

Grwp yr Economi, Sgiliau a Chyfoeth Naturiol  
Economy, Skills and Natural Resources Group

Dirprwy Ysgrifennydd Parhaol • Deputy Permanent Secretary

Darren Millar AM  
Chair  
Public Accounts Committee



Llywodraeth Cymru  
Welsh Government

1 July 2015

Dear Mr Millar

**AGW Report – Welsh Government Investment in Next Generation Broadband Infrastructure**

Further to my letter of 1 June 2015 regarding the Auditor General for Wales's report in to Welsh Government investment in next generation broadband infrastructure please find enclosed a more detailed response as requested by the committee.

Obviously a great deal of more detailed work is required to address all of the points raised in the report but I hope the attached provides a useful overview of what is planned.

I look forward to appearing before the committee on 7 July.

Yours sincerely

A handwritten signature in black ink that reads "James Price" with "(SR PRICE)" written below it.

**James Price**

## **Auditor General for Wales: Welsh Government investment in next generation broadband infrastructure**

### **Welsh Government response**

#### **To improve communication about the local rollout of next generation broadband**

The report highlights the review undertaken last year which has set the direction for communications and marketing activity through to March 2016. As outlined in the report this very much puts householders at the centre of activity and is focused on encouraging take-up and providing information about where and when the roll-out will happen.

Improvements to the way roll-out information is communicated are already in hand. In particular the information on the where and when checker on the website will be amended so that it gives visitors to the site information on when work to enable their premises will be complete. At present it gives information on when work will start in a telephone exchange area.

All local authorities in Wales have a dedicated member of the BT marketing team as a liaison point. The BT and Welsh Government marketing teams meet fortnightly to review progress and to plan ahead.

In addition further research is planned to help inform future communications activity, an essential part of this will be to understand what further information would be helpful for residents and businesses.

#### **To ensure reaching contractual targets**

There are now 9,900 premises capable of receiving 100Mbps and above. Current plans indicate around 87,000 of the c730,000 premises due to be given access to superfast broadband as a result of the Superfast Cymru project will receive Fibre to the Premises technology once the roll-out is complete.

In addition BT intend to make their Fibre on Demand product, that provides broadband speeds in excess of 100Mbps, available to all premises able to receive fast fibre broadband as a result of Superfast Cymru.

Depending on location the additional cost of providing Fibre on Demand may be wholly or partially covered by either the UK Government broadband connection vouchers or if the premises are in Enterprise Zones then the Welsh Government Ultrafast Connectivity Voucher will cover all or some of the costs. It should be borne in mind that the demand for ultrafast speeds of 100Mbps or above are likely to come in the vast majority of cases from businesses rather than residential premises.

## **To monitor and support the take-up of next generation broadband**

Setting a take-up target for superfast broadband is complex, take-up is influenced by a wide range of factors, such as cost, new developments in content and technology etc., most of which are beyond the control of the project or the Welsh Government.

However, there are good reasons for securing take-up not least the positive effects it will have on people's lives. In addition the clawback mechanism within the contract will result in funding flowing into an investment pot for re-investment in expanding and enhancing digital infrastructure across Wales.

The Welsh Government is using the latest research available to develop communications and marketing plans for the range of digital infrastructure schemes and interventions available, for example Superfast Cymru, Access Broadband Cymru and the Ultrafast Connectivity vouchers. They will be designed to help drive take-up, help businesses and consumers understand the benefits of superfast broadband, the costs, how to get a superfast service and to tackle the myths around availability.

Part of the process for developing the communications and marketing plans is to undertake research to identify trends in consumer take-up, barriers to take-up and how superfast broadband is being used in Wales.

Currently Ofcom carry out research looking at international data which they publish and share with stakeholder groups. This provides a useful comparison both across the UK and with other competitor countries.

In addition business use will be tracked by the research and intelligence function set up as part of the superfast broadband business exploitation programme in development. This will be led by Cardiff University.

## **To improve effectiveness of the Access Broadband Cymru scheme**

The Welsh Government is currently developing a new scheme to provide access to superfast broadband to all premises across Wales no matter where located. The new scheme is likely to build on the success of the Access Broadband Cymru scheme. As described above the new scheme will be marketed as part of a range of measures available to homes and businesses across Wales.

## **To improve the delivery of the full benefits of the public investment**

Helping consumers to understand the benefits of superfast broadband is a central part of the current communications and marketing activity and will in all likelihood continue to be a key part of the revised communications and marketing approach being developed. Until the development work has been completed it is not possible to say exactly what this will entail.

A benefits management strategy is in development that will capture a range of benefits both to consumers and society, and to capture the benefits resulting from the national business exploitation programme.

**To learn the lessons from the Welsh Government's management of the planning and procurement of the Superfast Cymru contract**

The project team will carry out a number of lessons learned reviews, for example for the EU as part of their project completion processes. These will be fed into the corporate lesson learned framework for programme and project management.

Officials will work with Value Wales to ensure that the procurement lessons are identified and disseminated across the procurement profession within the Welsh Government.

Welsh Government will share the lessons with contract and procurement professionals from across Welsh Government and the wider public sector to raise awareness of the approach taken under the Superfast Cymru project.