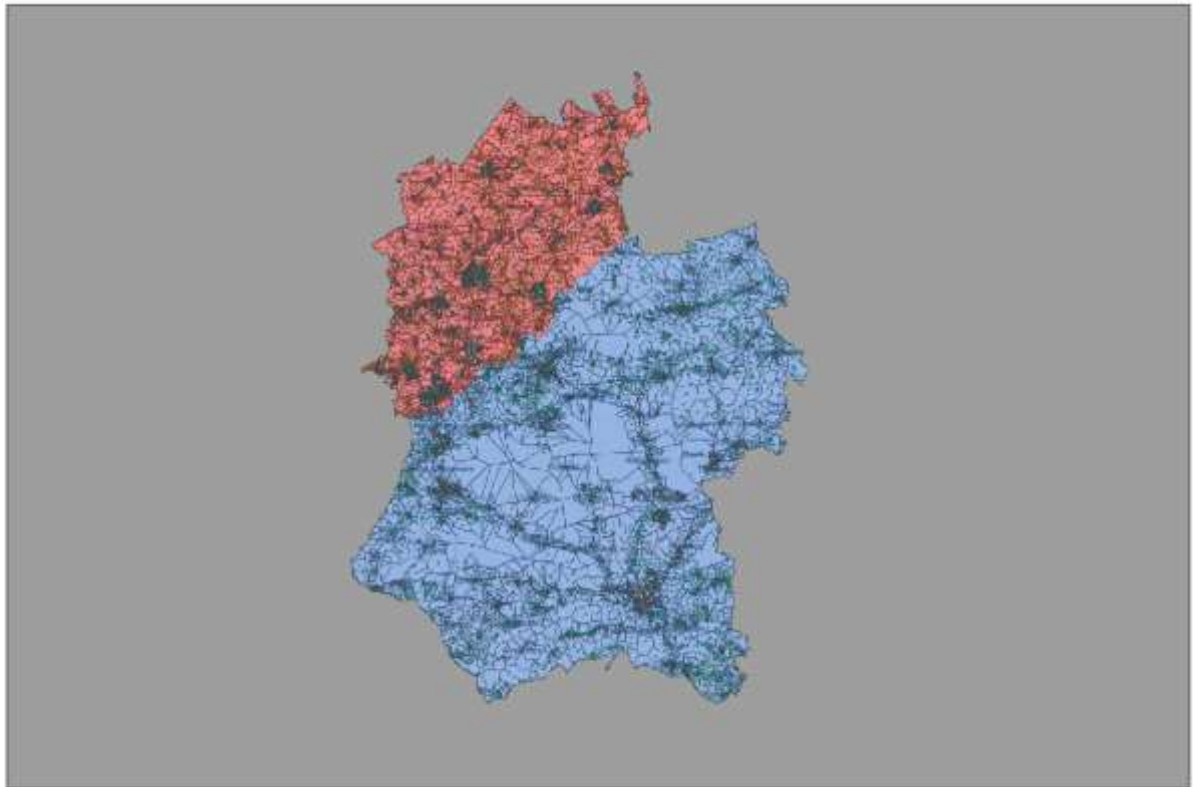
Speed Code	Current Speed	Premise Speed Weight
1	0 - 1.99 Mbps	2.0
2	2.00 - 7.99 Mbps	1.5
3	8.00 - 14.99 Mbps	1.0
4	15.00 - 23.99 Mbps	0.5
5	24.00 - 29.99 Mbps	0
6	30.00 - 99.99 Mbps	0
7	Above 100.00 Mbps	0

- In line with State Aid guidance from the “National Competence Centre – BDUK (Department for Digital, Culture, Media & Sport - DCMS)”, to both increase competitive tension and

encourage wider participation from potential bidders through the ITT process, the county was divided into two Lots (North & South), with almost identical numbers of premises contained within each Lot for consideration.

## **Lotting Visual Representation**

### **Lot 1 North (Gigaclear Plc award) & Lot 2 South (BT Plc award)**



The county of Wiltshire covers 325,534 hectares and has the 5th largest land area of the 16 South West counties and unitary authorities. Approximately 90% of the county is classified as rural.

Wiltshire County has a total population of 483,100 people (ONS 2014 Mid-Year Estimate.) The county's population is set to grow by 48,800 persons between Census 2011 and 2026, a projected increase of just over 10.4 %.

Wiltshire is a predominantly rural county with an average population density of 1.45 persons per hectare. Almost half of people live in towns and villages with fewer than 5000 residents. A quarter of the population live in small villages of less than 1,000 people.

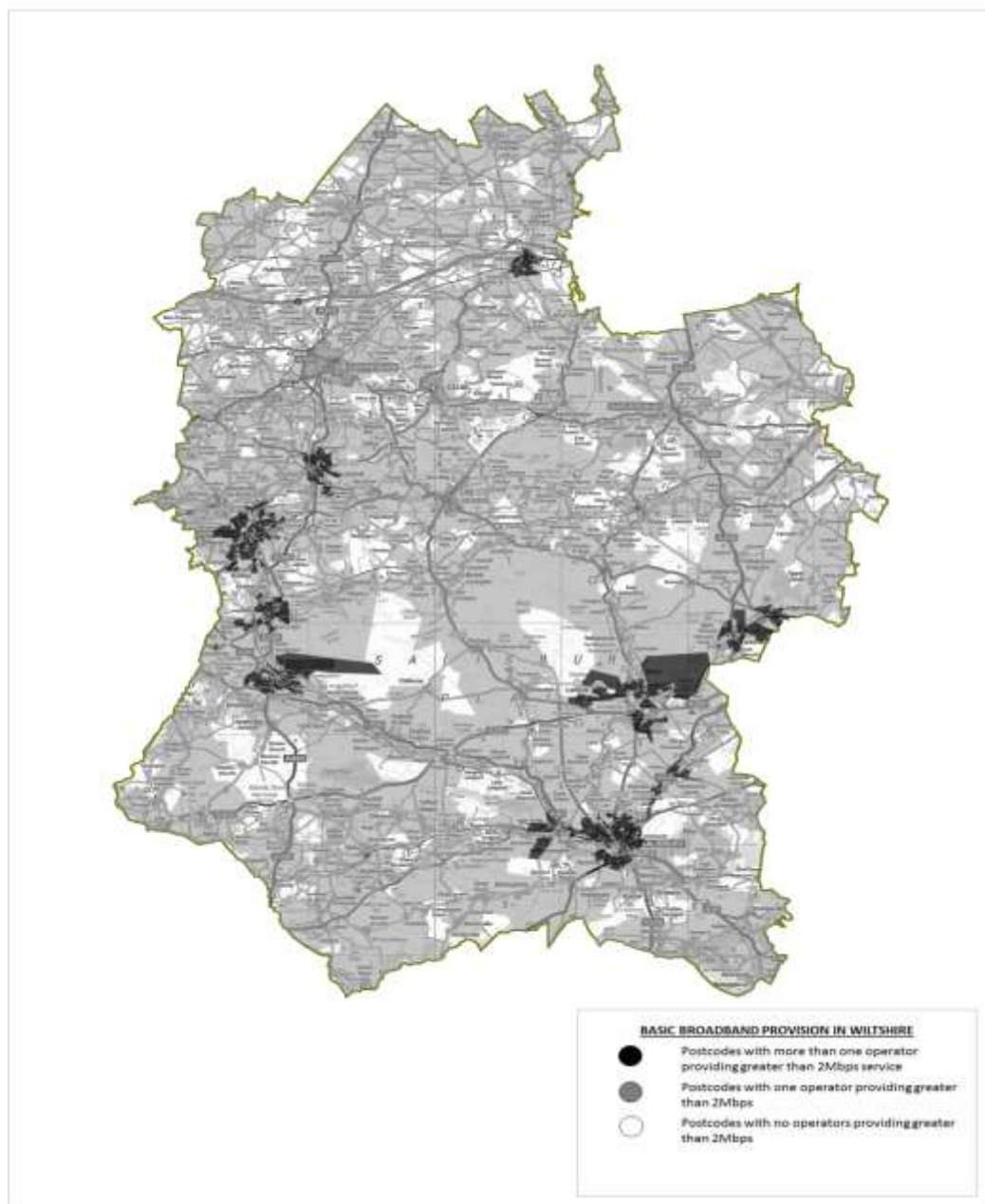
There are over 226,730 premises in the Project area, of which 214,165 are residential and 12,565 business premises.

## Wiltshire Online “Out of Scope” State Aid Mapped Area

The black and grey areas on this map, within the Overall Geographical Area, are “out of scope” for intervention as part of this Ultrafast Solution, as those postcodes areas which already have, or will have, NGA Network coverage, and based on consultation/market research, have been assessed by Wiltshire Online as appropriately meeting local needs.

Note: These areas were remapped following Wiltshire Online’s June/July 2016 prescribed State Aid “Open Market Review (OMR)” exercise.

Updated high resolution fibre coverage maps can be found and downloaded [Here](#).

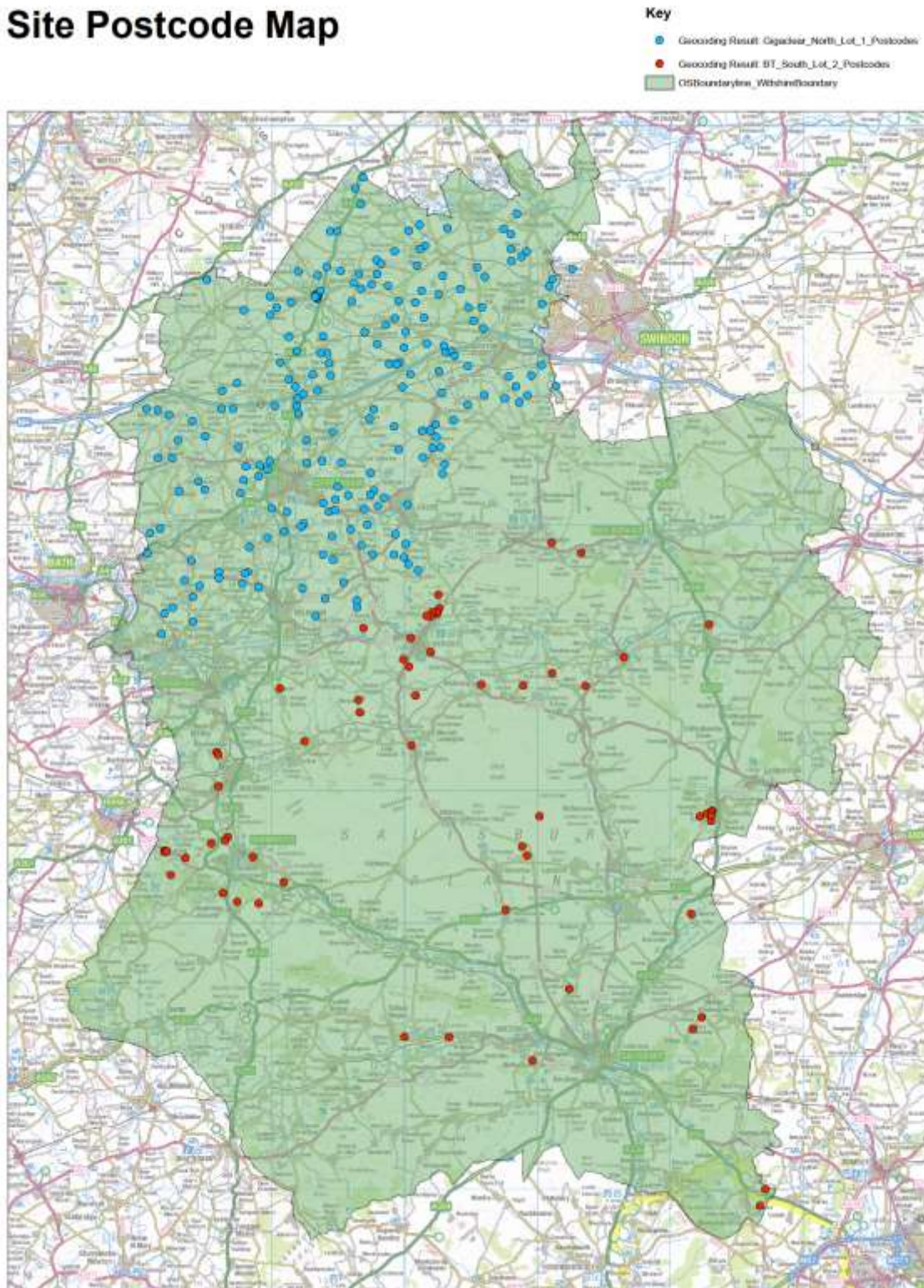




## Proposed Deployment by Non-Residential Postcode Area

(Lot 1 North & Lot 2 South)

### Site Postcode Map



13th November 2017 v1

1:125,000



### 3.7 Current Opportunities

This became more apparent and emerged through the ITT stage in late 2016, following engagement with suppliers / market warming and information gathering exercises.

### 3.8 Interdependencies

The intervention area for this Ultrafast Broadband network deployment is directly aligned to the “Speed and Coverage Templates – SCT,” which were derived as an output of the State Aid prescribed June / July 2016 “Open Market Review (OMR),” in terms of identifying permissible postcode areas / premises eligible for investment with public funding (“White” Areas only); areas where there is no existing or planned NGA network deployment, within the next three years.

In preparation for the procurement, Wiltshire Online conducted an “Open Market Review (OMR),” to establish existing and planned (within the next 3 years) coverage of broadband infrastructure across the proposed Ultrafast Programme Area. This included both commercial coverage by existing and prospective NGA broadband infrastructure providers and coverage previously procured under Wiltshire Council’s existing Superfast Broadband contract with BT Group.

As the first mandatory, prescribed activity required for EU State Aid compliance, during the “Open Market Review (OMR),” Wiltshire Online were required to provide postcode and premises level data to all commercial providers, to determine their build plans (current and planned) for the next 3 years. This process was commenced by Wiltshire Online on 6<sup>th</sup> June 2016 and was completed on 4<sup>th</sup> July 2016. This was a precursor to the formal Public Consultation exercise, which commenced on 26<sup>th</sup> August and concluded on 3<sup>rd</sup> October 2016.

### 3.9 Stakeholders

The current list of stakeholders, whilst not exhaustive, is as follows:

- Wiltshire Council
- Swindon & Wiltshire Local Enterprise Partnership (SWLEP)
- Wiltshire Businesses & SME’s
- Wiltshire Residents
- Broadband Delivery UK (BDUK – Department for Digital, Culture, Media & Sport)
- Service Providers
- Wiltshire Council Internal Stakeholder Colleagues (Streetworks, Highways, Economy & Regeneration, etc).

#### 3.9.1 Options

Following confirmation of the £1m approved grant match funding from the SWLEP application, Wiltshire Council (Wiltshire Online) will deliver:

- Priority 1 - An Ultrafast / NGA Broadband solution to eligible “white” business premises, identified within our strategic business growth areas, and eligible “white” residential premises, currently shown as “No Build” within our new 2016 SCT, in line with our Economy & Regeneration policies and aspirations.

- Priority 2 - If 100% Ultrafast postcode coverage within the approved Intervention Area (IA) could not be technically achieved, we allowed for an evidence based “step change” in speeds, utilising a combination of both Ultrafast & NGA technologies, next targeting sub <30Mbps Non-Residential premises and Residential premises.

Importantly, BDUK did not expect that any premises that were already Superfast should be re-targeted for further investment and speed uplift. Priority 2 was therefore confined to those premises that were currently less than a Superfast speed. (I.e. sub <30Mbps speeds which could be doubled – 100% targeted speed uplift).

This project will deliver Ultrafast or NGA broadband access to c.527 Non-Residential premises (excluding additional commercial investment beneficiaries and / or home workers) and c.8201 Residential premises (subject to planning and survey), that would otherwise be unable to access, or would continue to have a sub-30Mbps broadband service, in the NGA white areas.

It will be difficult to quantify fully the benefits of the project, by the nature of the data required to allow measurement, and there is little in the way of empirical research to use in projecting the benefits of improved broadband connectivity in terms of job creation, business growth and productivity (particularly as it is one of a number of factors in determining economic performance, albeit one that businesses see as being vital).

However, to monetise the benefits, the independent [UK Broadband Impact Study](#) commissioned by The Department for Digital, Culture, Media and Sport, and carried out by SQW, found that:

*“Regarding the economic impacts, we estimate that the availability and take-up of faster broadband speeds will add about **£17 billion** to the UK’s annual Gross Value Added (GVA) by 2024. This level of uplift contributes an average of 0.07 percentage points to real annual GVA growth over this period.”*

*“Over the modelling period (to 2024), these interventions are projected to return approximately **£20 in net economic impact for every £1 of public investment**. This is an unusually high level of return for public funding, but we consider it to be realistic, given that broadband is a General-Purpose Technology which has an increasingly critical role in the day-to-day operations of the majority of UK businesses. The Government’s interventions are substantially improving the quality of this technology across a significant proportion of the UK, which, in the long term, will benefit hundreds of thousands of businesses, employing millions of people.”*

*“The bulk of this economic impact comes from improvements in the productivity of broadband-using firms, but there are also significant benefits from safeguarding employment in areas which would otherwise be at an unfair disadvantage, from productivity-enhancing time-savings for teleworkers, and from increased participation in the labour force. The total net employment impacts from faster broadband rise to about 56,000 jobs at the UK level by 2024, and about **20,000 jobs** are attributable to the publicly funded broadband intervention.”*

While recognising that there are still gaps in the empirical evidence base, and that the future is inherently uncertain, the [SQW study’s projections](#) are the outputs from a rigorous and detailed analysis which draws on the best data that was available.

The tangible benefits of Ultrafast / NGA broadband to Wiltshire SME's are therefore clear.

## 4. Economic Case

### 4.1. Overview

This chapter identifies the key economic, environmental and social impacts of the scheme and presents the overall value for money. This shows the extent to which the Scheme's benefits outweigh its costs, whether monetised or not.

### 4.2. Value for Money Statement

The Value for Money (VfM) assessment below, carried out by Central Government (BDUK – VfM Team), for both Lot 1 North & Lot 2 South, summarises the impact of the Ultrafast broadband network.

#### Summary Overview – Lot 1 North

	Gigaclear Lot 1 - North
First Premise Passed	March, 2018
Premises Passed to 31 December 2017	0
Premises Passed Total (PFM)	5774
of Which are FTTP	5774
Proportion FTTP	100%
Deployment Completion Date	December, 2019
SFIA Premises Passed	5774
Proportion SFIA Premises Passed (% of Total)	100%
Public Funding	£1,500,000

The Gigaclear contribution to this contract is approximately £8 million, in the Lot 1 - North Wiltshire area covering over 5700 premises.

Whilst there is absolutely no contractual obligation or formally enforceable commitment to Wiltshire Council by Gigaclear, for their own commercial activities, this additional commercial investment would however secure approximately 9000 additional premises reached in the North of the county, a blended mix of both residential and non-residential properties.

It is also noted that Gigaclear are separately investing around £13m for their planned commercial roll-out in the North of the county also (this is on top of the £8m assigned for this project above, therefore totalling over £20m).



## Summary Overview – Lot 2 South

	BT Lot 2 - South
First Premise Passed	March, 2018
Premises Passed to 31 December 2017	0
Premises Passed Total (PFM)	2964
of Which are FTTP	2009
Proportion FTTP	68%
Deployment Completion Date	April, 2019
SFIA Premises Passed	3162
Proportion SFIA Premises Passed (% of Total)	107%
Public Funding	£1,500,000

BT's NGA Network Build investment comes to approximately £1.7m.

In terms of absolute transparency, as we only received one bidder for the Lot 2 – South area (BT Group), again in line with current State Aid guidance from the National Competence Centre, not only was the above piece of analysis work carried out by BDUK, but the VfM assessment was also independently audited by "[Farrpoint](#) Limited", who are subject matter industry experts in planning, procuring and implementing IT technology solutions. Farrpoint provided independent confirmation that the BDUK VfM assessment was indeed correct for Wiltshire Council, as required for State Aid purposes.

## Value for Money

When analysing the Value for Money benefits for the Scheme, the clear economic dis-benefits would include increasing rural SME non-competitiveness, rural deprivation, increasing cost of living, lack of credible employment opportunities, etc, compounding the negative effect.

Value for money will continue to be assessed through the delivery of the contract (s) in a number of ways:

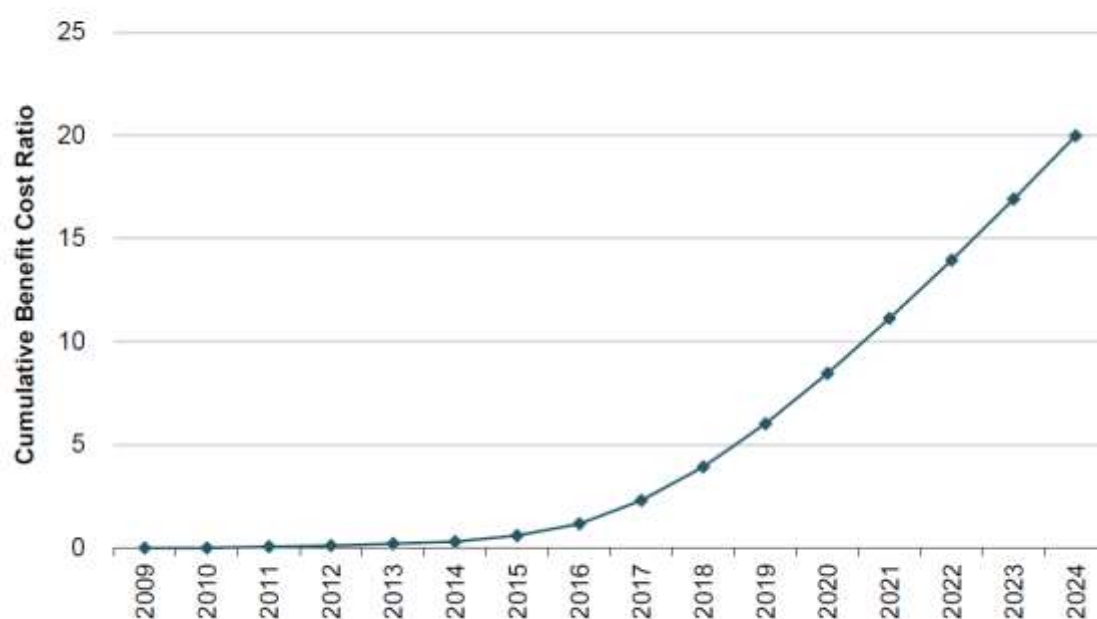
- Open book accounting by the contractor(s) during the contract (s).
- The range of ISP's / potential suppliers with differing available solutions.
- Market comparison of wholesale and retail prices and performance.
- Use of comparative benchmarking data with BDUK.
- Use of modeled data provided by BDUK.
- Use of a mechanism to ascertain the sufficient rate of public matched investment intervention to enable retrospective reconciliation (Claw back) of funding where the successful bidder was over-subsidised by grant.



## Value for Money Assessment (Benefit vs Cost Ratio)

[The Independent 2013 UK Broadband Impact study](#) by SQW found that “Discounting the real values for the total public expenditure and the net GVA impacts attributable to intervention at 3.5%, as per Treasury Green Book guidance, and using 2009 as year zero, we find that the Benefit Cost Ratio (BCR) rises to about 20 by 2024 (Figure 2-17 below). That is, over the 2009 to 2024 period, the interventions are projected to return approximately £20 in net economic impact for every £1 of public investment.

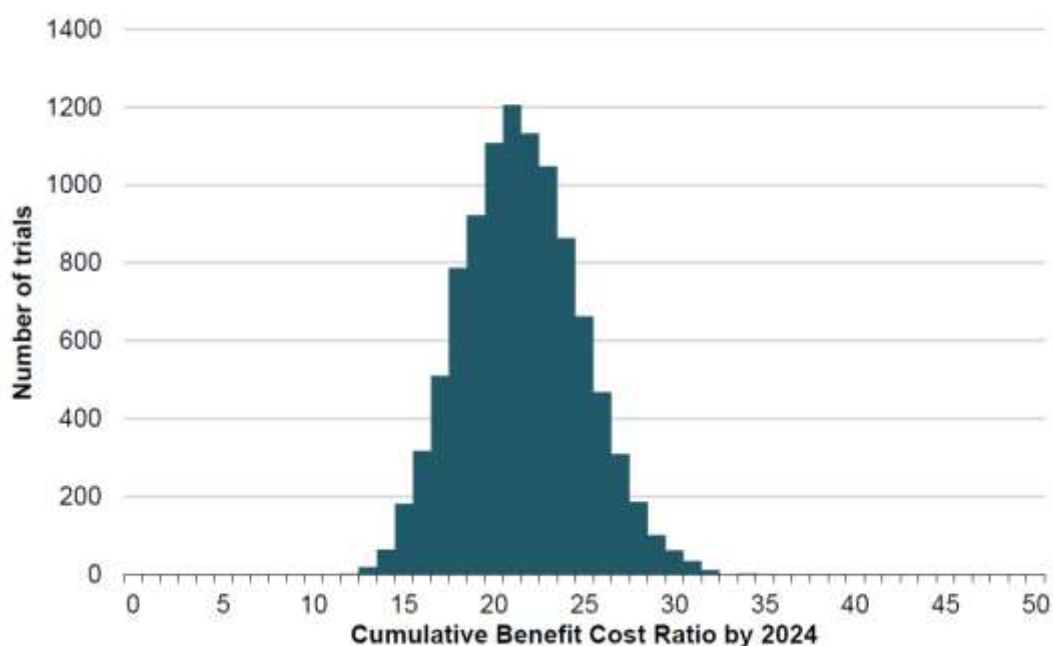
**Figure 2-17: Cumulative Benefit Cost Ratio associated with interventions**



Source: UK Broadband Impact Model, SQW 2013

Looking at the [SQW](#) Monte Carlo simulation findings for the BCR by 2024 (Figure 2-17 below), they found that 90% of trials return BCR results between 17 and 27.

**Figure 2-18: Monte Carlo distribution of the cumulative Benefit Cost Ratio by 2024, associated with interventions (10,000 trial simulation)**



Source: UK Broadband Impact Model, SQW 2013

In 2015, the EU Commission also published a [detailed report](#) summarizing the socio-economic benefits of high-speed broadband, citing the fact that “a key underpinning argument is that not all benefits of high-speed broadband can be monetised and that passive broadband infrastructure can be seen as a public good and often meets natural monopoly conditions outside urban areas.”<sup>21</sup>

Referencing a similar rural broadband project, Superfast Cornwall commissioned an [independent evaluation and study of broadband impact](#), from 2011 to 2015.<sup>22</sup>

The evaluation was led by CDC’s Research and Evaluation Manager and SERIO at Plymouth University were commissioned to be the external evaluation partner. SERIO delivered a baseline report (November 2011), a mid-term report (November 2013) and a final evaluation report (June 2015), highlighting the tangible economic benefits of broadband.

The Evaluation of Superfast (2011-2015) was cutting edge as it was the first time the economic impact of a publicly funded investment in superfast broadband in a rural area had been thoroughly and systematically assessed. The evaluation was methodologically robust and statistically reliable and provides a really strong base on which to assess further socio-economic impacts of the technology.

As the central government co-funder of this scheme, BDUK’s economic assessment of VfM, continues at a programme level, through ongoing individual project reviews.

<sup>21</sup> [European Commission \(Directorate-General for Communications Networks, Content and Technology\)](#)

<sup>22</sup> [Serio – Superfast Cornwall Final Evaluation Report 2015](#)

### 4.3. Value for Money Sensitivity

Based on our previous deployment experiences with our Superfast Broadband contracts, Phases 1 & 2, we have identified the key variables which could affect the cost of this project; and the resulting action that the Ultrafast Project would take.

1. Costs incurred are greater than originally estimated (High-cost structures / post survey)
2. Customer take-up is lower than predicted. (Demand stimulation)

If costs escalate, we would concentrate on maximising Ultrafast / NGA coverage and reducing the planned number of connections to bring the project inline within budgetary constraints.

### 4.4. Appraisal Assessment

Local authorities must take account of the [European Commission's State aid and competition regulations](#).

These local broadband projects will receive varying levels of public funding from the BDUK programme, as well as other sources public funding.

In almost all cases, therefore, the funding for local and community broadband projects will give rise to State aid: the funding is from or through State resources, it will confer a selective advantage on the suppliers appointed to deliver the local and community broadband projects (and other third parties), and it is liable to affect competitive and trading conditions in the EU market place.

On 26<sup>th</sup> May 2016 the European Commission approved the 2016 National Broadband Scheme, which is an umbrella scheme for broadband projects in the UK. The Decision can be accessed [here](#).

Local bodies could apply to BDUK directly for confirmation that their local broadband projects comply with the terms of the umbrella scheme and are therefore state aid compliant, which was the case with this scheme.

An important part of the operation of both the 2012 and the 2016 National Broadband Scheme is transparency of the scheme itself, projects funded under it, and the rules to which local bodies and successful suppliers will be subject.

Full details of the 2016 EU mandated State Aid compliance guidelines can be found [here](#).

When considering the SWLEP £1m grant match funding award made to Wiltshire Online in 2016, the 'do nothing' scenario meant that Wiltshire Council (Wiltshire Online) would not have been able to secure match funding from any alternative source.

The absence of any match funding award would therefore have had a significant detrimental impact upon business growth and productivity across the SWLEP area, particularly if other neighbouring LEP areas were investing in their NGA broadband capabilities.

At the end of 2014, around 76% of premises had been provided Superfast broadband tackled through commercial investment (BT and Virgin Media, etc.), however the commercial case for providing similar services to the remaining, often rural, communities such as Wiltshire, is far more challenging.

Higher infrastructure costs, challenging topography and lower population density make it unprofitable for potential suppliers to invest, which means that State Aid projects have tended to focus more on the final third (30%) remaining.

The lack of appetite from commercial investors beyond the 76% mark is largely due to the commercial feasibility of return on investment, hence the intervention by the Government in 2010. In March 2015 The Government published its Policy Paper [“The Digital Communications Infrastructure Strategy”](#)<sup>23</sup>, clearly stating that:

*“The government’s role is to facilitate private investment in UK infrastructure, provide policy stability, and support the market. We have created a favourable, competitive climate that encourages companies to develop innovative new services.”*

This competitive economic stimulation was therefore essential to address the market failure of high speed network deployment to date and for the foreseeable future.

As a result, as of March 2017, more than 4.4 million homes and businesses have now been reached by the Government’s nationwide rollout of Superfast Broadband<sup>24</sup>, with aspirations to reach 95% coverage by December 2017, as part of the Phase Two Superfast deployment. However, the final 5% remains the most challenging in every respect (cost, infrastructure, deployment, topography, commercial appetite, etc).

#### **4.5. Economic Impacts**

The government’s ambition is that Ultrafast broadband speeds of at least 100Mbps should become available to nearly all UK premises. This is a challenging ambition, but realising it will ensure that the UK remains among the best-connected nations in the world.

The Ultrafast market is in its infancy, but the market is beginning to mobilise to deliver it at scale. As this deployment gains momentum, competition between different network providers will drive further investment and innovation, and see the reach of Ultrafast grow across the UK.

Increasing the speed and capacity of our broadband infrastructure will promote economic growth in Wiltshire. Investment in Superfast broadband infrastructure will also support long-term economic growth, with Gross Value-Added increasing by £6.3 billion, [causing a net increase of 20,000 jobs in the UK by 2024](#)<sup>25</sup>.

Faster broadband has already empowered many businesses, particularly SME’s. It’s been shown that SME’s that are active online are more successful, [grow more quickly and reach wider](#)

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<sup>23</sup> Department for Digital, Culture, Media & Sport – March 2015 <https://www.gov.uk/government/publications/the-digital-communications-infrastructure-strategy/the-digital-communications-infrastructure-strategy#supporting-the-market-to-deliver-better-connectivity>

<sup>24</sup> BDUK Press Release – 27<sup>th</sup> December 2015 - <https://www.gov.uk/government/news/government-broadband-rollout-passes-35-million-milestone>.

<sup>25</sup> [www.gov.uk](http://www.gov.uk)

[markets than their peers](#)<sup>26</sup>. A recent report from the [Federation of Small Businesses](#)<sup>27</sup> stated that 94% of small business owners consider a reliable internet connection critical to the success of their business, while 60% expect to increase their online presence in the next year.

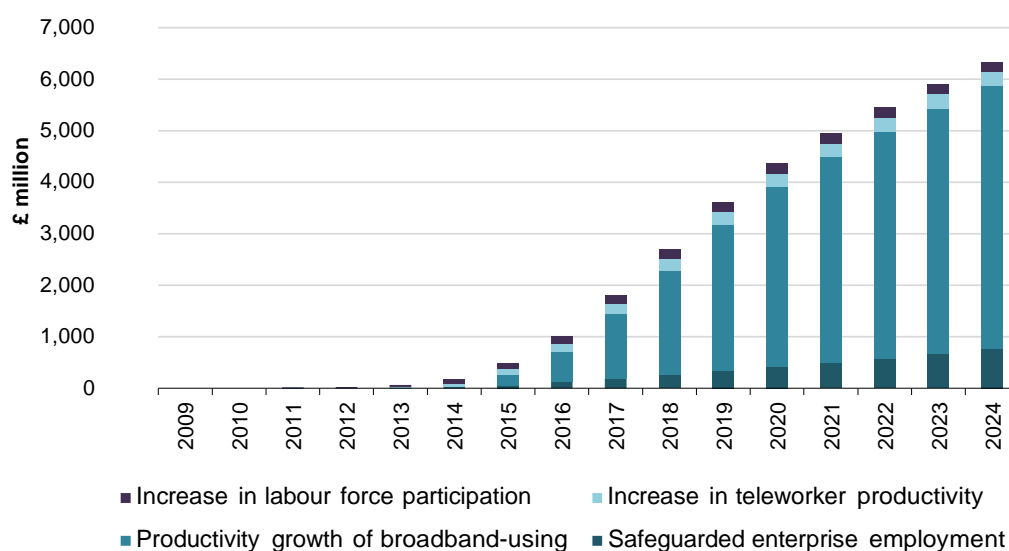
As many as 14% of small businesses consider lack of reliable and fast broadband connectivity to be their main barrier to growth.

Similarly, the [Confederation of British Industry reports](#)<sup>28</sup> that over four-fifths of its members see fixed and mobile broadband as critical to their future success. In its 2014 Infrastructure Report, Ofcom reported that [reliable and high-quality broadband and mobile connections are becoming ever more important to commerce and to the wider economy](#)<sup>29</sup>. Faster broadband connections are contributing to growth in productivity, efficiency and labour force participation, particularly by encouraging flexible working and working from home.

Broadband infrastructure intervention is projected to return approximately £20 in net economic impact for every £1 of public investment ([Source: DCMS Impact report by SQW – Nov 2013](#)). This is an unusually high level of return for public funding, but SQL consider it to be realistic, given that broadband is a General-Purpose Technology which has an increasingly critical role in the day-to-day operations of the majority of UK businesses.

The bulk of this economic impact comes from improvements in the productivity of broadband-using firms, as illustrated in the chart below.

Total net annual GVA impact attributable to intervention – by type of impact  
(£ million, 2013 prices)



Source: UK Broadband Impact Model, SQW 2013

<sup>26</sup> [www.bcg.com](http://www.bcg.com)  
<sup>27</sup> [www.fsb.org.uk](http://www.fsb.org.uk)  
<sup>28</sup> [www.cbi.org.uk](http://www.cbi.org.uk)  
<sup>29</sup> [www.ofcom.org.uk](http://www.ofcom.org.uk)

In addition, the work involved in constructing the subsidised networks, including multiplier effects, is expected to account for a short-term total gross GVA impact of about £1.5 billion, with approximately 35,000 job-years created or safeguarded over the period to 2016.

The specific benefits envisaged as a result of the Wiltshire Online Ultrafast Programme are:

- Improved access to high-speed / high bandwidth online services.
- Stimulation of investment by the private sector that will help to create new jobs in the county, many of which will be in high skill / high value activities.
- Wiltshire will be the business location of choice as a result of commercial areas having Ultrafast broadband availability.
- The regeneration and subsequent growth of existing business centres and workspaces within Wiltshire, to enable them to have Ultrafast/NGA broadband availability through 2017 and beyond.
- An increase in new businesses coming to Wiltshire and a reduction of closures.
- Maximisation of the environmental benefits of home working, by reducing the need to travel.
- Further extending Wiltshire's fibre reach towards the government's 95% target.
- Skills benefits realised through the promotion of increased business growth and productivity in key priority growth sectors.

## Value for Money Assessment

Discounting the real values for the total public expenditure and the net GVA impacts attributable to intervention at 3.5%, as per Treasury Green Book guidance, and using 2009 as year zero, [SQW](#) find in their [UK Broadband Impact Study](#) that the Benefit Cost Ratio (BCR) rises to about 20 by 2024 (Figure 2-17). That is, over the 2009 to 2024 period, the interventions are projected to return approximately £20 in net economic impact for every £1 of public investment.

## 4.6. Social Impacts

Improving levels of employment, cascading down from having thriving local businesses and communities.

[The UK Broadband Study](#) also cited that *“Besides the digital divide issue, there are many other potential social impacts associated with the availability and usage of faster broadband. The complex and changing nature of the interactions between people and technology mean that many of these social impacts are impossible to forecast with any degree of confidence.*

*However, we have quantified some social impacts associated with changes in teleworking. We estimate that the increase in teleworking facilitated by faster broadband will save about 60 million hours of leisure time per annum in the UK by 2024 (of which about 10 million hours are*

attributable to publicly funded intervention). By avoiding commuting costs, the additional teleworking enabled by faster broadband will lead to total household savings rising to £270 million p.a. by 2024 (£45 million of which are attributable to intervention).<sup>30</sup>

#### 4.7. Distributional Impacts

Greater density of businesses in areas of high strategic business employment across Wiltshire.

#### 4.8. Impacts to Public Accounts

Economically, the success and competitive growth of Wiltshire SME's having access to next generation (NGA) ultra-high-speed network connectivity, would promote a positive "multiplier effect" across the region, where the creation of jobs would mean more income and therefore more spending within the local communities, more businesses both surviving, thriving and being created means and more business rates being paid: i.e. the general multiplier effect.

#### 4.9. Summary of Economic Case

To highlight the wider economic benefit of high speed broadband, a recent independent quantitative survey carried out by [The University of Plymouth \("control"\) in Cornwall in June 2015](#), found that high speed broadband appears to have brought considerable economic advantages to connected businesses. **Average turnover rose by an estimated £90,848 per connected business compared to just £20,922 amongst non-connected businesses** over the last two financial years.

**Table i: Economic Impact of Superfast in Terms of Jobs and GVA (June 2015)**

Objective	Connected for 12 Months or More as at June 2015	
Connected Established Businesses	Jobs (FTE)	GVA
Gross Increase amongst Connected Businesses	3,727	£131,168,605
Attributable Increase amongst Connected Businesses	1,072	£60,906,165
Net Increase amongst Connected Businesses	1,079	£61,286,829
Attributable Safeguarded amongst Connected Businesses <sup>31</sup>	2,452	£93,707,526
Net Safeguarded amongst Connected Businesses	2,468	£94,293,198
Business Start-ups	Jobs (FTE)	GVA
Attributable Increase through Business Start-Ups	940	£30,339,485
Net Increase through Business Start-Ups	946	£30,529,107
Combined Total	Jobs (FTE)	GVA
Gross Total Increase <sup>32</sup>	4,666	£161,508,090

<sup>30</sup> SQW UK Broadband Study (2013)

<sup>31</sup> Jobs and GVA figures for start-ups were only recorded where a respondent was influenced by superfast to set-up a business as opposed to whether they already had superfast at the point of setting-up the business. Consequently gross figures are not recorded for business start-ups. Similarly no safeguarded figures are recorded as safeguarding is not applicable in the case of businesses set-up under the influence of the project.

<sup>32</sup> As there is no gross figure for business start-ups (see footnote 7) figures for gross jobs and GVA creation are based on combining the pure gross figures from the business omnibus survey with the attributable figures for the business start-ups.



**Table ii: Projected Economic Impact of Superfast in Terms of Jobs and GVA (by June 2016)**

<b>Objective</b>	<b>All Connections for 12 Months or More projected at June 2016<sup>33</sup></b>	
	<b>Jobs (FTE)</b>	<b>GVA</b>
<b>Connected Established Businesses</b>		
Gross Increase amongst Connected Businesses	5,039	£177,367,912
Attributable Increase amongst Connected Businesses	1,450	£82,358,117
Net Increase amongst Connected Businesses	1,459	£82,872,856
Attributable Safeguarded amongst Connected Businesses	3,316	£126,712,548
Net Safeguarded amongst Connected Businesses	3,337	£127,504,502
<b>Business Start-ups</b>	<b>Jobs (FTE)</b>	<b>GVA</b>
Attributable Increase through Business Start-Ups	1,271	£41,025,450
Net Increase through Business Start-Ups	1,279	£41,281,859
<b>Combined Total</b>	<b>Jobs (FTE)</b>	<b>GVA</b>
Gross Total Increase	6,310	£218,393,362
Net Increase	2,738	£124,154,715

Data collected from other sources revealed that Superfast broadband also made an economic impact in other ways besides jobs and turnover growth. The longitudinal business survey found that productivity (as measured by GVA per FTE) increased by 30% amongst the 22 businesses providing data, since they upgraded to Superfast broadband. In addition, both the longitudinal business, and the stakeholder surveys point to the role of Superfast in helping to encourage some businesses to relocate to Cornwall, which undoubtedly would be a benefit that Wiltshire would enjoy also.

In essence, improved high speed broadband connectivity for SME's promotes time saving, cost saving, increased productivity, increased customer service, increased market share, the potential to expand into multiple offices and / or other countries, through the use of applications and services VOIP; Video Conferencing, large file sharing / joint working, accessing markets through Social media channels, online retail, back-up and disaster recovery, Cloud computing, IT upskilling of staff, home-working and mobile working.

The full BDUK Assurance system we have passed through for this Ultrafast project, including full details of "should have's" and "must have's", can be found [Here](#), specifically checkpoint "C" onwards, which considers, amongst other things, formal assurance of the Economic Case (VfM).

<sup>33</sup> NB: This is based on the total number of connections at June 2015. This assumes that none of these businesses will disconnect from superfast within the next twelve months.



## 5. Financial Case

### 5.1. Overview

This chapter presents evidence of the Scheme's affordability both now (for the implementation / deployment phase) and in terms of ongoing revenue liabilities (whole life costs). Scheme implementation costs presented in this section (rather than those in the Economic Case) should be used for any funding applications.

### 5.2. Scheme Costs

#### Implementation Cost Summary

The total funding requirement for this Ultrafast Broadband Project is £3m, (for CapEx only), to supply an Ultrafast / NGA (>100Mbps/.30Mbps) broadband service to:

- c.537 Eligible Non-Residential and c.8201 Eligible Residential Premises as identified in the new 2016 "Speed and Coverage Template – SCT"
- In total, across both awarded contracts, this scheme will make available an Ultrafast / NGA broadband service to 8738 premises.

**Note:** As we have passed through the Procurement ITT / contract award stage of the Scheme, in practice, the costs should be considered as final at this stage.

#### Match Funding

Wiltshire Council had no match funding and successfully explored opportunities with the [Swindon & Wiltshire Local Enterprise Partnership](#). (SWLEP), for £1m match funding support, to add to the £2m grant it had also been awarded by BDUK (DCMS).

A Local Growth Fund (LGF) application was submitted to the SWLEP to support this proposal and this application then went through an Independent Technical Assessment (ITA) with "Cushman & Wakefield." In 2016, the Board agreed to allocate £1.0m to the Ultrafast Broadband project. This would supplement the £2.0m of funding to the project from BDUK.

Initially it was proposed that any additional funding agreed and secured through the SWLEP would be conditional upon the consideration of including some Swindon area business postcodes, within the overall proposed intervention area, to demonstrate a commercial economic benefit and financial return to the SWLEP, for both Swindon and the wider county of Wiltshire.

The inclusion of some Swindon postcodes within this Ultrafast proposal and options for working with Swindon Borough Council were explored, however important consideration needed to be given to the current Superfast Swindon Broadband Programme with its affiliate delivery partner "UK Broadband Networks (UKBN)," as their forecasted coverage across the Swindon Borough,

following full service deployment, was expected to be at [99.4%](#) Superfast coverage<sup>[1]</sup> by the end of 2016. By default, the remaining 0.6% will be the very hardest to reach and by far the most expensive to deploy to, significantly challenging the basis of the whole VfM financial model used within this proposal for Wiltshire as a whole.

Importantly, EU State Aid compliance does not allow for any premises that are already Superfast to be re-targeted for further public investment and speed uplift. Priority would therefore be confined to those premises that are currently less than a Superfast speed. (I.e. sub <30Mbps speeds would need to be doubled – 100% targeted speed uplift), which in Swindon's case, is the 0.6% most expensive remaining premises referenced in the paragraph above.

These points were identified to the SWLEP and subsequently at the SWLEP Board meeting on 13<sup>th</sup> July 2016, it was agreed that a £1m SWLEP match funding award for the Ultrafast project should be confined to the inclusion of Wiltshire Council postcodes only, to ensure EU State Aid compliance, maximum coverage / reach and that the greatest "Value for Money (VfM)" was achieved. The formal notification of this match funding award from the SWLEP to the Wiltshire Online Ultrafast Project can be found [here](#).

Wiltshire Online therefore continued to work collaboratively with colleagues at BDUK to identify and rationalise potential areas for EU State Aid approved investment for an Ultrafast / NGA business solution to be deployed, using the eligibility criteria described above for Wiltshire Online in Section 3.6. ([Overview of Methodology](#)).

In the current political and economic climate, and with Wiltshire Council facing significant budgetary cuts from central government funding, it's also important to recognise that Wiltshire Council has already made a significant financial investment with this Ultrafast project, in terms of project management, procurement resources, legal resources and contract management, over more than a two-year project period.

### High-Level Breakdown of Phased SWLEP £1m Grant Expenditure

A high-level breakdown of the averaged SWLEP £1m grant match funding expenditure at this time, across the associated works for both contracts (Lot 1 North & Lot 2 South), is estimated broadly as follows:

	Average % Across Both Contracts	Average £ Across Both Contracts
<b>Milestone 0</b> – Planning and surveying (planning the network infrastructure build)	10%	£100,000
<b>Milestone 1</b> – Network build (Civils, installing equipment, building fibre spine network, installing the cabinets, connecting power).	27.4%	£274,000
<b>Milestone 2 &amp; 3</b> - Ready for service – Commissioning and testing.	62.6%	£626,000
<b>High-Level Totals</b>	<b>100%</b>	<b>£1,000,000</b>

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<sup>[1]</sup> Superfast Swindon - <http://superfastswindon.com/about-the-project.cfm>

## Implementation Costs – Base Year Prices

### Overview

Preparatory and deployment costs are all included within the cost estimates presented above.

### Preparatory Costs

Preparatory costs include allowances for the following:

- ‘Sunk’ scheme costs that have been incurred throughout the HM Treasury Green Book OBC / Full Business Case development and preparation stages, during the 2016-17 - 2017 / 18 financial years;
- Detailed design;
- Business Case completion;
- Procurement process and legal costs; and
- Allowances for impact monitoring and evaluation.
- Wiltshire Council “Programme Office” Project Management costs.

### Supplier Investment

Through early market engagement, this opportunity to be part of delivery of an Ultrafast / NGA Broadband network deployment in Wiltshire, did not appear to be overly attractive to the private sector.

Both successful Suppliers needed to ensure that their Project Financial Model (PFM):

- contained the details of the “Additional Supplier Expenditure” that is forecast to be incurred over the Term by them; which from our Superfast Broadband programme experience, could be in the range of 5% - 25%, resulting in further capital funding (CapEx) being invested, and
- a Project Investment Ratio.

Between the Effective Date and the Full-Service Commencement Date (FSCD), Wiltshire Online shall from time to time calculate the Outturn Investment Ratio. The Outturn Investment Ratio shall be compared to the Project Investment Ratio to report on the level of overall Supplier investment. Any positive or negative variations in supplier investment forecasted, will be discussed with the supplier in a timely manner and rectified as per the contract.

### 5.3.Funding Assumptions

All preparatory and modelling costs are being paid for by the winning suppliers, apart from business case preparatory work, which have been paid for by Wiltshire Council;

- A SWLEP grant contribution of £1.0 million has been awarded to Wiltshire Council (Wiltshire Online), with suppliers paying the balance of any additional scheme costs.

## 5.4.Accounting Implications: Cash flow Statement

The Ultrafast Broadband scheme is expected to have the following “financial year” implications on public accounts.

At this stage, as per the current Superfast Broadband Programme, an assumption has been made that we would be able to access and draw down grant funding in advance of payment to a supplier (s).

Cash Flow Funding Profile <i>[Please note, at this stage funding profiles may be subject to change]</i>							
£m	Is funding Secured?	2016-17	2017-18	2018-19	2019-20	2020-21	Total
SWLEP Funding Sought	Yes	-	-	£0.5	£0.5	-	£1m
BDUK Grant	Yes	-	-	£2m	-	-	£2m
<b>Total</b>				<b>£2.5m</b>	<b>£0.5m</b>		<b>£3m</b>
Estimated Cash Flow Funding during the Implementation Phase <i>[Please note, at this stage funding profiles may be subject to change]</i>							
Likely £ Cash flow during Implementation Phases		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Total
		£0.375m	£0.75m	£0.75m	£0.75m	£0.375m	£3m
<b>Total</b>		<b>£0.375m</b>	<b>£0.75m</b>	<b>£0.75m</b>	<b>£0.75m</b>	<b>£0.375m</b>	<b>£3m</b>

The expected draw down of funding and cash flow implications for the Authority, at this stage and from our previous experience with our Superfast Programme deployment, based on our high-level implementation timeline, are that the peak cash flow requirement is likely to be weighted more heavily in the quarters immediately following the physical network build process, as indicated above.

Maintenance costs are expected to be zero. Assets and infrastructure will remain in the ownership of the chosen supplier.

Also, Capital Renewal Costs are expected to be zero.

As per State Aid guidance from BDUK, Wiltshire Online’s awarded contract(s) include pricing mechanisms that operate on a cost-reimbursable basis, whereby payment is made to a supplier based on the qualifying expenditure (i.e. actually-incurred, directly attributable and genuinely incremental costs) of performing the contract, disclosed through “open book” accounting, hence the build weighting estimations highlighted above.

## Central Government “Milestone to Cash – M2C” Financial Assurance Process

BDUK works closely with Local Authorities and the Devolved Administrations to ensure value for money is achieved. An open book accounting process (known as ‘Milestone to Cash’) has been put in place which gives each local project team complete visibility of network delivery and the costs for each network component. BDUK has this information for all the projects in the programme. BDUK provides extensive support to project teams which includes:

- a standardised assurance approach that directly links each project's deliverables and costs required for these, supported by guidance and checklists;
- review of key processes and controls that underpin the supplier's key costs, including guidance for local bodies on how to build project management cost forecasts;
- visits to all local bodies to assess and support assurance processes;
- regional meetings and regular briefings and clinics which allow BDUK to promote best practice, share knowledge, discuss common issues and to give advice;
- cost comparison reports for each local project, which compare key measures against the equivalent data from all local bodies (supplemented by BDUK's value-for-money team having individual tailored discussions on these reports).

The Major Projects Authority carried out a project assessment review of the Superfast Broadband Programme in autumn 2014. It concluded that: “the ‘Milestone-to-Cash’ process should be disseminated across Whitehall, as appropriate, as an exemplar of best practice”<sup>34</sup>

- Success is measured against actual quarterly THP (total homes / premises passed) and speed targets.
- The same assurance process will be applied as with both Contract 1 and Contract 2 Superfast Broadband (SFBB) framework contracts.
- Quarterly targets are measured and payment made using the robust, proven and widely recognised “Milestone to Cash – M2C” process, widely recognised and endorsed throughout Whitehall, as an exemplar of financial best practice.
- This is a two-step process to ensure achievement and then assure cost.
- The onus is on the supplier to demonstrate that they have fulfilled the quarter's contractual targets, before any payment is made.

Therefore, the pricing mechanisms Wiltshire Online has chosen is a Capped milestone approach, whereby the supplier is liable for all of its qualifying expenditure up to the cap, but any cost overruns are wholly transferred to the supplier, as per the current Superfast Broadband Programme.

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<sup>34</sup> Major Projects Authority, Project Assessment Review: Broadband portfolio, October 2014.

## 6. Commercial Case

### 6.1 Overview

This section provides outline guidance on how the EU State Aid Compliant Ultrafast procurement process for this project, ran under the 2016 National Broadband Scheme (NBS.)

A key principle of the Broadband Guidelines and the 2016 NBS decision is that networks built with public funds should, where possible, offer open access. This requires the network operator to offer access to any part of the network for any purpose.

This approach aimed to:

- Optimise the number and quality of bidders, in particular reducing the hurdles to participation in procurements by smaller suppliers; and
- Align supplier incentives to maintain competitive tension as far as possible.

While we had the option of procuring networks that would only require open access, based on discussions with the market, BDUK anticipated that such procurements would not always yield suitable bids (for example, if potential bidders consider that the value from new broadband customers is offset by the risk to existing business customers as a result of opening up their network).

Working with the EU Commission, BDUK therefore proposed an approach to mitigate this risk through the procurement approach, considering a reduced form of network access if no suitable open access bids were submitted. This was compatible with State Aid rules while supporting deployment in the context of the marketplace across the UK. Throughout this section this procurement approach is referred to as a 'cascading procurement'. This refers to the sequential nature of the procurement design.

### Project Design & Market Consultation

The design of this project and the procurement process was important in achieving an appropriate competitive environment. Wiltshire Council needed to demonstrate that their procurement had been designed in a way that promoted open access procurements and optimised the number and quality of potential bidders.

To that end, Wiltshire Council demonstrated that they had appropriately assessed and identified (i) the delivery/funding model, (ii) intervention area(s) and their scale; and (iii) the approach to lotting or aggregation.

The range of options that Wiltshire Council considered, as well as how Implementing Bodies are required to conduct their assessment, are set out below.



## Consideration of Different Delivery and Funding models

BDUK considered the following models as possible delivery or funding models for delivering the 2016 National Broadband Scheme:

- **Investment Gap Funding:** An Implementing Body or Bodies procures broadband infrastructure outcomes from a private sector supplier (a single supplier or a consortium) through a service contract.
- **Public private partnership:** An Implementing Body or Bodies form a Joint Venture (“JV”) or Special Purpose Vehicle (“SPV”) with a private sector supplier or suppliers. The JV or SPV would invest in, and provide, broadband infrastructure services to end customers (e.g. service providers/retailers wishing to use the infrastructure network) through service contracts, with the public body and supplier sharing the profits or liabilities.
- **Concession to Build-Operate-Transfer:** An Implementing Body lets a concession contract to build, operate and generate revenues from a network, which returns to public ownership at the end of the contract (e.g. North Wales Fibrespeed).
- **Public sector owned supplier:** An arms-length company, owned by one or more Implementing Bodies, invests in, and provides, broadband infrastructure services to end customers through service contracts.

BDUK’s National Competence Centre (NCC) required Implementing Bodies to have determined their delivery/funding model based on evidential analysis, having addressed the following points:

- The ability of the private sector to deliver the project in the area:
  - Number of existing suppliers in the region?
  - Number of suppliers that have expressed interest in participating in a project?
- The financial resources of the Implementing Bodies:
  - Does the Implementing Body have sufficient finances and risk appetite to continue deployment if costs increase?
  - What level of financial support is the Implementing Body willing to offer after deployment is completed?
- The capacity and capability of the Implementing Body to deliver the project:
  - What is the staff support available?
  - What expertise do they have?
  - Does this align with the Implementing Body’s statutory requirements and corporate strategy?

The purpose of these questions was to determine whether an Implementing Body had the financial and resource capacity to undertake a public ownership model, as well as whether the market has the capability to deliver a solution in that area. These funding models present different opportunities and risks to Implementing Bodies. Increased public ownership increases the potential financial liability for the Implementing Body, as it has greater accountability for cost overruns for delivering the project, and for the long-term financial liability of operating the network.

The preferred route for this exercise was through a new public procurement following:

- an Official Journal of the European Union (OJEU) exercise,
- under the recently approved and notified 2016 EU State Aid scheme,
- **OR**, through the use of the [General Block Exemption Regulation](#) (GBER) procedure, considering the nature of wholesale open access Ultrafast networks, and which potential suppliers may be willing to provide them.

However, the latest State Aid advice from BDUK was that GBER was complex and should be avoided if possible, as it didn't demonstrate Value for Money (VfM), given its State Aid requirement for advanced over engineering of infrastructure by suppliers, and therefore the additional costs they incur / pass on as a result.

Wiltshire Online liaised and continued to work with, both the BDUK State Aid Team and the National Competence Centre (NCC) Team, for clear onward guidance on the procurement route to market.

Wiltshire Online released an Invitation to Tender (ITT) on 28<sup>th</sup> November 2016, after completion of both its mandatory Open Market review (OMR) and subsequent State Aid Public Consultation through June – August 2016, for the area of proposed intervention.

Full details were made available to the industry at the time in the official OMR Request.

The OMR was followed by a formal "Public Consultation Process" with the information received being used to determine the eligible Intervention Area (IA) for the competitive procurement process.

## Procurement Scope

BDUK anticipated that future projects under the NBS would likely involve smaller size procurements than had generally been the case under Phase 1 and 2 of the BDUK Superfast Broadband Programme.

However, some non-incumbent suppliers had cautioned against interventions that do not allow for sufficient scale. Having to submit multiple bids, even where the bid was identical represented a significant administrative burden, and some smaller suppliers had reported that it would have deterred them from participating in tenders.

There was also a compelling argument that smaller interventions allowed for "cherry-picking" of economically prosperous regions, leaving poorer regions without any bidders.

There were a number of factors that could have influenced the optimal intervention scale, including (but not limited to), the geographic dispersion or clustering of the premises that needed to be addressed, suitable technologies, topography, service offering of suppliers, available funding and associated conditions, the capacity of the procuring authority, and the overall transaction cost (both to Wiltshire Council and to prospective bidders).

Furthermore, if the available budget had only enabled a fraction of those premises to be covered, the actual contracts awarded may have only have been for much smaller than the intervention area, but would still needed to be of sufficient scale for the networks to be economically viable to an operator.

BDUK encouraged Wiltshire Online towards smaller areas, however it was the responsibility of Wiltshire Online to identify intervention sizes, based on market feedback, on the nature of the proposed procurement at the time.

BDUK anticipated such feedback would be based on Prior Information Notices, supplier days, surveys, and/or other outreach activities into the supplier community, which Wiltshire Online conducted in mid-Summer 2016.

## **Procurement Strategy**

The timeline below indicates an “Open Procurement” exercise and this was our working assumption, as the preferred route to market.

Wiltshire Council (Wiltshire Online) will act as the lead delivery partner overseeing the management and construction of the Ultrafast Broadband project. As such, the procurement was delivered in accordance with the Wiltshire Council Corporate Procurement Strategy and the Wiltshire Council Procurement and Contract Rules and Regulations. These regulations ensured that procurement processes were conducted in accordance with the basic EU Treaty Principles, ensuring that all procurements are carried out in a fair, open and transparent way.

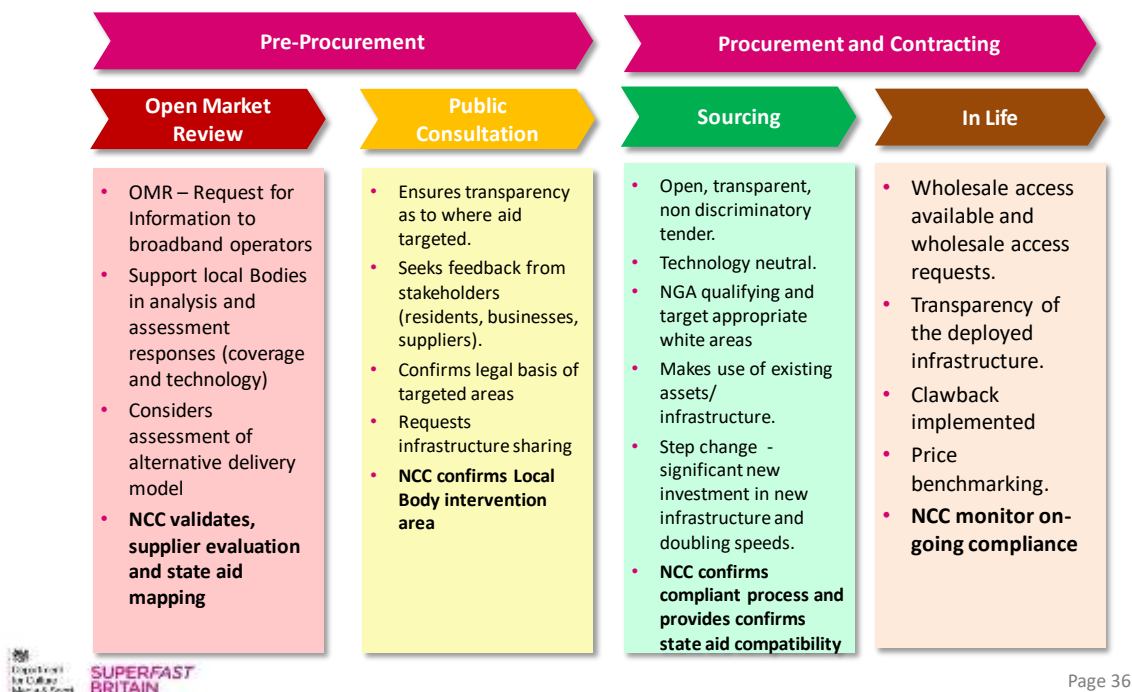
Procurement processes complied with the best “Value for Money (VfM)” processes as set out in the Wiltshire Council Procurement Manual. To support this, early advice and support was sought from the Wiltshire Council Corporate Procurement Unit to ensure that the procurement process met the expected high standards routinely demonstrated by Wiltshire Council.

Wiltshire Online has a strong and evidenced track record of carrying out projects of similar scope and scale. This expertise provided confidence in the lead delivery partner and ensured that the procurement, tendering and contract management processes will be maintained at the highest standard throughout the life cycle of the project delivery period.

Wiltshire Online worked with prospective suppliers, BDUK and The National Competence Centre (NCC), in line with the new State Aid compliance legislation, to identify potential partners able to deliver a robust and scalable Ultrafast broadband solution for Wiltshire, demonstrating value for money and a tangible ability to deliver within the given timeframes and budget.

## State Aid – Role of the National Competence Centre

- BDUK's NCC will provide oversight upon any newly notified scheme or GBER II



In terms of the procurement, the following indicative process and timescales applied:

Activity	Elapsed Time	Start Date 2016	End Date 2016
Issue of Contract Notice	1 day	28 <sup>th</sup> November 2016	28 <sup>th</sup> November 2016
Closing date for Expressions of Interest	4 weeks	28 <sup>th</sup> December 2016	28 <sup>th</sup> December 2016
Bidders sign up to Code of Conduct	4 weeks	28 <sup>th</sup> December 2016	28 <sup>th</sup> December 2016
Bidder access to the Data Room	12 weeks	28 <sup>th</sup> November 2016	20 <sup>th</sup> February 2017
Clarification Questions from Bidders	10 weeks	28 <sup>th</sup> November 2016	6 <sup>th</sup> February 2017
Clarification Process Closes		-	13 <sup>th</sup> February 2017
Bidders prepare responses	12 weeks	28 <sup>th</sup> November	20 <sup>th</sup> February

		2016	2017
ITT response deadline	1 day		20 <sup>th</sup> February 2017
Evaluate bidder response and clarify where required	4 weeks	21 <sup>st</sup> February 2017	21 <sup>st</sup> March 2017
Local Body initial governance (e.g. sign off evaluation and preferred bidder)	1 day	-	21 <sup>st</sup> March 2017
Bidders notified of evaluation outcome (e.g. preferred bidder announced)	1 day	-	21 <sup>st</sup> March 2017
Standstill period (Alcatel)	2 weeks	22 <sup>nd</sup> March 2017	5 <sup>th</sup> April 2017
Contract finalisation/Due Diligence	1 week	21 <sup>st</sup> March 2017	28 <sup>th</sup> March 2017
DCMS Approvals including State Aid and Funding	1 weeks	21 <sup>st</sup> March 2017	28 <sup>th</sup> March 2017
Local Body final governance (e.g. to sign off decision to award contract) and Contract Award	1 Day	-	6 <sup>th</sup> April 2017
Contract Signature / Sealing	1 day	-	7 <sup>th</sup> April 2017

Given the timing detailed above for the procurement process, there was clearly a potential for this process to take between 6 and 8 months, hence the need for an early decision of funding to be made by SWLEP, to mitigate the risk of project timeline slippage.

Also, if the procurement process had ran over and therefore foreshortened the implementation period laid down by BDUK, then this could have also represented a potential risk to the “cost per premise” as well as the number of premises able to be reached, within the project and funding timeline.

### **Key Contractual Issues**

The procurement of services needed to comply with the Wiltshire Council Procurement Manual and their Procurement and Contract Rules.

### **Contract & Stakeholder Management**

For both Lot 1 North & Lot 2 South, both bidders provided, during the ITT evaluation process, an adequate description of how they will comply with the contract management requirements for Reporting, Financial transparency, Community Engagement, Risk Management, Supplier Management and Quality Control, including how they will meet the obligations set out under the Milestone Claims assurance process, details of which be found above in section 5.4, and how they will interface with BDUK at the programme level. The Bidder has also included sufficient

costs for contract and stakeholder management in its Financial Model.

In addition to the baseline capability, both bidders have, within their proposals, included appropriate resources and provided confidence to Wiltshire Online, in describing their approaches to engaging with the lead delivery partner (Wiltshire Online) and other stakeholders, through the operation of the contract.

## **Ownership of Assets**

There were no complex ownership issues to be resolved.

## **Planning Consent**

There were no complex planning issues to be resolved for this scheme, as Section 109 of the Communications Act 2003 contains a clause introduced via the Growth and Infrastructure Act 2013, which has been used to relax planning requirements for fixed broadband infrastructure (permitted development rights). These changes have proved successful in speeding up the process of superfast broadband rollout, providing planning certainty and reducing the costs of deployment.

## **Charging Mechanism for Funding Control**

Wiltshire Council acts as the Accountable Body for the Swindon and Wiltshire Local Enterprise Partnership, from whom £1m grant match funding was granted. A profiled breakdown of expenditure has been developed with suppliers, under the guidance and assurance of BDUK.

## **Risk Transfer**

For both Lot 1 North & Lot 2 South, the infrastructure built as a result of the Bidder (s) investment plus the public subsidy, is owned and operated by the successful Bidder's. The Bidder's will manage the risks associated with developing and operating the broadband network on a wholesale basis, including take-up risks.

Under the 2016 National Broadband Scheme Decision, Wiltshire Council chose the most appropriate funding model for this broadband project, in this instance the chosen model being the "[Investment Gap Funding](#)" model.

Key considerations for this decision in opting for this model were:

- The private sector partner bears the risk associated with the wholesale network deployment, operation and exploitation over the contract term and beyond.
- The private sector partner retains ownership of the network at the end of the contract.



## 6.2 Required Technical Outputs

In assessing this project for State aid approval, which it did, the National Competence Centre (NCC) required that NGA technologies that are used in NGA white intervention areas must provide the same outputs as those defined for other established NGA network deployments. Specifically, the NCC expected to see that the technical solution;

- was capable of providing access speeds in excess of >30Mbps download, not only by reference to theory and technical standards, but also by evidence of calibrated performance measurements of an existing deployment within the area of interest or an demonstrably equivalent deployment in a similar geographical environment;
- typically provided at least a doubling of average access speeds in the target NGA intervention area;
- must have been designed in anticipation of providing at least ~15Mbps download speed to end-users for 90% of the time during peak times in the target intervention area, as demonstrated by industry-standardised or reliable independent measurements;
- must have shown how the solution would adapt to maintain capability and end-user experience in changes to key parameters such as increased take-up and increased demand for capacity, and was able to show using clear calculations that this is both technically and commercially viable;
- must have characteristics (e.g. latency, jitter) that enable advanced services to be delivered e.g. video-conferencing and High Definition video streaming to be provided to end users as evidenced by trials results not necessary obtained within the area of interest; and;
- have longevity such that one might reasonably expect increases in performance within the next 7 years.

## The Scheme

Details of the Scheme description are provided in section 1.3 in the Introduction chapter.

Overall, the Scheme comprises the deployment of an Ultrafast / NGA broadband network.

## Potential Issues and Risks

The Management Case details specific risks for the Ultrafast / NGA Broadband network deployment. The following risks, however, were particularly relevant at the time of the procurement process only:

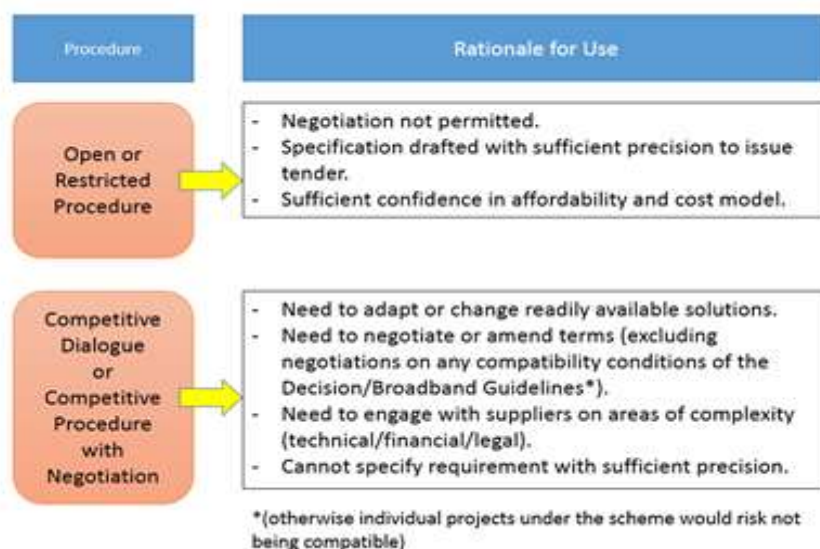
Risks	Likelihood	Impact	Mitigations
The risk of challenge during the procurement process.	Low	High	Strict compliance with BDUK / NCC State Aid & Procurement guidelines.
State Aid Compliance – Newly Notified 2016 EU State Aid Guidelines.	Medium	Medium	Engage with BDUK / NCC at every opportunity for timely guidance and milestone assurance.
Lack of credible suppliers able to deliver an acceptable and scalable solution.	Medium	Medium	Extensive supplier engagement and market warming research.
Inability of the available suppliers within the market to scale up resource and deliver the project in time, based on many other BDUK OJEU's landing at the same time nationally, potentially forcing them to "cherry pick" preferred build areas, disadvantaging Wiltshire.	Medium	High	In collaboration with INCA and the market suppliers, BDUK are preparing a pipeline of procurements occurring in 2016, so as to assist LB's with the timing of their own procurement exercises.
Failure of contract partner	Low	High	Financial viability checked in procurement process.
Procurement timescale over extends and puts pressure on the available implementation period and funding timetable.	Medium	Medium	Support from BDUK, external consultancy and using the Council's own embedded proven expertise capacity and resources will reduce the risk and ensure the Ultrafast Programme remains on schedule.
Project planning, supplier engagement and pre-procurement timescale over extends and is delayed.	Medium	High	Funding, in principle from SWLEP at an early stage will reduce this risk.

Prioritisation of the areas for the Ultrafast rollout, identified in our dataset / SCT analysis, may not align with the achievable or commercially viable plans for the bidder.	Medium	Medium	Early discussions and engagement with potential providers to allow both parties to understand rollout priorities will be necessary and manage expectations of end users. Discussion at competitive dialogue phase will help to reduce this risk.
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### 6.3 Procurement Strategy – Options

With the implementation of Directive 2014/24/EU on public procurement, Wiltshire Council had a wider choice of OJEU procurement routes. We were able to choose the “Open” procedure or a procedure with a pre-qualification step such as “Restricted,” “Competitive Dialogue” or “Competition with negotiation.” Wiltshire Online conducted a robust procurement in an open, transparent and non-discriminatory manner.

BDUK envisaged that this project would fall under either Services or Works categories, when selecting a procurement procedure and as such, we would need to be cognisant of the appropriate thresholds in place at the time of issuing an OJEU Contract Notice, making the procurement open to suppliers across Europe. BDUK also assured the procurement documents before they were issued to the marketplace, giving bidders’ confidence that they met the requirements of the relevant State Aid decision.

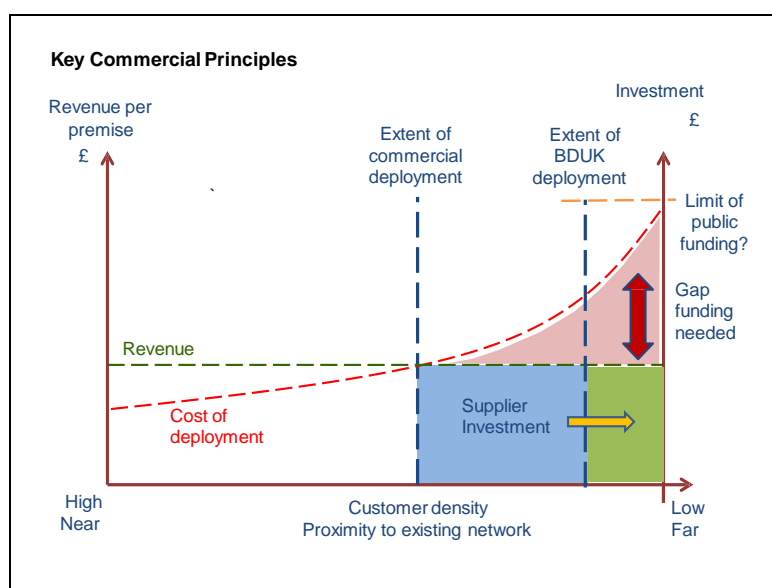


## 6.4 Preferred Procurement Approach

Wiltshire Council considered the ability of the private sector to deliver the project, its available resources, and its own capacity and capability to develop its approach to intervention. Based on our appetite for risk, the project used an investment gap funding approach to procure an infrastructure provider, with transfer of the risk to the supplier.

At the time, the value for money and low-risk approach of the commercial “gap funding” model shown below was therefore considered by Wiltshire Online to be the best option.

### Gap Funding Model



The procurement was carried out in accordance with the Public Contracts Regulations 2015 and EU Public Procurement Directives. The tender utilised the OJEU “Open” Procedure and was conducted in a transparent and non-discriminatory manner as to encourage competitive tension, as required by the 2016 National Broadband Scheme.

In terms of the market, at the time of the procurement, a number of technical solutions pre-existed, including but not limited to Virgin’s “Project Lightning”, BT’s Fibre to the Premise (FTTP), BT’s Fibre on Demand ([FoD](#)), BT’s Fibre to the Distribution Point (FTTdp) “G-Fast” (ITU G.9701) and “[Gigaclear](#)” full fibre technology. Virgin offered up to 200Mbps and BT initially offered Internet speeds of up to 330/30Mbit/s (FTTP & FoD), rising to 500Mbps in the future for G Fast. Gigaclear offered up to 1GB synchronous speeds. The BT “G Fast” technology was being trialled at the time.

The retail market serving SME’s is very different to those serving residential consumers. Whereas in the residential market there are four providers, each with over 20% market share, in the SME market, BT Business is by far the largest provider with nearly half of fixed line revenues, and no other provider having more than 10% share<sup>35</sup>.

<sup>35</sup> Ofcom Broadband Services for SME’s report – June 2015.

Through a series of Supplier Engagement forums / Supplier Engagement Day in the summer of 2016, supported by our BDUK Commercial Director and The National Competence Centre (NCC), Wiltshire Online looked to identify further potential suppliers, to be able to provide us with robust baseline knowledge of the technical options available as a solution.

The procurement was designed to meet the specific requirements of the 2016 National Broadband Scheme (NBS), which recognises the need to optimise the number and quality of bidders, in particular by reducing the hurdles to participation in procurements by smaller suppliers and encouraging collaboration between larger and smaller operators so that a range of appropriate solutions can be brought forward. This was also a key objective of the market engagement exercises.

As well as MEAT and co-funders aspirations, a significant Wiltshire Online's priority was to ensure that the available public funding was used most effectively by ensuring Ultrafast/NGA coverage of premises where "no build" is planned or, where premises are currently getting relatively slow broadband speeds (<30 Mbps), subject to demonstrating a 'step change' in broadband capability of circa 100% improvement.

Wiltshire Online sought to target certain "NGA white" areas to provide Ultrafast / NGA broadband capability with speeds >100 / >30Mbps and that the areas to be targeted were areas with a higher concentration of SME's and businesses.

### **"Open" procedure**

The preferred approach for Wiltshire Online was to adopt an "Open" OJEU tendering procedure; given the nature and technicality of our requirements (i.e. an Ultrafast / NGA broadband network solution). The likelihood at the time was that there would probably be limited numbers of capable suppliers; therefore, all would be encouraged to submit a tender. Their submissions would then be considered together with the tender bid and supporting documentation. This "Open" procurement approach also had less complexity at the PQQ stage than the "restricted" procurement route.

## **7. Management Case**

### **7.1 Overview**

The Wiltshire Online team responsible for the delivery of both Phase One and Phase Two of the Superfast Broadband Programme, own and are responsible for, the Ultrafast Broadband Programme, through the pre/post procurement phases, as well as the implementation and deployment "in life" contractual phases.

Wiltshire Online will act as the lead project partner for the delivery of the Ultrafast Business Broadband project. Within Wiltshire Online a multi-disciplinary team exists and has been in operation for a number of years, with identified lead officers for project and contract management, procurement and legal representation.

The structure of this group contains three tiers of coordination and project oversight, including the Wiltshire Online Executive Board (Inc. BDUK), a project management team and a number of dedicated officers to deliver specialised work packages, such as procurement. The structure follows HM Government best practice guidance and is based on PRINCE2™ methodology for project control and governance.

The project team in place have, to date, successfully navigated through the OMR's, State Aid Compliance, ITT, Evaluation, Public Consultation and Contract Management processes for both Contract 1 and Contract 2 (Superfast Extension Programme - SEP), achieving every checkpoint and milestone on or before time, satisfying the BDUK Assurance Board, whilst many other LB's failed in these significant milestone achievements.

For this, the BDUK Commercial Assurance Team thanked and congratulated the Wiltshire Online Project team in May 2015, for again demonstrating a high level of professional competency and efficiency, in all aspects of the procurement and contract negotiation process.

Similarly, in March 2017, the Director General for Digital & Media (Department for Digital, Culture, Media & Sport - DCMS), Matthew Gould, cited the Wiltshire Online team as an exemplar of VfM delivery of a Superfast Broadband network.

As such, this chapter demonstrates that:

- The delivery timescales and phasing presented are realistic;
- An appropriate governance structure is in place to oversee delivery;
- Risks have been identified and suitable risk management processes developed;
- There are robust plans for communications and stakeholder management; and
- Measures will be in place to ensure that the benefits set out in the Economic Case are captured and realised.

The remainder of this chapter contains the following elements:

- Assessment of scheme delivery and evidence of similar schemes;
- Governance, organisational structure and proposed roles;
- Programme and project dependencies;
- A project plan for scheme development and implementation;
- Information on proposed communication and stakeholder management;
- Risk identification and a risk management strategy, setting out how the risks have been identified, their likely impact, appropriate mitigation, and how the risks will be managed;
- The approach to ensuring that the stated benefits (in the Economic Case) are delivered; and
- The methods to be used in monitoring progress against the Scheme's objectives and indicators of success (as reported in the Strategic Case).

## **7.2 Overall Assessment of Scheme Deliverability**

Further to the £1m match funding approval from the SWLEP, a realistic programme has been drawn up, and the timescales are consistent with the current Superfast Broadband project.



The £3m programme will be refined as part of the mobilisation and planning process with suppliers.

### **7.3 Evidence of Similar Schemes**

The Wiltshire Online project already has in place an embedded multi-competency team, who have repeatedly demonstrated a highly efficient and professional understanding of all aspects of a State Aid regulated procurement, deployment, “Milestone-to-Cash - M2C” financial assurance processes and subsequent contract and project management, through their ongoing experiences with the Phase One and Phase Two Superfast Broadband Project with BDUK (Central Government).

#### **Wiltshire Online – Superfast Broadband – Phase One - (BDUK Framework Arrangement)**

- Signed contract 1 with BT 31<sup>st</sup> January 2013.
- Wiltshire Council £15,500,000, BDUK £4,660,000 plus BT’s own commercial investment (£30m total).
- The roll out of broadband is restricted to the intervention area to comply with EU State Aid law.
- Roll out was designed on technical grounds / best value for money basis.
- Gain share clause.
- Over 80,000 premises reached with fibre broadband.
- Contract successfully delivered within budget – Contract now formally closed.

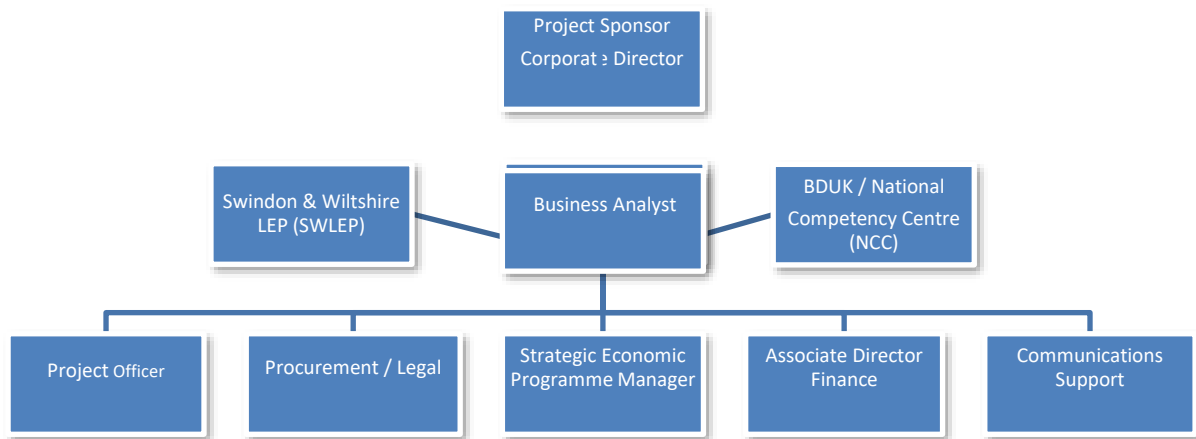
#### **Wiltshire Online – Superfast Broadband – Phase Two - (BDUK Framework Arrangement)**

- Contract 2 commenced March 2016.
- Original value £3.9m.
- Additional £2m was added to the contract through the gain share clause.
- The roll out restricted to the intervention area to comply with EU State Aid law.
- Roll out designed on technical grounds / best value for money basis.
- Over 10,000 premises will receive a new superfast fibre service by September 2018.
- Deployment ongoing.

### **7.4 Programme & Project Dependencies**

The Wiltshire Online team is widely recognised as having specific expertise in all aspects of the procurement, deployment, contract management and ongoing assurance of the Superfast Broadband Programme (Phase One & Two). These skill-sets will be critical to the successful deployment of this Ultrafast / NGA Broadband network, balanced against ensuring ongoing EU State Aid compliance under the newly notified 2016 EU scheme.

## 7.5 Project Governance & Reporting



### Governance

A reporting structure with clear lines of communication and process for escalation has been established during the Superfast Broadband Programme, and this will continue to be used with this Ultrafast project also, to ensure that progress is monitored and reported frequently and efficiently.

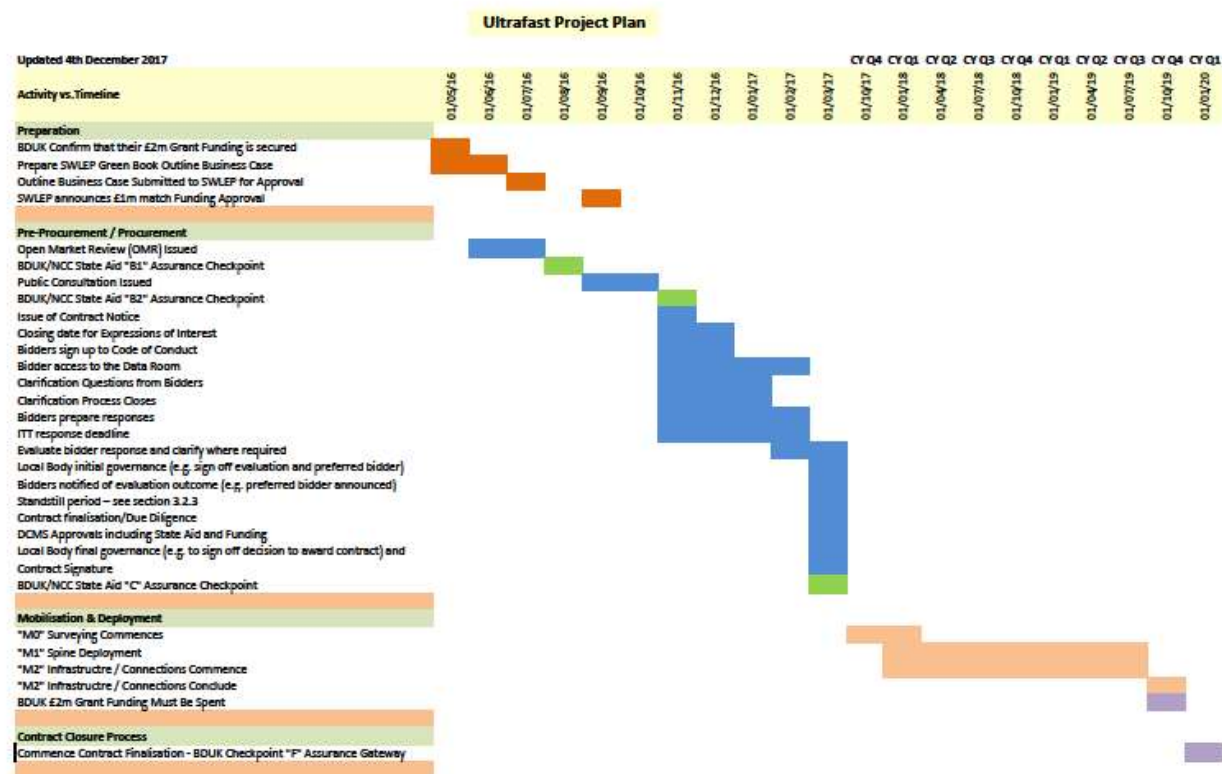
Highlight reports are currently provided to the SWLEP (Bi-Monthly), BDUK, the Programme Management and the Project Executive, covering activity and progress against identified milestones in the project plan. These reports also identify and review issues and risks, ensuring that suitable mitigating action is taken and responded to at the earliest opportunity.

The scheduled specific governance arrangements which apply under these new Ultrafast contracts, are therefore as follows:

- Weekly / Fortnightly Deployment & Workstream Meeting – To review operational progress against objective.
- Monthly Project Meeting – Full Operational Group (FOG) - To formally review the suppliers' overall performance and delivery of the contract.
- Quarterly Wiltshire Online Contract Board Meeting – Strategic / Senior Decision Makers, Scrutiny Member & BDUK - To formally monitor, review and challenge progress, provide strategic direction and cover relevant decision points.
- Clear processes are also already in place to inform relevant stakeholders in the event of a project tolerance breach, which ensures early intervention and that the necessary action can be taken to rectify any issues and mitigate any further issues arising.

## 7.6 Scheme Implementation Programme

## Ultrafast High-Level Project Plan



## 7.7 Assurance & Approvals Plan

Now that Phase 2 of the Superfast Broadband Programme is in delivery, BDUK has strengthened its “value-for-money” team and its work on in-life controls. Wiltshire Online will assure and pay suppliers on the basis of the ‘Milestone-to-Cash’ process, to get assurance over the payments for milestones, which promotes good cost control. BDUK’s value-for-money team is highly skilled. Its support to Wiltshire Online includes:

- a standardised assurance approach that directly links each project’s deliverables and costs required for these, supported by guidance and checklists;
- review of key processes and controls that underpin the supplier’s key costs, including guidance for Wiltshire Online on how to build project management cost forecasts;
- visits to Wiltshire Online to assess and support assurance processes;
- Regional meetings and regular briefings and clinics which allow BDUK to promote best practice, share knowledge, discuss common issues and to give advice.
- quarterly cost comparison reports for Wiltshire Online, which compare key measures against the equivalent data from all local bodies (supplemented by BDUK’s value-for-money team having individual tailored discussions on these reports).

The Major Projects Authority carried out a project assessment review in autumn 2014. It concluded that *this “‘Milestone-to-Cash’ process should be disseminated across Whitehall, as appropriate, as an exemplar of best practice”*<sup>36</sup>

- Success is measured against actual quarterly THP (total homes / premises passed) and speed targets.
- The same assurance process applies for this Ultrafast project as did for both the Superfast Broadband Contract 1 and Contract 2.
- Quarterly targets are measured and payment made using the “Milestone to Cash – M2C” financial assurance process.
- This is a two-step process to ensure achievement and then assure costs.
- The onus is on the supplier to demonstrate evidentially that they have fulfilled the quarter’s contractual targets before any payment is made.
- BDUK complete bi-annual reviews of our processes and procedures and review our understanding of the process and contract (Checkpoint D)
- BDUK found at the last Checkpoint D that the team has *“sound project management, a solid understanding and robust and comprehensive assurance processes!”*
- South West Audit have also met with the Wiltshire Online team to go through the process and been very satisfied with the processes in place.
- Wiltshire Council Highlight report to BDUK.
- SWLEP templated highlight report.

For this project, Central Government / BDUK have a mandatory Assurance Board gateway process, detailed below, which Wiltshire Online has and will continue to adhere to, both pre / post

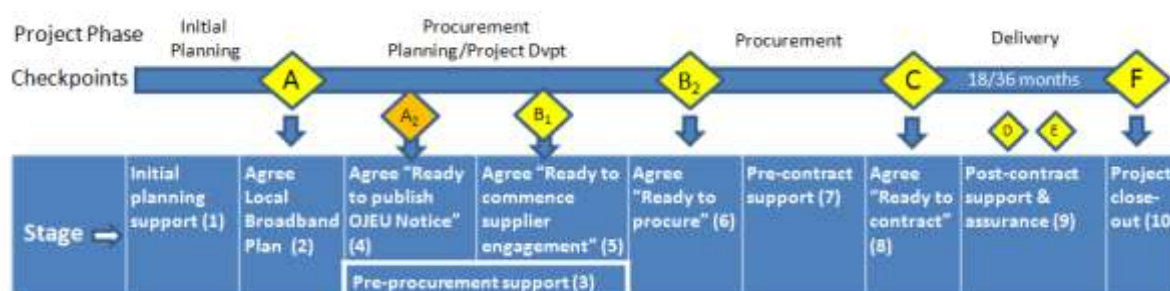
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<sup>36</sup> Major Projects Authority, *Project Assessment Review: Broadband portfolio*, October 2014.

procurement, as well as throughout the life of the contract deployment, culminating in an approved contract closure / financial reconciliation assurance process (Checkpoint “F”).

## Formal Governance Stages within BDUK Assurance Process – (Central Government)

There are a series of formal and mandatory governance stages within BDUK (Central Government), in the form of checkpoint gateways formally assured by the BDUK Assurance Board, which Wiltshire Online has already passed through, as this Ultrafast project process has been followed:



### Checkpoint B0 – Ready to commence Procurement Process:

- Assurance gateway to confirm Local Body is set up to complete an end to end NBS 2016 compliant procurement exercise.
- Approval required prior to launching an OMR.

### Checkpoint B1 - Ready to commence Public Consultation (PC):

- Assurance gateway to enable Public Consultation.
- Approval required prior to launching PC.

### Checkpoint B2 - Ready to Procure:

- Assurance gateway to enable launch of ITT.
- Approval required prior to launching ITT.

### Checkpoint C – Ready to Contract:

- Assurance gateway to enable Contract award.
- Approval required prior to execution of supplier contract.

### Checkpoint E – Change Control:

- Assurance gateway to enable Change approval.
- Approval required prior to execution of supplier Change Control.

### Checkpoint F – Project Closure

## Implications of Not Meeting BDUK / NCC Checkpoint Requirements:

- In general, until the requirements of Checkpoints A to C are met, a project will not be approved by BDUK to pass to the next stage.
- If a Checkpoint gateway review indicates that there are areas of fundamental misalignment with requirements, BDUK may consider options for realignment, including re-planning or re-procurement.
- As a last resort, BDUK may decide to withdraw its funding and either manage the procurement at the national level or reallocate the funding to other broadband projects.

The full BDUK Assurance system we have passed through for this Ultrafast project, including full details of “should have’s” and “must have’s”, can be found [Here](#), specifically checkpoint “C” onwards, which considers, amongst other things, formal assurance of the Economic Case (VfM).

## 7.8 Communication & Stakeholder Management

A Communications Protocol is currently being prepared. This will enable Wiltshire Council, SWLEP, BDUK and the supplier(s) to effectively, and in a coordinated and agreed manner:

- Inform the public and key stakeholders of scheme progress.
- Communicate the benefits of the Scheme; and
- Manage stakeholder expectations.

The Wiltshire Online (WOL) team has vast experience and high levels of competency in both the procurement and deployment of NGA broadband infrastructure across the county of Wiltshire, along with the associated contract management.

Wiltshire Online currently has an above national average level of take-up for its Superfast Broadband Project. The proactive “demand stimulation” efforts of the team have ensured that growth of take-up remains consistent and is tracking on an ever-increasing glide path month on month.

These activities include, but are not limited to:

- Bespoke online Demand Registration service for businesses and residents, which allows us to make contact with them as soon as a structure is enabled. ([When Can I get It](#))
- Parish and Community broadband information packs distributed.
- Internal Wiltshire Council employee communications.
- Direct mail to “live” target areas.
- Elected Members e-newsletters.
- Dedicated Customer Email Interface, reviewed and monitored daily. ([Contact Us](#))

The Wiltshire Council Highways & Streetworks teams also have a pivotal role in ensuring the continued success of this Ultrafast project and this collaborative approach with both suppliers will continue, to ensure smooth deployment across the county.



Similarly, the Wiltshire Online project and the further deployment of Ultrafast / NGA Broadband in Wiltshire has full political and corporate support.

A Communications Plan is anticipated to be further developed between Wiltshire Online and suppliers in Spring 2018.

Communication with all parties and individuals outside the Project Board, Task Managers and Project Team, during all but the deployment phase, will only be undertaken with the express consent of the Ultrafast Project Manager, who will liaise with the Wiltshire Council Communications team.

During the deployment period, day to day contact with the public will be undertaken by the Wiltshire Online team, as with their current Superfast Broadband Programme.

Opportunities will be taken wherever possible to act upon any lessons learnt from the communications aspect of the preceding Phase One / current Phase Two of the Superfast Broadband Programme.

## **7.9 Risk Management Strategy**

The risk management process is a cyclical process. Wiltshire Council's risk management strategy is an integral part of the Council's effective management of performance and resources.

Risk assessment is the planned and systematic process of:

- Identifying the events that can have an impact on achieving objectives;
- Analysing and evaluating the potential likelihood and impact of the risk;
- Identifying and taking appropriate actions to mitigate the risk;
- Proactively monitoring, reviewing, communicating and responding to risks on a regular basis.

The assessment methodology is appropriate for use in service assessments, business cases, programmes, projects, partnerships and developing contracting / procurement exercises in supporting identification of risks and mitigating actions.

The assessments will show the main risks at the project level. The risk management assessment will be held as a risk action plans. This will provide a documentary record of each risk, its owner, the key controls that relate to it, and the status of any planned actions to be used to direct resources towards the effective mitigation and management of the risks identified.

Risk action plans will be reviewed regularly, kept up-to-date and accurate in order for them to be an effective project management tool. In addition to providing useful data internally, these documents also give external auditors or inspection agencies the evidence of the completeness of the risk management process in place.

## **Risk Management Arrangements**

Risks will be managed at the appropriate level in the organisation depending on their risk score and overall impact on delivering the Ultrafast Broadband Project. Effective monitoring of risks will create an 'early warning system' for any movement in risk which could impact significantly on achievement of our desired project outcomes.

Project level risks will be managed in the same manner as corporate risks and it is equally possible to have high or medium scoring service risks. These risks when assessed should also be considered to determine if they may need proposing for escalation to corporate risks due to external changes or an increased effect on delivery of the Business Plan or particular reputational impact.

Risk registers are living documents and as such will be reviewed regularly and amended as appropriate. The risk registers will be monitored at least monthly, unless a significant event has occurred that warrants early updating and exception reporting. Information on all risks will be recorded in the risk register.

## **Managing and Reporting Risk**

Risks do not remain static, so regular reports on the Ultrafast project risks are essential for keeping all stakeholders informed of the changing conditions, our past performance in dealing with risk and our plans for dealing with future risks. This can help ensure that any serious issue is effectively managed and promptly drawn to the attention of the relevant level of management.

The style and frequency of risk reporting will vary according to the level within the Council and the type of issue being reported upon. At the very least, there will be:

- Bi-Monthly Highlight Reports to the SWLEP, to include risks overview.
- A Highlight Report will be provided to the Head of Service for the Programme Office, to be shared with Wiltshire Council's Corporate & Associate Directors.
- All reports submitted to Cabinet will include a paragraph about significant risks which are associated with the decision, policy or action to be taken and how those risks will be managed. The relevant risk information being available on request.
- Annual reports for Members, which will be published.
- Regular reporting to the Audit Committee who oversee the risk management process for the council.
- Regular reporting to the SWLEP as and when appropriate.

- Quarterly reports on corporate and significant service risks to the Strategic Performance & Risk Management Board who will report to Corporate Directors.
- Operational Performance & Risk Management Group review risk information regularly and report as appropriate to the SPRMB.
- Timely reporting of any serious or emerging risks or control failures to the appropriate management level.

The key characteristics for any such reports are that they should be timely, accurate and appropriate with the availability of exception reporting.

### **7.9.1 Outcome Realisation**

The objectives and success indicators for the Ultrafast Broadband scheme are set out in the Strategic Case (sections 3.4 and 3.5). The key benefits of the Scheme are improved connectivity and deliverable next generation broadband speeds. Ensuring that these benefits, outputs and outcomes are realised will be central to the success of the overall scheme.

Wiltshire Online as lead delivery partner will be responsible for monitoring and recording the outputs of the project, with support and guidance from BDUK. A table of indicative outcomes (see Strategic Case) has been developed as part of this business case.

### **7.9.2 Cost Monitoring & Evaluation**

Details of the central government approved evidential “Milestone to Cash” assurance process can be found above in section 5.4. The Department for Digital, Culture, Media & Sport (DCMS) will provide Wiltshire Online with a “Cost Comparison Report.” This report provides a comparison of key measures against the equivalent data from other Local Bodies. This report is not in and of itself an assessment of value for money of the supplier's bid; rather it is one tool in a suite of “in life” value for money processes and controls that when properly applied will assure value for money is being delivered by the suppliers.

The report will provide an overview of how the result to date compares to the other Ultrafast broadband projects. The report is intended to help inform and drive appropriate dialogue between Wiltshire Online and the suppliers, with a view to helping us understand our project's costs profile and help you to ensure VfM throughout deployment.

### **7.9.3 Project Management Summary**

The Project Management approach proposed for the Ultrafast / NGA Broadband Scheme is proportionate to the overall scheme cost, its deliverability and the relatively low level of risk.

The key points to note are:

- The Wiltshire Online Project Board is already established, comprising senior Wiltshire Council representatives, Deputy Leader of the Council, Corporate Director, Scrutiny Member and

BDUK Project Director, to oversee delivery. An SRO and Project Manager are appointed, with the Project Manager reporting to the Wiltshire Online Project Board;

- A Communications Plan will be prepared in collaboration with Wiltshire Council's Communications Team, the project team and the SWLEP Communications Officer.
- A monthly Highlight Report will be provided to the Head of Service for the Programme Office and the SWLEP, to be shared with Wiltshire Council's Corporate & Associate Directors.
- The Risk Register will be reviewed and updated on a regular basis, with risk owners appointed as appropriate to the type of risk and the stage of scheme delivery at which the risk could be realised.

Overall, the Ultrafast Broadband scheme is considered by Wiltshire Online to be a deliverable scheme, which will ensure that Wiltshire continues to develop and thrive as a strategic centre for Small & Medium Business Enterprise's to succeed.

## 8. Plans

### 8.1. Progress to Date

Milestone	Baseline	Forecast / Actual
EAST pro-forma completed and submitted to SWLEP	Dec-15	Dec-15
SWLEP ITA carried out by "Cushman & Wakefield"	Jan-16	Jan-16
HM Treasury Green Book OBC submission to SWLEP	Jun-16	Sep-16
OJEU ITT Procurement / Tendering / Bid Evaluations	Nov 2016 to Apr 2017	Apr-17
Contracts Awarded (Gigaclear & BT Group)	Apr-17	Apr-17
PID's submitted to SWLEP	Apr-17	Apr-17
Grant Agreements Signed	Apr-17	Apr-17
Mobilisation Commences (No Contractual Targets)	May-17	May-17
"M0" Phase – Surveying. First surveys due November 2017	Nov-17	Nov-17

## **8.2. Financial Plan**

See 5.4 [Cashflow Statement](#)

## **8.3. Service Delivery Plan**

Following the competitive OJEU tendering process, Service Delivery for both Lot 1 North and Lot 2 South has been contracted and will be carried out by the private sector, namely for Lot 1 North – [Gigaclear PLC](#) and for Lot 2 South – [BT Group \(Openreach\)](#).

## 9. Tables

### UK Business Counts - Local units

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area type	local authorities: county /
area name	unitary
Date	Wiltshire
legal status	2014
	Total

Industry	Total	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)
1 : Agriculture, forestry & fishing (A)	2,160	2,085	70	0
2 : Mining, quarrying & utilities (B,D and E)	150	110	25	10
3 : Manufacturing (C)	1,165	890	215	50
4 : Construction (F)	2,440	2,265	160	15
5 : Motor trades (Part G)	750	645	100	5
6 : Wholesale (Part G)	910	740	150	20
7 : Retail (Part G)	2,080	1,675	365	40
8 : Transport & storage (inc postal) (H)	585	455	105	25
9 : Accommodation & food services (I)	1,435	970	435	20
10 : Information & communication (J)	1,715	1,605	90	20
11 : Financial & insurance (K)	415	360	50	0
12 : Property (L)	790	730	50	10
13 : Professional, scientific & technical (M)	3,830	3,595	215	20
14 : Business administration & support services (N)	1,550	1,365	135	45
15 : Public administration & defence (O)	260	170	60	20
16 : Education (P)	680	365	235	75
17 : Health (Q)	1,185	700	390	90
18 : Arts, entertainment, recreation & other services (R,S,T and U)	1,590	1,415	140	30
Column Total	<b>23,695</b>	<b>20,145</b>	<b>2,995</b>	<b>495</b>

Figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

## 10. Figures

Not used.

# Appendices

## Wiltshire Online Strategic Policy Alignment's & Citations

### Wiltshire Council [Business Plan 2017-27](#)

Growing the economy - More areas with fast broadband

### Wiltshire Council [Business Plan 2017-27](#)

Working with local businesses and neighbouring authorities will be important to deliver new development and high skilled employment. A strong and sustainable economy across Wiltshire is vital for delivering other priorities.

In Wiltshire, we have ambitious plans to grow the local economy in a sustainable way. We want people to be able to get around easily and access good services, including through digital channels. This requires investment and the outcome of this investment is vital for the future prosperity of the county.

### Wiltshire's [Community Plan 2011- 2026](#)

This plan includes the objective 'to strengthen communication (IT) connectivity to become a more digitally inclusive County'. This will be achieved by delivering excellent broadband coverage and speeds, enabling access to the internet for all, and promoting comprehensive mobile phone coverage. The survey feedback received in the preparation of this plan showed that improving broadband access was the most important issue amongst residents across Wiltshire. For example, one resident stated;

*'I would like to see a lot more emphasis on supplying good broadband connections, particularly to the outlying villages. In the growing technological age, nothing is more guaranteed to make people feel deprived and undervalued than an inability to take part in the e-revolution.'*

### Wiltshire Council [Business Plan 2017-27](#)

Use £70m secured for Wiltshire and Swindon as part of the Growth Deal to grow the skills base and support business growth and develop the life sciences cluster, high value jobs and commercial opportunities. Continue supporting businesses across the LEP area with initiatives such as the ERDF SME Growth Project; Growth Hub; The Enterprise Network and Wiltshire 100.

### Wiltshire Council [Business Plan 2017-27](#)

More Areas with Fast Broadband - Invest in Wiltshire Online to support the government's 95% coverage target for superfast broadband in 2017 and 100% thereafter.



## **Wiltshire Council [Business Plan 2017-27](#)**

Wiltshire Council is committed to investing in the county's future. The Council's overarching vision is 'to create strong communities' within Wiltshire.

### **Wiltshire Council Business Plan 2017-27: [Growing the Economy](#)**

We know that to create a thriving local economy we need to continue to create and safeguard jobs. We also need a workforce with the right skills to ensure we keep unemployment figures below the national average, provide the skills that Wiltshire businesses need, and encourage more young people into the work place. We have had some success at this – in the last 9 months of 2016 over 2000 jobs were created; 1600 businesses supported, 62 start-ups supported and 4000 people supported with training and skills development.

## **Wiltshire Council [Core Strategy 2011- 26](#)**

***“A strategy which places an emphasis on economic growth as the driving force behind meeting our objectives strategy”***

- Creating the right environment to deliver economic growth, delivering the jobs Wiltshire's population needs locally and taking a flexible and responsive approach to employment land delivery:
- Managing development to ensure that jobs and the right infrastructure are delivered at the right time to ensure that out commuting, in particular to areas outside of Wiltshire, is not increased and development does not have a detrimental impact on infrastructure.
- Planning for job growth and meeting the needs of business are central to this strategy. This plan puts in place policies which will help both attract new inward investment and help existing business meet their aspirations in Wiltshire, as well as providing the right environment for business start-ups.

This will be achieved by ensuring new land is identified for job growth, allowing for redevelopment of outdated premises, safeguarding a range of employment sites to allow for choice and making sure that potential barriers to investment, such as inadequate infrastructure, are overcome. In addition, specific policies have been put in place to support the regeneration of Salisbury, Trowbridge and Chippenham through town centre regeneration, as well as recognition being given to the importance of the market towns and rural communities.

Specific policies have been framed to support the changing role of the military in Wiltshire.

- Underpinning this strategy is the delivery of resilient communities to be achieved through enhancing the economy in order to help secure a greater level of self-containment in settlements and provide the jobs locally that Wiltshire's community's need. This is an economic led strategy.

➤ By creating certainty and choice through land allocation, the strategy seeks to help capitalise on Wiltshire's pivotal location for growth and help facilitate delivery of the aims of the Swindon and Wiltshire Local Enterprise Partnership2, which are as follows:

- 10,000 new private sector jobs created across Wiltshire and Swindon.
- Safeguarding of 8,000 jobs within existing business base.
- Achieving 91% coverage of Superfast broadband.
- Using planning powers to build a supportive economic environment.
- Delivering regeneration in our primary population centres of Chippenham, Trowbridge and Salisbury.
- Allocation of strategic employment sites.
- Reduction in CO<sup>2</sup> emissions.
- Delivering resilient rural communities.
- Targeting growth in the tourism sector.

Achieving the strategic objective to deliver a thriving economy which provides a range of job opportunities in Wiltshire depends on retaining the availability of and enhancing existing employment sites, as well as creating new opportunities in appropriate locations.

The Core Strategy seeks to protect Wiltshire's most sustainable and valued employment areas by applying policies to favour employment uses on these sites. On some of these employment areas there are strong redevelopment pressures for other uses, notably residential and retail.

## **Wiltshire Council [Core Policy No. 35](#)**

### **Existing Employment Sites**

Wiltshire's Principal Employment Areas (as listed in the Area Strategies) should be retained for employment purposes within use classes B1, B2 and B8 to safeguard their contribution to the Wiltshire economy and the role and function of individual towns. Proposals for renewal and intensification of the above employment uses within these areas will be supported.

Within the Principal Settlements, Market Towns, Local Service Centres and Principal Employment Areas proposals for the redevelopment of land or buildings currently or last used for activities falling within use classes B1, B2 and B8 must demonstrate that they meet, and will be assessed against, the following criteria:

1. The proposed development will generate the same number, or more permanent jobs than could be expected from the existing, or any potential employment use.
2. Where the proposal concerns loss of employment land of more than 0.25 ha in the Principal Settlements, Market Towns or Local Service Centres it is replaced with employment land of similar size elsewhere at that settlement.

3. It can be shown that the loss of a small proportion of employment floor space would facilitate the redevelopment and continuation of employment uses on a greater part of the site, providing the same number or more permanent jobs than on the original whole site.

4. The site is not appropriate for the continuation of its present or any employment use due to a significant detriment to the environment or amenity of the area.

5. There is valid evidence that the site has no long term and strategic requirement to remain in employment use; the ability of the site to meet modern business needs must be considered, as well as its strategic value and contribution to the local and wider economy both currently and in the long term. It must be shown that the site is no longer viable for its present or any other employment use and that, in addition, it has remained unsold or un-let for a substantial period of time (at least 6 months), following genuine and sustained attempts to sell or let it on reasonable terms for employment use, taking into account prevailing market conditions.

6. The change of use is to facilitate the relocation of an existing business from buildings that are no longer fit for purpose to more suitable premises elsewhere within a reasonable distance to facilitate the retention of employment.

### **Draft Economic Strategy**

There are two particular Strategic Objectives that outline the importance for Ultrafast broadband, to help secure economic growth across Wiltshire:

1. Provide the infrastructure that will create a business location of choice, creating vibrant places where people wish to live and work and businesses wish to invest – priorities include:

- The regeneration of key centres.
- The provision of adequate employment land and workspace served by next generation ICT infrastructure.

2. Facilitating ICT and next generation broadband access (NGA).

### **Swindon & Wiltshire Local Enterprise Partnership ([SWLEP](#))**

Wiltshire & Swindon has its own Local Enterprise Partnership (SWLEP). The SWLEP focuses on three core priority programme areas, namely inward investment, job creation, and economic growth, underpinned by an infrastructure investment programme geared to support the desire for growth and the creation of private sector jobs. The purpose of having infrastructure underpinning the three areas is to allow effective planning for and provision of infrastructure for business needs, creating the environment in which businesses can thrive. The Wiltshire LEP has the following priority link to Wiltshire On-Line:

**“Broadband – access/connectivity (speed) remains a significant barrier to growth and is a priority for our partnership.... Our private sector partners will be critical in terms**

**of the financial leverage and prioritisation of this investment to maximise the economic impact.”**

### **Wiltshire 100**

This venture pulls in the leaders of key businesses based in the county. These larger employers are essential to sustained employment and future growth and the council is actively pursuing a clear channel of communication so that it can support the wealth and prosperity that these major players bring to the county. The Wiltshire 100 network of business leaders will provide an essential sounding-board for council members to assess progress. The grouping will be utilised to support roll-out of Ultrafast broadband to smaller businesses in their supply chains.

### **Climate Change Strategy – [Core Strategy](#)**

“The provision of good broadband connections is another aspect of low carbon consumption. Reliable broadband enables more people to work from home and benefits smaller businesses in rural locations, reducing the overall need to travel.

“Improving broadband connectivity is one way of reducing the need to travel.....working to ensure maximum environmental and sustainable benefits are realised from communication infrastructure.....highlighting the environmental and sustainability benefits of extending the broadband network to all communities and businesses”.

## Strategic Policy Alignment (Policy Documents & Referenced Material)

1. Wiltshire Council Business Plan. 2017-2027

[Wiltshire Council Business Plan. 2017-2027](#)

2. Wiltshire Council Community Plan 2011 – 2026

[Wiltshire Council Community Plan 2011 - 2026](#)

3. Wiltshire Council Core Strategy.

[Wiltshire Council Core Strategy.](#)

4. Wiltshire Geographic Business Areas



5. FTTP on Demand (FoD)

[BT FTTP on Demand \(FoD\)](#)

6. Country Land & Business Association (CLA)

[Country Land & Business Association \(CLA\)](#)

7. Swindon & Wiltshire Local Enterprise Partnership (SWLEP)



8. GBER Scheme 2014 – 2020

[GBER Scheme 2014 – 2020](#)

9. Ofcom Connected Nations Report – Published 1<sup>st</sup> December 2015

[Ofcom Connected Nations Report – Published 1st December 2015](#)

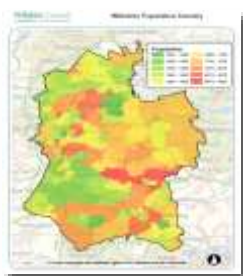
10. DEFRA: 10 Point Plan for Boosting Productivity in Rural Areas – Published August 2015

[DEFRA: 10 Point Plan for Boosting Productivity in Rural Areas](#)

11. Swindon & Wiltshire Local Enterprise Partnership SEP

[Swindon & Wiltshire Local Enterprise Partnership SEP](#)

12. Overall Geographic Area



13. Wiltshire Council Local Broadband Plan

[Wiltshire Local Broadband Plan](#)

14. Risk Action Plan / Register

Identification							
Risk ID	Date Identified	Identified By	Threat Opportunity Assumption	Description of risk	Risk category	Risk Owner	Cause

## 15. Procurement & State Aid Guidance Notes

### Reference Material

- Broadband Guidelines
  - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:025:0001:0026:EN:PDF>)
- General Block Exemption Regulation
  - <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>
- BDUK State aid pages
  - <https://www.gov.uk/government/publications/state-aid-advice>



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## 16. 2016 National Broadband Scheme

[2016 National Broadband Scheme](#)

## 17. Broadband Impact Study

[UK Broadband Impact Study](#)

## 18. FSB “Verve” Independent Telecoms Study – Sept 2015

[FSB “Verve” Independent Telecoms Study – Sept 2015](#)

## 19. Ofcom SME Broadband Study – June 2015

[Ofcom SME Broadband Study – June 2015](#)

## 20. Department for Business Innovation & Skills – Statistical Release

[Department for Business Innovation & Skills – Statistical Release](#)

## 21. BCG “Connected Kingdom” Report

[BCG “Connected Kingdom” Report](#)

## 22. Superfast Cornwall Independent Economic Research by the University of Plymouth (“Serio”)

[Superfast Cornwall Final Evaluation Report by “Serio”](#)

## 23. BT Superfast Broadband “Regeneris” Report on GVA



[BT "Regeneris" Report on GVA](#)

24. SME Benefits & Business Opportunities with Superfast Broadband

[SME Benefits & Business Opportunities with Superfast Broadband Study](#)

25. Swindon & Wiltshire Local Enterprise Partnership (SWLEP) Assurance Framework

[Swindon & Wiltshire Local Enterprise Partnership \(SWLEP\) Assurance Framework](#)

26. SWLEP Strategic Economic Plan Refresh – Published 26<sup>th</sup> May 2016

[SWLEP Strategic Economic Plan \(SEP\) Refresh - 26th May 2016](#)

27. Ofcom “SME” Jigsaw Report – October 2014

[Ofcom “SME” Jigsaw Report – October 2014](#)

28. SWLEP Formal Match Funding Award Notification



LGF1 Ultrafast  
Broadband letter Mar

