

# The Highland Council

10 March, 2016

Agenda Item	16
Report No	HC/12/16

## Digital Connectivity – Update

### Report by Director of Development and Infrastructure

#### Summary

The purpose of this report is to provide members with an update on digital connectivity across the Highlands.

#### 1. Background

- 1.1 Ensuring that the Highlands and Islands becomes a world class digital region is a hugely important objective for the region. High speed digital connectivity is an enabler of both economic and community benefits, contributes to business competitiveness and aids sustainability and growth of fragile communities.
- 1.2 As part of our proposed Inverness City and Highland Region Deal, the Council has asked Government to work with partners to develop a Joint Digital Highland Action Plan to maximise the effectiveness of the resources being committed and to deliver the ambition to be the best digitally connected rural region in Europe, through the accelerated provision and take-up of effective broadband and mobile coverage across the whole region, including enhanced public access to Wi-Fi.
- 1.3 Over the last few years good progress has been made in addressing the region's connectivity challenges. However, while current activity is a welcome start, delivering digital connectivity across the entire region will require significant further work.
- 1.4 It is recognised that many communities across the Highland are frustrated at the inadequate broadband and mobile coverage that currently exists and there is therefore an urgent need for information on future coverage plans for both broadband and mobile services with clarity over timescales enhancing this coverage.
- 1.5 The Scottish Government is committed to delivering digital connectivity with the aim of being a world class digital nation. In addition the UK Government has the aim of ensuring access for all to fast broadband through the introduction of a broadband Universal Service Obligation which will help to cement Britain's position as the most digitised major economy in Europe.

## **2. Convention of the Highlands and Islands – October, 2015**

- 2.1 At the last meeting of the Convention of the Highlands and Islands held in Elgin on 5 October, 2015 members discussed digital connectivity in the Highlands and Islands. At that meeting it was agreed to develop partnerships to enable connectivity in the Highlands and Islands to be taken forward in a way that has not previously been possible.
- 2.2 Since then, there has been strong engagement with officials from the Scottish Government, Community Scotland Broadband, Highlands and Islands Enterprise and the Council to start the process of aligning objectives and delivering a step change in digital connectivity across the region.

## **3. Current Developments in relation to Mobile Connectivity**

- 3.1 Having effective mobile connectivity across Highland is of critical importance and while good progress is being made to improve coverage, there are still significant areas which have no or limited coverage, which has a negative effect on individuals, businesses and communities.
- 3.2 Mobile Network Operators are making progress towards the commitment to providing 4G to 90% of Scotland by the end of 2017. EE are upgrading 113 mast sites in the Highlands and CTIL (Vodafone and O2) have upgraded 83 mast sites and will be upgrading a further 104 mast sites to 4G.
- 3.3 While there is good information on current coverage, it has been challenging for both the Scottish and UK Governments to get accurate future coverage plans from Mobile Network Operators. Efforts are continuing and the UK Department of Culture, Media and Sport are engaging with Ofcom to obtain this data from the operators, who will anonymise and aggregate it. This will provide clarity as to where commercial solutions will be brought forward and where a public sector solution will need to be identified.
- 3.4 The Scottish Government are currently working on proposals to assist Mobile Network Operators on ways in which the capital costs of building mast sites and the on-going operational costs of such sites can be reduced. This includes non-domestic rates relief for new mobile masts in non-commercial areas, piloting alternative renewable power sources for running the masts, possible changes to Permitted Development regulations and assisting operators with identification and access to sites.
- 3.5 As well as the commercial investment in mobile connectivity, 4G coverage will be extended through the UK Government's Home Office led Emergency Services Mobile Communications Programme through which EE will provide "blue lights" communications infrastructure using 4G technology.

- 3.6 The Extended Area Services project offers significant potential to address some of the coverage and “not spot” challenges throughout the Highlands. In particular the Scottish Government have agreed with the Home Office a mechanism by which masts built under this project can potentially be future-proofed (building a taller or more robust mast that would be required for the Emergency Services Mobile Communications Programme) to enable additional wider public access to mobile coverage.

#### **4. Broadband**

- 4.1 The Digital Scotland Superfast Broadband fibre rollout programme is being led by Highlands and Islands with a £146m project funded by Scottish Government, UK Government, Highlands and Islands Enterprise and BT, will deliver superfast broadband to a minimum of 84% of Highland premises by the end of 2016.
- 4.2 An important component of the Highlands and Islands project is the building of a backhaul network comprising 800km of a land-based fibre and 400km of subsea fibre laid via 20 subsea cable routes.
- 4.3 A second phase to the Next Generation Access (Superfast) rollout programme is currently being modelled to define the potential reach of additional investment. Through a combination of Scottish Government and UK Government funds, this could deliver increased coverage to 90% of the Highlands.
- 4.4 However, this second phase will be subject to different State Aid requirements from the European Commission which requires open access to BT openreach cables, fibre and network infrastructure. Discussions with the Scottish Government and relevant partners are taking place to work through a revised procurement strategy with a view to engaging with partners in the middle of 2016.
- 4.5 In addition to backhaul, access to superfast services is now available to over 95,000 premises via the Highlands and Islands Enterprise/BT programme. When combined with BT’s commercial rollout, over 135,000 premises in the region can now access superfast broadband.
- 4.6 The current superfast rollout will not reach every part of the region. Community Broadband Scotland was established to support communities to gain access to faster broadband where the market and the significant intervention under the Digital Scotland Superfast Broadband programme will not deliver next generation broadband. Community Broadband Scotland is actively supporting 87 pipeline communities across Scotland to explore broadband solutions. These projects could potentially provide services to 16,000 premises.

- 4.7 The initial funding for Community Broadband Scotland of £5m has been augmented with an additional £2.5m to 31st March 2018. In addition, Community Broadband Scotland will be the delivery partner for £9m via the Scottish Rural Development Programme over the period 2015-2020, to deliver the Rural Development – Broadband Programme.

## **5. Scottish Wide Area Network**

- 5.1 The Council acting as the Lead Authority within the Pathfinder North Partnership has entered into a contract for the provision of broadband services as part of the Scottish Wide Area Network (SWAN) initiative.
- 5.2 The aim of the SWAN initiative to procure and implement a single public sector telecommunications and network service available for use by any and potentially all, public service organisations within Scotland.
- 5.3 A report updating members on progress with this initiative was considered at the last Resources Committee meeting held on 24 February, 2016.
- 5.4 In addition early exploratory talks with the Scottish Government and Community Broadband Scotland raised the possibility of the SWAN initiative undertaking a pilot project to deliver community access. These discussions are at an early and are dependent on Community Broadband Scotland and the Scottish Government defining a sustainable delivery model.

## **6. Current Developments in relation to Wi-Fi Connectivity**

- 6.1 The Council is participating in a collaborative European Structural and Investment Fund programme with all 7 Scottish Cities based around developing Smart Cities. Smart Cities are cities that leverage digital technology and innovation to provide improved city services that benefit all their citizens. As part of this programme, Inverness is pursuing a City Wireless project that will create a scalable and flexible wireless backbone infrastructure that city systems such as an Intelligent Transport System (being pursued in a separate Smart Transport project) can utilise, as well as delivering a free open public Wi-Fi system in Inverness.
- 6.2 The backbone infrastructure will also allow future projects the benefit of reduced capital expenditure as the infrastructure part of the project will already be in place. This Wi-Fi system will improve mobile internet connectivity available to visitors and residents in the city in order to mitigate 3G and 4G coverage issues.

- 6.3 This project will support digital connectivity and access for all people who wish to use the internet (in the Wi-Fi Zone Area) by means of smart phone, tablet, or laptop. This is particularly important for the groups in our community who are more likely to have their life chances adversely affected by social/digital exclusion. For example, the unemployed, or the homeless often have internet-enabled devices but lack the ability to purchase internet services. Being able to access free public Wi-Fi will help improve access to services, such as housing and benefits, as well as supporting opportunities to apply for work or training. It also provides greater opportunities for user choice and social inclusion among vulnerable groups such as older people and people with disabilities.
- 6.4 This project is being supported through an initial £3m allocation from the City/Region Deal.

## 7. **Digital Inclusion**

- 7.1 The issue of digital exclusion features in the Scottish Government Digital Participation Strategy: *“Critically, we need to ensure that we grasp the opportunity that digital technologies offer to tackle deep rooted social and economic inequalities in our society.”*
- 7.2 Across the Highlands and Islands, 17.9% of residents have never accessed the internet. There are also a larger number of residents who do not have the skills or opportunity to use the internet regularly. This may be for a variety of reasons, including lack of skills and confidence, lack of appreciation of the benefits of going online, and unaffordability of devices or internet connections.
- 7.3 Digital access and the skills and confidence to use it can enable residents to seek and apply for work, manage their money, make savings, access and engage with healthcare, reduce social isolation and access learning opportunities.
- 7.4 Citizens Online are a digital inclusion organisation who provide training and support to get more people online. They are a national organisation focused on digital inclusion and have been running projects in the Highlands, supported by Highlands and Islands Enterprise and the Council for over 6 years. To date, Citizens Online has provided 740 hours of training. Almost 1,000 people have attended one-off taster sessions and 650 people have completed basic skills training.
- 7.5 Citizens Online are also running the Digital Resilience project which aims to build a sustainable and resilient approach to digital inclusion across Highland which can support basic digital skills for citizens, businesses and communities. This will maximise opportunities, minimise the risk of exclusion and help to tackle issues that contribute to poverty.

## **8. City/Region Deal**

- 8.1 The Council recognises that significant resources are being committed by the private sector operators, UK and Scottish Governments, other public agencies such as BDUK, Highlands and Islands Enterprise, Community Broadband Scotland and the Highland Council to enhance digital connectivity in the Highlands.
- 8.2 However in order to maximise the effectiveness of the resources being committed, the Council would wish to see a joint action plan developed for Highland involving Scottish and UK partners to ensure there is a strategic alignment of objectives and develop innovative solutions to ensure all of Highland benefits from digital and mobile connectivity. The Council also wants to ensure that business not only benefits from the digital infrastructure, but is able to fully exploit it in growing their businesses.
- 8.3 As part of the Inverness City and Highland Region Deal, the Council has asked Government to work with partners to develop a Joint Digital Highland Action Plan to maximise the effectiveness of the resources being committed and to ensure there is a strategic alignment of objectives as well as developing innovative solutions to ensure that the region is the best digitally connected rural region in Europe.
- 8.4 In addition to £10m from the Council's Capital programme which will be match funded by the European Structural and Investment Fund, the Council is seeking through the City/Region Deal funding from Government of £25m.

## **9. Convention of the Highlands and Islands – 10 March, 2016**

- 9.1 At the meeting of the Convention of the Highlands and Islands to held in Stornoway on 7 March, 2016, the Chief Executive of Highlands and Islands Enterprise will provide an update on the latest developments and the Leader of the Council will use this opportunity to stress the critical importance of making rapid progress on improving digital coverage across Highland.
- 9.2 The Leader of the Council will then provide members with a verbal update at the Council meeting on 10 March, 2016.

## **10. Conclusion**

- 10.1 While significant progress in improving digital connectivity has been achieved, there is a need for improved information on not spots that will enable multi-agency working to put in place a strategy that enables rapid progress on improving digital coverage across Highland. The positive and active engagement of the Scottish Government in developing a Joint Digital Action Plan for Highland will enable a step change in delivering on the region's ambition to be the best rural digitally connected region in Europe.

## 11. Implications

11.1 Resource – There is a commitment by the Council to use the £10m designated in the Council's Capital Programme for digital connectivity.

11.2 Legal, Equality, Climate Change/Carbon Clever, Rural, Gaelic – None

### Recommendations

Members are asked to:

- note the report;
- note that a workshop will take place in April to commence a mapping exercise to identify the not stops; and
- agree that digital connectivity remains a key priority for the Council as part of the Highland First Programme.

Designation: Director of Development and Infrastructure & Depute Chief Executive and Director of Corporate Development.

Date: 1 March, 2016

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