

Correspondence from Communications Solutions Cymru (CS Cymru) to the Chair, Climate Change, Environment and Infrastructure Committee in relation to digital connectivity – 5 February 2022

Dear Llyr,

Our company is Communication Solutions Cymru (CS Cymru) and we are engaged in the business of advising, assisting, maintaining and installing rural broadband into individual homes and businesses.

The attached document is a recent quotation from BT of almost £200 000 for providing broadband to a constituent in the Llandbedr valley near Crickhowell. Can this be fair? We are aware of approximately 20 households, in this valley alone, that have received funding from a grant provided by the Welsh Government's Access Broadband Cymru Scheme (ABC Scheme) which has enabled them to obtain reliable fast broadband. The grant covers the cost of the equipment and the installation. Without the ABC grant these people would have either missed out or would have been quoted as per the attached example. We also know of others here who are in the process of applying for the ABC grant so there is clearly a need for the ABC Grant Scheme to remain in place ensuring that these rural homes and businesses are not simply left out. There are many other areas where this scenario is being played out which equates to thousands of constituents missing out on the opportunity of having useable fast broadband.

There is also another national grant scheme namely the Gigabit Scheme. The Gigabit Scheme provides broadband to communities which is obviously a good thing although there are frequently many constituents who don't benefit because, due to their isolated location, they have not been included in a nearby scheme. These are the very people who require the most urgent help because their current broadband speeds are usually the slowest and below 1Mbps. It is these people who are contacting us to ask for assistance in the form of faster broadband and we are currently able to assist them through your ABC Grant Scheme. Using the ABC Scheme's simple application process these constituents can have a fast and reliable broadband system up and running usually within weeks.

As good broadband provision is one of your major objectives and for the sake of your constituents, it is imperative that the ABC Scheme runs for the same duration and alongside the Gigabit Scheme. This will then serve a broad range of constituents whether they qualify for the Gigabit Scheme or not as the ABC Scheme is an excellent way to support those who don't, due to their remote locations. If the ABC Scheme were to be halted then what alternative solution would Welsh Government be able to offer to what would amount to thousands of their constituents who are not being served by the Gigabit Scheme when they look to you for answers? We look forward

to hearing from you with your response. If you have any questions or require any further information then please feel free to contact us at any time.

Yours sincerely

Andrew Hornung & Conway Staley.

Attached document:

[REDACTED]
[REDACTED]
[REDACTED]

Begin forwarded message:

From: uso-helpdesk@bt.com

Date: 14 December 2021 at 3:36:39 pm GMT

To: [REDACTED]

Cc: uso-helpdesk@bt.com

Subject: USO Request - [REDACTED]

Hello [REDACTED]

We have received the confirmation of the survey price from Openreach. Here are the figures you need to know – and a breakdown of exactly how Openreach came to this amount.

Survey cost excluding VAT: £165,597.00

Survey cost including VAT: £198,716.40

This cost is calculated as the full cost of the network build and takes into account BT's contribution. BT's contribution is based on 70% of the number of eligible premises in your network build area multiplied by £3,400*. In your case, BT's contribution is £3,400.00 based on 1 (relevant) of 1 (eligible) premises in your build area. This amount has already been deducted from the above cost.

As the designated universal service provider for the UK (except Hull), we were chosen as the most capable and efficient business to deliver universal service upgrades, but these are expensive and there are significant engineering challenges. These are broken down below:

Planning and Survey- £0.00

This is the beginning of the process; the costs relate to labour and resource for Openreach staff and planners who will survey the area and plan the best network route

Civil Engineering- £110,389.90

Whether it's digging up roads and pavements, running cables overhead and trimming trees, or negotiating permission to close roads and dig on private land, civil engineering work can increase costs

Cabling- £58,607.14

This is the cost of fibre cables and the labour costs for laying it. The cabling would go from your local exchange to the premises included in the build.

Total Cost- £168,997.00

This is the total cost of the build

BT Contribution- £3,400.00

This is the deduction to the total cost of the network build through the BT contribution USO funding entitlement

Actual Cost- £165,597.00

This is the total cost of the build, following the USO industry funding deduction

We appreciate this is a lot of money – if you decide this is too much for you to pay alone, you can share the costs with others in your area who stand to benefit from this build. Alternatively, there are other ways of getting faster broadband which could work for you such as Community Fibre Partnerships, where you can take advantage of government vouchers, or satellite broadband.

If you'd like to go ahead with the network upgrade, we'll need to take payment upfront. You can get in touch with us on 0800 783 0223. We are open Monday to Friday between 9am-5pm. This quote is valid until 14/06/2022.

If you have any further questions on these figures, or want to discuss any aspect of this quote, please give us a call on the number above, within 60 days.

Many thanks,

The BT Team

*The contribution from BT has been defined by Government and Ofcom – the industry regulator – as £3400 per premise for 70% of eligible premises in the network build area.

For each premise in a build plan above 70% that registers their interest with the USO Help Desk on 0800 783 0223 BT will contribute an additional £3,400, lowering the excess cost to pay.

**All USO quotes are valid for 6 months, however in some cases your expiry date may be shorter than this time period. This is because we want to ensure we always offer the cheapest price possible and – where available and if more cost effective – we will give you a quote which someone in your area has received before, that is already within the 6 month validity period.