



Connecting Cumbria – Phase 2

New Procurement to further extend coverage of Superfast Broadband across Cumbria

State Aid Public Consultation

Supplementary Notes

Produced: 21 December 2014.

1 Introduction

Members of the Connecting Cumbria project team have attended a number of routine 'stakeholder' meetings and have responded to enquiries during the autumn of 2014. There have been question and answers offered regarding Phase 2. The focus on Phase 2 has intensified since the Public Consultation was launched on 28 November.

The team's thinking on some topics has developed during this time. Given this development over time and that only a few stakeholders can attend meetings we'd like to take the opportunity to note the common questions and offer some answers, opinions and in some cases a range of opinions. This mirrors the approach that we have taken in meetings because the issues are complex and there is no one size fits all answer or opinion.

2 Questions and Answers

2.1 What do the colours really mean on the draft Intervention Area maps?

The colours on the map indicate the situation on the ground by postcode area at the end of 2017. Both current and planned services are included.

- 'Black' means: that we are aware of two or more broadband infrastructure providers with current or planned coverage in that postcode area by the end of 2017.
- 'Grey' means: one provider.
- 'White' means: no providers.
- 'Conditional White' is coloured yellow on the maps.
'Conditional White'/Yellow means: that we are still working with provider(s) to understand if their current or planned infrastructure can be mapped 'Grey', or if it's not a credible service or isn't a qualifying technology it must be mapped 'White'.
- 'Red' means: the postcode area is excluded from analysis, usually because it has no premises in Cumbria.

The definition of the 'White' areas is most important.

The 'White' areas are where more state aid, i.e. more public funding, would be used in Phase 2.

2.2 When is the outcome of 'Conditional White'/Yellow determined?

We are working with providers to do this by the end of the consultation.

In some cases this conditionality may continue into the implementation of a Phase 2 contract.

2.3 What happens when is the outcome of 'Conditional White'/Yellow determined?

If a provider meets the conditions then their coverage area becomes 'Grey'. If the conditions are not met, the area becomes 'White'.

2.4 What sort of conditions are there?

For providers' plans to be credible and qualifying, BDUK provides guidelines covering topics such as the technology use, technical assessment of coverage areas, the deliverability of services and the affordability of providers' pricing. The conditions test what is credible and/or qualifying.

2.5 When is the end of the consultation?

9 January 2015.

2.6 How do I see a more detailed map?

Please look at:

This link for NGA...

<http://maps.cumbria.gov.uk/eggp/?dept=broadband&scriptname=Connecting%20Cumbria%20Phase%20%20Intervention%20Area%20-%20next%20generation%20access>

This link for basic broadband...

<http://maps.cumbria.gov.uk/eggp/?dept=broadband&scriptname=Connecting%20Cumbria%20Phase%20%20Intervention%20Area%20-%20Basic%20Broadband>

To get more detail, enter your postcode into the search fields and the top of the screen and press "Find address". This will be very "zoomed in". Press the '-' just to the right of the key and to the left of the map to zoom out. You may want to do this a few times.

2.7 My area is mapped Grey: does that mean BT will deliver superfast broadband in Phase 1?

First all we must be clear that the Grey area is not necessarily BT delivering in the Phase 1 Intervention Area. In the consultation process, providers give information in confidence and we are not allowed to say which area and colouring is associated with a particular provider(s).

IF BT / a provider were planning to build in an area, the mapping indicates the greater extent of such plans. Past tense is used because the data used in the mapping is now (in Dec 14) two or three months old.

2.8 Do you / Don't you know where BT is going to build in Phase 1?

We know for some places but not for everywhere. The final understanding of where BT is going to build in Phase 1 is not known until after the last builds are surveyed and planned in detail. We expect to know the full and final extent of the Phase 1 deployment plan in January or very soon after then.

We will update the Intervention Area mapping with data from the Phase 1 deployment plan as soon as this is available.

2.9 What if BT didn't build in my area in Phase 1?

We would amend the area just before the start of Phase 2 to ensure that it was considered in the planning for Phase 2.

2.10 My area is mapped White: does that mean I get superfast broadband in Phase 2?

Not necessarily. Phase 2 does not get Cumbria to 100% coverage.

If a contract for Phase 2 were to be awarded to BT, the same process of initial desktop survey and cost analysis would be done to determine the most cost effective places to build more broadband infrastructure.

2.11 Does BT automatically get the Phase 2 contract?

No.

Cumbria County Council will be deciding on how to proceed with Phase 2 in February.

2.12 Can you ensure that technology X is delivered in my area?

No, because the particular technical solution is decided by an infrastructure provider.

Such commercial and engineering decisions are made with consideration of the local business case in terms of: the civil and telecoms engineering challenges; associated costs; and the commercial benefit to the provider.

In state aided intervention areas we use a key performance indicator (KPI) to measure benefit by counting the number of premises passed.

2.13 How is the decision made to deliver in one area as opposed to another?

If we ignore the particular complexities of a provider's technical solution, and the effect of geography and existing infrastructure on sequencing delivery, the decision boils down to ranking areas by the average cost per premise.

The areas with the least cost per premise are most attractive to do. If we imagine a long list with least costly at the top and most costly at the bottom. At some level working from top to bottom, the capital investment funds will run out: areas below that level are not done.

2.14 How should I/we respond to the consultation?

Broadband infrastructure providers should already be directly engaged with the County Council.

The general public and stakeholder groups are asked to "...register opinions regarding the proposed state aid measure and the targeted areas". This is asking about how and where Phase 2 is done.

'Where' is largely covered by the mapping as discussed earlier. If the Phase 2 intervention area analysis as presented in the mapping could be improved, please let us know.

'How' could be considered as being more interesting and individual preferences may vary depending on individual circumstances.

2.15 How was Phase 1 done?

The approach in Phase 1 is to deliver superfast broadband to as many residents, businesses and visitors in Cumbria, as quickly as possible, within the available funds. This implies as cost effectively as possible and this known as "best value". Given that the Phase 1 intervention area is 47% of premises in Cumbria this do as much, as soon, as cost effectively as possible approach makes sense.

2.16 What if I wanted to focus Phase 2 delivery on businesses?

You'd want to determine that delivery to business adds more value for Cumbria than treating businesses and residential premises the same. You'd need to define what kind of business you were targeting. You'd want businesses to receive more benefit.

You'd want to influence the provider business/engineering decision on where to build.

We think, and the project team has thought about this quite a bit, that there are two ways to influence the decision on where to build:-

1. Indicate preference areas,
2. Weight benefit (in this example) to business more heavily.

There could be other ways of doing it. No method is perfect and all methods will generate winners and losers. Winners were below the level in the list (mentioned above in 2.13) and get moved up and so can be planned and probably built; losers were above the level and get moved below and so are not planned.

In method 1 (preference areas) a positive decision would have to be made to favour some areas which would necessarily reduce or deny benefit in other areas. There would need to be agreement in principle to target defined or identified (in this example) business areas.

In method 2 (weighted benefit) cost per premise would become a cost per benefit point. For example, one could count residential premises as one point and business premises as two points. This would bias the ranking in the list (mentioned above in 2.13) toward areas with more businesses. In this method there would need to be agreement regarding the weighting calculation that is used to order the list.

2.17 What if I wanted to target Phase 2 delivery on another socio-economic group?

The methods described in 2.16 above could still apply; it's the selection of the target group that would be different.

2.18 What if my area is not being built in Phase 1: can my community area top-up the state aid funding?

In Phase 1 this cannot be done.

2.19 Can my community / area top-up the state aid funding during Phase 2?

We think its technically possible but doing so could create some unintentional consequences.

Let's say an area is just below the level in the list (mentioned above in 2.13). The community in that area offers funding to lift its area above the level so that it can be planned and probably built. Overall the amount of capital investment funding is only marginally increased. The area that got moved up has almost certainly pushed another area down below the level where the funding runs out.

One can imagine an unattractive scenario where communities near the level are competing financially.

2.20 Can my community / area top-up the state aid funding before Phase 2 starts?

Doing so could create the same scenario as in 2.19 above with a slight difference that it'd become a kind of blind auction.

2.21 If I can't top-up fund my area and it's not being built in Phase 2: how do I get superfast broadband?

The options are:-

1. Wait for more state aid funding that can deliver 100% coverage in Cumbria.
2. Self-fund a community project and work with a broadband infrastructure provider to deliver superfast broadband in your area.

2.22 Next to my area there is superfast broadband delivered by Phase 1: does that mean my area will get it in Phase 2?

There's two ways to approach this question.

The general answer is that you'd need to ensure your area was above the level in the list (mentioned above in 2.13), again probably using preference area and a weighting method which strongly targets "areas near to an area that was done in Phase 1".

A more particular answer applies if BT were awarded the contract for Phase 2: then extending more of the same technology into an adjacent area is likely to be more cost effective than building further afield. This means that it's reasonably likely to happen without additional targeting.

Either way, the outcome is not certain.

2.23 I live in very rural location: how can such areas be targeted more strongly?

You'd want to target "areas that are sparsely populated". A method, for example, could be devised around the average distance between premises, favouring those areas with larger separation.



3 Summary

During stakeholder meetings and when responding to enquiries members of the Connecting Cumbria project team have attempted to answer questions and offer explanations which we have reproduced in these notes.

The answers and examples given above should not be read as pre-empting the outcome of the consultation.

Respondents should make their own minds up regarding Connecting Cumbria Phase 2, the proposed state aid measure and the target areas. All responses will be registered and reported to the County Council.

The County Council's decision on Phase 2 will be informed by the consultation process. Other considerations such as providing value for money and the views of funders must also be taken into account.

Connecting Cumbria Phase 2 Consultation is available online at: http://www.opinionsuite.com/cumbria/cumbria-county-council/chief-executives-office/connecting-cumbria-phase-2-consultation/consult_view

And available online at: <http://www.connectingcumbria.org.uk/latest-news>