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Sent: 28 October 2015 07:58

To: Chris Larsen; David Cairns; George Case; Gerry Jarvis; Jamie Baker; Julian Lidstone; Katie Hollier; Margot Warner; Nigel Robertson; Paul Mainds; Peter Riley; Peter Steward; Peter Steward; Rob Spicer; Roger Wylie; Steve Proffitt; Susan Walker; Tim Carswell

Subject: Latest Broadband News

Good morning All

Things are progressing, albeit frustratingly slowly.

I presented the case for greater urgency to the senior Wycombe policy makers (their Cabinet) on Monday, but at this stage am unable to tell whether my message got through. At the same time, Sue Hynard, Steve Baker's agent, has written to Chris Rawson, the project manager, and his reply is below.

The Mill End cabinet is now enabled, and the Greenlands cabinet, serving Fawley, should be enabled by the end of the year – certainly there is lots of Open Reach vans and men in hi-viz jackets in attendance there!

So, although it may appear that things have gone quiet, please be assured that we are still beavering on behind the scenes. The next key date is Dec 22 when we meet with Chris Rawson to discuss the detailed BT proposals.

Chris

Dear Sue

Many thanks for your email.

I have sought to respond to your queries in sequence below:

- **What are the limitations on Village Networks being recognised as a primary supplier by Bucks Business First? I understand there may be some EU conditions which prevent this; please can you clarify what these are, and offer an opinion on whether the legal position is clear or if the interpretation of EU Directives or law by UK civil servants is at the root of the problem.**

Currently Village Networks are unable to access to State aid funds through the Government's 'gap funding' (subsidy) model, as they do not meet the necessary conditions which are required. This is linked to the fact that their network is not wholesale accessible (meaning third parties cannot access the network), so only Village Networks can sell broadband services to the consumer using their infrastructure. The other consideration is around the delivery of superfast capable speeds (at least 15 Mbps, but ideally 24 Mbps or more) and whether the wireless technology can achieve this. On the latter point, Village Networks are now actively marketing superfast services in certain locations and their aspiration is very much to push this out to their customers, so this is becoming less of a concern.

The other aspect is around Village Networks certifying their superfast broadband credentials, so as to protect themselves from State aid funds being used to 'overbuild' their network. Village Networks are in discussion with Government regarding this at present and is subject to ongoing evaluation. If Village Networks don't meet the requirements, then State aid funding can be used to fund superfast broadband upgrades where they have a presence.

The use of State aid is governed by EU legislation, which is in turn coordinated by Government (DCMS) within the UK. I don't believe there to be an issue with interpretation per se, but the Government is now in discussion with Brussels regarding a new State aid notification for the UK, which may include some changes (likely to be a stronger emphasis on wholesale network access).

Outside of the State aid 'gap funding' model, Village Networks are free to discuss other investment opportunities with public sector bodies, such as loan arrangements and possible joint ventures. Based on national knowledge, these are not common, but may become more prevalent dependent on coverage challenges and future Government funding allocations. These need to be carefully managed against the demands of procurement process and transparency.

- **Is there is any role for Steve to play by talking to Ministers, BT Open Reach or similar to ensure the introduction of broadband to the area is expedited?**

Lobbying and influencing is always helpful, though there will be limitations as to how much BT/Openreach can respond to certain things based on national context (resources, capacity, available funding etc). I would suggest that Steve writes to Bill Murphy, BT Managing Director of Next Generation Access (bill.murphy@bt.com) and Joe Garner, Openreach Chief Executive (joe.garner@openreach.co.uk). He may also wish to make representation within Government, to advocate greater input from Ministers and further funding to be made available. If so, I would suggest making contact with Ed Vaizey MP.

- **If additional funds could be found from new local sources would this have the effect of allowing the infrastructure to be installed sooner? If so, please can you give an indication of the likely costs involved.**

This is difficult to predict. If the funding was used with BT then some of the same constraints may apply (capacity, resources, managing contract across the UK etc). However, additional local funds may also sharpen BT's pencil and allow them to tackle more areas in one go, which would create efficiencies in the deployment timetable I would assume. If this was invested via alternative means and through different suppliers, then a number of scenarios could emerge, which may enable parallel delivery with BT or sooner. Some form of market engagement would be needed to determine the capacity of other suppliers to deliver. Wycombe District Council are in possession of data produced by sector consultants, which provides assumptions around the cost of delivering different levels of superfast broadband coverage.

I hope this is useful.

Kind Regards

Chris

Christopher Rawson | *Broadband Manager*

Buckinghamshire Business First