



City of Westminster

Environment and Customer Services Policy and Scrutiny Committee

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Title:	Broadband Coverage
Report of:	Executive Director: Growth, Planning & Housing
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Report Authors and Contact Details:	Steve Carr x6551 scarr@westminster.gov.uk David Wilkins x1620 dwilkins@westminster.gov.uk

1. Introduction

- 1.1. This paper reviews actions taken to improve the availability of fixed line broadband coverage in Westminster (ie: not mobile broadband). The report assesses how the Council has progressed with actions proposed in the report to the Environment Policy and Scrutiny Committee meeting on 19th January 2015.
- 1.2. When we last reported to the Committee, Ofcom data from 2014 showed that only 47% of premises in Westminster had access to superfast broadband download speeds of 24 Mb/s (the UK definition, as opposed to the European definition of 30 Mb/s). This was the worst coverage of any London borough other than the City of London. However, Ofcom has not yet updated its local data, although a new map is believed to be coming out in June.
- 1.3. A report by Grand Shapps MP recently reviewed the availability of superfast broadband (30 Mb/s definition) in Westminster North and Cities of London and Westminster Parliamentary Constituencies and put the availability as 79% and 78% respectively, placing them as 552nd and 638th out of UK 650 constituencies for percentage or connections over 30MB/s (**Annex 3**). A recent Think Broadband survey has suggested that superfast coverage above 30 Mb/s in

Westminster is 71.1% but that is very much based on customer perceptions and the intentions of providers to roll out availability rather than actually street by street availability today.

1.4. In the absence of official data or transparent information from the broadband providers it is not possible to say how much additional connectivity has been achieved in the city of Westminster since last year. From the post bags of Westminster members and MPs it is clear that availability for small firms of Openreach (the main network which wholesales to hundreds of individual providers) and Virgin remains very patchy, especially in the West End wards. However, major changes from other operators with their own fibre networks such as Venus on Oxford Street (ie those not totally dependent on the Openreach wholesale franchise) are starting to make a difference in places like Soho (see below).

1.5. It is important to stress that dedicated leased lines providing superfast and ultrafast fibre broadband is available across Westminster from both BT leased line providers and other telecoms companies, but at prices that many firms and individual residents cannot afford and often with delivery times that are very lengthy. What is not available is the so called 'domestic grade' broadband advertised to the public in poster campaigns and on the internet as they depend on cabinets in the street that is not extensive enough in Westminster.

Westminster's Broadband Campaign

1.6. Over the past year Westminster City Council has been involved in many initiatives to support the delivery of improved broadband within the city. This paper explores how effective these have been and highlights what might be achieved in future through our lobbying activity, working with partners and supporting innovation in the market.

1.7. Key highlights are as follows. During the year we:

- Held a **broadband campaign in Summer 2015** to highlight the issue of the poor connectivity across Westminster, and was publically backed by the London Chamber of Commerce, Westminster Property Association and property firms such as Shaftsbury and Grosvenor.
- **Brokered an agreement with BT Openreach** in October 2015 to roll out a programme of investment to deliver 144 additional street cabinets for its superfast broadband availability by the end of 2017, reaching some additional 40,000 additional premises. Five trial cabinets were agreed as part of this, one of which has been delivered by BT at Tachbrook Street Street in Pimlico.

- **Agreed with Virgin** that it will reactivate its dormant analogy system inherited from BT several years ago to upgrade to fibre enabled broadband technology – this will bring connectivity to 5,000 residents in the Pimlico and Paddington areas in the next year.
- Established a '**Wired Westminster Group**', chaired by Cllr Jonathan Glanz - a group of property firms, advisors and broadband operators in order to tackle some of the challenges with regards to connectivity to premises.
- As a result of the Wired Westminster group, with Central London Forward, in and the City of London, we have appointed British Standards Institute to draft a **Standard Wayleave Agreement** - this will help reduce the time and cost for small firms seeking connections via their landlords, cutting down the legal process that delays connectivity.
- Promoted the **Mayor's 'Wired Score' connectivity rating** initiative to Westminster property owners which rates buildings according to their telecoms connectivity, thereby encouraging landlords compete for tenants by improving their connectivity offer.
- Stimulated demand by **promoting the DCMS Broadband Connection Voucher Scheme** for small and medium sized firms. Westminster then topped the rankings for take up. (The voucher scheme has since been withdrawn by the Government).
- Worked to include superfast broadband consideration within the revisions to the **City Plan** so developers have to consider connectivity when developing their properties.
- Included **broadband in the West End Partnership's** investment programme in response to the WEP Board's concern that availability of affordable Next Generation (NGE) superfast broadband to small firms in the West End is among the poorest in the country. The investment programme is now before the HM Treasury for consideration.
- Made submissions to various Government bodies inquiries about **connectivity within urban not-spots**. Key areas of lobbying included asking for a new connection voucher scheme, greater transparency in the broadband market, especially from Openreach, access to Openreach ducts and cables by other broadband firms, and an increase in national guidance into state aid for local authorities. Most of our recommendations have now been endorsed by the Ofcom review of Openreach which was released in February.

2. Context

- 2.1. Westminster City Council wants to achieve world-class connectivity to serve an economy which produces £55.7bn GVA annually and hosts the biggest concentration of retail, leisure, cultural, education, creative and government activities in the UK. Affordable, accessible and efficient superfast broadband is essential to economic growth and indeed, by modern standards is now considered as the 4th utility. Residents and business in Singapore, Hong Kong and Seoul in South Korea enjoy near universal availability of 1 gigabits of fibre enabled broadband. Many European world cities have invested heavily in bringing fibre to the premises for all businesses and residents. Romanian cities are at the top of the European league for connectivity at upload and download speeds ten times that available to small firms and residents in Westminster.
- 2.2. For Westminster, the problem is a geographically patchy service provision and expensive connection and rental costs. There are also excessive delays between ordering a service and delivery, as the vast majority of providers have to use the BT Openreach for network connection and access to service ducts or to carry surveys of connectivity. Slow download and very poor upload (asymmetric) broadband speeds in Central London are well documented. This is thought to be due to the huge dependence on copper connection between fibre enabled cabinets and exchanges and actual premises (copper speeds degrade rapidly over distances above 90 metres whereas fibre speeds are constant). This has a significant impact on Westminster's residents and businesses and the international reputation of London. Evidence from creative and digital businesses in Soho from Soho Create is that the lack of broadband is a major reason for smaller firms considering a move out of the area.
- 2.3. Since the Scrutiny Committee hearing on January 2015, in November last year The Prime Minister, David Cameron, set out a Universal Service Obligation with the ambition to give people the legal right to request a connection to broadband with speeds of 10Mb/s. For the City of Westminster 1.1% of premises fall below this minimum connection standard. The Government universal service obligations do not extend to superfast broadband, although DCMS is reviewing that in the light of recent consultations on broadband. There appears to be no service obligation on telecoms providers to provide information on availability and where their fibre is laid in the ground. We have made these points to Government in recent consultations seeking transparency and information to help plan the city and support residents and businesses.
- 2.4. Business-grade broadband is available to established businesses able to pay fixed line prices. Fibre cable is extensive in Westminster but only to those able to pay for fixed line connections and Ethernet services in their buildings. However, 65% of Westminster's 50,000 businesses are small or medium sized

firms and many of them can't afford or access expensive superfast broadband putting them at a commercial disadvantage. There is a significant gap between a wholesale fibre-optic network and the retail network that serves small businesses and residential properties. Such exclusivity hinders the connections, commercial appetite and growth of a digitally innovative world city.

2.5. Access to world class broadband is a must for an international city that attracts investment from across the world. In January, London's average download broadband speed ranked 26th out of 33 other European capital cities. Its average speed was found to be 25.44 Mbps, which contrasted drastically with Bucharest (which came 1st), which had average speeds of 80.14Mbps. Even by UK standards, London is lagging behind, with the capital only ranked 38th for average broadband speeds among the top 40 British cities.

2.6. The Mayor of London's Office believes that a shift from basic broadband to superfast could boost London's economy by around £4bn by 2024. At the Mayor's 'Connectivity Summit' held last September, the Mayor of London called for 99 per cent of properties in the capital to have access to affordable superfast connections by 2018. This ambition is outlined in the Mayor's Infrastructure Plan 2050 which aims to make London the first capital city in the world to deploy 5G (by 2020). This would establish London as a place of world-class connectivity – a Government ambition.

2.7. Many of the solutions to the broadband deficit are beyond the controls and powers of the local authority but we have nevertheless maintained our programme of pressure to improve coverage and service levels which we set out below:

3. Ofcom Update

3.1 Ofcom's initial conclusions in 'Making digital communications work for everyone'¹ review were published on the 25th February. The challenge is for the UK to keep up with everyone's expectations of their broadband and phones, to ensure they get the reliability, quality and speeds they need. The OfCom conclusions include:

- **A choice of networks for consumers and businesses.** Openreach must open up its network to telegraph poles and underground tunnels to allow others to build their own, advanced fibre networks, connected directly to homes and offices. This will ensure greater levels of choice for the end consumer.

¹ <http://consumers.ofcom.org.uk/news/digital-comms-review/>

- **Reform of Openreach.** In consultation with wider industry Openreach would be required to make independent decisions on where to rollout broadband, how much money to spend on improving service quality and new high-speed broadband technology.
- **Better quality of service across the telecoms industry.** The introduction of tougher rules on faults, repairs and installations; transparent information on quality of service; and automatic compensation when things go wrong.
- **Improved broadband and mobile coverage.** Ofcom will work with the government to deliver new universal right to fast broadband, affordable broadband for every household and business in the UK.
- These conclusions reflect submissions that Westminster City Council have made to the Ofcom Strategic Review of Digital Communications and the DCMS Committee for 'Establishing world-class connectivity throughout the UK'.

4. Progress since January 2015

Actions Agreed at January 2015 Environmental Policy & Scrutiny Committee

Activity	What we have done?
<p>A Wired Property Scheme for London</p>	<p>As a Council we have invited Wired Score to the Wired Westminster Group to present the scheme to property owners within Westminster.</p> <p>Corporate property has also been consulted about this scheme and at present the Council does not have multi tenanted buildings that would benefit from this scheme. They mentioned there could be potential to have City Hall rated post refurbishment as it may increase the appeal to other potential tenants.</p>
<p>Stimulating Demand</p>	<p>As a Council we have promoted the Broadband Connection Voucher scheme through a variety of channels, these include:</p> <ul style="list-style-type: none"> • Business Rates Supplement • Council Website • Newsletter • Social Media <p>A full report on the performance of the scheme can be found in Annex 1.</p> <p>This has led to the following by the leading national companies with their own infrastructure:</p> <p>BT Openreach</p> <p>BT Openreach is the main network provider and wholesales its network and exchanges to a very wide market of ISP providers, some 120 in Westminster alone including to brand names such as BT, Sky, Talk Talk etc. BT Openreach agreed with the Leader of the Council to start the roll out 144 new street cabinets to bring superfast connectivity to 38,874 further premises, to reach a total of 106,000 premises by the end of 2017. BT started this programme in October 2015 but progress since then has been very slow. The Council has asked BT Openreach to be clear about its plans, to communicate with residents on when services are due to arrive on their streets, and whether the company's public pledge still stands.</p> <p>However, BT has 18 different exchanges that serve Westminster. BT say that total cost of installing a fibre cabinet various per location is over £30,000 per site. The company does not invest in a whole area, but only where individual cabinets are deemed</p>

	<p>financially viable. Where a district has a high proportion of leased line ethernet business and a small number of residents and small firms wishing to access domestic grade broadband, the small additional demand and viability equation will remain a reason for BT Openreach not invest in a new cabinet, and so parts of Westminster may well continue not to be served by their network. The lack of a universal obligation on providers to achieve superfast broadband is likely to be a barrier to achieving 100% coverage in Westminster.</p> <p>Virgin</p> <p>Following our campaign, Virgin agreed late in 2015 to upgrade their 22 analogue cabinets in Pimlico and Paddington to provide fibre optic superfast broadband connectivity and will paint them black to finally comply with Westminster street furniture policy. This will significantly plug a hole in the very poor broadband coverage for 5,500 residents in these neighbourhoods. Virgin is now rolling out this programme and working closely with our road management team on the build works.</p>
<p>Standardised Wayleave Agreement</p>	<p>The Wired Westminster Group Chaired by Cllr Glanz is developing a Standardised Wayleave Agreement to address the concerns with regards to the duration of time it takes for SMEs to get connected to broadband infrastructure. The time frame for completing this document is for a final draft for consultation to be completed by mid-March and the final document will be ready in April/May. This work is being completed in partnership with the City of London and the British Standards Institute. Once a document is completed the Great Estates will be consulted to ensure they support the document.</p>
<p>Hold a Connectivity Summit specific to Westminster</p>	<p>During the last year we have extended invites to Westminster businesses to two already established connectivity summits including the mayor's connectivity summit and to the Next Generation Group summit.</p> <p>We have also worked with Westminster Business Council to organise a summit at the House of Commons where over 200 people attended. This was successful at raising awareness of broadband issues within Westminster.</p>
<p>Continue to press for clarity on the data used on connectivity speeds</p>	<p>This year we have continued to lobby with regards to transparency in connectivity speeds and availability. This work was included in our submission to the DCMS hearing with regards to broadband.</p>
<p>Map current levels of connectivity in</p>	<p>The GLA produce a connectivity map of London. From that map an extract from the City of Westminster has been created and is</p>

Westminster	displayed in Annex 2 . This map shows the areas containing large concentrations of businesses also lack superfast broadband.
Review use of Council's Assets and Property	<p>We are exploring with the Council's Corporate Property team with regards to the following points:</p> <ul style="list-style-type: none"> • The use of Council rooftops for delivering superfast broadband to SMEs and residents. • The adoption of Wired Score on future multitenant buildings.
Develop an understanding of the implications of new technologies	<p>The Council has been keeping up with new technologies in this space. An area we have particularly focused on is BT's G-Fast. This looks at increasing the compression of the signal through copper to increase speeds. Currently there are trials being undertaken in Huntingdon and we are pressing for an urban trial to take place within Westminster.</p> <p>We have also spoken with providers about narrow trenching techniques in laying of fibre cables.</p>
Re-issue a statement on Street Works in Westminster for broadband providers	The Council has had workshops with BT and Virgin to support their build programmes. The Council has also relaxed the need for multiple street works consents for the same infrastructure works to save time and accelerate the build programmes.
Ask Ofcom to clarify its view on coverage and set a target for London	The Council continues to lobby with regards to superfast broadband availability within the City and is keen to see London have 100% coverage. This has featured in the lobbying work to DCMS with regards to broadband speeds and availability.
Encourage new and smaller entrants into the market	<p>Optimty: We have been supporting Optimty by brokering relationships between Optimty and Corporate Property with regards to the use of Council building rooftops as a method for delivering to superfast broadband to SMEs in the surrounding area.</p> <p>Hyperoptic: Have recently met with Hyperoptic and the main challenges they face with regards to growth are as follows: 1) identifying where there are large concentrations of SMEs within Westminster; 2) stimulating demand with those SMEs who could benefit from superfast broadband; 3) agreeing the wayleave with the freeholder. There is an opportunity for the Council to support with the first challenge by sharing information with broadband providers and creating a portal that evidences demand and the point 3 is currently being addressed through the standardised wayleave work.</p> <p>Venus: The Leader has met with Venus (a Westminster firm based on Oxford Street) with regards to key issues they are facing as a broadband provider. As a result of this meeting we will be producing a press release promoting Venus as a broadband provider, exploring the potential of a continuation of a connection voucher scheme and developing an event to promote the benefits</p>

	<p>of superfast broadband. Venus is offering standard packages of 1 Gigabit per second, and has been very successful in connecting up multi-tenanted companies in the film and media sector in Soho.</p> <p>Community Fibre: The Council are working with Community Fibre and City West homes to support the delivery of superfast broadband to social housing within Westminster. City West Homes is about to announce a partner to roll out this digital access to its residents.</p>
<p>Look into incorporating superfast broadband into planning guidance.</p>	<p>Last year, as part of the City Plan revision process, a series of topic booklets were published for public consultation. The West End booklet highlighted that access to broadband is crucial for the global competitiveness of the West End, and to support increasingly web-based industries. The consultation therefore asked if there should be a requirement for new development to support high speed broadband. This will now be progressed through a City Plan revision.</p>

5. Further Activity with West End Partnership

5.1 Since the issue of its delivery plan in June 2015, we have been working with the **West End Partnership** on the provision of superfast broadband in the West End and have proposed a programme of intense investment to bring connectivity to many residents and premises using the initiatives listed above. All the WEP partners are committed to working to improve broadband coverage.

5.2 In addition we are discussing with the Government regarding an additional package of support for the West End including:

- Laying **telecoms ducts as part of public realm projects we deliver** and also, road works and other civil engineering projects underfunded under the West End Partnership. This will both extend coverage but making such ducts available to telecoms providers and also avoid these providers diggings the street after major works have been completed, which is a common cause of rapid degradation of the public realm in Westminster.
- Working with **TFL and Crossrail to use its infrastructure to lay more broadband fibre** cable such as in tunnels, rail routes, bridges (NB: This is also something the Parliamentary Select Committee on Media asked Westminster and TFL to both consider).
- Creating a specific broadband **concordat around the London Permit** in the West End with all the utilities and telecoms signed up to it to encourage or

enforce coordination of their build programmes to avoid multiple and competing dig programmes.

- Working with the GLA on a **new broadband voucher scheme** (if funds are available) for specific groups of small firms in the West End.
- Promote **innovative sources of collective private sector funding** measures to pay for mainstream connectivity and the cost of connection. The cost of such cabinets cannot be borne by individual companies in multi occupation premises but business organisations can ambient to support connection.

6. Conclusions

6.1. Throughout this past year Westminster City Council has been engaged in many activities seeking to address poor broadband connectivity within the city. Some key highlights are the connection of over 1,000 businesses to a superfast broadband through the broadband connection vouchers and approaching the completion of a Standard Wayleave Agreement which will speed up the delivery of superfast connections. Despite this the levels of connectivity for small firms and residents within Westminster are comparatively poor nationally and are being left behind with regards to international competitors.

6.2. Some additional activities we can explore are:

- **Continue our lobbying activities** to raise the profile of urban not-spots with national government and champion the need for London to be an internationally competitive city with regards to broadband speeds and availability to ensure it remains a great place for a business to invest.
- **Work with broadband providers** to run an event raising the awareness amongst the business community about the benefits of superfast broadband.
- **Explore the potential of running a connection voucher scheme** through the West End Partnership to help address the not-spot areas in Soho.
- **Develop a similar Standardised Wayleave Agreement for mobile broadband** infrastructure through the Wired Westminster Group.
- **Continue to look at ways to support broadband providers** deliver superfast broadband within Westminster.
- **Provision of our own ducts and infrastructure** – as proposed as part of the West End Partnership delivery programme – which we would do alongside, along with other initiatives such as introduction of the broadband vouchers scheme to support the cost of connection small firms.

- Annex 1:** Broadband Voucher Scheme Performance in Westminster
- Annex 2:** Connectivity Map Westminster
- Annex 3:** Grant Shapps, Broadband Report, January 2016
- Annex 4:** GLA Broadband Tools

Annex 1: Connection Voucher Scheme

Performance

	No. Vouchers	Financial Value	Average Speed MB/s		Average Speed Uplift MB/s	
			Download	Upload	Download	Upload
Online	554	£1,550,402.13	90.1	87.3	83	69
Pre-registered	510	£988,355.44*	82	61	94	39
Total	1064	£2,538,757.57	86.2	74.7	88.3	54.6

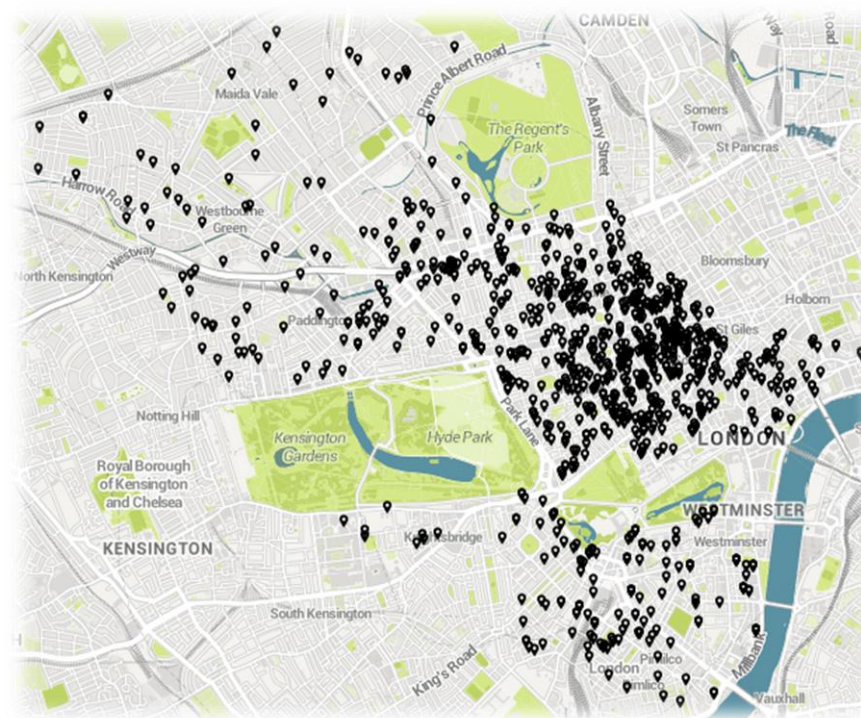
*Need to assign values for 34 vouchers

Supplier league table – Top 10

Company	Number of Vouchers
BT Plc	164
Venus	144
Spitfire Network Services	74
Exponential-e	73
CFL	44
TalkTalk	44
Virgin	39
Luminet	36
Colt Technology Services	35
Hyperoptic	16

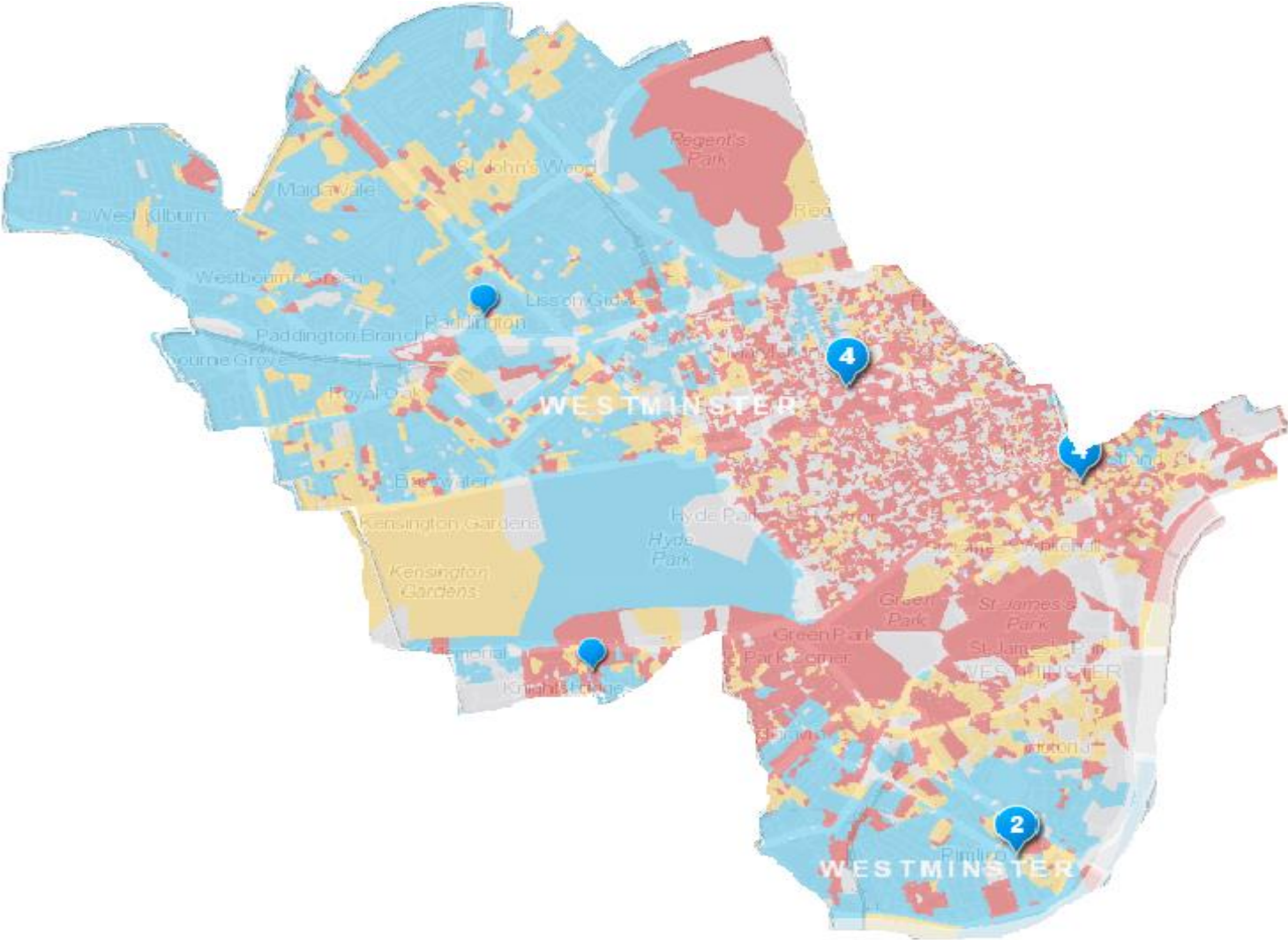
Key points

- A total of 1064 SMEs have benefits from a voucher.
- The average SME received significant improvements to both the download and upload speeds of broadband.
- Local broadband providers made a considerable contribution to the number of connections.



Postcode map (dots represent a voucher)

Annex 2: Connectivity Map London



Annex 3: Grant Shapps MP,' Broadbad' Report, January 2016

Constituency (650 UK constituencies)	Region	Rank Superfast availability	Rank ultrafast availability	Rank – average download speed	Rank – highest % connections under 2Mb/s	Rank – highest % connections under 10Mb/s	Rank – highest % of connection over 30MB/s
Cities of London/Westminster	London	465	131	585	514	392	638
Westminster North	London	459	151	454	645	645	552

Constituency (650 UK constituencies)	Region	Superfast Broadband Availability	Ultrafast Broadband Availability	Average Download Speed Mb/s	% of connection <2Mb/s	% of connection <10Mb/s	% of connections >30Mb/s
Cities of London/Westminster	London	78%	2.1%	16.9	2%	33%	8%
Westminster North	London	79%	1.7%	22.8	1%	18%	19%

Annex 4:

Broadband Tools

Wired Score

The Mayor's **Connectivity Rating Scheme** (<http://wiredscore.london>) is now fully functioning following its launch in October. The scheme is aiming to improve connectivity awareness by creating a transparent rating, indicative of the effectiveness and affordability of connectivity in commercial buildings. Ahead of the launch, WiredScore secured agreements with some of London's biggest landlords to rate iconic buildings such as the 'Walkie Talkie' and the 'Cheesegrater'.

GLA Toolkit

The toolkit includes the connectivity map; key contacts in London authorities; information on GLA assets; a list of available providers; and case studies. An important feature of the toolkit is the **Connectivity map** which displays Ofcom data on availability of superfast broadband and average speeds at a detailed level. The map allows residents and businesses to publically register their demand for superfast services in their area, thereby acting as an aggregator and signposting tool. <https://maps.london.gov.uk/webmaps/nextgenbroadband/>