



Department  
for Culture  
Media & Sport

**SUPERFAST  
BRITAIN**

# Broadband Delivery

20 November 2015

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***Superfast Broadband Programme Director***

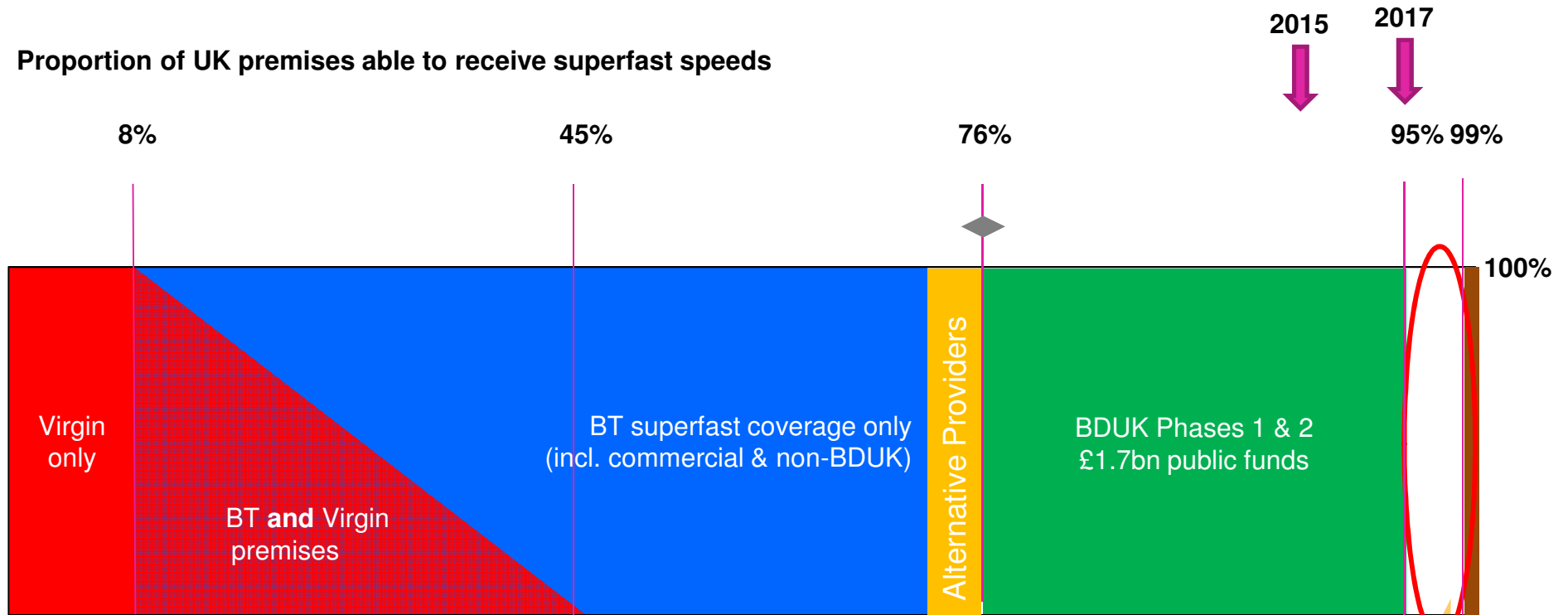
***Broadband Delivery UK***

# Programme aims

1. **Superfast** broadband coverage to **95%** of UK by 2017
2. Develop options to extend superfast broadband coverage **beyond 95%**
3. **Universal 2Mbps** standard broadband access by end of 2015
4. Bring to a successful conclusion the Super Connected Cities Programme (**vouchers scheme**) which has covered over 50,000 SMEs.

# Extending coverage

Proportion of UK premises able to receive superfast speeds



Premises

Final 0.5-1.0% likely to require high-speed satellite

# Current position

Superfast broadband is available to over **83% (4 out of 5)** homes and businesses in the UK (May 2015)

– up from 45% in 2010 *(Ofcom Infrastructure Report)*

Take-up higher in rural areas – currently averaging **24%** on 12 month old BDUK cabinet

**Over 22%** of homes and businesses have signed up for superfast broadband.

*(based on Ofcom Consumer Market Report 2015)*

Superfast broadband **coverage** and **take-up per household** in the UK is the **highest** of the **top five European economies**

- *(Ofcom European Broadband Scorecard, February 2015)*

# Super Connected Cities & Vouchers Results

- **£40 million** Challenge Fund for **Vouchers scheme** in **2015-16**
- Vouchers issued to over **50,000 SMEs** in **50 cities** since scheme began in 2013 – **37,000** issued since **April 2015**.
- Funding now allocated and the voucher scheme is closed to new applications
- **1,400** public buildings with free Wi-Fi
- **More than 1400** trains, buses and trams with on-board Wi-Fi available to more than **16 million users** annually
- **13 digital projects** improving SME connectivity in Aberdeen, Brighton, Bristol, Cardiff, Edinburgh, Leeds/Bradford, Manchester, Newcastle & Portsmouth

# Reaching 95%

## Phase 1

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**£1.2 billion** public investment to reach **90.8%** of UK premises by 2016

**44** projects across the UK

More than **4 million** additional premises

**3.3 million** premises passed

**£129m** gainshare

**Satellite scheme** for premises on speeds less than 2Mbps



## Phase 2

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**£250 million** BDUK funding plus local match funding to reach **95%** of UK by end of 2017

More than **1 million** additional premises

Aiming to achieve minimum **90%** coverage for each Local Body or Devolved Administration

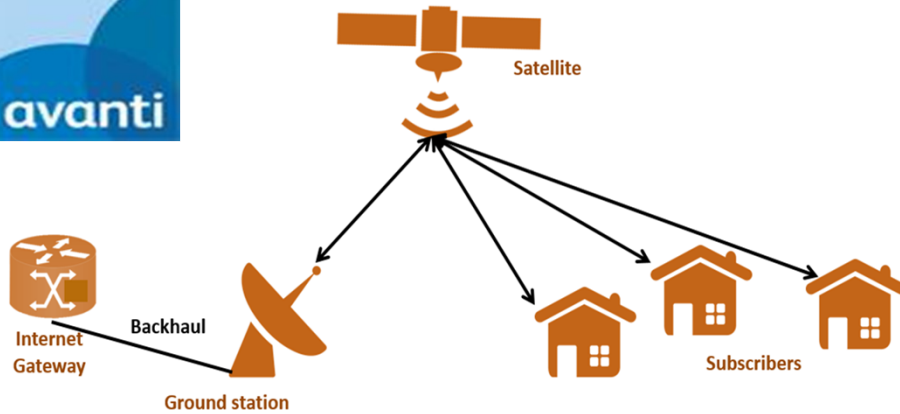
**44** contracts signed

**3** in procurement process

# Market Test Pilots

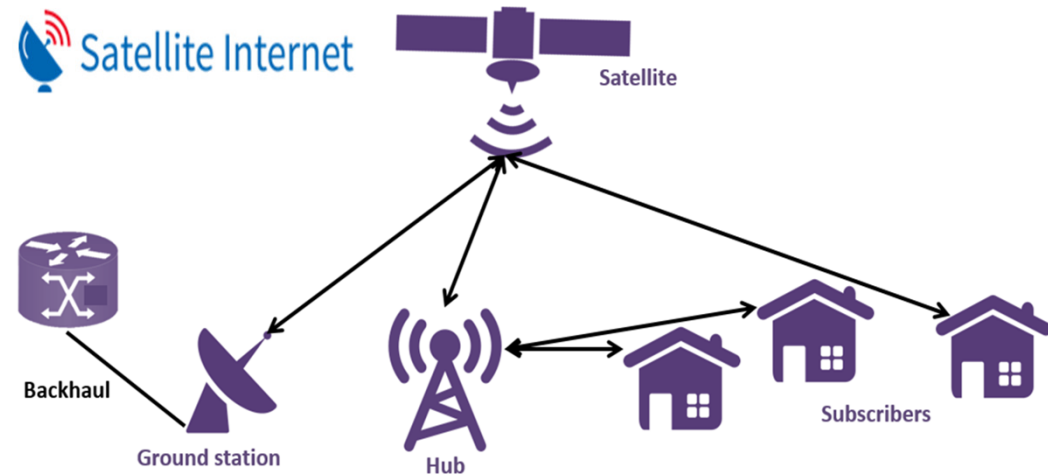
- Exploring new ways to expand superfast broadband coverage in technically and commercially challenging areas.
- Eight pilots selected, with seven continuing on to deployment phase after initial feasibility assessment.
- Deployment began February 2015, and installation of networks will continue until March 2016.
- Each Pilot was selected following assessment of long term commercial sustainability beyond March 2016.
- First Pilot customer connections achieved March 2015; total premises passed/connections from across the seven pilots by March 2016 will be fewer than 10,000.

# Market Test Pilots: Satellite



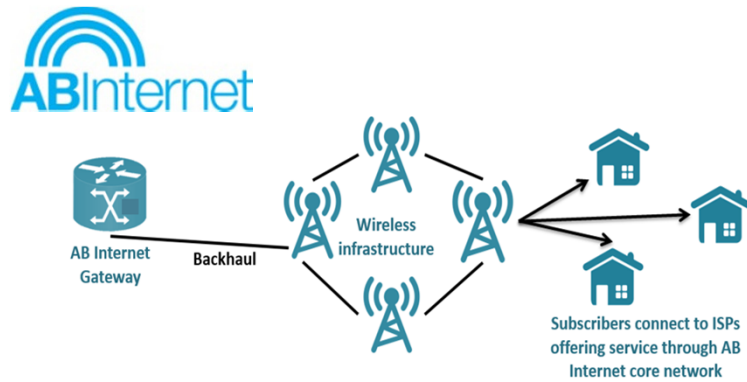
Avanti - Superfast  
Capable Satellite

Satellite Internet -  
Superfast Capable  
Satellite

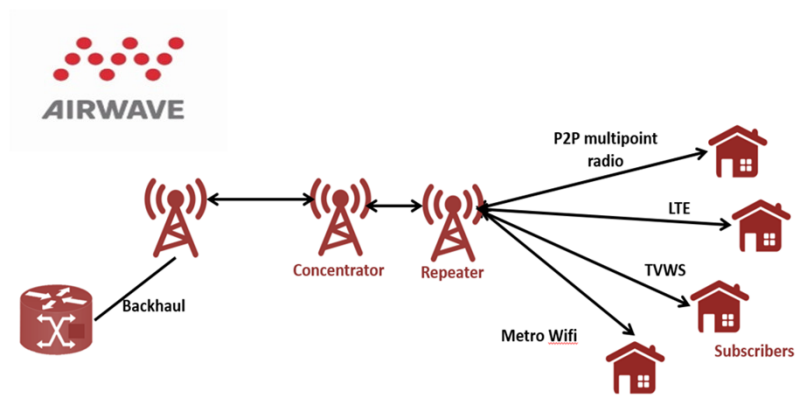




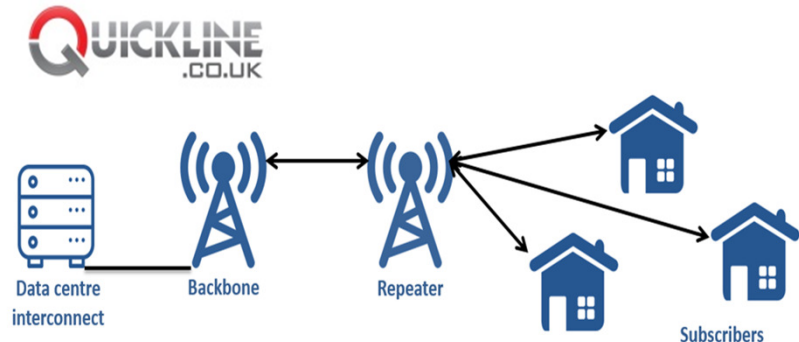
# Market Test Pilots: Wireless



## Airwave – Next Generation Wireless

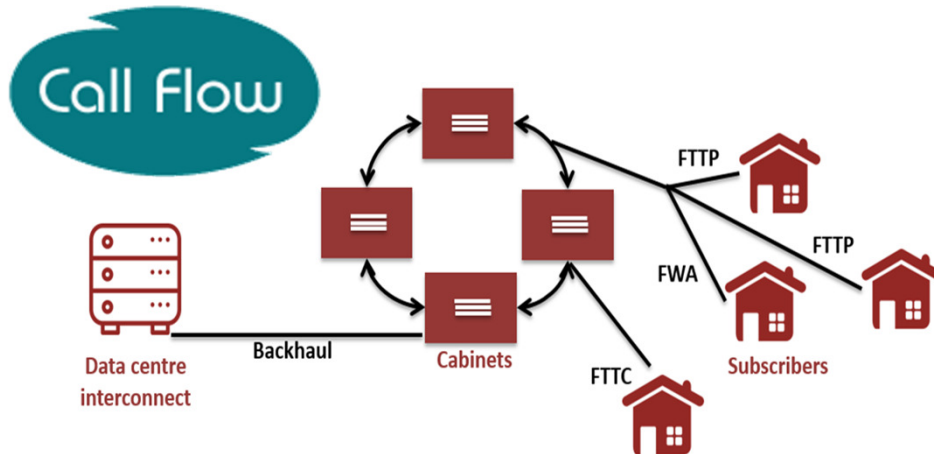
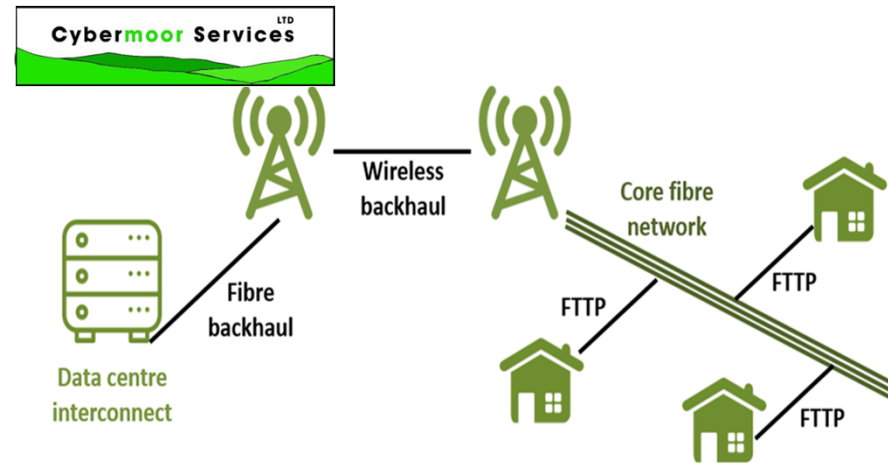


## Quickline - Superfast Wireless Network.



# Market Test Pilots: Hybrid

Cybermoor – FTTP in a Challenging Environment.

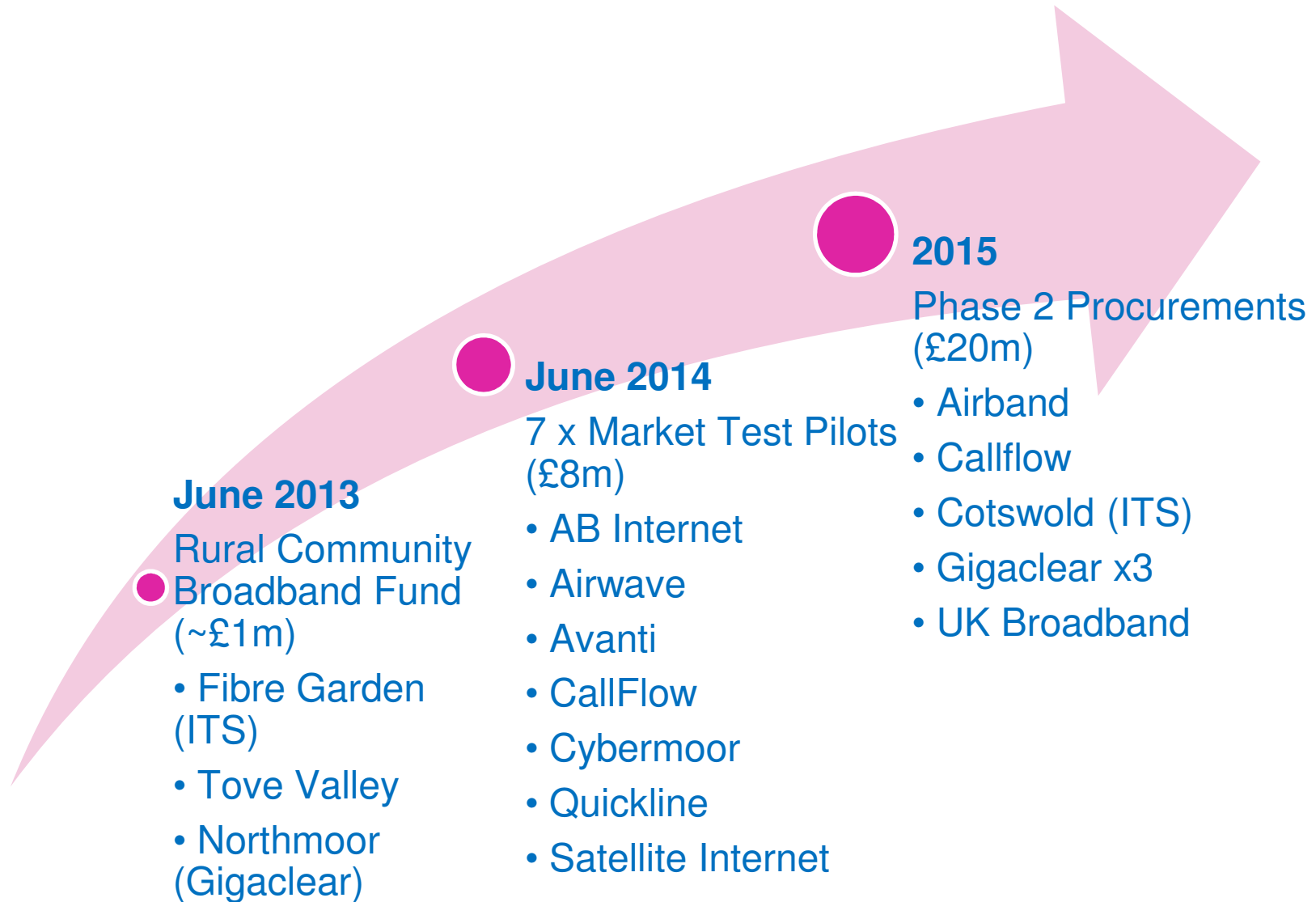


Call Flow – Hybrid Approach

# Market Test Pilots: Initial Findings

- Demonstrated viability of alternative approaches in the Final 5%.
- Flexibility has created cost savings in deployment.
- Working successfully with local authorities.
- Exploring the options for community funding models.
- Ways of overcoming difficulties in relation to wayleaves and planning permission.
- Further lessons learned to be published in December

# Growth in non-BT projects



# Universal Service Commitment

- Pilots launched in September 2015
- Will be live UK wide from December 2015
- Allows eligible premises to access a subsidy to provide a satellite broadband connection
- Customers will be able to choose from at least 4 service providers offering service from at least 2 satellite operators

# Universal Service Obligation

- Will give legal right to request affordable connection to broadband of a minimum specified speed – ambition is 10 Megabits per second - up to reasonable cost threshold.
- Once implemented, legal obligation on designated provider(s) to connect to agreed cost threshold.
- Currently, BT is obliged to provide a phone line with “functional Internet access” – defined as 28.8 kilobits per second.
- Looking to launch a public consultation in early 2016.

# State Aid Clearance

- UK's previous umbrella State aid scheme ended in June 2015
- UK in negotiation with the Commission on an extension to enable further procurements to gain State aid cover
- A number of key issues to be resolved including wholesale access conditions
- General Block Exemption Regulation (GBER) an alternative approach which BDUK is exploring with suppliers
- Ministers closely involved

# Broadband delivery: Next Steps

- BDUK wants all Local Bodies to take forward change requests for the BT gainshare funding and focus on extending coverage to reach UK 95% target by December 2017
- Complete procurements for additional funding
- Local Authorities (and BDUK) need to be aware of the capabilities of all suppliers as they consider their options to extend coverage
- BDUK to conclude approach on State aid
- Consultation on Universal Service Obligation in 2016



# Extending Mobile Coverage

- Mobile Infrastructure Project (MIP) is funding building of infrastructure in areas where uneconomical and technically challenging for commercial sector to invest.
- 73 mobile masts being provided – 10 have been built, 63 are in build phase.
- Government also reached landmark agreement with all Mobile Network Operators to secure legally-binding obligation on UK-wide voice/text coverage by 2017.
- In addition, Telefonica has a licence obligation to provide indoor 4G coverage to 98% of premises in the UK by end of 2017.