Department for
Digital, Culture,
Media & Sport

Public Review

Dates: 09 February 2021 to 09 March 2021

UK GIGABIT PROGRAMME

CLOSURE NOTE

Cumbria Public Review Closure Note

New procurement to extend coverage of gigabit-capable broadband across Cumbria
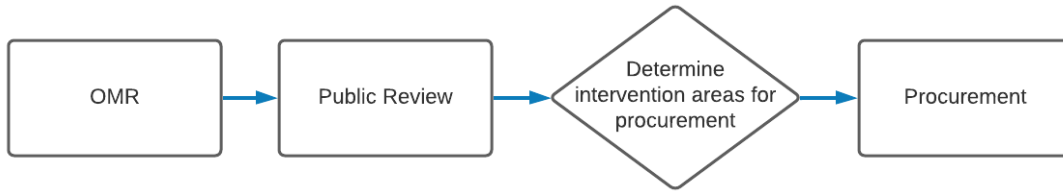
1. Introduction

The government's ambition is to deliver nationwide gigabit-capable broadband as soon as possible. The market is making great progress in delivering a huge uplift in provision, but we recognise that there is a need for government intervention in the parts of the country that are not commercially viable. This is why the Budget in 2020 committed £5bn for the hardest to reach parts of the country, ensuring that all areas of the UK can benefit.

The £5bn will be spent through a package of coordinated and mutually supportive interventions, collectively known as the UK Gigabit Programme. As part of this, BDUK is developing a procurement approach for funding contracts to suppliers delivering gigabit-capable wholesale infrastructure. This procurement approach will be a successor to the highly successful Superfast broadband programme.

We wish to work collaboratively with industry to maximise efficiency, minimise market distortion and achieve our objectives within a tight time frame. To do this, we must first identify the areas that are not commercially viable. BDUK conducted an Open Market Review (OMR) in November 2020. This OMR requested information from suppliers regarding details and supporting evidence of any current or planned investment over the next three years in broadband infrastructure (Next Generation Access broadband, ultrafast and gigabit-capable) in the identified geography. A Public Review was closed on 9th March 2021. The Public Review set out a description of the proposed subsidy measure and defined the proposed eligible areas, to enable all interested stakeholders (e.g., including the public, businesses, internet service providers and broadband infrastructure operators) to comment on the proposals. Suppliers who missed contributing to the preceding OMR or had no definitive plans and/or evidence base on which to substantiate claims at that earlier stage, had a final opportunity to notify BDUK before the procurement stage.

The Public Review notified that premises identified by BDUK as eligible, as described in section 3 of the Public Review, may be grouped into one or more appropriately sized Intervention Areas (IAs). The IAs will be issued to the market at the ITT stage of procurement so that suppliers can bid for subsidy to support delivery to those areas. The flowchart below shows the order of processes, from OMR to procurement.

2. Outcome of the Public Review

All meaningful responses to the OMR and Public Review were carefully considered and where necessary utilised to determine eligible premises. The postcode-level map showing eligible premises is shown in Section 4 of this Public Review Closure Note and published on GOV.UK

Supplier data submitted during the OMR and Public Review has been incorporated into the map using a methodology that protects commercially sensitive supplier data. BDUK corresponded with suppliers during the OMR/Public Review to advise how their data and information was treated in developing the maps.

The finalised eligible premises and proposed Intervention Areas have been submitted to BDUK's National Competence Centre (NCC) and obtained approval to proceed, against the UK Subsidy Control Regime.

3. Timescales

The following table summarises the indicative timescales for the procurement:

Activity	Date
Procurement Start Date (SQ Launch)	October 2021
Estimated Contract Commencement Date	August 2022

4. Premises - Eligibility for Subsidy

BDUK classify premises on the basis of their existing or planned qualifying broadband infrastructure:

- 'White' premises are those in which there is no qualifying broadband infrastructure, and none is likely to be developed within 3 years.

- 'Grey' premises are those where only one qualifying broadband infrastructure is present or is to be deployed within the coming 3 years: and

- 'Black' premises are those where at least two qualifying broadband infrastructures of different operators exist or will be deployed in the coming 3 years.

In addition, the proposed intervention area includes a number of 'under review' areas. These are areas where suppliers have reported planned commercial broadband coverage with an evidence base in support of claims, but those plans have been determined through the OMR/Public Review as requiring continued monitoring and verification within the 3-year period by BDUK to ensure that plans are fulfilled. BDUK may request commitment from the supplier that significant progress is made within three years. In the event that these commercial plans fall away these premises will be mapped as eligible and form part of the proposed intervention area and therefore eligible for intervention via this aid measure.

BDUK will target for subsidy only those premises identified as 'white'.

Postcodes have been used to summarise the premise classifications and map the proposed eligible areas. For this purpose, the postcodes have been classified as follows:

- A postcode is **White** if any 'White' premises are present; else
- A postcode is **Under Review** if any 'Under Review' premises are present; else
- A postcode is **Black** if all premises in the postcode are classified 'Black; else.
- A postcode is **Grey** i.e., all premises are 'Grey' or a mixture of 'Grey' and 'Black'.

The outcome of the Public Review is summarised in terms of 'White', 'Grey', 'Black' and 'Under Review' postcodes and premises below:

Postcode Classification	Number of Postcodes	Number of Gigabit Black Premises	Number of Gigabit Grey Premises	Number of Gigabit Under Review Premises	Number of Gigabit White Premises
White	11,962	48	9,953	4,996	143,010
Under Review	6,625	0	2,857	97,587	-
Grey	1,901	482	25,540	-	-
Black	42	425	-	-	-
Total	**20,530**	**955**	**38,350**	**102,583**	**143,010**

The postcode level map showing premise classifications is provided in Annex A.

5. Procurement and Commercial Approach

During the PR stage for Cumbria, BDUK sought responses from the market and other stakeholders to validate the Subsidy Control map (showing White, Grey, Black and Under Review determinations) and also carried out market engagement to seek feedback from suppliers about the design of the Intervention Area and Lot design, the Procurement Type (A, B or C) and also the capacity of the market to bid for a potential procurement.

The procurement type selected for Cumbria, following engagement with market and other stakeholders, has been Procurement Type B - a Regional Supplier Contract.

Cumbria's forthcoming procurement will be carried out in accordance with the Public Contracts Regulations 2015 (PCR2015). BDUK procurement approaches are designed to address the scale of the individual procurements. Cumbria's procurement will be conducted in a transparent and non-discriminatory manner.

Forthcoming procurement - Cumbria

The total public funding investment will be based on the final number of premises requiring subsidy. BDUK will allocate a specific budget drawn from public funding, for this area, at the procurement stage. The budget will be specified within the forthcoming Invitation To Tender (ITT) documentation. Details of any restrictions on the use of public subsidy will be explained in the tender documentation. BDUK intends to procure gigabit-capable solutions – those capable of achieving a minimum of 1Gbps download speed - for the identified areas in scope for Gigabit-Capable deployment as identified and shown in this Public Review Closure Note.

Annex A – Map of Eligible Areas

Cumbria Public Review

Consultation area
Cumbria County Council
Gigabit status - Postcode level
Black - 2 suppliers or more
Grey - 1 supplier
Under review
White

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