



National Broadband Scheme for the UK: Supporting the local and community roll-out of superfast broadband

State Aid Guidance: Open Market Review

South Gloucestershire Council

REQUEST FOR INFORMATION

1. INTRODUCTION

South Gloucestershire Council is working to extend coverage of superfast broadband (access line speed of above 24Mbps) across South Gloucestershire, beyond the reach of commercially-funded deployments.

We signed a contract with BT in January 2013, which together with commercial deployment should result in ~94% of South Gloucestershire premises having access to superfast broadband by the end of March 2015.

We have recently been allocated additional public funding to further extend superfast broadband across South Gloucestershire with the aim of extending superfast broadband coverage as far as possible by 2017.

In order to deploy this additional funding, we intend either;

- 1) To conduct a further mini-competition under the BDUK Rural Broadband Programme Procurement Framework to award a second Local Call-off Contract to a supplier to deploy the extended coverage, or
- 2) Undertake a local procurement to deploy coverage, or
- 3) Undertake a mix of both options.

2. PURPOSE OF THIS OPEN MARKET REVIEW

As part of this new procurement process, we are now commencing an Open Market Review to establish existing and planned (next 3 years) commercial coverage of broadband services in South Gloucestershire by all existing, and any prospective, broadband infrastructure providers. We intend to use the information gathered as part of the Open Market Review to define the Intervention Areas to be targeted by the new contract. The authority has no desire to replicate infrastructure that is being deployed, or that is planned to be deployed within the next three years.

This OMR is intended as a precursor to a formal public consultation document. The OMR, in contrast to that public consultation document, is not a specific requirement under the European Commission's Broadband Guidelines¹ or the National

¹ Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:025:0001:0026:EN:PDF>

Broadband Scheme² However, we consider that early market engagement at this stage is an essential and extremely important part of our early market research. The results of the OMR will assist us with understanding the broadband infrastructure (basic broadband and Next Generation Access (NGA)) already in place and where there are plans for investment in such infrastructure in the coming three years and a significant step in the design of your intervention area. The authority has no desire to replicate infrastructure that is being deployed, or that you plan to deploy within the next three years.

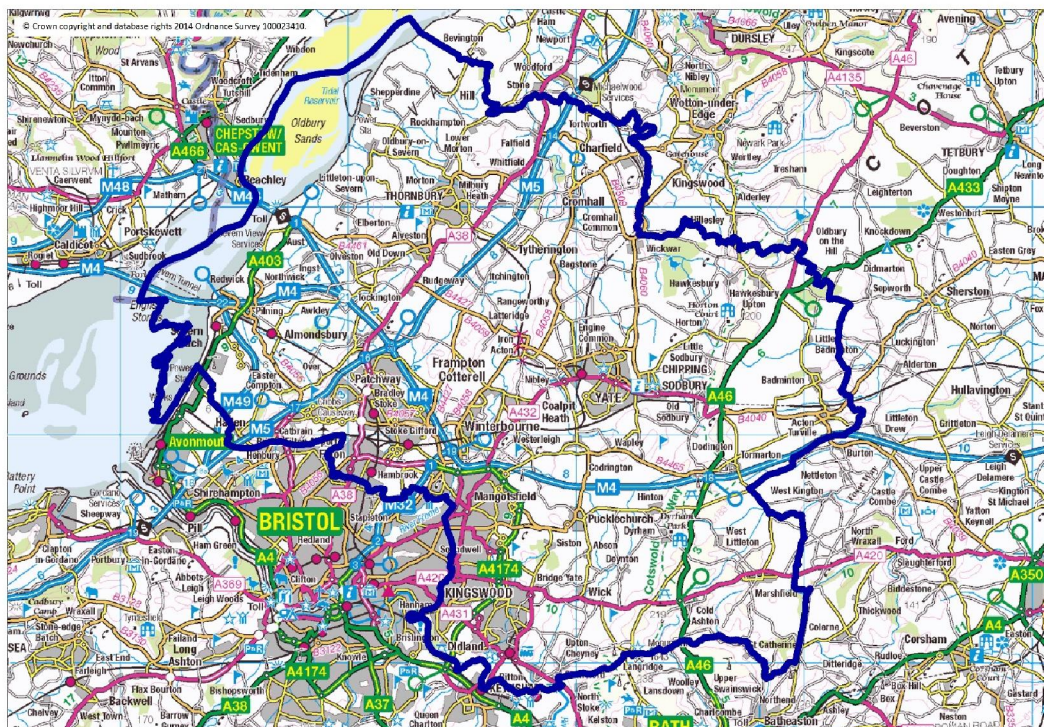
Therefore, once we have defined these Intervention Areas from the Open Market Review (OMR), we will be conducting a 6 week State Aid public consultation on our proposed Intervention Areas.

Once we have defined our Intervention Areas, we will be issuing an Invitation to Tender (ITT) to bid for the opportunity to fulfil a new contract to deliver the extended coverage. We aim to complete the procurement by the Winter of 2014, and for the extended deployment of infrastructure to begin by the beginning of 2015 (in parallel with the on-going deployment under the existing contract with BT).

The purpose of this document is to set-out our Request for Information as part of the Open Market Review.

3. GEOGRAPHICAL SCOPE

The geographical scope of South Gloucestershire is defined as the area within the boundary below.



² http://ec.europa.eu/competition/state_aid/cases/243212/243212_1387832_172_1.pdf

A spreadsheet template is attached which contains a list of all South Gloucestershire postcodes and associated premises count using Codepoint April 2014 dataset.

4. RESPONDING TO THIS REQUEST FOR INFORMATION

We are sending this OMR to all recognised broadband infrastructure and internet providers in the area. In addition, we are publishing this OMR document on our website.

We require responses by 27th June 2014 to the questions set out in the Annex. A spreadsheet template is also attached. Our preferred format for receiving your responses is via our portal - <https://www.supplyingthesouthwest.org.uk/> However, if you prefer to submit your response in an alternative format, and/or if you wish to provide supplementary information in another format, we would be pleased to receive it.

When responding, we would be grateful if you could confirm your organisation's name and address, as well as the name, position and contact details of the person responding on behalf of the organisation.

Alternatively, you can send your responses to: Rhianon Wakely, South Gloucestershire Council, **Chief Executive & Corporate Resources Department, PO Box 300**, Chief Executive's Office, Civic Centre, High Street, Kingswood, Bristol BS15 0DS or via email to Rhianon.Wakely@southglos.gov.uk

Email attachments will need to be below 20mb and sent as compressed files. If you have any problems sending the information, please contact Rhianon.Wakely@southglos.gov.uk or on 01454 865449.

Please note that the data you provide in your response will be treated as commercially confidential to your organisation³, albeit that it may be necessary to share some all of your response data with our professional advisors and/or DCMS/BDUK, Ofcom, BIS State Aid Branch and the European Commission in the course of seeking State aid approval for our local broadband project. It should also be noted that it is a State aid requirement to utilise this information to produce State aid maps to define state aid 'white', 'grey' and 'black' areas for basic and NGA broadband. These maps will be published as part of the Public Consultation process and will be utilised to define the intervention areas. However, please note that these published maps will be assimilated utilising data from all relevant operators and will not be directly attributed to a single source.

If you have any questions about any of the above, please contact Rhianon.Wakely@southglos.gov.uk.

³ We are also subject to legal obligations to disclose information in certain limited circumstances.

5. INFORMATION REQUESTED

The attached spreadsheet template provides a format for providing the requested information. Instructions on how to use the template are included in the first ('Instructions') tab of the spreadsheet. Please provide details and supporting evidence of any current or planned investment in broadband infrastructure (basic broadband and NGA broadband) in South Gloucestershire. In the case of planned investment, we are particularly interested in plans for the coming three years (up to June 2017). However, any plans for years beyond that would also be of interest.

The following criteria will be used by the council to determine the classification of areas into Basic Broadband and NGA White/Grey/Black areas respectively:

For Basic Broadband, each postcode is turned Grey if:

- BT estimate that all premises in the postcode can receive (or are planned to receive) a broadband speed >2Mbps;
- OR, if Virgin Media serve 90% of premises within the postcode;
- OR, if it is an area served by an alternative fixed infrastructure provider with Access Line Speeds >2Mbps;
- OR, if a wireless service or other qualifying technology is available at >2Mbps to all premises in the postcode;

Each postcode is turned Black for Basic Broadband if it satisfies at least two of these conditions. All other postcodes remain White.

For NGA, each postcode is turned Grey if:

- BT has upgraded the network infrastructure serving the area AND premises within the postcode have an estimated (VDSL2 for FTTC) Access Line Speed of >15Mbps;
- OR, if Virgin Media serve 90% of premises within a postcode;
- OR, if it is in an area that is served by an alternative fibre-based, NGA fixed wireless or other qualifying technology that meets the requirements of the BDUK NGA Technology Guidelines with Access Line Speed of >15Mbps;

Each postcode is turned Black for NGA if it satisfies at least two of these conditions. All other postcodes remain White.

Please note that if more than 10% of the premises within the postcode do not meet the minimum speed test (>2Mbps for Basic Broadband, >15Mbps for NGA), that post code shall be turned (Basic Broadband or NGA, respectively) White.

The speed threshold criterion used to determine an area as superfast remains 24 Mbps or above. However, having due regard for the EC Guidelines and the DCMS policy objective of delivering superfast broadband (>24Mbps), we have set the above speed criteria for NGA White to be less than or equal to 15Mbps. We have set the speed criteria at this level having regard to the requirement in the EC State Aid Decision that public funding granted under the scheme shall ensure a 'step change' in broadband capability (typically provides at least a doubling of average access speeds). Our priority for targeting NGA interventions is to use the available public

funding to provide a 'step change' in broadband capability for premises currently getting relatively slow broadband speeds (< 15Mbps), rather than using the available funding to provide more marginal increases in broadband capability for premises already getting higher broadband speeds (>15Mbps). The attached spreadsheet requests premise data in several speed ranges so that the council can determine which postcodes above 15Mbps will be 'at risk' of not benefitting from access to superfast broadband speeds of above 24Mbps. These will be treated as 'conditional' NGA White areas.

Beyond completion of the attached spreadsheet template (or instead of the spreadsheet if you are not able to provide the information in the required template form), any information provided in response to this Request for Information should include, but need not be limited to:

- Detailed maps for basic broadband and NGA broadband showing the existing coverage and separately maps detailing the planned investment in the basic broadband and NGA infrastructure networks for at least the next three years;
- Exact Details of premises covered or passed, i.e. post codes and the number of premises by post code, that fixed network infrastructure is available to the premises, potentially subject to a final drop connection, or that the premises are able to receive a suitable quality radio signal over the air interface (in the case of wireless or satellite coverage), potentially subject to the installation of a suitable antenna.
- Details of the technology and where these claim to be NGA, demonstrate how they meet the minimum standards as set-out in the BDUK Technology Guidelines⁴.
- Description of the services/ products currently offered and separately those to be offered within the next 3 years;
- Installation, annual/monthly subscription, and additional volume or per-service tariffs for those services/products (identifying whether such tariffs are inclusive or exclusive of VAT).
- Upload and download speeds typically experienced by end users and how these may vary by factors such as distance, increased take-up or demand, contention, etc.
- Appropriate indicators of the quality of services (eg contention ratios, bandwidth allocation per user, etc), including any characteristics (eg latency, jitter) that are required to support advanced services such as video conferencing or HD video streaming.
- Details and planned timing of roll-out of any future investments, including further investments required to cope with future increases in take-up and demand.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/236341/NGA_Technology_Guidelines_300813.pdf

- Confirmation from an authorised signatory that all information provided is of suitable accuracy.

Please supplement with supporting evidence as you consider appropriate e.g. public websites. Please also note that further information may be required to substantiate actual or planned coverage claims, including business cases and evidence of available funding to enable plans to be fulfilled.

6. NEXT STEPS

Based upon the responses received as part of our Open Market Review process, we plan to publish our proposed Interventions Areas for a 6 week State Aid public consultation commencing during July 2014. We will then be issuing an Invitation to Tender (ITT) to bid for the opportunity to fulfill a new contract to deliver the extended coverage.