

Connecting Devon and Somerset

Questions and Answers



What has Connecting Devon and Somerset achieved to date?

With support from Government, CDS has provided access to superfast broadband to more than 300,000 homes and businesses, often in sparsely populated rural areas and over challenging terrain. A further 38,000 homes and businesses have benefited from improved broadband speed. The CDS programme and commercially-funded networks are, together, providing over 950,000 homes and businesses across Devon and Somerset with access to superfast broadband out of a total of 1,083,000 premises currently.

What is the current take up of broadband services?

The take up rate for all CDS-funded phase one Openreach services currently stands at more than 60% and is generating significant resources for reinvestment thanks to the Government's gainshare agreement with BT. Work is advancing on plans to extend BT's network in the CDS area applying the first £6 million from this fund. Take up for Airband phase 2 services is up to around 20% currently and rising after a slow start.

What steps are CDS taking to replace the coverage lost by the termination of the contracts with Gigaclear?

CDS is working closely with the Government's Building Digital UK (BDUK) agency on a new procurement process for launch this autumn, commencing a tender process to identify new provider(s) of these services. We are taking all necessary steps to secure alternative full-fibre broadband providers for our residents and businesses. They are our top priority and we are determined to achieve the best possible outcome for them. We welcome the Department for Digital, Culture, Media and Sport's expressed commitment to ensuring that our residents will benefit from world class broadband infrastructure in line with the ambitions for nationwide full fibre coverage.

How confident are you of finding a like for like replacement?

It would be foolish to predict the outcome, but we have already held productive meetings with a number of companies interested in building full fibre networks in Devon and Somerset.

Will CDS consider awarding so many contracts to one company again?

Every bid has to be judged fairly on its merits, so we can't say it would be impossible for another company to win multiple contracts. That said, there appears to be an appetite from some companies for smaller contracts so it's possible we may have a mix of different providers building networks for CDS.

How long is all this going to take before people start getting broadband?

Actually, it's happening right now. CDS didn't put all its eggs in one basket with Gigaclear and we've been planning what we would do if Gigaclear failed to deliver on its contracts. We're expanding the wireless network Airband is building for CDS and excited by the progress the company is also making with full fibre provision. We are going to expand our Community Challenge Fund later this year, following successful pilots in Devon and Somerset, enabling local communities to have a real hands-on say in new networks for their areas, and we are advancing a new collaboration with BT to extend coverage in rural areas. On top of all this, we will launch a fresh engagement with the market this autumn, aiming to issue new invitations to tender before the end of December. Residents and business can also benefit from the Government's [Gigabit and Rural Gigabit vouchers](#).

How long will a new procurement process take?

Approximately 12 months. To begin with we will formally consult the market this autumn to check who is building broadband commercially in our patch and who is planning to over the next couple of years. It is obviously good news for broadband users and taxpayers that companies are continuing to invest their own money in building new networks in Devon and Somerset. This is very much a moving target. Getting an up to date picture of what is happening means we have a more accurate view of the areas that will continue to need public subsidy. That knowledge will inform the invitation to tender. Companies will respond in the spring and early summer of next year – bidding for these contracts is a complex undertaking – and we will begin the process with BDUK of evaluating the tenders in the summer. We hope to have a preferred bidder or bidders by September, then all parties will complete their due diligence, and we would expect to be in a position to award a contract or contracts by November.

Has CDS paid Gigaclear anything? If so, how much and what for?

CDS paid £537,200 in 28th September 2018. This was in recognition of the Millhayes Cabinet area being built, part of the LOT 5 contract area.

Will CDS be seeking the return of these payments?

This payment is considered valid to support the infrastructure that has been completed and which is serving some homes and businesses. The infrastructure needs to be operated for the purposes originally intended by the supplier to retain the investment from the public purse.

How many premises has Gigaclear actually connected for CDS?

By the end of the first quarter of this year (June 30,2019) Gigaclear had provided 496 properties with access to the new network compared to contract targets totalling 28,689.

How many premises are covered by networks currently being constructed by Gigaclear for CDS?

Gigaclear has been building new network across Devon and Somerset, at its own risk. Some of these networks are nearing completion and CDS expect these to be completed. Others where there is partial delivery may remain within the commercial plans for the company. CDS will determine the state of play of this activity to help define areas to be included under a new procurement.

Has CDS run out of time for State Aid approval?

No. CDS intends to award a new contract or contracts before the current State Aid notification expires in December 2020.

Has CDS required Gigaclear or Infracapital to sign a non-disclosure agreement?

No.

Has CDS ever instructed Gigaclear to halt network design or construction?

No.

How did the failure of the Gigaclear contracts happen?

The company, under new ownership since last summer, had already incurred significant delays with its broadband roll-out due to previous failings and the collapse of Carillion in early 2018. Those delays, details of which were set out [in a joint CDS/Gigaclear briefing in November](#), meant the company could not meet its original 2019-20 contract deadlines with CDS. The company, backed by its new owners, then made abortive attempts to recover the situation which ultimately led to CDS ending the contracts.

Are CDS or BDUK to blame?

No. By its own well documented admissions, the company is alone responsible for the failure to deliver its contracts with CDS. Gigaclear won those contracts through fair and open tender. It had a successful track record of delivery with smaller contracts and was continuing to win Government-backed contracts, it had the financial backing in place to support a step up to take on bigger contracts, and it was committed to providing future proofed full-fibre broadband in rural areas. At the point that CDS awarded contracts to Gigaclear there was every reason to expect the company would complete a successful delivery.

Has Gigaclear failed elsewhere and are other local broadband programmes experiencing similar problems?

We cannot comment on the company's record elsewhere.