

## **Connecting Cumbria**

### **Next Generation Access (NGA) Broadband in Welton**

In order to secure state aid approval to provide further NGA superfast broadband in Cumbria the Council was required to follow a highly regulated process to assess the intervention area – the postcodes where the Council is authorised to spend state aid. The background to this is set out in Appendix 1.

It is accepted by the Council that there were limitations to the Intervention Area assessment process and that it is possible under the guidelines for a commercial provider to put forward claims and evidence of coverage for a postcode which they subsequently realise they are unable to provide NGA services to. Therefore where there have been concerns raised by community representatives in areas like Welton with respect to the delivery of NGA broadband services by a commercial broadband provider, the Council has committed to facilitate community engagement with BDUK and the relevant commercial broadband provider for the provider to either give assurance to the community, or re-evaluate their claimed coverage. Following a similar engagement one of the commercial providers assessed has recently advised the Council that following their further survey the provider has accepted that it cannot provide NGA services to some postcodes which that provider claimed and evidenced. On this basis the Council is working with BDUK to formally amend the state aid status of those postcodes.

Working within state aid rules, the Council is committed to ensuring as many properties as possible in Cumbria are able to access superfast broadband services by some means. This includes the postcodes in and around Welton.

Whilst it is not possible to commit to a deadline for the provision of NGA broadband services in Welton at this stage, the Council is aiming to have a resolution to the current issue in Welton before the end of 2016 to retain alignment with existing deployment plans and funding profiles should state aid be needed to address a market failure in this area. The existing deployment plan is scheduled for completion by March 2018.

June 2016

## Appendix 1: State Aid Requirements

The Connecting Cumbria Programme is the local delivery arm of the Government's national broadband scheme, overseen by Broadband Delivery UK (BDUK), aimed at increasing availability of superfast broadband in areas that would not have been covered by commercial deployment of such services. In August 2012, to allow procurement and award of contract to deliver Connecting Cumbria Phase 1, the Council was required to set an official intervention area where no next generation access (NGA) broadband services were currently or planned to be supplied (**Intervention Area**). It is a key principle of the state aid exemption under which this programme operates that public money can only be used to subsidise the development of NGA services in such areas.

This assessment was done in compliance with BDUK advice and the European Broadband Guidelines with assurance of the final result by BDUK. There was limited funding available under this phase 1 contract and bidders were required to put forward bids that delivered the greatest amount of proposed Superfast Broadband coverage within this Intervention Area, but it was never anticipated that all properties where state aid could legally be applied in the Intervention Area would be reached under the phase 1 contract.

Following the UK Government's 2013 spending review a further allocation of funding to local authorities was offered to undertake projects under the national broadband scheme. On the basis of this the Council began procurement activities for a phase 2 of Connecting Cumbria utilising BDUK's framework contract and process. As part of this procurement the Council was again required to set an updated official intervention area to reflect both the works carried out under Connecting Cumbria phase 1 and other broadband network deployment programmes since 2012. It was noted during this updated assessment that substantial coverage claims were put forward by commercial broadband providers operating fixed wireless networks. In line with the guidelines for the assessment, these claims were reviewed based upon evidence provided by the relevant commercial broadband provider. The Council did not undertake its own physical survey of the coverage claimed by fixed wireless providers on the basis that:

- The assessment was required to be technology neutral;
- A full physical survey of all commercial broadband provider claims would have cost in excess of a million pounds and taken more than 18 months, preventing the Council accessing the funding offered to the Council for a phase 2 under the national broadband scheme;
- A physical survey carried out by the local authority was not part of the European Broadband Guidelines or BDUK Intervention Area assessment process; therefore the results of such a survey may not have been accepted by BDUK assurance.

The Council worked closely with specialist technical advisors and BDUK throughout the assessment process and final assurance of the Intervention Area was completed by BDUK in September 2015. In respect to Welton, postcodes within this community were assessed as eligible for the use of state aid funding under the phase 1 Intervention Area set in August 2012. However between 2012 and 2014 a solution for this community was not able to be developed by our delivery partner as works were focused on other structures around the county that would provide higher levels of superfast broadband coverage and therefore had to be prioritised in line with the state aid exemption under which the programme operates. During the assessment of the updated Intervention Area for phase 2

of the Connecting Cumbria programme a commercial broadband provider claimed that it provided NGA broadband services to a number of postcodes within Welton. The outcome of the Intervention Area assessment and assurance by BDUK was that these postcodes within Welton were no longer eligible for the use of state aid on the basis of the claims of the commercial provider and evidence provided by that commercial provider in line with the state aid exemption under which the programme operates.