

Next steps in Government's £5 billion gigabit broadband plan



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A consultation has been launched on the draft procurement strategy for the UK Gigabit Programme setting out plans to connect the first one million homes and businesses with gigabit speed broadband and maximise coverage in the hardest to reach 20% of the UK by 2025.

Homes and businesses that do not yet have access to superfast broadband will be prioritised. Their speeds will rocket from less than 30 megabits per second to more than 1,000 megabits per second, or one gigabit per second.

Gigabit-capable broadband connections offer the fastest and most reliable speeds available. They will pave the way for new and unexpected social benefits alongside jobs and economic growth over the coming decades, and revolutionise rural communities by giving people the freedom to live and work more flexibly.

The strategy details a broad range of interventions to deliver gigabit broadband: contracts for a record £5 billion in public funding, broadband vouchers and other innovative solutions across all nations of the UK.

The accelerated approach to awarding contracts for the £5 billion will mean every telecoms provider - from the very small to very large - can take part.

This will drive competition, boost regional economic growth and create new jobs.

Matt Warman, Minister for Digital Infrastructure, said:

Today we've set out our bold programme of national

infrastructure projects to future-proof the UK's internet networks so we can build back better from coronavirus and create new jobs and economic opportunities.

We will begin these procurements rapidly so broadband providers big and small can move quickly to get the job done and level up communities with this much faster, next generation broadband.

Planning for Gigabit Delivery in 2021 includes a series of maps of large and small areas covering the whole of England where government intervention and subsidy is likely to be required to deliver gigabit-capable networks. It also shows the areas expected to be delivered through normal commercial rollout.

The consultation anticipates up to 26 large regions of England that are most likely to attract commercial investment but require subsidy to reach the hardest 40,000 to 80,000 premises in each area. The government expects larger broadband suppliers, including challengers to incumbents, to bid for these areas and prioritise people with slow speeds.

This includes areas of Northumberland, Yorkshire, Lancashire, Shropshire, Worcestershire, Gloucestershire, Somerset, Oxfordshire, Berkshire, Devon, Dorset, Sussex, Norfolk, Suffolk, Essex, Buckinghamshire, Cambridgeshire, Northamptonshire, Shropshire, Staffordshire, Derbyshire and Lincolnshire.

In addition there will be smaller contracts to connect around 1,000 to 8,000 premises, to stimulate competition across a wider range of small, medium-sized and rural specialist telecoms providers and help them to scale up.

This could include areas of Cumbria, Westmoreland, Yorkshire, Devon, Somerset, Dorset, Herefordshire, Lincolnshire, Oxfordshire, Kent and Sussex, depending on where these providers wish to compete.

In Scotland, Northern Ireland and Wales, the R100, Project Stratum and Superfast Cymru projects respectively are rolling out large scale superfast contracts which will deliver gigabit

connections over the coming years.

The UK Government will work closely with the Devolved Administrations in Scotland, Wales and Northern Ireland from early 2021 to develop plans to complement these contracts and extend gigabit coverage across the UK.

DCMS is also exploring how to make available a small number of contracts covering very large areas that are the least commercially attractive to build in. This would help make sure that no areas are left behind - even those where there is a limited prospect of competition.

As well as these supply side market interventions, the government is also seeking industry views on how to extend its successful Gigabit Broadband Voucher Scheme from April 2021. The scheme allows people in rural areas to request a gigabit connection with the government subsidising the installation costs. This would help broadband suppliers respond to increasing consumer demand for gigabit broadband while the new procurements get up and running.

The government will also continue its programme to connect public and community buildings - such as council houses, schools, libraries and GP surgeries - so they act as full fibre 'hubs' off which industry can build their networks and connect surrounding homes and businesses.

These new procurements for gigabit infrastructure are set to begin in Spring 2021. The government will now seek industry and local authority views on the strategy to define small and large procurement boundaries, as well as ensuring that priority areas are served.

The recent Spending Review set out the timeline for how the first tranche of £1.2bn of funding will be made available to industry over 4 years. The commitment to spend £5 billion stands, and the government will accelerate this investment if industry can demonstrate it has the capacity to deliver further and faster.

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Industry quotes:

Clive Selley, CEO of Openreach, said:

This is a big step towards levelling-up the UK. Whilst private investment will pay for the vast majority of broadband upgrades across the country, we're keen to help Government reach more isolated communities.

At Openreach, we've got the biggest and best team of engineers in the industry, with unrivalled experience connecting rural homes and a huge ambition to match.

We've all seen the importance of having decent broadband this year, so we're keen to crack-on and do the lion's share. We're also convinced that Full Fibre technology can be a huge catalyst for the UK's future prosperity so there's no time to delay.

Greg Mesch, CEO of CityFibre, said:

We welcome this announcement about the first stage of the Government's £5 billion rural broadband programme, which will enable every corner of the country to access the digital infrastructure needed to support a new agile, green and balanced economy.

It is in everyone's interest to ensure Britain's consumers and businesses get connected as quickly as possible, regardless of where they are. We are pleased that Government is committed to making this a truly competitive process. This will deliver value for money, unlock additional private investment and speed up rollout.

At CityFibre, our UK-wide full fibre rollout to 8 million premises is well underway. We are creating up to 10,000 new jobs, and as we enter our second decade, we are ideally placed to deliver this vital infrastructure across the UK, ensuring nowhere is left behind.

Lloyd Felton, County Broadband CEO, said:

Continued growth in the rollout of full-fibre broadband is

much-needed, as a recent Ofcom report revealed, only 18% of the UK can access 'full-fibre' services. It is vital that we take the opportunities to invest in full-fibre infrastructure now, to ensure Britain's broadband is future-proofed and accessible to all UK properties.

Local providers, like County Broadband will continue to be the frontline driving force to realise the new targets for connecting more properties to future-ready broadband networks, supported by the private funding we have in place.

Like other full-fibre broadband providers, County Broadband remains committed to delivering a major programme to enable thousands of properties in harder-to-reach, deeper rural areas, access to full-fibre, gigabit-capable broadband.

However, we are supportive of any Government funding which will assist in the overall delivery of full-fibre broadband to the hardest-to-reach areas. We are looking forward to understanding more about the Government's plan to support the delivery of full-fibre networks across the United Kingdom.

Notes to Editors:

The National Infrastructure Strategy outlined how the Government is working with industry to target a minimum of 85% gigabit-capable coverage by 2025, and will seek to accelerate rollout further to get as close to 100% as possible.

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