



Department for the
Economy
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Project Stratum : Overview & Update

UK Fibre Connectivity Forum – 3rd June 2019

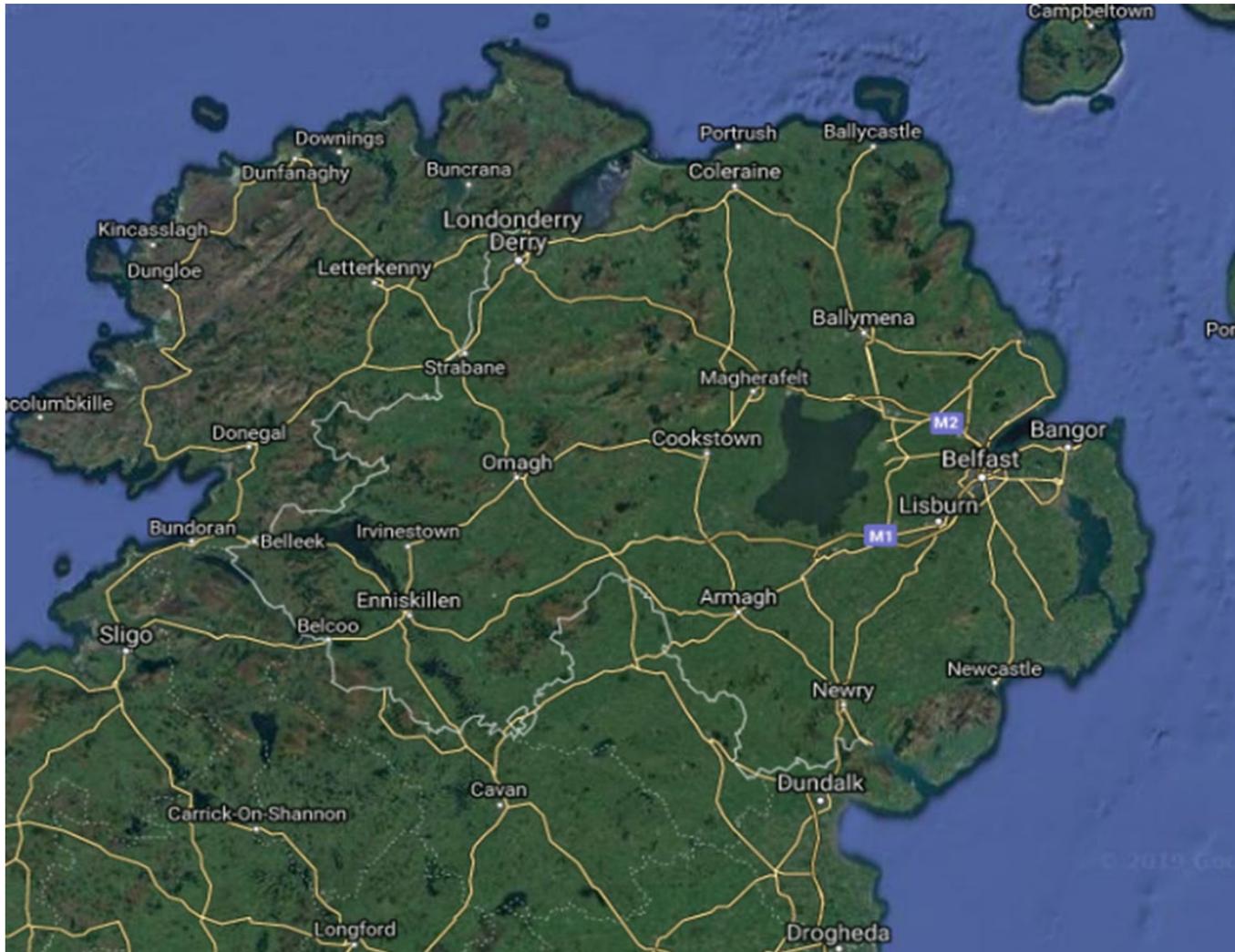


Creating a globally competitive economy that works for everyone

Project Stratum Summary

- Singular aim to utilise all available funding to improve broadband access infrastructure in Northern Ireland
- Aims to increase the number of premises able to access future-proofed broadband services capable of delivering speeds in excess of 30Mbps
- Overarching objective to provide universal, or near universal, high speed broadband coverage by increasing provision in areas which are currently poorly served and not capable of attracting wholly commercial investment
- The Project Stratum intervention area is predominantly rural and covers a broad swathe of Northern Ireland, targeting circa 99,000 premises
- This equates to approximately 10% of all premises in NI (circa 99,000), as 90% of NI premises can currently access broadband services of 30Mbps+

What success looks like for NI...



- It will take more than Project Stratum to deliver future-proofed broadband services to all these premises
- The objective is to extend high-speed broadband coverage to as many premises as possible

Project Stratum Funding

- Funding made available to improve broadband services across NI through the Confidence and Supply Agreement between the Conservative Party and the DUP, which states:

Both the UK government and the Executive recognise the integral part digital infrastructure in particular plays in opening up new opportunities for growth and connectivity for both businesses and consumers.

In Northern Ireland, despite the increase in the availability of superfast broadband and mobile services, challenges remain. The UK government will therefore contribute £75 million per year for 2 years to help provide ultra-fast broadband for Northern Ireland.

Project Stratum Funding

- DfE, in agreement with the Department of Agriculture, Environment and Rural Affairs (DAERA), has confirmed that an additional £15m of funding will be made available for Project Stratum
- The total identifiable public funding for Project Stratum is £165m
- Industry has advised DfE that successful deployment for Project Stratum will depend on a longer timeframe than the 2 years referenced in the Confidence & Supply Agreement
- DfE has engaged with a number of key stakeholders to request assistance in seeking an adjustment to the funding profile via HMT

Project Objectives & Context

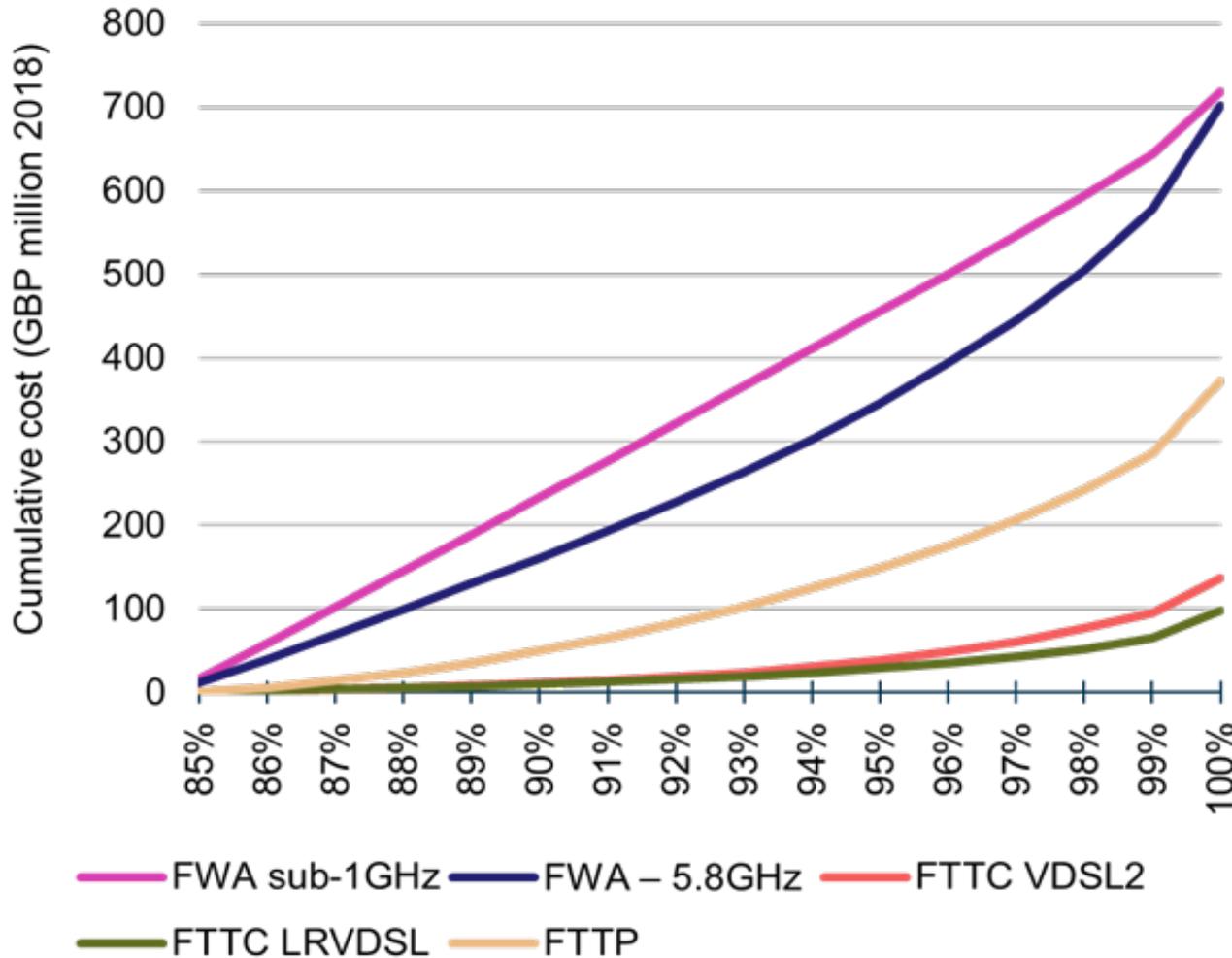
- Approximately 90% of premises in Northern Ireland have access to broadband services in excess of 30 Mbit/s
- Lowest of the home nations and falls short of the previous UKG target of 95% by end December 2017; more keenly felt in Rural Northern Ireland

<i>Fixed Broadband Coverage</i>	300Mbit/s +	30Mbit/s+	<u>Below 10Mbit/s</u>
England	56%	95%	2%
Scotland	45%	93%	4%
Wales	30%	93%	3%
NI Overall	45%	90%	5%
*NI Rural:	9%	67%	17%

Project Objectives & Context

- DfE plans to use the State aid cover of the National Broadband Scheme 2016 and BDUK (DCMS) support to deliver the scheme
- Future Telecoms Infrastructure Review (FTIR) is shaping a strategic approach which has the potential to fundamentally alter the UK telecommunications landscape
- Positive for UK telecoms infrastructure and Project Stratum, which will optimise all available funding to meet its objectives
- In order to remain compliant with this scheme, any recommended proposals by DfE must be technology neutral

Multiple technology options



- Cumulative deployment costs vary considerably
- DfE required to maintain technology neutral position
- Highly likely that blend of technologies will be required for final few percent

Primary Aim of Project Stratum

- Ensure that as many premises as possible in the Intervention Area can access a future-proofed broadband service as a result of Project Stratum
- Deliver a strategy that identifies the hard-to-reach premises that, industry tells us, present the greatest challenges to deployment and may require a blend of technology solutions
- Deliver the project as quickly as current challenges and industry deployment will allow

A busy landscape

- Across NI there is a recognised need for more clarity for all stakeholders on the various broadband projects in development and underway
- Current projects (not including Stratum):
 - LFFN wave 2 (in procurement) – stimulate commercial investment in ‘gigabit capable’ broadband networks (rural and urban)
 - FFNI Consortium – comprising 10 councils outside Belfast; £15m awarded to FFNI to deliver fibre to 880 public sector sites
 - Better Broadband Scheme – subsidised support for basic broadband
- In development / launched:
 - Rural Gigabit Connectivity (May 2019)
 - USO (2020)
 - Belfast Region City Deal (UKG £350m+ / 22 projects)
 - Derry City and Strabane District City Deal (UKG £50m / in development)

Joined up approach essential



- DfE has established a Broadband Infrastructure Forum in NI
- Engaging with DCMS to address shifting landscape
- Sharing information where appropriate (eg: Stratum & FFNI), engaging with all stakeholders

Project Stratum – Next Steps

- Publication of OMR Report in mid-June confirming intervention area of circa 99,000 premises
- Finalising ITT Documentation with State aid Quality Assurance provided by BDUK – Gap Funding Model to be applied
- Seeking approval to commence procurement from Permanent Secretary in the absence of Ministers in NI
- Communication to industry to announce commencement of procurement; Supplier Day to be scheduled by Construction & Procurement Delivery
- One message to industry: invest in Project Stratum and work with us to deliver this transformational project for the people of Northern Ireland

Thank you.

