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Y Dirprwy Weinidog Sgiliau a Thechnoleg
Deputy Minister for Skills and Technology



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-P-JJ-0263-16

Darren Millar AM
Chair – Public Accounts Committee
National Assembly for Wales
Cardiff
CF99 1NA

25 February 2016

Dear Darren

Thank you for your letter of 4 February 2016 regarding Welsh Government investment in next generation broadband. You requested further information on a number of the recommendations. I will address the points in the order that they were raised.

Recommendation 1: The complexity of the roll-out should not be underestimated. Your response erroneously assumes that there is a long list of premises with delivery dates prescribed for each. In reality we provide BT with a list of postcode areas and a number of premises in each postcode. It is up to BT to determine how best to deliver against it. This approach provides BT with the flexibility to deliver the roll-out as quickly and efficiently as possible. To prescribe which premises should be a priority could have a proportionately larger impact elsewhere in the project i.e. defining ten premises as priorities may ultimately mean that 100 others are not provided with access at all.

The roll-out is dynamic with deployment to specific postcode areas, cabinets or premises moving forward and backward as required, for example, an issue with one cabinet may mean that another cabinet is brought forward while the issue with the original cabinet is overcome. It is not therefore possible to say with certainty how many or which premises under the original roll-out have been impacted positively or negatively as a result of the additional premises.

On your second point with regard to contract negotiations, the renegotiation for a much smaller phase of deployment would have significantly changed the context of the negotiations. As outlined in our initial response, a renegotiation would certainly lead to a less favourable position on claw-back with a much higher threshold for the release of gain share being required. The cost paid per premises passed would also have increased; indeed exploratory discussions held with BT indicated that the cost per premise would have doubled.

Recommendation 2: As outlined in the previous response, the Access Broadband Cymru scheme will fill the gaps left by Superfast Cymru and commercial roll-outs. It is a demand led scheme and will therefore be open to residents and businesses requiring a superfast broadband speed.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The levels set for the vouchers under the ABC scheme were calculated after consultation with internet services providers. We do not expect the costs of installation to exceed the value of the vouchers.

Recommendation 3: Officials have engaged widely with service providers including those indigenous to Wales. In particular industry engagement sessions were held to inform the development of the ABC scheme and to solicit interest in becoming providers under the ABC and Ultrafast Connectivity Vouchers schemes. Officials also held discussions with wholesale satellite providers. Access Broadband Cymru is a demand led scheme and as such potential recipients are self identifying.

The level of funding available via the investment fund is dependent on take-up of fibre services resulting from the Superfast Cymru roll-out, for example, the fifty per cent target set by the Welsh Government by 2023 could result in a gain share of around £58 million.

Recommendation 5: The new funding of £29.6million will enable deployment to premises over the life of the Superfast Cymru programme at both 30Mbps and 100Mbps and above. The new funding is subject to confirmation of WEFO approval.

Recommendation 6: Lessons learned are identified as part of the gateway review processes throughout the life of large projects including Superfast Cymru. In addition a further lessons learned review will be held towards the end of the project and will be then shared across the relevant professional disciplines within the Welsh Government.

Recommendation 8: As outlined in the previous response, the dynamic nature of the deployment means it is impossible to provide useful, accurate and credible information on when any given single premises will have access.

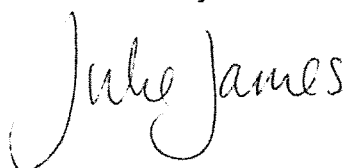
The new information on the website does provide a much better indication of when premises scheduled to receive a fibre to the cabinet solution will have access. On screen, a number of boxes appear at the foot of the screen indicating which of a number of build phases the premises is in and typically how long it will take until the cabinet is accepting orders. For example, if the cabinet is in the design phase it will indicate 12 months and if it is in the build phase it will be typically five months.

Work to provide a similar level of information for fibre to the premises and exchange only lines is underway with the new functionality expected to go-live in March.

The number of hits to the website is a useful proxy measurement of the success of the other activity, such as advertising, that is in part designed to drive traffic to the website. It cannot be used on its own as a measure of the success of the overall communications strategy.

I hope this provides the information you require.

Yours sincerely



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