



# Rural Gigabit Connectivity Programme





# Key Information Update – August 2020

This key information document summarises the RGC Programme, outlining its aims, objectives and how it operates.

## **Summary**

The Rural Gigabit Connectivity (RGC) Programme aims to assist Building Digital UK (BDUK) which is part of the Department for Digital, Culture, Media and Sport (DCMS), and partner organisations, in delivering nationwide gigabit-connectivity in locations that are unlikely to benefit from commercial investment. The Government's ambition is to deliver this by 2025, building upon the recommendations set out in the 2018 [Future Telecoms Infrastructure Review](#).

The 2018 Future Telecoms Infrastructure Review (FTIR) identified that approximately 10% of UK premises would be unlikely to receive commercial access to gigabit-capable broadband, and that these premises would be located primarily in rural and remote areas.

An “Outside In” approach was proposed in the FTIR, to ensure that these premises in the final 10% can be addressed in parallel with the rest of the UK. This was revised upwards in

2019 to encompass the final 20% of UK premises. It was formally confirmed in March 2020 when The Chancellor announced a £5bn commitment to fund gigabit-capable deployment to the final 20% of the UK.

In line with this, the intervention scope on the RGC programme has been increased to the final 20% so that all areas will be able to benefit. There are c.30 million premises in the UK so the final 20% is expected to represent up to 6 million households, although not all of these could end up needing to receive a subsidised gigabit connection.

The £5bn will focus on upgrading those hardest to reach areas with the highest proportion of premises without access to superfast broadband first, continuing to reduce barriers to deployment.

The Government is committed to delivering nationwide gigabit-capable connectivity as soon as possible, subject to industry appetite and capacity. Given the high cost of gigabit broadband deployment, we are considering how we might



upgrade the connectivity available to the hardest to reach 1% of premises in these areas.

The RGC Programme is testing the Hub model approach. This operates by identifying public sector buildings that meet qualifying criteria set out by BDUK, and upgrading them to access gigabit-capable connectivity. The benefit of this approach is two-fold:

- By providing a gigabit-capable connection to a public building it enhances its service to the public
- The surrounding area may incidentally become increasingly viable for commercial intervention, stimulating the market to build more networks in these areas.

Alongside the Hub model, a Rural Voucher works in parallel to further encourage greater take-up of gigabit-capable connectivity to residents and businesses in the hardest to reach rural areas of the UK. More information about our Rural Vouchers can be found [here](#).

BDUK has been working with a number of strategic partners, including the Department for Education, the Department of Health & Social Care, the Department for Environment, Food and Rural Affairs as well as Devolved Administrations and

Local Authorities. These partners have identified an increasing number of eligible rural public sector buildings to act as Hubs throughout the Programme to date.

As of August 2020, good progress continues to be made on the RGC Schools project. Over 1,000 Primary Schools have been engaged and the RGC team are working with multiple suppliers to deliver this project.

The intervention has already had a demonstrable impact on the types of services available on the market due in part to the work ongoing around benchmarking costs. Furthermore, many communications providers are offering products that they have not considered selling before.

### **Programme Aims & Objectives**

The Programme anticipates that upgrading Hubs should provide:

- i. Improved public services and socio-economic outcomes, as a result of gigabit-capable infrastructure
- ii. Improved access to infrastructure for surrounding homes and businesses in the Final 20% to enable gigabit-capable connectivity



iii. Wider adoption of best practice policies (e.g. making use of [DCMS Streetworks Toolkit](#), and collaborative working practices with highways and planning)

iv. Aggregation of local requirements to increase efficiencies

The RGC Programme does not seek to overlap into areas where a gigabit-capable solution will be delivered through existing commercial or BDUK interventions such as Superfast Broadband and Local Full Fibre Networks.

### **How the Programme is being delivered**

Entering into the later phases of the Programme, the RGC team continue to review and test the current selection criteria against site lists. Recent contracts include interventions in Dumfries and Galloway and the Highlands.

The RGC team continue to encourage Hub site lists, however given the time remaining they are now likely to be considered in future Demand Side interventions. Local Authorities and Other Government Departments should still do this via the RGC Hub Site Submission Sheet, which is available for download on gov.uk and when completed send to [rgc@dcms.gov.uk](mailto:rgc@dcms.gov.uk).

The completion of a Hub Site Submission Sheet is not a guarantee that BDUK will be able to invest in a particular

scheme, however it remains a mandatory part of the selection process.

If an application looks to be in alignment with the aims and objectives of the Programme, BDUK may contact the Local Authority or public sector organisation for future Demand Side interventions.

### **How the selection process works**

Once potential Hub sites are identified from a Hub Site Submission Sheet, these sites are then filtered against the Programme's eligibility criteria to confirm which are eligible for funding.

The eligibility criteria take into account a number of factors, including:

- Rurality
- Speed Threshold - Sites must have a current download speed below 100mbps (Sites below 50mbps will be prioritised)
- Funding considerations
- State aid compliance
- Existing interventions (commercial or otherwise),
- Value for money, and;
- Deliverability within the timescales of the Programme.



When eligible Hub Sites have been confirmed, the strategic partner works through the Programme's assurance process, where further analysis of their initial sites (and any further sites submitted) takes place.

This includes the Business Case template, exploring how the strategic partner intends to deliver and manage the project, where a step-by-step assessment of the above eligibility criteria must be completed.

If the Business Case is approved, this will result in BDUK committing funding, and the strategic partner entering into an agreement with a supplier to deliver the Hub connections.

### **What is required from a strategic partner?**

During delivery, the strategic partner will be responsible for:

- Procurement
- Monitoring progress
- Ensuring management information requirements are met, and;
- Contract management to ensure milestones are achieved.

When the connections have been delivered, the strategic partner and the supplier will be committed to provide

management information which evidences the impact on services from the increased connectivity.

The strategic partner will also be required to undertake demand stimulation activities in the local area in order to increase take up within the community (e.g. through newsletters, social media or leaflet distribution).

Moreover, the strategic partner will be responsible for reporting against agreed measures of benefit, resulting from the new gigabit-capable connections at their Hub Sites.

### **Dynamic Purchasing System**

In January 2020, the Crown Commercial Services worked with DCMS (BDUK) to launch a procurement route for the public sector to purchase a range of broadband connectivity, fibre access and infrastructure build services.

These services can be procured using a Dynamic Purchasing System (DPS): RM6095 Gigabit-Capable Connectivity (GCC). This offers pre-agreed technical and commercial documentation to underpin the procurement of services for eligible Hubs under the RGC Programme.



## **What is a Dynamic Purchasing System (DPS)?**

A DPS is a public sector sourcing tool for common goods and services under regulation 34 (Dynamic Purchasing Systems) of the Public Contracts Regulation 2015.

More information regarding the DPS is available [here](#)

Future webinar information sessions around the DPS will also be taking place in the coming weeks and months with BDUK and CCS representatives for Suppliers. Please register your interest by informing [rgc@dcms.gov.uk](mailto:rgc@dcms.gov.uk)

## **Funding Process & State Aid Considerations**

The RGC Programme provides one-off capital payments for individual, eligible Hub connections. A site must have an internal business justification for the upgrade, take up a service from the new provision and pay ongoing costs.

The Programme follows the Public Sector Building Upgrade (PSBU) delivery mechanism based on the Local Full Fibre Networks model, with each procuring body responsible for ensuring that there is no State aid present.

Following the European Commission *Notion of aid*<sup>1</sup> document, the DCMS assessment is that the purchase of gigabit-capable internet connections by public bodies for non-economic purposes, either as an aggregated, regional approach or for individual sites is 'no aid' on the basis that it is not market distorting, as long as the public bodies only buy what they need. This will need to be considered for each individual proposal.

Various options for making payments via a number of platforms are available. For example, one option is that BDUK could make a budget transfer to the strategic partner, who then transfers funding to the relevant party (e.g. a supplier).

As with other BDUK Programmes, the RGC team will ensure that our assurance process is applied thoroughly, prior to BDUK committing any funding, and to validate the eligibility of expenditure before payment.

As RGC is a research, development and learning Programme, BDUK may find it necessary, in the future, to modify our current approach for future projects.

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<sup>1</sup> Section 2 and Paragraph 216:

[https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52016XC0719\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52016XC0719(05)&from=EN)



Should any further modifications to the Programme be made, BDUK will continue to communicate these changes in the first instance. BDUK asks that suppliers and consumers, in return, inform us of any changes to their situation, plans or strategies accordingly.

### **Gigabit Broadband Voucher Scheme**

BDUK have successfully closed the Gigabit Broadband Voucher Scheme to new applications on the 28th May 2020, however Rural Vouchers remains open to continue to support the RGC Programme objectives of increasing gigabit-capable connectivity in rural areas.

This enables small grants to be made to individual beneficiaries, which are paid directly to suppliers for administrative simplicity.

Beneficiaries use a postcode checker to identify providers operating in their area. They select a supplier who then requests a voucher from BDUK. Upon the completion of eligibility checks, a voucher is issued to the beneficiary and the supplier delivers the requested service. When a supplier notifies BDUK that delivery is complete and, subject to assurance checks (including, beneficiary validation, cost audits and site visits) payment is made.

The current eligibility criteria for Rural Vouchers include:

- The postcode must be in an area defined as ‘rural’ by the Department for Environment, Food and Rural Affairs for England and Wales, or the relevant pre-agreed classifications in Scotland and Northern Ireland;
- The location cannot be in a plan to receive State aid funded gigabit-capable connectivity, or already have received gigabit-capable connectivity (commercially or otherwise)
- Any premises capable of receiving a speed of greater than 100 Mb/s is not eligible to benefit from a rural voucher whether or not that connection is currently in use.
- The new connection must provide a “Step change” (double current speed, at least 30Mbps), and be gigabit-capable.
- Residential vouchers can only be used when part of a group project (two or more premises)



For premises which meet this criteria, vouchers values are up to £3,500 for SME beneficiaries, and up to £1,500 for residents.

As of August 2020 over 12,300 Rural Vouchers have been issued, worth more than £23.3 million.

### **Further Questions?**

If you have any questions about the RGC Programme, please direct them to [rgc@dcms.gov.uk](mailto:rgc@dcms.gov.uk)

### **Legal Notices**

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Subject to the disclosure rights below DCMS will not disclose any information which has been provided in connection with the RGC Programme and expressly designated as confidential.

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#### **Publicity**

Publicity activities with any section of the media concerning any aspect of the RGC Programme may not be taken without the prior written agreement of DCMS (including as to the content of any such publicity). In

this paragraph 'media' includes (without limit) radio, television, print, newspapers, trade and specialist press, the internet and email or mobile content accessible by the public.

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#### **Personal data**

It is acknowledged that in completing the hub site submission sheet and participating in the RGC Programme, limited personal data will be provided to, and collected by, DCMS, who for the purpose of data protection law acts as the controller of such data. Further information relating to personal data can be found on the hub site submission sheet, the document in which information should be submitted.