



Department for  
Digital, Culture,  
Media & Sport

# Setting the Scene : DCMS Telecommunications Supply Chain Diversification

May 2021

## Policy and Programme context

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- Continued consolidation in the RAN market now means that the UK is reliant on just two suppliers for 5G. This poses an **unsustainable resilience risk** to our telecoms critical national infrastructure.
- The 5G Supply Chain Diversification Strategy (2020) set out the Government's long-term vision for the telecoms supply market. One where competition and innovation bring forward **new deployment models based on open interfaces and interoperable standards**, creating a best-of-breed market environment, with flexible networks and comprising an array of suppliers.
- **A key enabler of this long-term vision is Open RAN** - we view this in its broadest sense of disaggregating the RAN, promoting interoperability and multi-vendor architectures.

## Policy and Programme context

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- The Diversification Strategy identified high costs of R&D as a critical barrier to entry for new suppliers, evidencing the need for intervention earlier in the product development cycle.
- The Taskforce recommended that the Government invest in **priority areas** so that open interface technologies are **at least as performant, efficient and secure as today's traditional deployment methods** in the **most demanding environments** for 5G and beyond.
- We view this competition as the very beginning of our wider programme of investment in Diversification R&D - aiming to address the key technological challenges to developing Open RAN in the UK, and catalysing the role the UK ecosystem can play to encourage innovation in interoperability.



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# Competition Scope

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# Competition Ambition

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- Our overarching objective in the R&D and Open RAN policy space is to support the industry trend towards openness in order to make market entry (and interchangeability) of new suppliers easier now and in the long-term.
- We know that this will require a wide and multi-faceted programme of R&D work, that spans product development, availability of testing facilities and - crucially - performance demonstration.
- This competition is intended to be just the beginning, and will fit into a wider programme of R&D work. It will also complement previously announced investments, such as the UK Telecoms Lab (UKTL), the SmartRAN Open Network Interoperability Centre (SONIC), and the NEC NeutrORAN trial.

# Competition Overview - Scope

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- **Accelerate the development of 5G Open RAN** solutions that meet UK dense urban requirements by 2025.
- **Attract new 5G RAN suppliers to conduct R&D** in the UK and foster professional collaborations between potential new entrants into the UK's public network.
- **Contribute to the delivery of the 5G Supply Chain Diversification Strategy's** objectives of disaggregated supply chains, open interfaces by default, and security as a priority in network deployment.

Projects applying to this competition are expected to address one or more of the priority objectives for development set out below. Projects are not expected to target all objectives and may prioritise some over others.

# Technical Priorities, sustainability and security

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- The acceleration of high-performance, open-interface solutions - ones that can compete with traditional deployment methods in the most demanding environments, is a key part of delivering the Diversification Strategy.
- **The key priorities identified are:**
  - Power Efficiency
  - Spectrum Management
  - Software Platforms
  - Systems Integration
  - Security
- While these are highlighted as priorities, the competition is expected to welcome applications across the breadth and depth of the RAN, for example; RAN Intelligent Controller (RIC) and other management applications, site connection handovers, neutral host and active sharing (e.g. MORAN) use cases.

## Technical Priorities, sustainability and security

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- **Secure-by-default:** During the rigorous assessment process, alongside the priorities identified, we will consider the security of projects. We will look for evidence that entrants have a **clear understanding of security of the Open RAN architecture**, and consider this during the assessment process.
- **Sustainability:** DCMS will, as a condition of making funding available, require the successful applicant to set out the principles of how they will create sustainable project outputs in their application, and to have an approved plan in place prior to 31 March 2024. This will include a plan for how **lessons learned are shared** for the benefit of the whole UK ecosystem.

# Q&A

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# Competition Structure and funding

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# Competition Application Process

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The competition process will follow these steps:

- The competition is launched and is open for **applications for 8 weeks**
- The project lead will submit applications with detailed financial plans that cover the **full funding period to March 2024**.
- All applications will undergo the **triage process**.
- Only applications that **meet the eligibility requirements** of the competition and pass triage will be assessed.
- Shortlisted applicants will be **interviewed face-to-face** by DCMS.
- The lead applicants will be notified of the funding decision for their project.
- A **grant funding agreement** will be issued to **successful applicants**.
- All eligible and in scope applications will **receive assessor feedback**.

# Competition - Potential Funding Available

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- Up to **£30 million** DCMS grant funding available
- **£250k to £5 million** DCMS grant funding per project
- Complete all DCMS funded activities **by 31 March 2024**
- Looking to fund **12 month - 24 month** projects
- There **must be a lead partner**
- DCMS grant funding covers 'eligible costs'
- Proposals for such collaboration activities should be included in applications and should make up 2-4% of the DCMS grant

## Competition Available Funding (2)

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Criteria for distribution of funds within consortium:

- **Total subcontracting cost** is limited to **30%** of the total project costs
- **No single partner** can incur more than **70%** of the **total eligible** project costs
- **At least 70%** of total eligible project costs should be incurred by **private sector business organisations**
- For all **research organisations** and **public sector organisations** the total level of project participation is set at a **maximum of 30% of total eligible project costs**

# Eligibility

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- **Open** to applications from consortia from **across** the **UK**
- Organisations **without a UK presence** may participate in the delivery of projects but are **not eligible** to receive **DCMS funding**
- Organisations previously or currently receiving 5GTT programme funding are welcome to participate, but **only with proposals clearly new in scope** and **adding value beyond previous project activities**
- Consortia will need to **demonstrate a commitment to**, and understanding of, the **UK's approach to telecoms security**.

## Subsidy Control (formerly State Aid)

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For experimental development involving collaboration under **UK Subsidy Control**, the maximum grant allowed towards your eligible project costs under subsidy control rules if you are an organisation receiving direct grant funding from DCMS is:

- up to 60% if you are a small business
- up to 50% if you are a medium-sized business
- up to 40% if you are a large business

Find out if your business fits the [Innovate UK definition of an SME](#).

Research organisations undertaking non-economic activity will be funded as follows:

- universities: up to 80% of full economic costs
- all other research organisations: up to 100% of eligible costs

# Collaboration and Participation

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- Projects will be expected to look for **opportunities to collaborate** with other ecosystem participants, on **topics of shared interest**
- Project partners must sign the **5GTT Programme Participation Agreement**, outlining they are expected to share knowledge and join up
- Projects will need to **work closely with UK5G** to promote their work on the national and international stage.
- Projects will be to take part in **Project Development Review** at roughly the midpoint of their project to help ensure projects are delivering high quality outcomes by providing an opportunity for both the projects and DCMS to reconsider approaches and strategies and potentially make adjustments.

# Q&A

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# Next Steps

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**UK  
5G**

**Innovation  
Network**

**Thank you**



200m invested in a nationally coordinated programme of 5G testbed facilities & trials, in a range of geographic & vertical market segments.



A total of 38 projects funded.



190+ Organisations involved in the programme since 2017 including all of the tier 1 operators, 23 universities and 16 Local Authorities.



A total of 30 projects are live.