

Agenda Item	<b>6</b>
Report No	<b>RB/14/20</b>

**HIGHLAND COUNCIL**

**Committee:** Recovery Board

**Date:** 24 August 2020

**Report Title:** Digital Transformation in the Highlands – Progress Report

**Report By:** Executive Chief Officer Infrastructure and Environment

**1. Purpose/Executive Summary**

- 1.1 The delivery of an enhanced digital infrastructure has been recognised as a critical part of the economic recovery of the Highlands and indeed Scotland as a whole. The Highland area has specific challenges that need to be addressed and efforts must be made to influence local partners, UK and Scottish Governments on the need for rural and indeed some urban areas to benefit from full fibre or superfast connections. This will also help with other key ambitions such as reducing the need for travel and tackling inequality.
- 1.2 This report sets out progress against a number of initiatives that the Council has an involvement in and sets out a number of key actions that will help in moving the agenda forward over the coming months.

**2. Recommendations****2.1 Members are asked to:**

1. Agree that a lobbying document is prepared by the end of September to set out the key areas for co-ordinated action with local Highland partners, Scottish Government and UK Government;
2. Agree that a paper on any potential alternative options for the delivery of the digital funding available through the Highland City region Deal be prepared and reported to the ECI Committee;
3. Agree that an options paper is prepared on the practicality of delivering full fibre capability within future Highland Council capital projects, recognising the important role of commercial providers and the potential need to amend both national and local policy and procedures; and
4. Agree that the ECI Committee arrange a Members Seminar to discuss digital issues and the way forward and that a paper is brought to the Highland

Community Planning Partnership in due course (once the outcomes of the current legal issues relating to R100 are known).

### **3. Implications**

- 3.1 **Resource:** There are resource implications for the Council in delivering enhancements to digital infrastructure, albeit the funding available has been provided through UK and Scottish Governments to date. Coordination and prioritisation of resources with partners is likely to put us in stronger position to lobby for national funds.
- 3.2 **Legal:** none
- 3.3 **Community (Equality, Poverty and Rural):** All work streams associated with enhancing digital provision will have significant positive outcomes, in reducing inequalities currently experienced in the more rural parts of Highland.
- 3.4 **Climate Change / Carbon Clever:** The Scottish Government has committed to ending Scotland's contribution to climate change by 2045 at the latest, and the public sector is legally required to support this ambition. Digital inclusion is critical to enable the better use of technology to support behaviour change and reducing the need to travel.
- 3.5 **Risk:** All risk elements will be managed within each workstream.
- 3.6 **Gaelic:** The delivery of improved digital infrastructure will support the sustainability of local communities in gaelic speaking areas, as well as benefitting the delivery of Gaelic related economic development or educational activity.

### **4. Context**

- 4.1 Delivering improvements to the area's digital infrastructure has never been more important, and that is why it is an essential part of the Recovery Strategy for the Council. The importance of critical investment in the country's digital infrastructure to improve connectivity, reduce inequalities and build the country's resilience was recognised within the Scottish Government's Commission for Economic Recovery report, and formed an important part of the Scottish Government response (**Appendix 1**).
- 4.2 There are many positive elements of the work that the Council is engaged in around extending the digital capacity in the region. However, challenges remain, and this report sets out the current projects that are underway along with a number of key actions required to ensure that the full benefits are achieved for the region from both the UK and Scottish Governments.

### **5. Current Projects/Initiatives**

#### **5.1 Local Full Fibre networks (LFFN) Project**

The Local Full Fibre Networks (LFFN) programme is a UK Government project which was designed to stimulate commercial investment in full fibre networks in both rural and urban locations across the whole of the UK funded by the National Productivity Investment Fund. The Highland area has been successful in receiving funding from this scheme (to a value of £4.3m) and work is well underway on delivering full fibre

connections to 152 sites across Inverness, Caithness and Lochaber. The sites include Highland Council buildings, as well as NHS, HIE, UHI and SNH locations.

## 5.2 **Rural Gigabit Connectivity Programme (RGCP) Project**

The Rural Gigabit Connectivity (RGC) Programme aims to assist Building Digital UK (BDUK) which is part of the Department for Digital, Culture, Media and Sport (DCMS), and partner organisations, in delivering more gigabit-capable connections in locations that are unlikely to benefit from commercial investment by 2033; an ambition set out in Government's 2018 Future Telecoms Infrastructure Review. The Future Telecoms Infrastructure Review (FTIR) identified that approximately 10% of UK premises would be unlikely to receive commercial access to gigabit-capable broadband by 2033, and that these premises would be located primarily in rural and remote areas.

The benefit of this approach is two-fold. Firstly, providing a gigabit-capable connection to a public building enhances a public service. Secondly, the surrounding area may also, incidentally, become increasingly viable for commercial intervention, stimulating the market to build more networks in these areas.

A total of 38 Council and other public sector partner sites are being brought forward within this project, across a wide geography, with the focus obviously on more rural parts of the area.

## 5.3 **R100 Project**

Scottish Government has made a commitment for every home and business in Scotland to have access to superfast broadband of 30 Megabits per second (Mbps) - this is the Reaching 100% (R100) commitment. In doing so, it is intended that the R100 will deliver a future-proofed, national fibre network, making Scotland one of the best connected places anywhere in Europe, and underpinning future economic growth.

In December 2017, Scottish Government announced investment of £600m for the procurement phase of the R100 programme. Unfortunately, the contract for the northern element of the scheme has been subject to legal challenge and contract signature is, therefore, suspended until legal proceedings have concluded. This has of course delayed the programme, and the Council Leader has written to the minister seeking resolution to the current impasse. It is expected that by the end of October 2020 further information will be available regarding the award of the contract.

An important element of the R100 project is the intention to use the digital element of the Highland City Region Deal (c.£20m) to support the roll-out of superfast broadband across the region. Clearly, given the current hiatus, there is a significant delay to the investment of these funds as well.

## 5.4 **Broadband Voucher Schemes**

Both UK and Scottish Government offer broadband voucher schemes designed to enable eligible individuals or businesses to get access to faster speeds. The UK Voucher scheme has been operating for some time.

The Scottish Government scheme will provide additional support to ensure that everyone can access superfast broadband services before the end of 2023, delivered through a national demand-led voucher scheme. At the time of writing this report, it is thought that an announcement is imminent relating to the scheme, which will provide

grants to broadband customers in non-domestic and domestic premises, offering support to access a range of technologies and suppliers. The Board will be updated on any announcement.

Further information is available from:

<https://www.scotlandsuperfast.com/how-can-i-get-it/alternative-solutions/>

<https://gigabitvoucher.culture.gov.uk/>

## 5.5 **4G/5G Coverage**

Another critical part of the digital inclusion drive is to enhance the provision of mobile digital services across the Highlands. Much work is underway to focus on “not spots”, but the challenge remains a significant one. The Council continues to discuss with partners in HIE and in Scottish Government on how best the roll-out can be supported, and a meeting with Scottish Futures trust and the 5G centre is being held to ensure that the Highlands remains an integral part of the development of the network.

## 6. **Actions Required**

6.1 As Members of the Recovery Board will appreciate, there is a significant level of activity underway in terms of extending the full fibre network through the LFFN and RGCP projects. However, the delivery of sustained and transformation change in an area like the Highlands remains a real challenge. Movement on the R100 project will be a significant next step, but the key actions required for the Council can be summed up as follows.

### 6.2 **Partnership Working and Lobbying with UK and Scottish Governments**

The delivery of the projects to date has relied on close collaboration with partners such as Highlands and island Enterprise, University of the Highlands and Islands and NHS Highland. It is essential that this work continues, and a jointly funded Project Manager for the LFFN and RGCP is currently the subject of a recruitment process, given the recent resignation of the previous postholder.

The Council should continue to press for close collaboration between with the UK and Scottish Governments, given the funding available from both. This is clearly a complex and politically sensitive area, but the benefits from joint working are likely to deliver the greatest benefits to achieving the aim of ensuring that the digital infrastructure required to power and sustain economic recovery is truly from the “Outside In”. the Recovery Board may therefore wish to agree that a lobbying document is drawn together as a priority to inform discussions.

### 6.3 **Acceleration of Spend of Highland City Region Deal Digital Funding**

Clearly, the delay with the R100 project is affecting the ability of HIE, as lead partner, to deliver spend against the £20m element of the Highland City region Deal. Alternatives to the current proposal to supplement the existing R100 may have benefits, and it is important that options for that spend (and any other available funding that may become available) are properly explored and considered by the City region Deal programme Board and the Council. It is therefore recommended that a paper is drawn up setting out any viable alternative approaches for consideration by members.

#### 6.4 **Full Fibre delivery to Council and other public sector Developments**

Both the LFFN and RGCP projects are effectively delivering full fibre networks to existing Council buildings. This is very welcome, but the forward planning of capital investment in the Council estate, including new housing developments, must be informed by opportunities to extend the network further. Whilst the commercial roll-out of fibre to the premises is offered by a number of providers, it is recommended that further work be undertaken, in discussion with providers such as BT Openreach, to ensure that all efforts can be made to derive full fibre benefits related to smaller, more rural schemes. This should then form the basis of an early report to the ECI Committee along with a recommendation on any changes that might be required to planning policies and procedures.

#### 6.5 **Engaging with Local Partners**

It is critical that local engagement with partners takes place on the implementation of all of the opportunities to come forward. Engagement with Members is the first stage in this, and Members are asked to agree that a workshop be held under the auspices of the ECI Committee. Similarly, the link to Community Planning Partners is critical, and again it is recommended that further engagement takes place through the Community Planning Partnership once the outcome of the R100 legal issues are known.

Designation: Executive Chief Officer – Infrastructure and Environment

Date: 16 August 2020

Author: Malcolm Macleod

Background Papers:

## Appendix 1

Extract from the Scottish Government's Response to the Advisory Group on Economic Recovery.

<https://www.gov.scot/publications/economic-recovery-implementation-plan-scottish-government-response-to-the-advisory-group-on-economic-recovery/>

**Economic Recovery Implementation Plan** The Scottish Government's response to the Advisory Group on Economic Recovery

<p><b>(10) The UK and Scottish Governments should mobilise investment in Scotland's digital infrastructure, covering broadband and mobile networks, to build resilience and enhance exports.</b></p> <p>This recommendation aligns with our existing strategic digital connectivity priorities, reflecting the pivotal role that digital connectivity has played throughout the pandemic.</p> <p><b>We have:</b></p> <ul style="list-style-type: none"> <li>■ Established the <b>Logan Review</b>, to consider how we can stimulate and accelerate the maturity of Scotland's "Technology Ecosystem", in a way that supports and nurtures technology businesses in Scotland, from the early start-up phase through to fully scaled maturity.</li> <li>■ <b>Supported the work of the health and emergency services</b>; for example, digital connectivity infrastructure was provided quickly by both Openreach and Vodafone to support the NHS Louisa Jordan hospital on the SEC Campus ahead of its rapid construction.</li> <li>■ Invested £600 million to extend broadband infrastructure via the <b>Reaching 100% programme</b> that will ensure every home and business in Scotland can access superfast speeds.</li> <li>■ Invested £25 million via the <b>Scottish 4G Infill Programme</b> to build new masts in selected mobile 'not-spots'.</li> <li>■ Established the <b>Scotland 5G Centre</b>, which is developing further projects to improve rural connectivity.</li> <li>■ Committed £5 million to the <b>Connecting Scotland</b> programme to provide devices, data, skills training and technical support to people on low incomes and digitally excluded who are at high or very high clinical risk from COVID-19.</li> </ul> <p><b>We will now:</b></p> <ul style="list-style-type: none"> <li>■ Update our <b>Digital Strategy</b>, which will set our infrastructure ambitions within the wider context of aims to transform the delivery of digital public services, establish common operating platforms and bridge skills and education inclusion gap.</li> </ul> <p><b>We plan to:</b></p> <ul style="list-style-type: none"> <li>■ Work with <b>Scottish Futures Trust</b> to lead the development of Scottish Government's strategy with the datacentre and international connectivity industry to encourage new investment in sustainable Scottish data hosting facilities.</li> <li>■ Develop service offers on the <b>Internet of Things (IOT) networks</b> to stimulate demand and support uptake.</li> <li>■ Work with telecoms operators and key stakeholders to proactively <b>investigate barriers to telecoms deployment</b>.</li> </ul>	<p><b>NPF outcomes:</b></p> <ul style="list-style-type: none"> <li>■ Economy</li> <li>■ Communities</li> <li>■ Fair Work &amp; Business</li> </ul>    <p><b>4 Capitals:</b></p> <ul style="list-style-type: none"> <li>■ Economic</li> <li>■ Social</li> </ul>  
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## Appendix 2

### Milestone Dates for Local Full Fibre Networks Project

Milestone	Description	Status	Comment
Initiate the Highland LFFN partnership project	Secure UK Government governance approval for £4.3m of funding and sign an order with Capita for CityFibre to provide fibre connections in 152 public sector buildings	<i>Mar 2018 to Jan 2019</i> Complete	UK Government approval provided at the end of January 2019 and the Highland Council (as lead partner) signed an order with Capita on 31 <sup>st</sup> January 2019
Successfully plan and prepare for the construction phase	Work with delivery teams in Capita and CityFibre to develop a delivery plan, project management documentation, CDM compliance manual and H&S plans to support construction activity	<i>Feb to Oct 2019</i> Complete	
Construction of Caithness core network	CityFibre to construct core networks in Thurso and Wick, with fibre lines to be installed in public sector buildings	<i>January to March 2020</i> Complete	
Activation of Caithness fibre connections	Capita to check and activate new fibre connections.	<i>March 2020</i> Delayed due to Covid-19 restrictions	Expected to be completed July 2020
Construction of Fort William core network	CityFibre to construct core network in Fort William, with fibre lines to be installed in public sector buildings	<i>April 2020</i> Delayed due to Covid-19 restrictions	Expected to be completed during July 2020
Activation of Fort William fibre connections	Capita to check and activate new fibre connections.	<i>May 2020</i> Delayed due to Covid-19 restrictions	Expected to be completed August 2020
Construction of Inverness core network	CityFibre to construct core network in Inverness, with fibre lines to be installed in public sector buildings	<i>By Dec 2020</i> In progress	
Activation of Inverness fibre connections	Capita to check and activate new fibre connections.	<i>By Mar 2021</i> In progress	Deadline to use UK Government funding is 31 <sup>st</sup> March 2021

## Appendix 3

## Milestone Dates for Rural Gigabit Connectivity Programme Project

(Draft)

Milestone	Description	Status	Comment
Initiate the Highland RGCP partnership project	Secure UK Government governance approval for £2m of funding and sign an order with Capita for Openreach to provide fibre connections in 37 public sector buildings	<i>Oct 2019 to May 2020</i> Complete	UK Government approval provided in May 2020 and the Highland Council (as lead partner) signed an order with Capita on 21 <sup>st</sup> May 2020.
Successfully plan and prepare for the construction phase	Work with delivery teams in Capita and Openreach to develop a delivery plan, project management documentation, CDM compliance manual and H&S plans to support construction activity	<i>June to Sept 2020</i> In progress	
Construction of first tranche of RGCP sites	Likely that RGCP activity will be split into 2 tranches.	<i>Oct to Dec 2020</i> Planned activity	
Activation of first tranche of RGCP sites	Capita to check and activate new fibre connections.	<i>Jan 2021</i> Planned activity	
Construction of second tranche of RGCP sites	Likely that RGCP activity will be split into 2 tranches.	<i>Oct 2020 to Feb 2021</i> Planned activity	
Activation of second tranche of RGCP sites	Capita to check and activate new fibre connections.	<i>Mar 2021</i> Planned activity	Deadline to use UK Government funding is 31 <sup>st</sup> March 2021