

## PERTH AND KINROSS COUNCIL

Enterprise &amp; Infrastructure Committee - 20 November 2013

**IMPROVING DIGITAL CONNECTIVITY  
ACROSS PERTH AND KINROSS – PROGRESS REPORT****Report by Depute Director (Environment)**

The purpose of this report is to provide an update on the progress of activities to improve digital connectivity in Perth & Kinross.

**1. BACKGROUND/MAIN ISSUES**

- 1.1 On 22 August 2012 (Report 12/345), the Enterprise and Infrastructure Committee agreed a series of objectives to address and improve broadband and digital connectivity across the area and to make Perth City a Super Connected City as follows:
- Objective 1: by 2015, as a minimum, everyone across Perth & Kinross will have access to a 2Mbps service
  - Objective 2: by 2015, 80% of premises in Perth & Kinross will have access to a Next Generation Broadband (NGB) service of 24Mbps service or more
  - Objective 3: by 2015, all settlements over 1,000 people in Perth & Kinross will have access to a 24Mbps service or more
  - Objective 4: by 2014, Perth City will have 100% access to Ultrafast Broadband service (at least 80Mbps service)
  - Objective 5: by 2014, Perth City will have better wireless coverage
  - Objective 7: take-up of broadband services will be at least equal to the average across the UK (current UK take-up rate is 71%). The current take-up for Perth & Kinross is 60%.
- 1.2 A glossary of terms is available in Appendix 1 for information.

**2. PROPOSALS**

- 2.1 An update on progress in relation to the above objectives is provided below.

Objective 1

- 2.2 The Step Change (Rest of Scotland) procurement led by the Scottish Government has been completed and a contract between BT Group and the Scottish Government was signed on 9 July 2013. As agreed in the contract, central funding (i.e. Scottish Government, BTUK and European Regional Development Fund) would provide speeds of over 2Mbps to all premises in Perth and Kinross.

### Objectives 2 & 3

- 2.3 In addition to the Objective 1, the Council previously agreed to increase the level of coverage beyond 75% of premises using additional Council funding of £1.2 million. This has been translated into the contract with BT Group and would provide an extra 15% coverage to reach a total of 90% of premises in Perth and Kinross. 70% of premises should have access to NGB by March 2015. The contract would cover settlements of over 1,000 people and would bring NGB to premises in the following communities: Aberfeldy, Abernethy, Almondbank, Alyth, Auchterarder, Bankfoot, Blairgowrie, Bridge of Earn, Comrie, Coupar Angus, Crieff, Dunkeld and Birnam, Errol, Inchtute, Kinross, Luncarty, Methven, Milnathort, Perth and Scone, Pitlochry, Stanley and St Madoes and Glencarse. The remaining deployment across the area will be completed by December 2017.
- 2.4 It is worth noting that it is BT Openreach on behalf of BT Group which would deploy and own the infrastructure network. BT Openreach has an obligation to open the network to any operators willing to use it.
- 2.5 Although we do not know at this stage the exact numbers and locations of premises in Perth and Kinross which would not be able to access NGB, it is important to work now with communities which could be affected to support them in developing some local tailored solutions and to get as close as possible to NGB. The Regeneration team within The Environment Service has been working with Community Broadband Scotland to identify such communities and provide the best advice at this point in time as well as ensuring that information is fed back to BT Openreach so alternative solutions could be identified during the deployment process. Community Broadband Scotland is a Scottish Government initiative set up to provide support and advice to communities not benefiting from the Step Change (Rest of Scotland) NGB deployment. It is worth noting the proposal in the Scottish Government's draft budget 2014/15 to allocate an additional £6m to support these communities.

### Objectives 4 & 5

- 2.6 With regards to Perth City and Scone and the provision of Ultrafast Broadband, if both BT Openreach and Virgin Media current provisions are combined, 89.3% of premises have access to Ultrafast Broadband and 95% to NGB. The Step Change (Rest of Scotland) procurement led by the Scottish Government should bring the BT Openreach provisions close to 100% of premises having access to NGB.
- 2.7 In addition to this deployment, the Council has secured £260,000 from the UK Department of Communications, Media, Culture and Sport (DCMS) through the Urban Broadband Fund (UBF) to provide access to Ultrafast Broadband to 215 small/medium enterprises across Perth City through a connection voucher scheme. If state aid clearance is confirmed (expected in the Autumn 2013), the scheme could be launched early 2014 and concluded in March 2015.

- 2.8 With regards to high speed wireless coverage in Perth, this is not particularly well developed and remains fragmented. Officers will engage with mobile operators to improve 3G wireless coverage and in addition the Council has secured £80,000 from DCMS through UBF to provide free public wifi hotspots in public buildings. Coverage would be limited to indoors space (coverage of outdoors could create state aid issues due to potential overlapping with commercial coverage) at identified locations accelerating and building on the Council's wifi roll-out plan and would complement other free public hotspots (eg Perth Rail Station, Perth Concert Hall) and commercial hotspots. The following public buildings have been identified to provide free public hotspots: Perth Museum and Art Gallery, Fergusson Gallery, Pullar House, 2 High Street, Perth Leisure Pool, Dewars Centre, Bells Sports Centre, 3-5 High Street (registrar's accommodation only), Rodney Leisure Centre, AK Bell Library and possibly Bus Station and Canal Street Car Park. The delivery details are currently being discussed with DCMS and deployment would be completed by early 2014.

## Objective 6

- 2.9 To stimulate the take up of enhanced digital connectivity, the Scottish Government has developed a national digital participation campaign 'Choose Digital First'. It is anticipated that the campaign would start to gain momentum along with the infrastructure deployment and that a more detailed programme would be available soon to provide us with a framework for our local demand stimulation activities.
- 2.10 Specific local demand stimulation activities would focus on the promotion of the Perth City SMEs voucher scheme and wireless/hotspots deployment. Engagement with different local stakeholders through the Project Management Team structure has started (see Appendix 2). Engagement at local level would focus demand stimulation and registration as well as addressing deployment issues such as working with communities not directly benefitting from the fibre deployment.
- 2.11 The governance and project management arrangements for the development and implementation of the activities are in place. As the project enters into the delivery phase, it is important to ensure that systems and procedures are well supported and that specialist technical advice is available.
- 2.12 The Council has agreed £40,000 to support project management costs which has been used to provide project support through fixed term appointment of a Digital Connectivity Project Assistant. The recruitment process has not started yet.
- 2.13 This Committee also agreed £30,000 for external technical expertise which has been used to commission technical expertise to analyse data, provide technical advice and allow us to translate technical information on deployment into demand stimulation activities including helping communities not directly benefitting from the fibre deployment.

### 3. CONCLUSION AND RECOMMENDATIONS

- 3.1 A number of activities have been developed to improve digital connectivity across Perth & Kinross and the report provides an update on progress.
- 3.2 It is recommended that the Committee:
- i) Notes the positive progress made to improve digital connectivity across Perth & Kinross
  - ii) Asks for a further progress report in spring 2014

#### Author(s)

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#### Approved

Name	Designation	Date
Jim Valentine	Executive Director (Environment)	11 November 2013

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>Yes</b>
Asset Management (land, property, IST)	<b>Yes</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>Yes</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>Yes</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>Yes</b>
<b>Communication</b>	
Communications Plan	<b>Yes</b>

### 1 Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The activities contribute to the Community Plan's strategic objectives of 'Promoting a prosperous, inclusive and sustainable economy' and the outcome of 'a thriving, expanding economy' including the enhancement of digital broadband locally to increase the capacity to access services digitally and support more local working.

#### Corporate Plan

- 1.2 Perth and Kinross Council Corporate Plan 2013/2018 set out five strategic objectives:
- (i) Giving every child the best start in life;
  - (ii) Developing educated, responsible and informed citizens;
  - (iii) Promoting a prosperous, inclusive and sustainable economy;
  - (iv) Supporting people to lead independent, healthy and active lives; and
  - (v) Creating a safe and sustainable place for future generations.
- 1.3 This report relates to Objective No (iii) 'Promoting a prosperous, inclusive and sustainable economy' and the outcome of 'Thriving, expanding economy' by ensuring that all our communities benefit from improved digital connectivity. It will also support Perth City Plan to make sure that Perth City is digitally connected with access to superfast broadband to encourage business growth.

## **2 Resource Implications**

### Financial

- 2.1 On 22 August 2012, the Enterprise and Infrastructure Committee agreed £250,000 to support the Perth Super-Connected City Project. This requirement has now been reduced to £170,000. A contribution of £340,000 has been agreed by DCMS towards the project. The financial commitment relating to Perth Super-Connected City Project will be funded from the approved Environment Service revenue budget in 2013/14 and 2014/15.
- 2.2 Perth and Kinross Council agreed £1.2M on 19 December 2012 to support the roll-out of the Scottish Government Step Change (Rest of Scotland) Programme, to be met from the Council's Capital Grant. The Scottish Government has confirmed this financial commitment and reduced the Capital Grant accordingly, as reported to the Strategic Policy and Resources Committee on 18 September 2013.
- 2.3 The Head of Finance has been consulted and has confirmed the financial commitments. Other funding streams will be investigated including partner funding of demand stimulation and marketing activities and creation of revenue streams from leasing of assets and possible other European Funding opportunities.

### Workforce

- 2.4 A fixed term (up to 31 March 2015) Digital Connectivity Project Assistant will be employed by the Council to provide project management support.

### Asset Management (land, property, IST)

- 2.5 Funding from DCMS will be used to install free wifi hotspots in public buildings enhancing existing Council's IT assets. The Head of Information Systems and Technology has been consulted and has indicated agreement to the proposals. It is envisaged that the development of wireless coverage would use Council's assets (e.g. lampposts, CCTV, buildings). Such use will be negotiated and agreed using the current procedures for such use.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. An equality impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.

- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome: the proposal could have a positive impact on older people, people with a disability or people on low income or not working by offering more opportunities to access services and develop social interactions. However, specific targeted activities would have to be developed to promote positive impact.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. The proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions. The activities in this report will contribute towards sustainable economic development, reduction of travel to access services or from/to work and improved access for rural communities.

### Legal and Governance

- 3.5 The consideration of the report is in line with the Council's Scheme of Administration and specifically the role of the Enterprise and Infrastructure Committee in developing measures to support and promote economic activity and to plan key infrastructure. There are no legal implications arising from the proposals contained in this report. The governance arrangements for the project are in place using Prince2 principles. The project management structure links directly to the Council's Governance structure via the Executive Director (Environment) as the Project sponsor and the Head of Planning and Regeneration as the Project Executive.

### Risk

- 3.6 Risks and the controls required to mitigate any risks will be reported through the Council's risk management process where the Council is the lead on individual projects. The main risks in relation to the roll-out Step Change (Rest of Scotland) relate to the ability of contractors to deliver the infrastructure on time and on budget as well as meeting standard requirements. The risks have been mitigated by the Scottish Government who is the contract signatory by transferring most of the risk to the contractor as part of the contractual arrangements and by having on-going mechanisms to monitor any arising risks through the deployment. The main risks in relation to Perth Super-connected City project is the capacity to deliver activities in a very complex commercial environment within potential state aid implications.

- 3.7 The risks have been mitigated by securing specialist technical advice and meeting DCMS project assurance requirements.

#### **4. Consultation**

##### Internal

- 4.1 The Chief Executive, the Executive Director (Housing and Community Care), the Executive Director (Education and Children's Services), the Head of Information Systems and Technology, the Head of Finance, the Head of Legal Services, the Head Planning and Regeneration, the Head of Democratic Services, have been consulted.

##### External

- 4.2 Perthshire Chamber of Commerce, local community groups, the Scottish Government, DCMS, telecommunication operators are either part of the project management team and therefore kept regular informed or have been consulted an on-going basis.

#### **5. Communication**

- 5.1 As the project enters into a delivery phase, it is important that communication channels are clearly established to ensure effective internal and external communication. The nature of and the interest in the project would require regular contacts with elected members, interested parties, general public and businesses. The Council's Corporate Communications Team is part of the Project management team structure and will ensure that a project Communication Management Strategy is in place.

#### **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

#### **3. APPENDICES**

Appendix 1 Glossary

Appendix 2 Project Management Structure



## GLOSSARY OF TERMS

**2G Second generation of mobile telephony systems:** Uses digital transmission to support voice, low-speed data communications, and short messaging services.

**3G Third generation of mobile systems:** Provides high-speed data transmission and supports multimedia applications such as full-motion video, video-conferencing and internet access, alongside conventional voice services.

**ADSL Asymmetric Digital Subscriber Line:** A digital technology that allows the use of a standard telephone line to provide high speed data communications. Allows higher speeds in one direction (towards the customer) than the other.

**Broadband:** A service or connection generally defined as being 'always on' and providing a bandwidth greater than narrowband.

**Broadband Internet Access:** Often shortened to just 'Broadband' is the process of connecting to the Internet and transferring high volume of data at high speed rates. Connections are measured in Kilo Bits Per Second (kbps) or Mega Bits Per Second (mbps). The higher volume of data per second is transferred the better the connection is.

**Fibre-to-the-cabinet:** Access network consisting of optical fibre extending from the access node to the street cabinet. The street cabinet is usually located only a few hundred metres from the subscriber premises. The remaining segment of the access network from the cabinet to the customer is usually a copper pair but could use another technology, such as wireless.

**Fibre-to-the-home:** A form of fibre optic communication delivery in which the optical signal reaches the end user's living or office space.

**Internet:** A global network of networks, using a common set of standards (e.g. the Internet Protocol), accessed by users with a computer via a service provider.

**ISP Internet Service Provider:** A company that provides access to the internet.

**Mobile Broadband:** Various types of wireless high-speed internet access through a portable modem, telephone or other device.

**Public hotspot:** A public location which provides access to the internet usually using WiFi technology.

**Satellite Broadband:** Satellite broadband is delivered by a satellite in orbit around the earth which communicates with a computer via a satellite dish on the person's premises. The capability of current satellite broadband services is around 10 Mbps, however, the next generation could potentially deliver speeds of up to 50 Mbps.

**Wireless LAN or WiFi (Wireless Fidelity):** Short range wireless technologies using any type of 802.11 standard such as 802.11b or 802.11a. These technologies allow an over-the-air connection between a wireless client and a base station, or between two wireless clients.



## GOVERNANCE PROJECT MANAGEMENT STRUCTURE

**Council's  
Executive Officers**

**Digital Connectivity Project Board**

**Sponsor:** Jim Valentine (Board Chair - Executive Director) (TES)  
**Senior Responsible Owner:** David Littlejohn (Head of Planning & Regeneration)  
**Lead Supplier:** Ken Wilson (Corporate IT Manager) (ECS)  
**Lead Consumer:** Stephen Leckie (Perthshire Chamber of Commerce)  
**Project Assurance:** Fraser Crofts (Business & Resources Manager) (TES)

**Perth Super Connected City  
Project Delivery Board**

John McCrone (Regeneration Manager)  
 Vicky Unite (Perthshire Chamber of  
 Commerce)/FSB  
 Supplier

**Rural Broadband  
Project Delivery Board**

Lynne Harris (IT Services Manager)  
 Vicky Unite (Perthshire Chamber of  
 Commerce)/FSB  
 Community Broadband Networks  
 Supplier

**Project Support**  
 Vacant

**Project Manager**  
 Serge Merone

**Business/Consumer Demand/ Digital  
Participation Lead**

Ailish Laughlin (Business Growth Team) (TES)  
 Sandy Strathearn (Business Improvement  
 Manager) (HCCS)  
 Kenny McWilliam (Visitor and Commercial  
 Services Manager) (ECS)

**Technical Lead Wireless/Fixed  
Broadband**

Ed McNaughton-Wells  
 (Support Engineer) (ECS)

**Procurement Lead**

Mary Mitchell  
 (Corporate procurement Manager) (CE)

**Asset Advisor** - Graeme Fergusson (Corporate  
 Asset Management) (TES)  
**Legal Advisors** – Ben MacFarlane/Patrick Mair  
**Estate Advisor** – Kate Leer (TES)

**Planning advisor**

Richard Welsh  
 (Conservation Officer) (TES)

**Comms/Media advisor**

Scott Watson (Communication Officer)  
 (CE)

**External Advisors**

FarrPoint Ltd

**Finance advisor**

Thomas Cornet  
 (Senior Accountant) (TES)

