Marches Broadband Grant Supplier Consultation

Shrewsbury 4th March 2016
Welcome & Introductions

Agenda

- Welcome & Introductions
- Consultation Purpose
- Superfast Britain Voucher Scheme - Learning
  - Supplier Perspectives
  - Beneficiary Perspectives
- Marches Broadband Grant
  - Project concept
  - Funding
  - Eligible Area & Potential Hot Spots
- Design & Process principles
- Infill solutions
- Q&A
- AOB
Welcome & Introductions

- LEP
  - ESIF Opportunity to collaborate to harness EU funding
- Summary of Broadband Activity
  - Shropshire
    - Phase 1
    - Phase 2
  - Telford & Wrekin
    - Phase 2
  - Herefordshire
    - Fastershire Strategy
    - Bursary
    - Gloucestershire Provision
Consultation Purpose

- Early Market Engagement
- Ensure lessons learned from Connection Vouchers Scheme
- Ensure Suppliers understand the funding restrictions
- Design the project to be most effective
- Demonstrate deliverability to Funders
Disclaimer

- For the avoidance of doubt, this is not the commencement of any formal procurement process and the Marches Councils are not committed to carrying out such a process. Any response to this notice does not guarantee any invitation to participate in any procurement processes that may be undertaken by the Marches Broadband projects.

- This early market engagement exercise is intended to allow suppliers to outline their views and to provide information to the Marches Councils’ decision making process.

- The Councils will consider the information received as a result of this exercise to help inform their options appraisal and subsequent Councils’ decision making process.
Connection Voucher Scheme Learning

- **Positives**
  - Marketing & customer engagement to go superfast was a boost for industry
  - Aggregation scheme helped build solutions that benefitted wider communities

- **Negatives**
  - Scheme excluded certain sectors
  - The initial registration process was frustrating
  - Larger suppliers favoured by businesses
  - Premature suspension of new applicants meant not all could take advantage within timescales
  - Scheme was closed just as it started to make a real difference
  - Solutions were too expensive for many customers
  - The arbitrary 30Mbps requirement excluded some SMEs as this was technically challenging
  - Intensive paperwork demands for all parties
  - Need to look at total cost of ownership of connectivity over its life, not just the install
  - Need to use accurate and consistent terminology that businesses appreciate
Marches Broadband Grant
Project concept

- Complimentary to Phase 1 / 2 Activity
- Bespoke Grant to SMEs in the final x%
- Picking up and improving on the Connection Voucher Scheme
- Grants between £500 and £25,000
- NGA / Business Grade Broadband to individual SMEs
- Eligible SMEs identified day 1
- Beneficiaries will need to demonstrate economic benefit
- Payments to the recipient business not the supplier
- Trying to avoid a rigid Framework
- Passive input from Suppliers - Marches will lead on demand
- Aggregation possible but less need due to Max Grant level & less scope due to geography
Funding

- Project Capital Value c. £4.5m
- ERDF
- Outline Approval
- Possible full approval May 2016
- BDUK Match
- Potential Private Match
- Start October 2016
- Completion December 2018
Eligibility

- NGA
- Business Grade
- Capital Costs Only

Pre-defined List
- Others rendered eligible by exception
- <30Mbps & not in plan

<€50m T/O
<250 FTE
Balance sheet <€43m
De Minimis <€200k/3Yrs
Sectors
Services

- NGA Networks
  - Fibre in the access network
  - > 30Mbps
  - Network can support 90% of connections >15Mbps in busy hour

- Business grade connectivity (leased line / Point to Point microwave)
  - Dedicated/uncontended linking the customer to a point in the CPs network
  - Supported with service level guarantees
  - > 20Mbps & capable of being configured/upgraded to support >30Mbps; and
  - >2x faster than any current business grade connection to the location
Indicative Eligible Area

- Based on No Build and Partial Areas following Phase 1 & 2
- Likely to be an overestimate of qualifying premises
- Will be refined and **will** change
- Eligibility ultimately be determined at the premise level

Legend

- CodepointMatchedToBusinessData by BusinessRecords
  - 10 to 99  (29)
  - 8 to 10   (23)
  - 6 to 8    (49)
  - 3 to 6    (351)
  - 1 to 3    (1434)
Shropshire

- 2,150 Registered SMEs operating in eligible sectors and located in No Build & Partial Postcodes
- Accounts for Phase 1 and 2
Telford & Wrekin

- 140 Registered SMEs operating in eligible sectors and located in No Build & Partial Postcodes
Herefordshire

- 2,071 Registered SMEs operating in eligible sectors and located in No Build & Partial Postcodes
- FBS likely to reduce the area down when we contract
  - Lot 2
  - Lot 3
  - Lot 4 &
  - Lot 5
- Descope & rescope when we have the detail
- Risk that we over build in time risk we all need to accept
Process

SME Side
- Express an interest online
- Select suppliers from project websites & issue RFQ & service requirements
- Once 3 Quotes provided formally apply for funding for the most economically advantageous quote
- Sign Conditional / Grant Agreement
- Instruct Survey if required
- Contract with Supplier
- Pay Supplier inc VAT
- Claim for reimbursement using itemised invoice and speed / performance data

Supplier Side
- Register to have presence on the website
- Respond to RFQs on standard password protected webform
- Deliver successful contracts
- Issue Itemised Invoices
- Supply performance data
- No Pre-registered scheme
- No need to report to us

Project Side
- Market the Scheme to eligible SMEs
- Provide online Guidance
- Conduct VFM test on applicants
- Technical assurance on service offer where quote in excess of service requirements
- Issue Grant Agreement / Conditional Grant Agreement
- Consider Post Survey RFQ prior to full approval
- Pay ex VAT
- Audit & Spot Checks
Management & Administration

- Central point administration from Hereford
- Online - virtual handling
- The Authorities will conduct a random sample post-installation checks
- Any evidence of price collusion will lead to suppliers being black listed & potentially funding recovery
Infill Solutions

- BDUK supplementary Satellite Scheme operational since Dec 15
- Used to provide service of more than 2Mbps
- Basic solution should not cost user more than £400
- Incl upfront capital and 12 month contract
- Two schemes in operation national
- Local bodies
- National - those that do not fit into local intervention areas
- National scheme being extended in parts of UK to included alternative technology:
  - Subsidy provided where over £400 first year inclusive of ALL costs
  - Supplier needs to demonstrate proven company delivering services already
  - That they acknowledge that any subsidy pays for customer connection not infrastructure enhancement and a customer will be live within 28 days of ordering