



Building
Digital UK

Building Digital UK Project Gigabit (GIS) Overview

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Overview

- Introduction to DCMS
- Introduction to Project Gigabit
- Dynamic broadband supplier market
- Project Gigabit Procurements
- 5g and SRN
- Q&A

Who We Are

- DCMS is the department for digital, including the rollout of digital infrastructure
- Our directorates include:
 1. Digital Infrastructure who lead on the policy for UK wide gigabit coverage, rural connectivity (inc. Very Hard to Reach premises), wireless connectivity (4G/5G) and barrier busting roles
 2. Building Digital UK leads on the operational delivery of digital infrastructure in the **non-commercial** areas (defined as the final 20% of the UK, c6 million premises); including Shared Rural Network
- BDUK became an Executive Agency in April 2022. While BDUK will remain legally within DCMS and retain a close relationship with DCMS policy officials, a key benefit will be a robust new governance structure. Its new management board will incorporate a non-executive chair, executive members and non-executive members, thereby providing an extra layer of expert scrutiny and technical oversight.

Who We Are



Julia Lopez, Minister
for Media, Data and
Digital Infrastructure



Imran Shafi, Director of Digital
Infrastructure



Paul Norris, Chief Executive
Officer, BDUK

Why We Are Here

- Broadband investment has been provided by the UK Government since 2010, originally the transition from basic to superfast (at least 24Mbps) broadband and now gigabit (>1Gbps). Government is on a mission to deliver lightning-fast, reliable broadband to everyone in the UK.
- The Future Telecoms Infrastructure Review 2018 concluded that network competition was deemed the best approach to delivering a portfolio of programme ambitions that the market could sustain. There are areas that cannot sustain network competition and will require additional funding to enable (encourage) gigabit capable connectivity.
- BDUK's role is to develop options for interventions in the final 20% of premises where coverage is expected to be uncommercial.
- With a target of 85% gigabit coverage by 2025 and as close to 100% as possible (National Infrastructure Strategy 2020), we are proud to be on track for one of the fastest rollouts in Europe and terrific progress in access to gigabit-capable speeds has been achieved in recent years (from 9% in 2019 to 65% in January 2022).

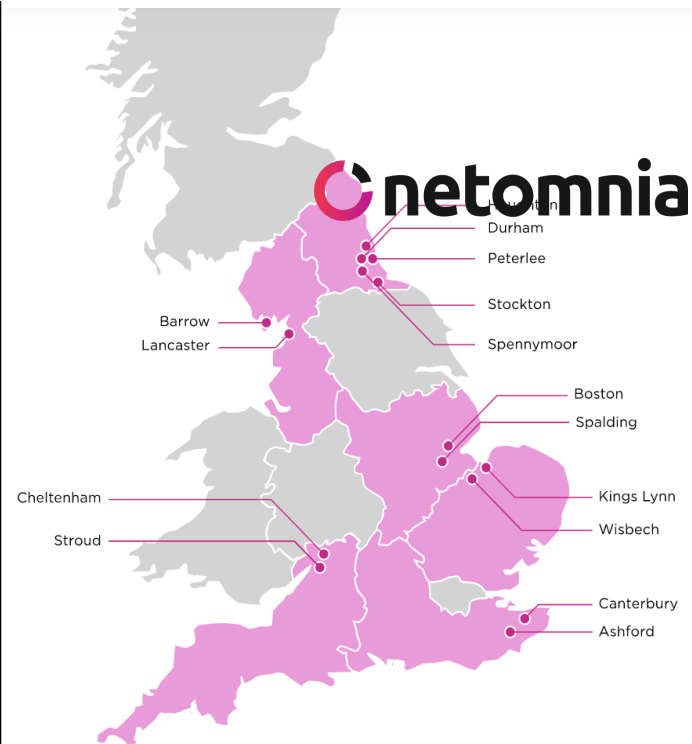
How We Will Get There

Launched in March 2021, Project Gigabit (£5bn) is largely made up of four products (interventions):

1. **Gigabit Infrastructure Subsidy (GIS):** Working closely with local authorities and devolved governments to extend gigabit coverage through a centralised procurement approach (up to £4.2bn).
2. **Gigabit Vouchers:** Up to £210m for vouchers to offset gigabit installation costs for rural homes and businesses (<100 Mbps) in areas unlikely to receive commercial gigabit broadband rollout.
3. **Gigahubs:** Up to £110m to connect rural schools, GP surgeries, libraries and other public buildings to bring fibre into the heart of communities.
4. **Superfast Extensions:** 97% of the UK now has access to at least 30 Mbps broadband speeds. Up to £90m will be spent on extending contracts awarded under the Superfast Broadband Programme to deliver gigabit networks to those still in the slowest-speed areas.

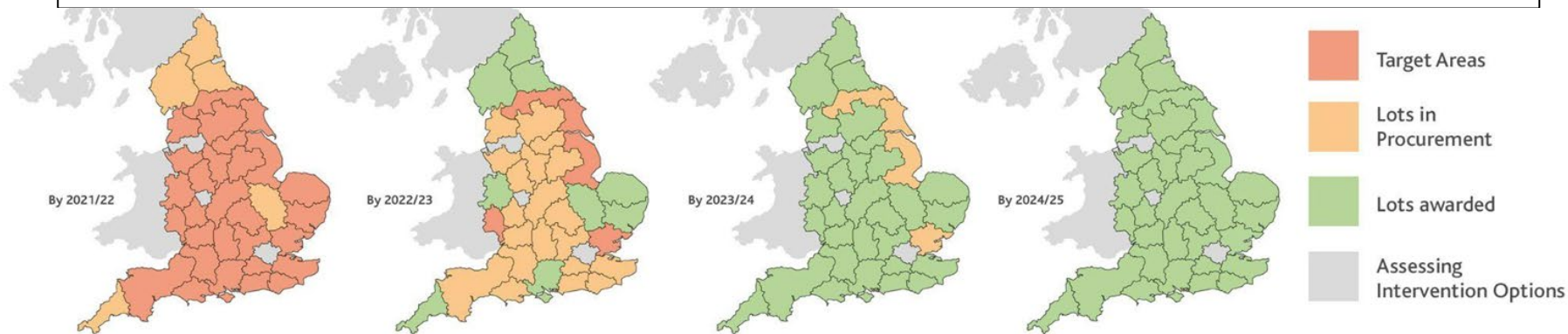
Dynamic Supplier Market

- c.130 suppliers rolling out fibre across the UK specialising in rural, urban and mixed deployment
- Lots of competition for labour resource across digital and infrastructure delivery
- The commercial market is on course to deliver 80% gigabit-capable coverage by 2025 - including £5.6bn of investment from alt nets, and Openreach commitment to deliver an extra 5m premises by 2026 (total 25m premises and creating c7,000 jobs)
- New investment has been announced across a number of suppliers since November 2021, ranging from £20m - £190m
- Several suppliers have also grown through acquisitions, with **Swish**, **SWS Broadband** and **Voneus UK** all announcing purchases during the past quarter
- Several of these significant commercial commitments have been specifically targeted towards harder to reach areas thanks to Project Gigabit interventions



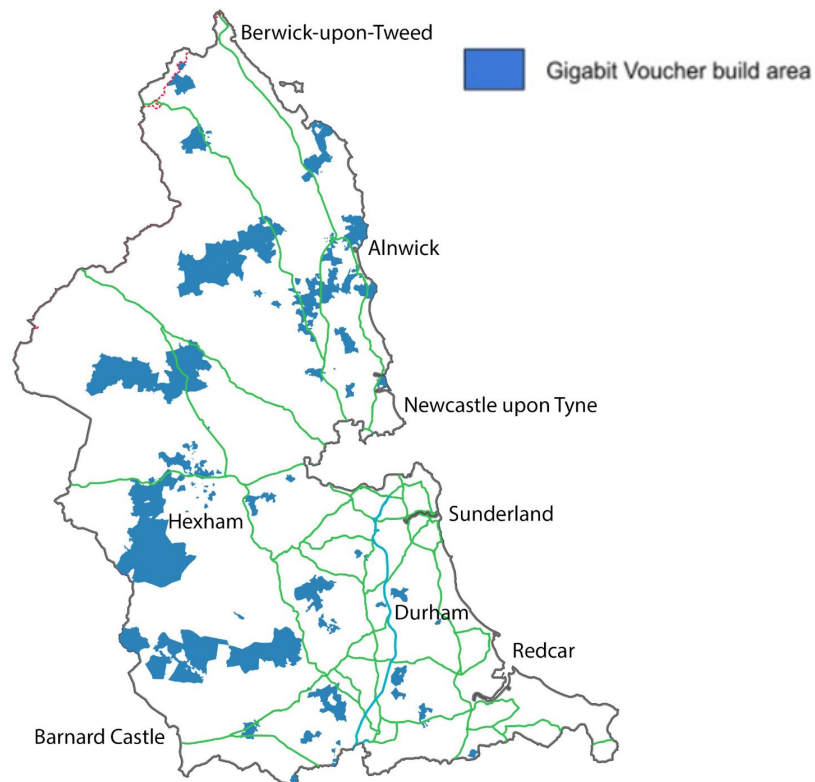
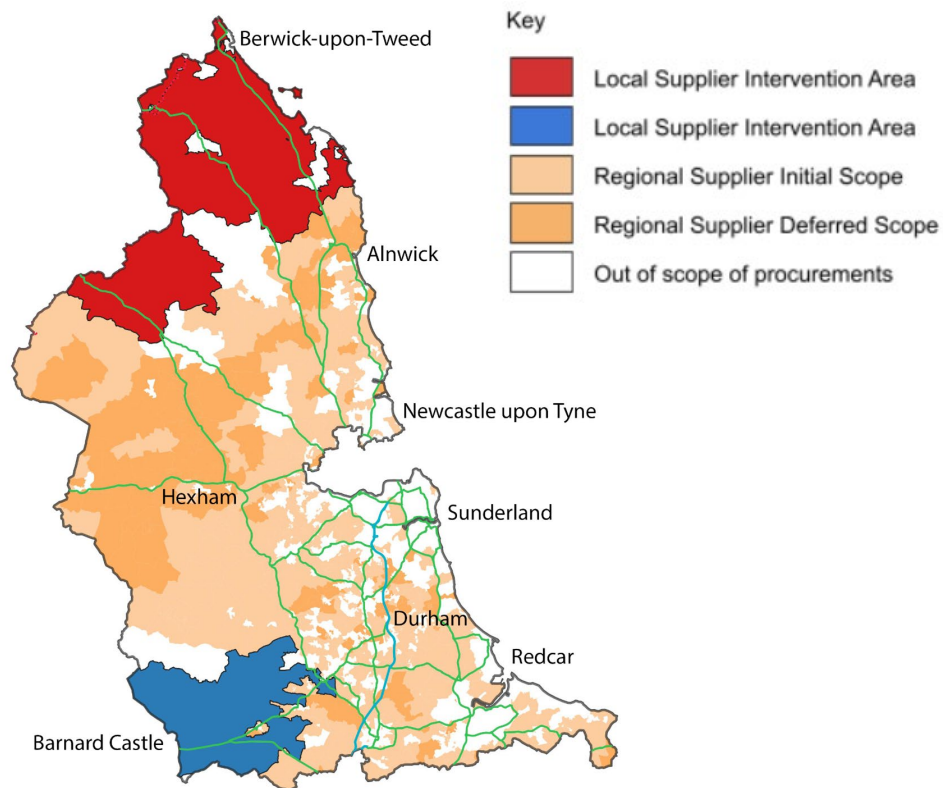
GIS Procurements

- Project Gigabit will extend gigabit coverage through a centralised procurement approach.
- We have been working in partnership with local authorities, devolved authorities and consulting with telecoms providers to prepare for future procurements.
- We have now launched our first of our Regional (Cumbria, Cambridgeshire) and Local (North Dorset, North Northumberland, Teeside) Supplier procurements, with the rest of the pipeline progressing rapidly.

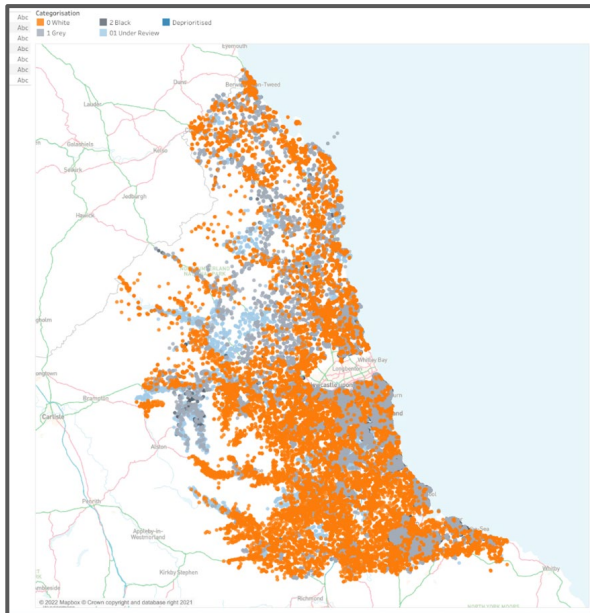


Further details are available in the Project Gigabit announcements quarterly <https://www.gov.uk/guidance/building-digital-uk>

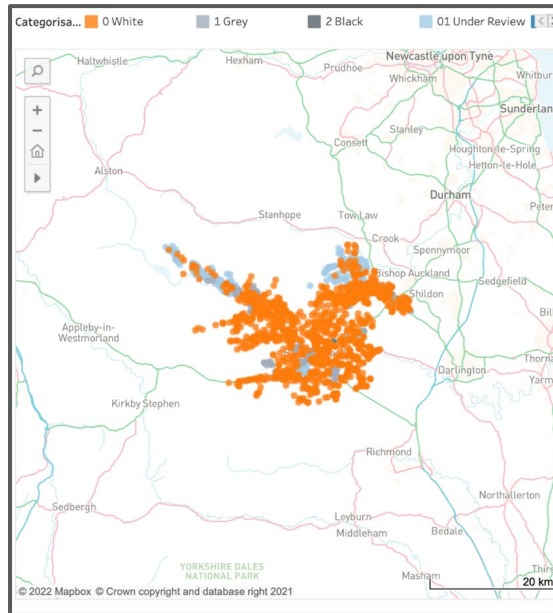
Procurement Design and Voucher Areas



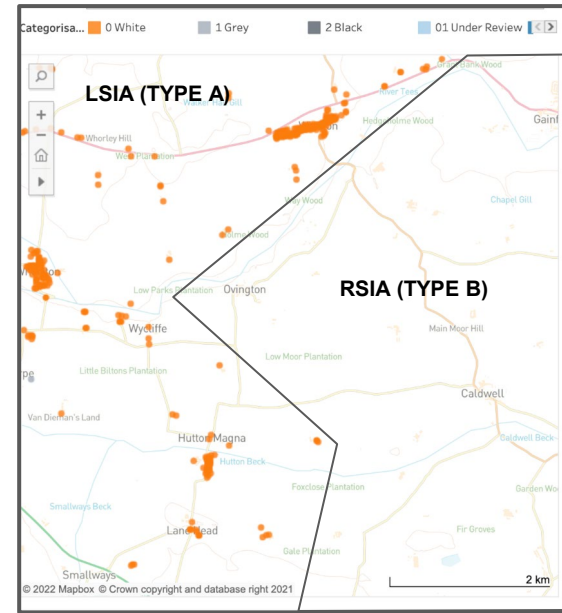
Plans for Ovington



BDUK and Digital Durham undertook an Open Market Review (OMR) to identify all of the premises across both Northumberland and Durham which would be eligible for Public Subsidy under Project gigabit. These were mapped and issued for Public Review and any subsequent questions/clarification. This included the identification of VPA where suppliers had active voucher projects in build or plan.

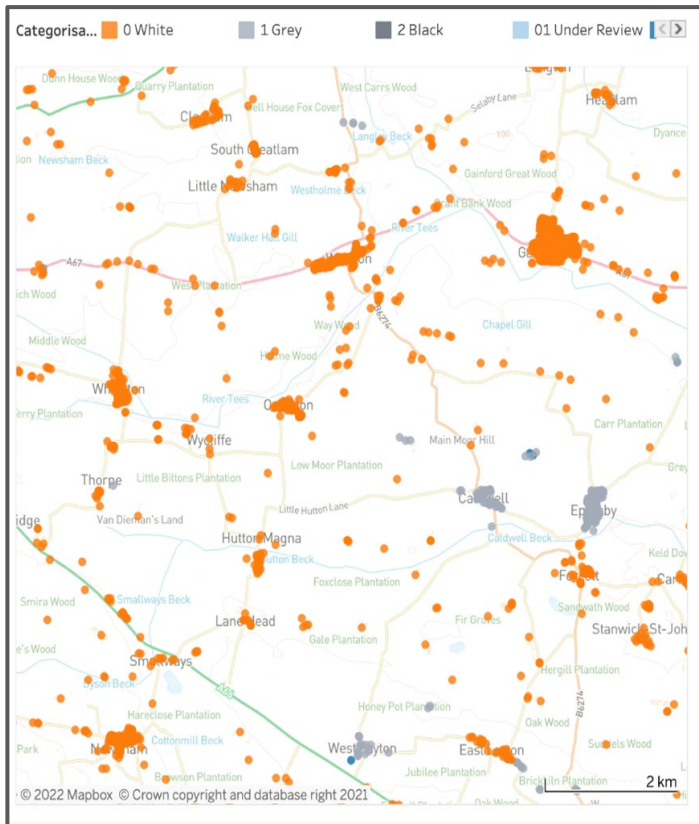


Post OMR BDUK engaged with suppliers to identify potential areas between 1k - 10k premises where a supplier felt they could deliver under a Local Supplier Intervention at faster pace than a Regional Supplier Intervention. The area was defined in conjunction with the local suppliers based on ability to deliver into the area. This area was defined and is now in procurement.



Working with suppliers the boundaries for the LSIA were identified, all premises not forming the LSIA procurement area were subsequently included in the RISIA which is also in procurement.

Plans for Ovington



Activity	Timeline (Subject to change)
Issue ITT	26/04
Supplier ITT Submission	26/04 - 28/07
BDUK Evaluation of returns & clarification	29/07 - 01/09
LB Evaluation of Social Value	29/07 - 01/09
ITT Moderation	02/09 - 08/09
Contract Start Date (subject to supplier signature)	November 2022

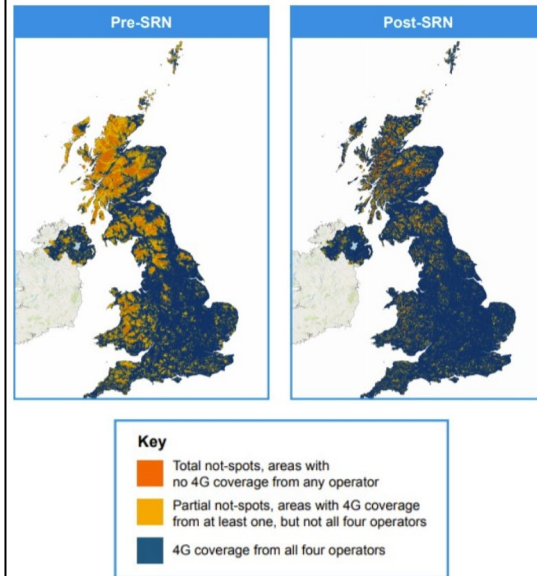
- Post contract award there will be a period of mobilisation whereby the supplier will undertake surveys and planning in order to develop a detailed plan of delivery. Only at this stage will BDUK and the Supplier be in a position to provide **indicative** timescales to communities on delivery dates.
- In order for these projects to be a success communities, suppliers, LB's and BDUK MUST work together to resolve any local issues which could prevent delivery to an area e.g. Wayleaves.
- Where an area is identified as not being served under the RSIA by the supplier post mobilisation BDUK will work with the community to explore further options to obtain coverage e.g. Vouchers.

5g and Wireless Networks

- The government's ambition is for the majority of the population to have access to a 5G signal by 2027, and we also want to ensure that UK businesses reap the full benefits of 5G by reducing barriers to deployment. The government's 5G Testbeds and Trial programme has made significant progress relating to deployment and use cases of 5G.
- All four mobile network operators have launched their 5G networks. For the first time, Ofcom reported on 5G coverage in their [2021 Connected Nations Report](#)
- The government is developing a Wireless Infrastructure Strategy to set out a long term vision for the development, deployment and adoption of 5G and future networks. It will articulate a clear vision for how advanced wireless infrastructure, such as 5G, can become an integral part of the fabric of the UK's economy and society by 2030.
- Digital Infrastructure directorate is making a number of interventions to support 5G deployment
 - Reducing barriers for operators accessing land for 5G and gigabit network deployment, we are legislating to reform the Electronic Communications Code through the Product Security Telecoms Infrastructure Bill.
 - Reducing regulatory barriers for 5G deployment and help extend mobile coverage - we have consulted on reforms to permitted development rights (planning legislation).

Shared Rural Network (SRN)

- The Government's £1 billion SRN agreement with the Mobile Network Operators, will see the operators collectively increase 4G mobile coverage to 95% of UK landmass by the end of the programme, underpinned by licence obligations.
- It will improve mobile coverage for an extra 280,000 premises and 16,000 km of roads – giving the UK the world-class digital infrastructure it deserves and it will also lead to increases in coverage across all four nations, with the biggest coverage improvements in rural parts of Scotland, Northern Ireland and Wales.
- £185m (£130m in direct funding from DCMS to Home Office and £54m paid to Mobile Network Operators from the Grant funding) of this Government funding will be paid to upgrade Extended Area Service (EAS) masts being built as part of the Emergency Services Network (ESN) to make them usable by the four MNOs.
- **SRN programme opportunities for Project Reach are probably best discussed with the Home Office as part of their ESN programme as they will be able to give the locations of infrastructure.**



Notes

Forecast improvements subject to availability of EAS sites.

Coverage improvements subject to finding suitable sites, obtaining power supply and backhaul and securing the necessary permissions through the planning system.

References

Full details can be found on

<https://www.gov.uk/guidance/building-digital-uk>

More details about the Shared Rural Network can be found on

<https://srn.org.uk/>

More details about the National Infrastructure Strategy 2020 and targets can be found on

<https://www.gov.uk/government/publications/national-infrastructure-strategy>

Annex - Public Subsidy Products

Product	Project Gigabit Procurement	Gigabit Broadband Voucher Scheme	GigaHubs	Superfast Procurement
Who is it for?	All permanent premises within defined area.	Residents and SME's as part of a group scheme.	Public Buildings.	All permanent premises within defined area.
What does it provide?	Opportunity to access gigabit broadband from service provider.	Micro-grant up to £1,500 for residents and £3,500 for businesses towards the costs of installing gigabit broadband to people's doorsteps.	Gigabit connectivity to the premises.	Opportunity to access Superfast or gigabit broadband from service provider.
Eligibility (Summary)	<ul style="list-style-type: none"> Existing broadband speeds are less than 100Mbps. A gigabit capable network isn't likely to be built to that area. commercially in the near future. Not benefitted from a voucher supported gigabit build. 	<ul style="list-style-type: none"> Rural location (defined using agreed standard measures in the relevant part of the UK). Existing broadband speeds are less than 100Mbps. A gigabit capable network isn't likely to be built to that area commercially in the near future. There is no government-funded contract planned or in place to improve the network already. 	<ul style="list-style-type: none"> Rural location (defined using agreed standard measures in the relevant part of the UK). Existing broadband speeds are less than 100Mbps. A gigabit capable network isn't likely to be built to that area. commercially in the near future There is no government-funded contract planned or in place to improve the network already. 	<p><i>The Superfast Broadband Programme was announced in 2010/11 with the aim of extending superfast coverage to 90% of UK premises. Phase 3 started in 2018 and the majority of build is gigabit-capable.</i></p>
Initial consumer commitment required	None.	Minimum 12-month contract with the service provider.	Commitment to take up a service from the new provision, and pay ongoing costs.	None
What else?	These procurements will deliver gigabit coverage where the market would not otherwise be willing to invest because of the high costs.	The Gigabit Broadband Voucher Scheme provides a rapid method for communities to club together and get a subsidised upgrade.	Brings new fibre right into the heart of communities for the first time. These buildings will then act as 'hubs', from which industry can connect surrounding premises.	There are 81 Superfast contracts still delivering to 440,000 homes and businesses in the slowest-speed areas. 90% of these contracts are delivering gigabit-capable broadband.

Annex - Questions Raised

The Process

Who is responsible for doing what ? - BDUK are responsible for the end to end Procurement, selection, mobilisation, delivery and closure of the contract with the preferred supplier.

How will the supplier be selected ? - Supplier will be selected based on multiple criteria including but not limited to, speed of delivery, coverage, delivery capability, resource availability, supply chain etc.

What due diligence checks will be made this time ? - Full due diligence is being undertaken across all suppliers who bid for the Subsidy to ensure the best possible supplier is selected.

Who will own the contract with the supplier ? - BDUK will own the contract with the supplier

What happens if no suitable supplier applies ? - If no suitable supplier exists further engagement will take place to identify alternative options including potential larger procurement areas.

What 3rd party interdependencies will exist ? - There will be multiple 3rd party dependencies including elements within the local bodies such as Highways, as well as supplier 3rd party dependencies.

What are the risks identified ? - Risks are being developed as part of the procurement including lack of successful bidders etc. Delivery risks will be identified at the mobilisation phase and managed accordingly.

What performance criteria are included in the contract – speed/ capacity/ availability ? - Performance is based on speed and the ability for the end user to place an order for a range of products and speeds up to gigabit capability.

Are there any financial penalties if non-performant ? - This is commercially sensitive information which cannot be shared at this stage

Any financial penalties if overlong delays in implementation/ delivery ? - This is commercially sensitive information which cannot be shared at this stage

Any future-proofing elements in the specification ? - Project Gigabit is all about future proofing. It is the intention that the Gigabit fibre network being built will be utilised and capable for many years to come.

What happens if the selected supplier goes bust ? - This is a risk which would need to be managed but our due diligence and selection criteria checks for stability of supplier.

Who will be responsible for the ongoing maintenance of the system ? - The successful supplier will be responsible for the ongoing support and maintenance of the network.

How long is the contract for ? - This will be developed as we go through contract award. We anticipate once awarded there will be 6 months of mobilisation which will include site survey etc followed by a period of deployment to be determined. We want the supplier to deliver the premises in the Initial Scope as quickly as possible

What will happen at the end of the contract period ? - Post delivery there will be a period of monitoring for 7 years which will be managed by BDUK to ensure services are being utilised and managed effectively.

Are there cost contingencies if more expensive than anticipated ? - We have engaged with suppliers and we believe the funding available is suitable. As an EA we may ask treasury for more funding but we expect the supplier to meet the delivery expectations within the funding available.

Households

What happens if cables need to be laid across private land ? - Wayleaves will be required and we will work with private landowners and the LB to ensure these are managed. Local support by landowners for the project is also key to the successful delivery of the programme.

When / when will we start to see first properties connected ? - Deployment plans will not be known until after mobilisation period.

Will there be any costs to getting connected (as opposed to an annual Broadband usage package)? - The successful bidder will be providing an open access wholesale network enabling consumers to purchase a range of packages from various suppliers at a range of costs as per current broadband packages throughout the UK

What happens if want to be connected in later years ? - As above, there is no requirement for a consumer to purchase the fibre product. It will be available to order at any time post delivery.

What speeds options will be available ? - As above a range of packages will be available by various ISP's

Will there be business packages ? As above.

Will internet based phones be available (VOIP) ? - Yes VOIP products are available as part of ISP packages.

Will we be able to choose from different internet service providers (ie BT, Plusnet, etc) - Yes the fibre rollout will be an open access wholesale service and will enable a choice of ISP's once delivered should the ISP wish to become a provider on the network.

Will we be without internet access at times during the implementation ? - No the fibre infrastructure installation is non-intrusive.

Will there be fixed IP addresses (ranges of IP addresses) per household ? - IP Address' will be available as per the product purchased from the associated ISP.