Public Review

Dates: 7th May 2021 to 8th June 2021

UK GIGABIT PROGRAMME

CLOSURE NOTE

Lot 5 - Cambridgeshire and adjacent areas

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Cambridgeshire and adjacent areas(Lot 5) Public Review Closure Note

New procurement to extend coverage of gigabit-capable broadband within Cambridgeshire and adjacent areas
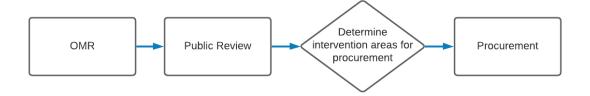
1. Introduction

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 subsidy 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. Connecting Cambridgeshire initiated an Open Market Review (OMR) for Cambridgeshire and Peterborough in December 2020. An extension to this OMR was released in February 2021 covering premises in Northamptonshire, Essex, Hertfordshire, Rutland, Lincolnshire, Norfolk and Suffolk. 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 followed the OMR and was closed on 8th June 2021. The Public Review process aims to validate the outcome of the OMR to ensure that it correctly represents the information provided by suppliers in the course of the OMR and to ensure that eligible premises are targeted for government subsidy. Connected Cambridgeshire and BDUK invited stakeholders (including broadband infrastructure operators, internet service providers, the public, and businesses) to provide feedback about the proposed Lot for government investment (intervention).

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 so that suppliers can bid for funding 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 Annex A of this Public Review Closure Note.

In accordance with the OMR/ PR processes, 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 will be submitted to BDUK's National Competence Centre (NCC) for approval against the UK Subsidy Control Regime.

3. Timescales

The following table summarises the indicative timescales for the procurement:

Activity	Date
Procurement Start Date	January 2022
Estimated Contract Commencement Date	November 2022

4. Final Eligible Area Map

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.

- '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 may include 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 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.
- A postcode is **Under Review** if any 'Under Review' premises are present.
- A postcode is **Black** if all premises in the postcode are classified 'Black.
- 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	11,057	23,468	62,011	40,006	91,369
Under Review	10,120	33,827	12,828	144,408	
Grey	5,409	17,961	81,753		
Black	3,357	71,761			
Total	**29,943**	**147,017**	**156,592**	**184,414**	**91,369**

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

5. Procurement and Commercial Approach

During the PR stage for Cambridgeshire and adjacent areas (Lot 5), Connecting Cambridgeshire and BDUK sought responses from the market and other stakeholders to validate the preceding OMR's 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 - Local Supplier, B - Regional Supplier or C - Cross Regional Supplier) and also the capacity of the market to bid for a potential procurement.
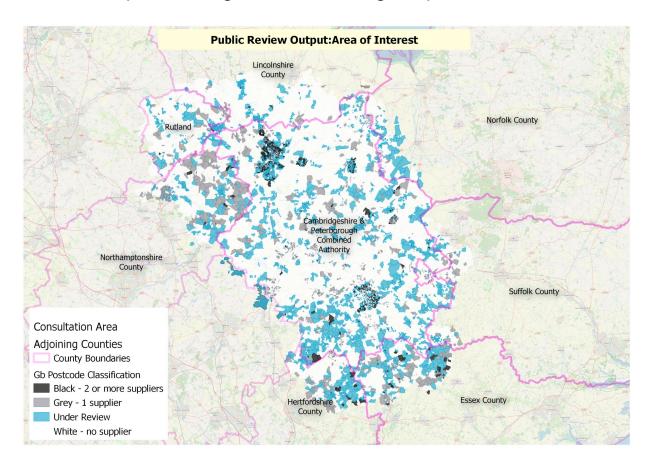
The procurement type selected for Cambridgeshire and adjacent areas (Lot 5), following engagement with market and other stakeholders, has been Procurement Type B - a Regional Supplier Contract. A premises-level map detailing these proposed Intervention Areas can be found in Annex B.

Cambridgeshire and adjacent areas (Lot 5) 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. Cambridgeshire and adjacent areas (Lot 5) procurement will be conducted in a transparent and non-discriminatory manner.

Forthcoming procurement - Cambridgeshire and adjacent areas (Lot 5)

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 eligible "White" premises identified and shown in this Public Review Closure Note; to be clear, BDUK will target selected White premises for subsidy, and this will be set out in the forthcoming ITT documentation.

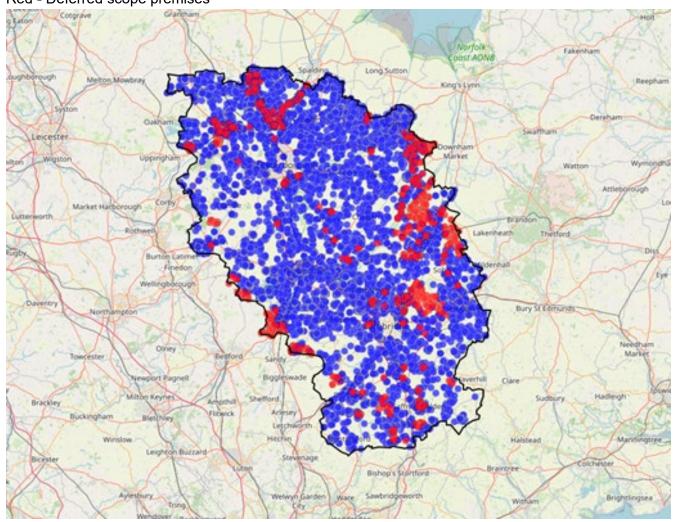# Annex A – Map indicating locations of eligible premises

The above postcode level map indicates areas where those premises eligible for subsidy are located i.e. "White" areas. These eligible premises may or may not be targeted for subsidy i.e. may or may not be included within the Intervention Area. Black, Grey and Blue (Under Review) areas indicate where those premises ineligible for Subsidy are located.

Annex B – Map of Proposed Intervention Area

Blue - Initial scope premises
Red - Deferred scope premises

The above premise level map indicates which premises have been deemed initial and deferred scope. The initial scope are those premises that will be targeted for subsidy i.e. included within the Intervention Area. Premises coloured red, "deferred scope premises", where they are categorised as Under Review, will not be targeted for subsidy unless they have been determined to be eligible ("White") as part of BDUK's monitoring process.