



The Government wants to deliver nationwide coverage of gigabit-capable broadband as soon as possible throughout the UK. The [Project Gigabit Phase One Delivery Plan](#) (March 2021) set out an ambitious programme to encourage commercial investment and stimulate suppliers to go further into harder to reach areas, using subsidies to stretch delivery.

This paper provides an update to the plan, highlighting the progress made across all areas of the UK. It opens with our review of the market's latest commercial plans, showing significant growth since March and underlining the confidence investors have in UK infrastructure investment - our plan to stimulate investment, bust barriers and drive competition is working.

There then follows an update on the Project Gigabit pipeline, setting out the target timeline and proposed investments (indicative range of contract values) for Phases 1 and 2.

The end sections cover active delivery of gigabit infrastructure to the hardest to reach areas through Project Gigabit vouchers (launched April 2021) and 'GigaHubs', which provide future-proof connectivity to public sector sites in remote areas. Finally, we cover learnings from recent projects funded through the Local Full Fibre Network programme.

Summary of progress since March

- **Commercial investment has grown:** Since our March 2021 publication, telecoms providers have committed to boost commercial gigabit coverage by more than 5 million additional homes and businesses.
- These announcements mean we can be increasingly confident of exceeding **total gigabit coverage for 85% of UK premises by 2025** and increasing the trajectory towards achieving near universal gigabit coverage as soon as possible.
- Building Digital UK (BDUK) has started formal procurement activities, with the **Dynamic Purchasing System** launched in May 2021 for the procurement of Local Suppliers. We have also generated the lists of premises to initiate the first **Regional Supplier procurements**.
- In the scheme's first year, **UK Gigabit Voucher projects** are expected to result in additional coverage for around 75,000 premises, attracting about £75 million of UK Government funding and circa £26 million of local and devolved government funding.
- BDUK will shortly publish its first findings about the **Local Full Fibre Networks** programme, which continues to deliver, having begun in March 2018. The independent impact evaluation by Ipsos MORI shows the positive impact that Government's investment in gigabit networks has had, growing local market output and improving outcomes through the delivery of fibre to public sector buildings.

Commercial Investment in UK Gigabit

Since the publication of the Project Gigabit Phase 1 Delivery Plan in March 2021, the government has engaged with telecoms providers and investment funds to encourage more ambitious commercial investment plans, supported by our barrier busting measures.

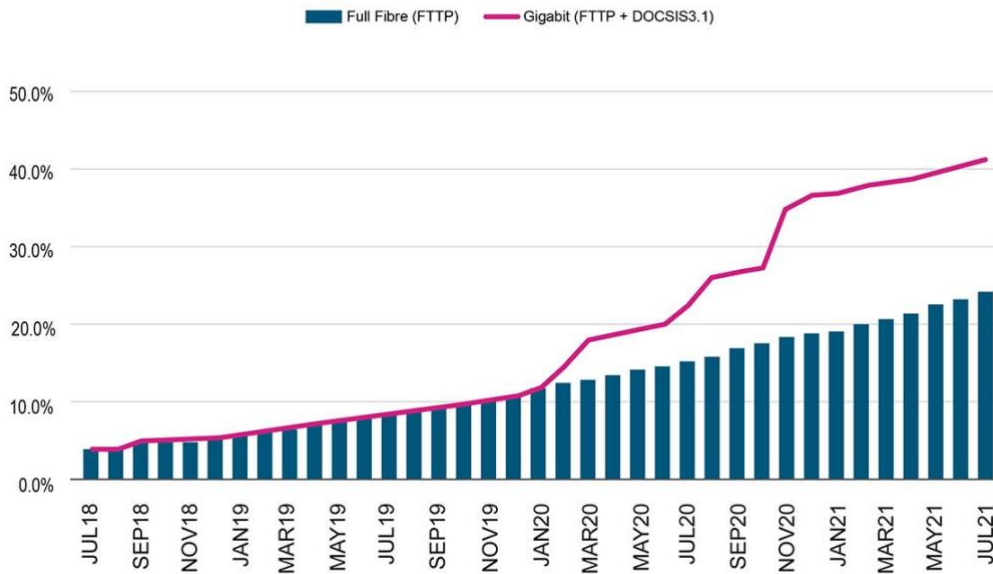
Progress has been substantial:

- A number of telecoms infrastructure providers have secured funding and accelerated plans to increase their footprint over the next few years. INCA, the trade body for independent network providers, quotes that £5.6 billion is now committed through independent¹ telecoms providers, with a target of up to 30 million gigabit connections being available from independent telecoms providers by the end of 2025. CityFibre alone aims to deliver 8-10 million homes and businesses.
- Openreach has increased its target gigabit coverage from 20 million UK premises to 25 million by the end of 2026, including 3 million premises in predominantly rural areas. Openreach announced in late May 2021 that it will be increasing its deployment rate from 43,000 homes and businesses every week to 75,000 a week.
- Following approval of its Joint Venture with O2, Virgin Media reiterated its previous commitment to covering 7-10 million premises with a potential investment in digital infrastructure of around £10 billion in total.
- Some of these newly-announced commercial plans will benefit rural areas that would otherwise have relied on public intervention. Substantial additional coverage was announced in Scotland and Wales; areas such as Cumbria and the west of Cornwall that we have identified as among our top priorities will benefit significantly too.
- New fixed network deployments are focused on full fibre and other gigabit capable networks. Some telecoms providers are offering fixed wireless networks to deliver to hard to reach areas but even in these cases, hybrid solutions are common and fibre is often part of the solution delivered to the remote communities.
- These announcements are supported by our own formal market survey work to prepare for procurements. We have heard from a range of telecoms providers, in the areas that we have surveyed in detail, about increases in their investment plans for the coming years.

¹ Not Openreach or Virgin Media

These announcements of commercial investment mean the market is on track to deliver gigabit-capable networks to at least 80% of UK premises by December 2025. We expect the impact of Virgin Media’s network upgrades to quickly raise overall UK coverage to 60% by the end of this year, and then for the expanding pace of full fibre rollout to take commercial coverage up to 80%. Telecoms providers will need to work at a record pace with significantly more capacity than they currently have to achieve this enormous engineering challenge. The scale of this challenge should not be underestimated, and we will continue to monitor progress along this path closely so that we can identify any issues in specific areas early.

Full Fibre and Gigabit Coverage, UK

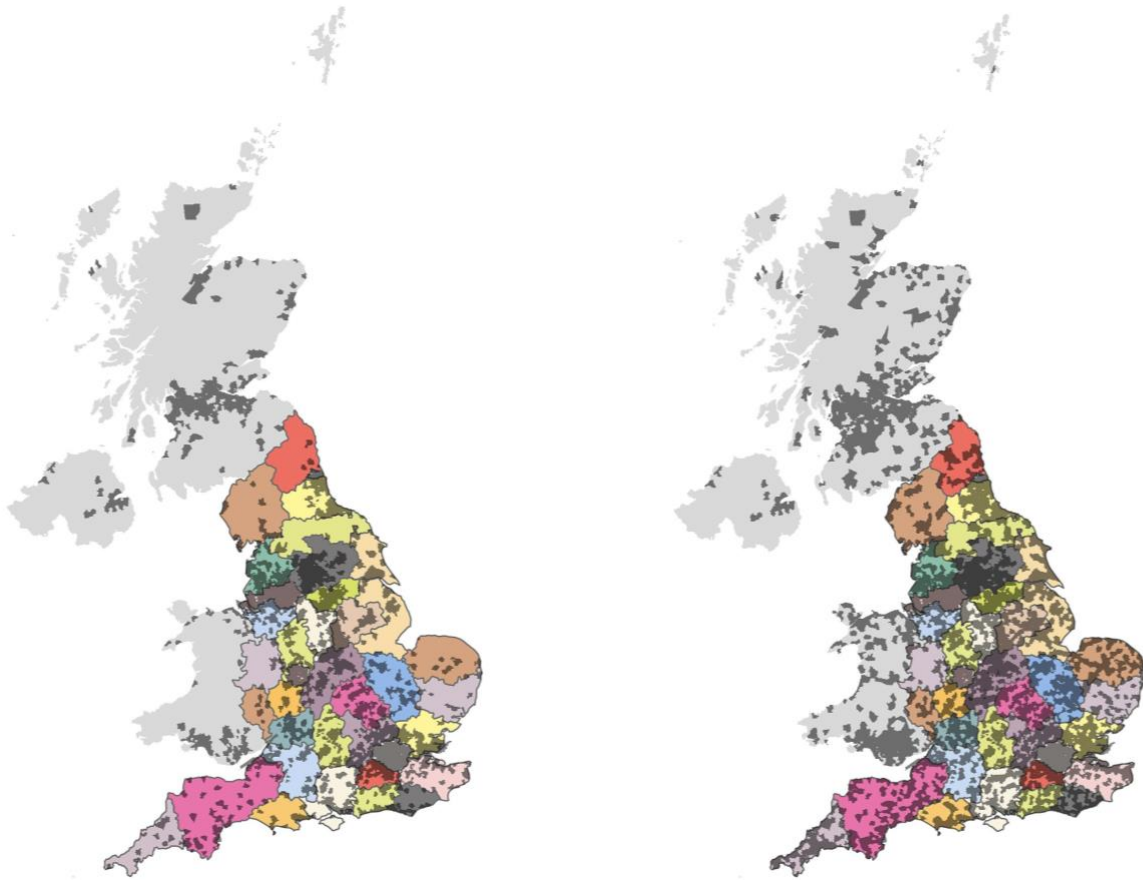


[Source: Thinkbroadband.com]

The deployment of the previous generation of superfast broadband was skewed initially towards denser metropolitan and suburban areas. In contrast, the impact of this rapid growth in gigabit coverage will be felt all across the UK due to the number of regional and rural specialist operators, as well as Openreach planning to deploy over 6 million harder to reach premises at the same time as building their more metropolitan Fibre First areas.

The maps to follow show the extent of commercial coverage we are predicting from information received from telecoms providers to date. It is striking and encouraging that the map we can draw today has improved so significantly from the position we published in March 2021.

Commercial Coverage Maps



LEFT: Exchange areas expected to be delivered substantially through commercial funding: March 2021 forecast.

RIGHT: Exchange areas expected to be delivered substantially through commercial funding: July 2021 updated forecast

What does this mean for our plans?

Public funding will be needed to push coverage further, to reach at least 85% of premises in the UK by 2025, and to achieve nationwide coverage as soon as possible thereafter.

These welcome increases in commercial investment plans, while resulting in additional coverage being delivered in many more parts of the UK, will also require us to take an even more targeted and granular approach to fill the remaining gaps. This requires further detailed work in each local area to identify the likely gaps in coverage and thereby minimise the risks of either overbuilding commercial coverage or leaving areas without a solution.

We are working with telecoms providers to understand and challenge their plans so we use public funding to best effect - not intervening in the areas with credible, commercial plans to deploy gigabit and targeting areas where gigabit is unlikely to be viable without subsidy.

For example, we deferred the start of market engagement to validate a specific set of premises by several weeks in order to receive more detail on commercial plans. This found over 15,000 commercial premises that our contracts would have otherwise targeted unnecessarily.

We remain committed to investing £5 billion to bring gigabit coverage to the hardest to reach areas and will continue to work with suppliers to accelerate this investment, taking account of industry capacity to bid for - and deliver - contracts to build in uncommercial areas alongside their commercial plans.

Procurements

We are getting projects underway across the UK to boost gigabit coverage. In conjunction with the market's increased commercial ambitions, our new procurements provide an opportunity to push beyond the target of 85% by 2025, depending on market capacity.

Preparations for the first Local Supplier and Regional Supplier procurements are well advanced: we have been working in partnership with local authority teams and consulting with telecoms providers interested in our Phase 1 areas to start the process of procurement.

The smaller **Local Supplier procurements** have moved forward: We launched the [Dynamic Purchasing System](#) on 4 May 2021 and over 70 telecoms providers have registered their interest. This is an important milestone and means we are ready to start the first competitions as soon as intervention areas are shaped following Public Review. Any telecoms provider that has not yet registered should do so as soon as possible. It is a quick process to register and, once done, suppliers can participate in the qualification process. Subject to meeting the minimum qualification criteria, suppliers will then be able to compete for any Local Supplier procurements across the UK.

We are working with local authorities in Dorset and Essex to qualify premises for the first Local Supplier procurements later this year. As we prepare for Regional Supplier procurements around Cambridgeshire, Northumberland, Durham and Cornwall, we will be talking to local telecoms providers and local authorities to assess opportunities for further Local Supplier procurements. We are also starting discussions in areas such as Devon and Somerset and Lincolnshire, where Local Supplier procurements may provide opportunities for early deployment while we prepare for Regional Supplier procurements.

BDUK is also pressing ahead with the larger **Regional Supplier procurements**. The first steps are to engage with the market and other interested parties through individual engagement and a formal Public Review process. Through this process, we can plan the specific premises where our intervention is most likely to be required. This process is well advanced in many areas. We have also now received all responses to Public Review and are finalising premises lists in all Phase 1a areas. We are publishing the first set of data (lists of premises within specific intervention areas and maps) to prospective bidders, to enable the market to provide feedback on the detailed proposals. We then aim to publish the Find a Tender Service (FTS) Contract Notice and the Selection Questionnaires this summer followed by the Invitations To Tender in the autumn.

The Project Gigabit Delivery Plan (March 2021) highlighted the potential for **Cross-Regional Supplier framework procurements** as an efficient, alternative route to appoint suppliers with national delivery capability. There is some market interest in this approach but, in the short term, we will focus on Regional and Local Supplier procurements so that we, and the market, can assess where we can achieve effective competition through these mechanisms.

We are also making available up to £90 million additional funding to **extend contracts awarded under the previous Superfast Broadband programme**, which are already delivering gigabit access to some of the hardest to reach premises that cannot currently get superfast speeds (30Mbps). We are particularly targeting contracts in the devolved nations (set out below) and specific pockets within England, where we are seeking suitable, value for money proposals from existing suppliers.

- Following the £4.5 million boost for Scotland’s R100 Central contract to extend gigabit coverage to an additional 5,000 premises, we are exploring the opportunity to deliver further gigabit coverage through the R100 Northern contract.
- We are exploring further opportunities for gigabit-capable solutions through Northern Ireland’s Project Stratum and through Superfast Wales.
- There remains a small number of contracts within England with the potential for extension, however these are more likely to be superseded by Project Gigabit Regional or Local Supplier procurements.

Local Supplier Procurement

Work has started to select suppliers to deliver gigabit through more geographically focused ‘Local Supplier’ contracts, typically 1,000-8,000 premises, called-off through a competition on a Dynamic Purchasing System (DPS). We expect to launch the first call-off procurements in Dorset and Essex from October 2021 alongside the first Regional Supplier procurements.

Local Supplier Procurements				
Phase 1a	Procurement start date ²	Contract commencement date ³	Modelled number of uncommercial premises in the procurement area ⁴	Indicative contract value
Essex	October 2021	May 2022	~6,500	TBC (Intervention area being defined)
Dorset (2 lots)	November 2021	June 2022	~10,000	TBC (Intervention area being defined)

² The planned date of official commencement of the procurement e.g. release of Find a Tender (FTS) or commencement of a further competition under a framework agreement.

³ The start date of the new commercial activity.

⁴ The number of premises in scope of the procurement and expected to be uncommercial and require public funding either as modelled by DCMS or as superseded following Public Review and Pre-Procurement Market Engagement. This value may change significantly leading up to commencement of the procurement process

Local Supplier contracts will complement Regional Supplier procurements in, for instance:

- Areas that are scheduled for later Regional Supplier procurements, since they offer an opportunity for early procurement and delivery.
- Areas where the majority of deployment is commercial or through another delivery contract but where some infill is required which is more substantial than vouchers could achieve.
- Areas that are particularly hard to reach and where innovative engineering or technology may be required to make deployment viable and a Local Supplier contract is more likely to achieve this innovation.
- Areas where there are multiple credible Local Suppliers who are expected to compete for subsidy and could therefore drive better value.
- Areas where the existing geographic presence of a credible Local Supplier is likely to yield better pace or value than a Regional Supplier.

We are able to start Local Supplier procurements in any area, irrespective of the sequencing of the Regional Supplier procurement and we encourage local authorities and telecoms providers who think there is an opportunity to develop a Local Supplier procurement to let us know at bduksuppliers@dcms.gov.uk.

How we assess Local Supplier opportunities

When we start preparations for Regional Supplier procurement in an area, we will work with local authority teams and telecoms providers with a local presence to assess opportunities for Local Supplier contracts. This ensures we consider all options and understand local requirements and constraints before committing premises to the Regional Supplier.

From these conversations, we will develop a long list of Local Supplier Intervention Areas, each of which we will assess, looking at factors such as:

- **Pace:** How confident are we in the capability and capacity of likely bidders to implement at pace based on track record?
- **Value:** Do likely bidders have the established relationships and/or network presence in the area that would enable them to deliver at pace and good value?
- **Competitiveness:** Is there likely to be competition if the area is advertised through the Dynamic Purchasing System?
- **Support:** Is there likely to be local support for the proposals?

- **Coverage:** Is the proposed area contiguous, rather than leaving islands which would be hard to resolve in the future?
- **Fit with Regional Supplier intervention:** Will procuring this Local Supplier affect attractiveness / competition / value for money for the Regional Supplier competition?

Assessment of Local Supplier options is not a one-off process. We may revisit decisions as commercial, voucher and Regional Supplier deployment plans change.

Once a Regional Supplier contract has been awarded, we will have clarity on the Regional Supplier's implementation plans. At this stage, we may find that there are areas where a Local Supplier deployment could complement the Regional Supplier delivery in areas which are deprioritised or omitted in the Regional Supplier tender. This is a similar process to vouchers, where applications are stopped ahead of commencing a procurement and resumed only after award of the Regional Supplier contract where vouchers may help pace, value and coverage in areas the Regional Supplier is not planning to cover (or not cover for some time).

Maximising pace and bringing forward delivery at a local level

Local authority teams have significant local knowledge and have worked hard for over a decade to maximise the opportunities for digital infrastructure and associated benefits for their areas. The teams share our ambition to secure the fastest possible rollout of next generation gigabit infrastructure for their local residents and businesses.

We will maximise gigabit coverage by working with a broad range of telecoms providers across all local authorities and nations. Our aim is to help them create the best possible local environment for rapid deployment and to prepare for gigabit procurements and other BDUK interventions.

In particular, areas where Regional Supplier procurements are some way off, or there are gaps in broad commercial plans provide immediate opportunities for local teams, barrier busting measures, Local Supplier procurements, Gigahubs and the Gigabit Broadband Voucher Scheme can deliver gigabit to priority communities in a relatively short timescale. We will work with the local teams to identify and maximise these opportunities.

To prepare, local authority teams should ensure they have a good understanding of telecoms providers operating in their area including their deployment plans, growth ambitions and appetite for Project Gigabit. Additionally, good local knowledge of infrastructure such as empty ducts or dark fibre can help lower the cost and increase the pace of deployment.

Local authorities can also nurture their relationships with telecoms providers by actively supporting their plans through barrier busting activity and positioning their areas as ready for investment to foster further supplier interest in procurements and rollouts in their areas.

Local authorities can also play an important role in stimulating demand for gigabit through the voucher scheme, for example, through setting up top-up schemes to the Project Gigabit-funded voucher scheme. Top-ups create higher voucher values for specific cohorts, incentivising suppliers to include more of these premises in their projects and giving local authorities more influence over the range of communities who can benefit from subsidy.

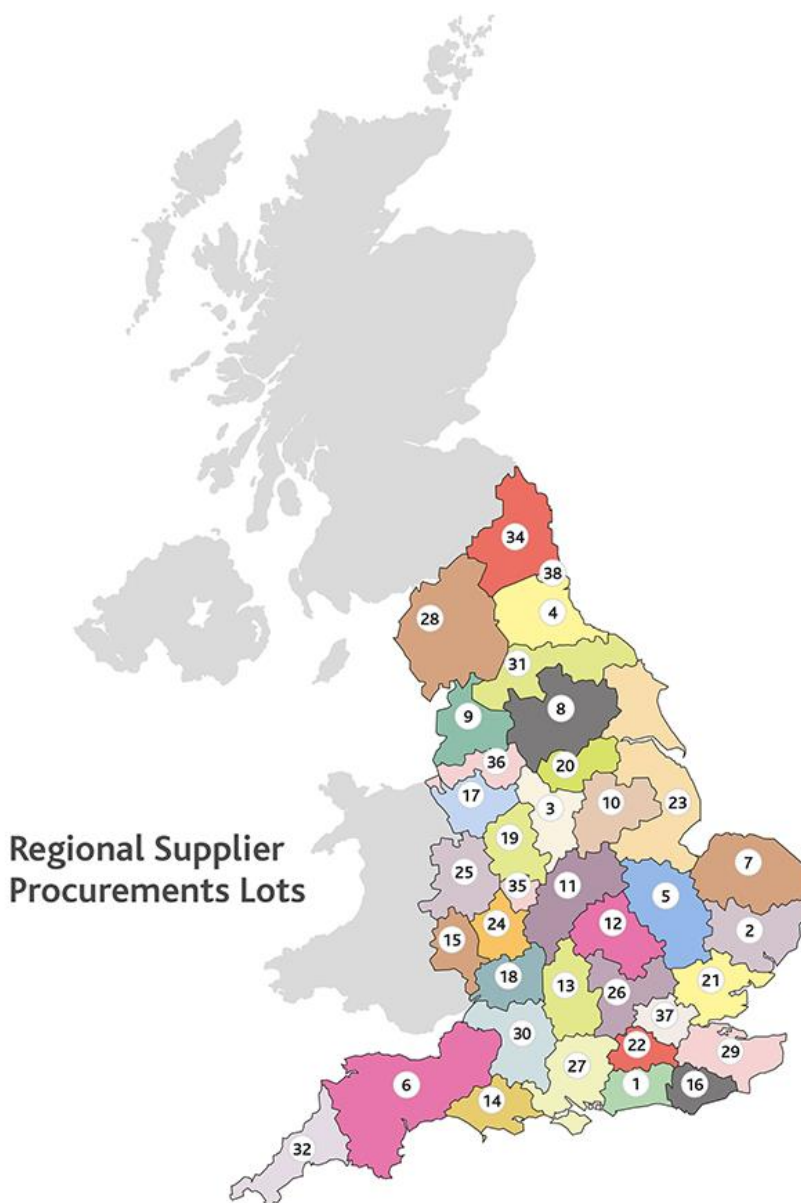
Regional Supplier Procurements

Regional Supplier contracts will ultimately provide coverage for all areas of the UK, ensuring a telecoms provider is appointed for every area to deliver gigabit where the market does not.

We have concluded Open Market Reviews in many areas and reviewed the impact of the recent Openreach announcement of a further 3 million full fibre premises. To ensure that Regional Supplier procurements remain of a size and geography that remains attractive to the market, we are making the following changes:

- The two previously announced Cornwall lots (Lots 32 and 33) will be merged;
- The lots around Cumbria (Lot 28), Northumberland (34), Durham, South Tyneside and Tees Valley (4) will be reconfigured to more closely align to county boundaries.

The following map shows the revised boundaries of the Regional Supplier procurement lots within England (areas for Scotland, Wales and Northern Ireland are to be confirmed).



LOT	AREA
1	West Sussex
2	Suffolk
3	Derbyshire
4	Durham, South Tyneside and Teesside
5	Cambridgeshire and adjacent areas
6	Devon and Somerset
7	Norfolk
8	West Yorkshire and parts of North Yorkshire
9	Lancashire
10	Nottinghamshire and West of Lincolnshire
11	Leicestershire and Warwickshire
12	Bedfordshire, Northamptonshire and Milton Keynes
13	Oxfordshire and West Berkshire

LOT	AREA
14	Dorset
15	Herefordshire
16	East Sussex
17	Cheshire
18	Gloucestershire
19	Staffordshire
20	South Yorkshire
21	Essex
22	Surrey
23	Lincolnshire (including NE Lincolnshire and N Lincolnshire) and East Riding
24	Worcestershire
25	Shropshire

LOT	AREA
26	Buckinghamshire, Hertfordshire and East of Berkshire
27	Hampshire and Isle of Wight
28	Cumbria
29	Kent
30	Wiltshire and South Gloucestershire
31	Northern North Yorkshire
32	Cornwall and Isles of Scilly
33	Lots 33 & 32 now listed as one - please see above
34	Northumberland
35	Birmingham and the Black Country
36	Merseyside and Greater Manchester
37	Greater London
38	Newcastle and North Tyneside

We categorised all Regional Supplier procurement lots in England into Phase 1, Phase 2 and Future Phases in the March publication. We have now set out an initial schedule of proposed procurement dates and contract award dates for each Lot in the first two Phases.

These are set out in the table on the following page, along with our estimate of the number of uncommercial premises in scope to be included within the procurements in each area.

The first procurement is scheduled to start in September 2021. The schedule for further procurements will depend on a number of factors, including whether we can make a good assessment of which premises will require public subsidy within each area (which in turn depends on the ability of telecoms providers to provide firm commercial build plans) and on the market's capacity and willingness to participate in procurements.

Our initial procurements will give us important feedback on these issues, particularly on the market's appetite, capacity and ability to move at pace. We will use this and emerging commercial plans to adjust the timetable, sequencing and size of subsequent procurements. As a result, the schedule, sequencing and scale of future procurements can be expected to change over time to maximise the effectiveness of our subsidy.

Procurements in Scotland, Wales and Northern Ireland will be added into the pipeline as they become confirmed. This may impact on dates for individual procurements in England if there are market capacity constraints on the scale of concurrent procurements.

We set out the following pipeline, which represents an indicative forward view of commercial activity to be undertaken by the programme. Some of the information provided is based on modelled data and is subject to change, in particular the procurement start, contract start and contract end dates, premises numbers and contract values. The low and high contract values represent a possible range of funding; actual contract values are likely to be across the range for each lot. This pipeline is subject to change based on emerging data and feedback, following open market reviews, public reviews and market engagement.

Regional Supplier Procurements				
Phase 1a	Procurement start date⁵ Subject to change	Contract commencement date⁶ Subject to change	Modelled number of uncommercial premises in the procurement area⁷	Indicative contract value⁸
Cumbria (Lot 28)	September 2021	August 2022	66,300	£60m - £102m
Cambridgeshire and adjacent areas (Lot 5)	October 2021	September 2022	98,500	£95m - £161m
Durham, Tyneside and Teesside areas (Lot 4)	November 2021	October 2022	83,100	£79m - £135m
Northumberland (Lot 34)	November 2021	October 2022	26,600	£24m - £40m
Cornwall and Isles of Scilly (Lot 32)	February 2022	January 2023	57,900	£54m - £93m

Regional Supplier Procurements				
Phase 1b	Procurement start date (subject to change)	Contract award date (subject to change)	Modelled number of uncommercial premises in the procurement area	Indicative contract value range
Shropshire (Lot 25)	February 2022	January 2023	66,700	£61m - £104m
Norfolk (Lot 7)	February 2022	January 2023	118,700	£115m - £195m
Suffolk (Lot 2)	February 2022	January 2023	92,000	£89m - £151m
Hampshire and Isle of Wight (Lot 27)	February 2022	January 2023	150,900	£148m - £251m
Worcestershire (Lot 24)	May 2022	April 2023	51,400	£50m - £84m

⁵ The planned date of official commencement of the procurement e.g. release of Find a Tender (FTS) or commencement of a further competition under a framework agreement.

⁶ The start date of the new commercial activity.

⁷ The number of premises in scope of the procurement and expected to be uncommercial and require public funding – either as modelled by DCMS or as superseded following Public Review and Pre-Procurement Market Engagement. This value may change significantly leading up to commencement of the procurement process

⁸ Low - An indicative lower bound on the expected contract value - determined by applying a relatively low average subsidy per premises passed to the number of premises expected to be in scope and affordable. High - An indicative upper bound on the expected contract value - determined by applying a relatively high average subsidy per premises passed to the number of premises expected to be in scope and affordable

Regional Supplier Procurements				
Phase 2	Procurement start date⁹ Subject to change	Contract commencement date¹⁰ Subject to change	Modelled number of uncommercial premises in the procurement area¹¹	Indicative contract value¹²
Oxfordshire and West Berkshire (Lot 13)	May 2022	April 2023	68,600	£67m - £114m
Kent (Lot 29)	May 2022	April 2023	122,300	£119m - £203m
Buckinghamshire, Hertfordshire and East of Berkshire (Lot 26)	May 2022	April 2023	142,000	£140m - £237m
Staffordshire (Lot 19)	May 2022	April 2023	76,300	£72m - £123m
West Sussex (Lot 1)	May 2022	April 2023	67,800	£66m - £112m
East Sussex (Lot 16)	August 2022	July 2023	50,300	£49m - £83m
Bedfordshire, Northamptonshire and Milton Keynes (Lot 12)	August 2022	July 2023	87,500	£85m - £144m
Derbyshire (Lot 3)	August 2022	July 2023	67,300	£64m - £110m
Wiltshire, South Gloucestershire and Swindon (Lot 30)	August 2022	July 2023	88,000	£85m - £145m
Lancashire (Lot 9)	August 2022	July 2023	92,200	£90m - £153m
Surrey (Lot 22)	August 2022	July 2023	101,900	£101m - £171m
Leicestershire and Warwickshire (Lot 11)	November 2022	October 2023	118,400	£114m - £194m
Nottinghamshire and West of Lincolnshire (Lot 10)	November 2022	October 2023	93,000	£90m - £152m

⁹ The planned date of official commencement of the procurement e.g. release of Find a Tender (FTS) or commencement of a further competition under a framework agreement.

¹⁰ The start date of the new commercial activity.

¹¹ The number of premises in scope of the procurement and expected to be uncommercial and require public funding – either as modelled by DCMS or as superseded following Public Review and Pre-Procurement Market Engagement. This value may change significantly leading up to commencement of the procurement process

¹² Low - An indicative lower bound on the expected contract value - determined by applying a relatively low average subsidy per premises passed to the number of premises expected to be in scope and affordable. High - An indicative upper bound on the expected contract value - determined by applying a relatively high average subsidy per premises passed to the number of premises expected to be in scope and affordable

West Yorkshire and parts of North Yorkshire (Lot 8)	November 2022	October 2023	133,100	£128m - £218m
South Yorkshire (Lot 20)	November 2022	October 2023	62,400	£61m - £103m

We expect this list, including the size, order and timing to vary - potentially significantly - as we get greater clarity about commercial plans and responses to the initial procurements.

We are planning further Regional Supplier procurements (Phase 3) following Phases 1 and 2. These Lots will cover areas that currently have sizeable existing or planned build, where early intervention could destabilise commercial investment, or increase the risk of taxpayer funding being used to deliver gigabit connections that would otherwise have been delivered without public subsidy. We will provide information on procurement timescales in subsequent quarterly publications for the following areas:

- Birmingham and the Black Country (Lot 35)
- Cheshire (Lot 17)
- Devon & Somerset (Lot 6)
- Herefordshire & Gloucestershire (Lots 15, 18)
- Dorset (Lot 14) (note some Local Supplier contracts are being progressed here)
- Essex (Lot 21) (note some Local Supplier contracts are being progressed here)
- Lincolnshire (including NE Lincolnshire and N Lincolnshire) and East Riding (Lot 23)
- Greater London (Lot 37)
- Merseyside and Greater Manchester (Lot 36)
- Newcastle and North Tyneside (Lot 38)
- Northern North Yorkshire (Lot 31)
- Remaining projects in Scotland, Wales and Northern Ireland not incorporated in earlier phases (Lots TBC)

Regional Supplier procurements are important, but are just one tool in the delivery toolkit. In areas where the Regional Supplier procurement is scheduled later, we are working with local authorities to accelerate Local Supplier procurements and encourage and facilitate voucher-funded projects, where these deliver greater benefit in the short term.

Budgets for each Regional Supplier Contract

Once we complete our survey of the market through a Public Review in an area, we assess the scale and complexity of delivery in each lot and set a target contract value. When telecoms providers bid to become a Regional Supplier, they will be encouraged to deliver to as many eligible premises as possible for the available budget, including prioritising early delivery to premises that cannot currently access 30Mbps superfast broadband.

We expect there to be a small number of Very Hard To Reach premises in each lot, where the costs of delivering gigabit connectivity through this contract are likely to be prohibitive. We recently ran a Call for Evidence to understand the challenges and potential solutions to improve connectivity to these homes and businesses.

The budget is our assessment of the costs based on our modelling, but of course each telecoms provider's commercial models, technology and existing infrastructure varies significantly, so we expect to receive a range of bids even though the budget is capped.

Budgets for the procurements will be confirmed in each set of tender documents upon launch, however an indicative range of values have been included in the procurement schedules earlier in the document.

Regional Supplier Contract Development

We are grateful for the constructive way that telecoms providers have engaged with us to develop a standard Regional Supplier contract to use in the procurements. We have listened to feedback and are now finalising the terms of the contract.

We also received useful feedback from the market about the pace of the procurements, balancing the market's desire to make progress rapidly with the significant workload required for bid teams to design, price and bid gigabit infrastructure over large areas.

We are expecting each Regional Supplier procurement to run for 9 months to cover the important and necessary steps between advertising the opportunity and awarding a contract as set out below (some additional time has been built into the indicative timescales for each individual project to allow for issues such as potentially needing more time for communications with suppliers on their tender responses, if required):

- c. 2 months: We need to advertise each opportunity individually, give the market enough time to respond to the questions we ask them to ensure that bidders are qualified to receive tax payers' money and for us to review the responses.
- c. 1 month: For us to work with internal teams to ensure we are following the process correctly and have secured approvals to move to the next stage of the procurement.
- c. 3 months: We will then release lists of individual premises so that bidders can design and price a network to cover the areas we want and seek approval from investors/Board.
- c. 1 month: We then need time to work with local authorities to review the bids and make sure we commit tax payers' money to the best bid we can.
- c. 1 month: We need to work with the Cabinet Office and Treasury to show that we are running the process fairly and properly in order to unlock the funding and award a contract.

- c. 1 month: Once we have announced the award, we need to pause so that unsuccessful bidders can review the process and appeal if they wish and then we sign contracts.
- Following signature, the successful Regional Supplier will mobilise a team to start detailed surveying work, with first delivery expected c. 3-6 months after.

Wherever possible, we will run steps in parallel to reduce time, but given the size of each contract - some over £100 million in value - we must run a fair, objective and rigorous process. Under the Superfast Programme, Local Authorities and Devolved Administrations ran multiple procurements over the course of nearly a decade, and these typically took a similar or longer timescale. By centralising and standardising our approach for these procurements, we expect to learn how to make the process more streamlined and efficient as we progress.

Prioritisation of Premises

We continue to use the Open Market Review and Public Review processes to survey the market's plans for each area, as we did for the Superfast Broadband Programme.

We are already centrally collecting data from 25 telecoms providers as we start to build the **first UK wide view of commercial build plans** and this number is growing as we start to survey the intervention areas for more procurement lots. Our target is to move to a rolling update process for all suppliers to be able to regularly provide their latest plans at a national level, making mobilisation and planning much simpler. Public Reviews will be carried out to validate intervention areas in advance of beginning each procurement.

Accurate, timely market data is central to our planning processes. We will only intervene where gigabit-capable networks are not available and we are confident there are no existing networks or committed commercial build plans that will deliver gigabit-capable broadband - termed "gigabit white" - to those premises.

To do this, we planned to defer Regional Supplier implementation in whole exchange areas where significant planned commercial deployment is expected. This includes exchanges where the majority of premises are in Ofcom Area 2, or where commercial delivery is expected to reach at least 75% of premises. Gigabit white premises in these areas would be covered by a Regional Supplier but scheduled towards the back of the deployment, with suppliers initially focused on 'greenfield' exchange areas in which no suppliers had any commercial plans.

Thanks to the substantial increase to commercial investment plans, and the effectiveness of our centralised Open Market Review process to capture these plans, we are now able to loosen this restriction and allow suppliers to target the uncommercial premises neighbouring the commercial build in these exchanges. This will give more flexibility to Regional Suppliers to extend their commercial build plans to remaining neighbouring communities that would otherwise be left out.

We plan to review all gigabit white premises for inclusion in the initial scope of Regional Supplier procurements, even if they are in exchange areas which are projected to be largely commercially funded. Our aim is to give telecoms providers maximum flexibility to complete gigabit deployment to all areas, using public subsidy to extend commercial build plans.

We will still manage value for money actively and ensure public money is only used in areas that genuinely require it. We will review all gigabit white premises, only funding initial delivery to the least commercial or least contested individual premises in those areas rather than, for example, premises on the fringes of urban areas where extensive commercial deployment is planned and there is a relatively high probability of eventual commercial deployment.

We will also re-map areas during the life of the contract to reappraise the extent to which commercial deployment has happened and where public subsidy is still required to complete an area. This will enable us to make changes to the later phases of our suppliers' implementation plans to improve their targeting as appropriate.

Delivering gigabit across the Union

The government's mission is to deliver nationwide coverage of gigabit-capable broadband as soon as possible and Project Gigabit is about connecting up the whole of the United Kingdom.

We are working closely with devolved administrations to scope the next phase of gigabit activity in the nations, which will follow a similar approach to England and align with live Superfast contracts already delivering gigabit-capable broadband across Scotland, Wales and Northern Ireland. In Wales, we expect up to 234,000 hard to reach Welsh homes and businesses to be in scope of Project Gigabit, including rural towns and villages in Carmarthenshire, Ceredigion, Conwy, Denbighshire, Flintshire, Gwynedd, the Isle of Anglesey, Pembrokeshire and Powys and we will confirm the markets' plans through a market survey exercise that will begin shortly. We will set out the timetable once the procurement process with the Welsh Government is agreed.

Welsh Government has also confirmed that it will continue to top-up the UK Gigabit Voucher by a further £1,500 for homes and £3,500 for businesses in areas that are particularly difficult to reach, giving a total funding pot available of £3,000 per home and £7,000 per business towards gigabit-capable broadband installation costs.

This builds on our £69 million investment to roll out superfast broadband in Wales (with additional funding by the Welsh Government and other sources), which included c.77,000 premises in the first phases that can access gigabit-capable broadband. The current phase, which is set to complete in summer 2022, includes a further c.39,000 premises.

In addition, we have worked over the last few years to connect Welsh GP surgeries, libraries and other public services to gigabit broadband to help revolutionise public services in remote areas. In total we will connect close to 700 public sector sites by March 2022.

In Northern Ireland, we recently announced a further £24 million to fund the rollout of gigabit broadband in 10 local authority areas in Northern Ireland as part of the Local Full Fibre Networks programme. The Full Fibre Northern Ireland (FFNI) scheme will see 969 hospitals, GP surgeries, ambulance and fire stations, community and leisure centres, council offices and other public buildings connected to gigabit-capable networks - helping them operate more efficiently and deliver better quality public services.

Thanks to the investment, Northern Ireland-based network provider Fibrus has announced plans to extend its network to an estimated 150,000 homes and businesses as part of its own £100 million package.

In a further boost to connectivity in Scotland, the Scottish Government has confirmed it can continue to provide up to £5,000 extra funding to top-up the Gigabit Broadband Voucher Scheme. This is in addition to the £1,500 available to rural homes and £3,500 available to rural small to medium-sized businesses.

The UK Government continues to actively work with the Scottish Government on gigabit deployment through their Reaching 100% (R100) programme. The scope of the final R100 contract will be confirmed in the Summer.

Gigabit Vouchers and GigaHubs

Vouchers

Vouchers continue to support communities in hard to reach areas to get access to gigabit connectivity. The small grants have proven to be of great value to homes and businesses without access to gigabit and created a long list of suppliers with a consistent inflow of new projects. Project Gigabit is funding up to £210 million for vouchers from April 2021 to April 2024, worth up to £1,500 for residents and up to £3,500 for businesses in rural areas.

Now that we have started delivery through other Project Gigabit measures - Local and Regional Supplier procurements - we are specifically looking for new voucher projects to :

- offer the potential for better pace than Local / Regional / Cross-Regional Supplier procurements, particularly in premises which cannot currently access superfast (>30Mbps) speeds or are otherwise priority areas. Therefore, and especially in areas where a Local Supplier or Regional Supplier procurement is planned imminently, we will need to have confidence that vouchers will be requested promptly and that consumers can expect the relevant voucher supplier/s have the necessary commitment, capacity and capability to deliver promptly.
- address genuinely hard to reach areas (i.e. those where gigabit is most challenging to deliver) and represent value for money.
- support effective Local, Regional and Cross-Regional Supplier procurements:
 - Providing consumers with options for coverage in contiguous and complete areas - i.e. less likely to leave "islands" of premises without connectivity;
 - Address areas which may be harder for the Local, Regional and Cross-Regional Supplier/s to implement;
 - Avoiding "blocking" build out from existing fibre areas to more remote areas; and
 - Maintaining viable Local, Regional and Cross-Regional Supplier intervention areas.

Many of these criteria can be assessed using information which Gigabit Voucher Scheme suppliers already submit to us. We may, however, need to ask for more information before we can approve vouchers for specific projects.

The Project Gigabit Phase 1 Delivery Plan (March 2021) stated that we would suspend new voucher applications once we started the Public Review process for a procurement so that we would have a stable basis for the procurement. However, we now believe we can achieve both stable intervention areas for Project Gigabit procurements and safeguard voucher projects in advanced development. Suppliers will now be able to submit proposals during Public Review and request vouchers up to six weeks before procurement formally starts.

Once a voucher is issued it remains valid for 12 months from the date of issue. As long as the connection is delivered within this period it will be honoured (subject to the wider voucher terms and conditions). As an additional safety net, communities not included in the first three years of Project Gigabit contract delivery will become eligible for vouchers once again.

Voucher Top Ups

Top-up schemes remain an effective way to target gigabit delivery at very specific areas. We continue to promote this approach, which enables local authorities or devolved administrations to supplement Project Gigabit funded vouchers to meet local priorities.

When we introduced the new UK Gigabit Voucher in April this year, seven existing top up projects were migrated to the scheme's new terms and conditions. A further seven voucher top-up projects from local authorities and devolved administrations are now on board with other areas in the wings to be implemented. The voucher website now includes a premises level eligibility checker that enables us to implement new, highly-targeted top-ups in 2021.

GigaHubs

Connecting public sector buildings to resilient, lightning-fast broadband not only improves public services for remote and rural communities but can also help drive the availability of gigabit infrastructure and connectivity services into the hardest to reach parts of the UK.

The Local Full Fibre Networks and Rural Gigabit Connectivity programmes have funded 1,109 rural sites, 414 of which are already connected, and we are working with more than 40 registered suppliers. Feedback has been positive about, for example, improved lesson delivery through access to online tools, time-saving, better communications with parents and the opportunity to plug into the best of the internet such as global events for World Book Day.

Project Gigabit funded GigaHubs will build on this success. We are working closely with colleagues across government including the Department of Health and Social Care, Department for Education and DEFRA and with local authorities to identify the hardest to reach public sector buildings and make strong investment cases for delivery.

Learning from the evaluation of our previous programmes

We are shortly to publish an evaluation from Ipsos MORI showing where our investment in local projects, across the country, has accelerated delivery of gigabit capable connectivity into surrounding communities. We are using the learning from this evaluation, and our own benefits research, to inform development of pan-regional GigaHub projects to accelerate digital connectivity to public sector sites and local communities with the greatest need.

All BDUK programmes have a full evaluation strategy and programme that will demonstrate where investments have achieved the objectives of stimulating, accelerating and de-risking commercial investment in gigabit connectivity. Evaluation will also measure the impact and benefit to connected sites, communities and local economies. The key findings of the first evaluation of the Local Full Fibre Networks (LFFN) Programme are:

- The West Sussex public sector anchor tenancy project¹³ - a precursor to GigaHubs - completed in 2019, demonstrated how successful aggregation of demand from multiple public sectors in multiple locations can be achieved. Recent announcements on CityFibre's Sussex rollout, is a possible indicator of large-scale market stimulation.
- Tameside Metropolitan Borough Council sought LFFN funding to commercialise and extend their existing fibre network, taking it directly into local business zones and to public sector buildings. We have measured a consequential significant change in overall Fibre-To-The-Premise coverage in the first year since completion (2018/19).
- The Trans Pennine Initiative (TPI) funded the placement of gigabit-capable fibre infrastructure along the existing rail route between Manchester and York, in partnership with Network Rail Telecoms. They have used this project to develop a commercial blueprint for use across the UK rail network, enabling suppliers to access trackside fibre to deliver connectivity in some of the remotest locations in the UK. Data within the report highlights that there has been an increase in network providers offering Fibre-To-The-Premise (FTTP) services along the TPI route.

¹³ This project was an early pathfinder for the GigaHub model, which brings together local public sector customers to create enough broadband demand to reduce the financial risk of building new full fibre networks. The solution is often a public sector network of sites that provide spine and backhaul fibre to a location.

Useful Information

Market Reviews

In each identified geography or 'Lot', BDUK conducts an Open Market Review to understand from suppliers if there is any current or planned investment over the next three years in broadband infrastructure (Next Generation Access broadband, ultrafast and gigabit-capable). We are in the process of implementing a rolling Open Market Review process, establishing a maintained national view of commercial build plans for the following three years. This will give a more comprehensive up-to-date view of commercial delivery and will avoid the need for having dedicated local Open Market Reviews.

This is followed by a Public Review to validate the findings of the Open Market Review and BDUK's mapping to ensure it correctly represents the information provided by suppliers and to ensure that the right areas are targeted by Project Gigabit subsidy. BDUK invites stakeholders (including the public, businesses, internet service providers and broadband infrastructure operators) to provide us with feedback about the proposed eligible areas for government investment set out in each Public Review document.

A list of public reviews can be found at <https://www.gov.uk/government/collections/uk-gigabit-programme-public-reviews>.

Key Eligibility Requirements for Subsidy

The outcome of the Open Market Review and Public Review is shown in terms of 'White', 'Black', 'Grey' and 'Under Review' premises. We will only subsidise build to premises which have been designated initially or subsequently as White.

- **White** - indicates premises with no gigabit network infrastructure and none is likely to be developed within 3 years.
- **Black** - premises with two or more qualifying gigabit infrastructures from different suppliers being available, or will be deployed in the coming 3 years.
- **Grey** - premises where a single qualifying gigabit infrastructure from a single telecoms provider is available, or is to be deployed within the coming 3 years.
- **Under Review** - premises where telecoms providers have reported planned commercial broadband coverage, but where those plans have been judged through the Open Market Review as potentially being at risk of not being completed. Premises categorised as 'Under Review' will be subject to continued monitoring and verification of supplier plans within the three-year period by BDUK.

BDUK may request commitments from suppliers that significant progress is made within three years. In the event that their commercial plans fall away or are not fulfilled in their entirety, these uncovered premises will be remapped as White and where part of the proposed intervention area will be eligible for intervention via Project Gigabit procurements.

Where telecoms providers' plans are more future looking, BDUK may also recognise these target locations, with suitable evidence, as areas of commercial interest and take them into consideration when designing its procurements, for example by deferring supplier delivery to those areas in order to create a window of opportunity for providers to develop these commercial opportunities before remapping the area and validating the target of our intervention.