PERTH AND KINROSS COUNCIL

Enterprise & Infrastructure Committee

2 April 2014

**Improving Digital Connectivity
Across Perth and Kinross – Progress Report**

Report by Executive Director (Environment)

The purpose of this report is to provide an update on the progress of activities to improve digital connectivity in Perth & Kinross as well as considering the use of additional funding for rural communities.

1. **BACKGROUND/MAIN ISSUES**

1.1 On 22 August 2012 (Report 12/345), the Enterprise and Infrastructure Committee agreed a series of objectives (revised on 20 November 2013 Report 13/550) 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 2017, as a minimum, everyone across Perth & Kinross will have access to a 2Mbps service
- Objective 2: by 2017, 90% of premises in Perth & Kinross will have access to a Next Generation Broadband (NGB) service of 24Mbps service or more
- Objective 3: by 2017, 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 6: take-up of broadband services will be at least equal to the average across the UK (current UK take-up rate is 75%). The current broadband take-up for Perth & Kinross is 73.3% and 70% for Scotland.

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.

<u>**Objective 1**</u>

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   As agreed in the contract with BT Group, central funding (i.e. Scottish Government, BTUK and European Regional Development Fund) and Council's funding (£1.2m) aims to provide NGB to 90% of premises in Perth and Kinross by December 2017. 70% of premises should have access to NGB by March 2015. The first announcement for Phase 1 has been made with the following exchanges to be upgraded: Perth, Scone, Invergowrie, Methven, Almondbank. In March, the remaining exchanges for Phase 1 to be upgraded should be announced: Caputh, Stanley/Tayside, Inchture, Glencarse, Balbeggie, Bridge of Earn and Errol. First cabinets for Phase 1 should go 'live' by Summer 2014. From now on, announcements will be made on a quarterly basis.

2.4   The remaining 10% of premises will have access to 2Mbps minimum and, depending on the distance to upgraded cabinets and exchanges, access to higher speed, but not NGB.

2.5   In these areas, there would be a need for further assessment and deployment beyond the existing contract with BT Group using complementary technologies such as wireless, satellite or others. The Regeneration team within The Environment Service continue to work 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.

2.6   On 13 February 2014, the Council agreed an additional £200K in 2015/16 to assist those rural communities poorly served by the network to improve broadband access. It is recommended that the Committee agree to use such funding to:

- carry out technical feasibility studies to provide communities with technology solution options to improve broadband access
- support communities to develop business models to implement and procure technology solutions.
- match fund public or private funding to install and trial technology solutions with due consideration of state aid arising from the contract with BT Group

Objectives 4 & 5

2.7   With regards to Perth City and Scone and the provision of Ultrafast Broadband, the first announcement under The Step Change (Rest of Scotland) procurement has been made and a series of cabinets in Perth and Scone will be upgraded by Summer 2014. This would bring broadband provisions close to 100% of premises having access to NGB and 90% of premises having access to ultrafast broadband.

2.8   In addition to this, on 27 February 2014, the Council launched a Broadband Connection Voucher Scheme funded by the UK Department of Communications, Media, Culture and Sport (DCMS) through the Urban Broadband Fund (UBF). This aims to provide up to £3,000 towards additional connection costs to access Ultrafast Broadband to 215 small/medium enterprises across Perth City. The scheme will conclude at the end of March 2015.

2.9   With regards to high speed wireless coverage in Perth, a network of free public wifi hotspots in public buildings was launched in March 2014 using the funding of £80,000 has secured by the Council from DCMS through UBF. The following public facility and leisure venues now provide free public wifi hotspots:-

- Perth Museum and Art Gallery
- Pullar House
- 2 High Street
- Perth Leisure Pool
- Dewars Centre
- Bells Sports Centre
- 3-5 High Street (registrar's accommodation only)
- AK Bell Library.

2.10   This complements existing free public hotspots at Perth Railway Station and Perth Concert Hall, along with commercial hotspots. A second deployment phase would roll out free public wifi hotspots at the Fergusson Gallery, Rodney Leisure Centre and Canal Street Car Park. In addition, officers have started to engage with mobile operators to improve 3G wireless coverage.

Objective 6

2.11   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 will start to gain momentum along with the infrastructure deployment, and that a more detailed programme will be available soon to provide us with a framework for our local demand stimulation activities.

2.12   Specific local demand stimulation activities have focused 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 continued. 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.

2.13   The governance and project management arrangements for the development and implementation of the activities is supported by the appointment of the fixed term Digital Connectivity Project Assistant. In addition, specialist technical advice is in place.

3. CONCLUSION AND RECOMMENDATION(S)

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)   Agree the use of £200K in 2015/16 to assist those rural communities poorly served by the network to improve broadband access as described in the report

iii)   Asks for a further progress report in the Autumn 2014

Author(s)

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

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

<u>Financial</u>

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   Perth and Kinross Council agreed £200K in 2015/16 on 13 February 2014 to assist those rural communities poorly served by the network to improve broadband access.

2.4   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 as well as the creation of revenue streams from leasing of assets and possible other European Funding opportunities.

<u>Workforce</u>

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

<u>Asset Management (land, property, IST)</u>

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

3.   Assessments

<u>Equality Impact Assessment</u>

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 Executive sponsor and the Head of Planning and Regeneration as the Senior Responsible owner.

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 are 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 with 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 Finance, the Head of Legal Services, the Head of Planning and Regeneration, the Head of Democratic Services and the IST Infrastructure Manager, 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 regularly 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 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.