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## **DIGITAL SCOTLAND SUPERFAST BROADBAND ROLL-OUT - UPDATE**

**Report by Corporate Transformation & Services Director**

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### **EXECUTIVE COMMITTEE**

**2 February 2016**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report provides an update to elected members on the progress that is being made in delivering the Digital Scotland Superfast Broadband Programme in the Scottish Borders.**
- 1.2 Digital connectivity is critical to the economic development and competitiveness of the Scottish Borders. Scottish Borders Council has contributed strongly to the roll-out of the Scottish Government's Digital Scotland Superfast Broadband (DSSB) programme, providing £8.4M over two years to help extend the roll-out as far as possible in the Scottish Borders.
- 1.3 To date, 70 new superfast broadband cabinets have been installed as part of the roll-out, enabling the provision of new services to over 17,500 premises in the Scottish Borders. The roll-out will continue until the end of 2017, aiming to serve approximately 94% of all the premises in the area. The Scottish Government has also put in place the Community Broadband Scotland (CBS) programme to support those communities and locations where the DSSB roll-out will not reach.
- 1.4 Although good progress is being made with the DSSB programme, there is a range of challenging issues still to be addressed in relation to providing superfast broadband services across the Scottish Borders. These issues present a significant impediment to allowing all communities to access the Broadband services in an equitable way. It is proposed to raise these issues with the Scottish Government when the South of Scotland Alliance meets the Deputy First Minister on 8 February 2016.

#### **2 RECOMMENDATIONS**

- 2.1 I recommend that the Executive Committee:**
  - a) Welcomes the progress made on delivering the Digital Scotland Superfast Broadband programme;**
  - b) Notes the range of issues affecting the delivery of superfast broadband in the rural areas of the Scottish Borders; and**
  - c) Asks the South of Scotland Alliance to discuss the superfast broadband connectivity issues raised in this report with the Deputy First Minister when they meet him on 8 February 2016.**

### **3 BACKGROUND**

- 3.1 Digital connectivity is critical to the economic development and competitiveness of the Scottish Borders. It is crucial for the delivery of private and public services and in meeting consumer, business and visitors' needs and expectations.
- 3.2 The Council's aspiration is that wherever someone is located in the Scottish Borders, they should be able to access superfast broadband for business or personal use. The Council recognises that this aspiration is still some way from being fulfilled, even though good progress is being made in many parts of the area. There is still a clear disparity between the high levels of digital connectivity in more densely populated areas, compared with more rural areas like the Scottish Borders. The Council is working with its partners in the South of Scotland Alliance to raise this issue at the highest levels of government.
- 3.3 Scottish Borders Council has contributed strongly to the roll-out of the Scottish Government's Digital Scotland Superfast Broadband (DSSB) programme, providing £8.4M over two years to help extend the roll-out as far as possible in the Scottish Borders. However, this will cover less than 94% of premises in the Borders, which means around 6% of premises, mainly in remoter rural areas, will not be covered by Superfast Broadband. They may only have access to slower broadband services, or have no broadband access at all.
- 3.4 The additional £8.4m investment from Scottish Borders Council was agreed in 2013. The investment was made to enable an increase from the 75% Government funded coverage across the area to as many additional premises as possible. The Digital Scotland Superfast Broadband programme is due to increase superfast broadband coverage to about 93.6% of premises in the Scottish Borders.

### **4 SUPERFAST BROADBAND PROGRESS**

- 4.1 The roll-out of the Digital Scotland Superfast Broadband Programme is now well underway across the Scottish Borders. The first new superfast broadband cabinet went 'live' in the summer of 2014 and since then a number of localities have been upgraded to fibre broadband. The programme continues to deliver on a phased basis and further areas will be upgraded over the next two years, bringing coverage in the Scottish Borders to around 94% of all premises by the end of 2017. At the moment 70 new superfast broadband cabinets have been installed as part of the roll-out, enabling the provision of new services to over 17,500 premises in the Scottish Borders. This work is complemented by the commercial roll-out that BT Openreach has undertaken in the larger towns in the area, latterly in Hawick and Kelso.
- 4.2 It is recognised that providing the superfast broadband infrastructure is just one element of supporting our local economy. The Council and Scottish Enterprise are also working to encourage local businesses to make the most of this new digital connectivity in their business models. A number of projects are planned to help businesses learn more about how digital connectivity can enhance their productivity and business opportunities.

- 4.3 For instance, the 'Digital Boost' programme will offer services for small to medium enterprises, to provide them with advanced digital advice. Through Business Gateway, it will offer them development of their technical ability through services that will include: digital health checks, online guides, webinars, workshops and one-to-one specialist support at a level not currently available to them. This national programme started with the first workshop in the Scottish Borders on 19 January 2016.
- 4.4 The DSSB Fibre To The Cabinet (FTTC) roll-out will reach the majority of all domestic and business premises. However, many properties will not be served by this programme. Recognising this, the Scottish Government has also put in place a complementary programme, Community Broadband Scotland (CBS), which has been established to support communities to identify and deliver their own superfast broadband solution in those areas that will not be served by the main DSSB Programme. It aims to encourage and support the development of successful and sustainable community broadband projects to deliver superfast broadband connectivity through the use of innovative technologies and business models, the sharing of knowledge and experiences, and through leveraging in additional funding.
- 4.5 It was positive to note that the Scottish Government made an additional commitment of £2.5 million, along with £9 million of EU funds, to Community Broadband Scotland, on top of the £5 million that it had previously allocated. This will support the provision of superfast broadband in the most rural areas of Scotland. Effective delivery of the Community Broadband Scotland Programme will go some way towards this aim, along with other technologies including satellite broadband. However, officers are concerned about the scale and complexity of this task and the capacity of communities to deliver these complex technology projects.
- 4.6 Parts of the Scottish Borders are also eligible for a pilot project to provide Superfast Satellite Broadband to certain postcode areas. This pilot is being run by Avanti, and has received funding from the UK Government to target up to 1000 customers across the South of Scotland, Aberdeenshire and parts of Northern Ireland.

## **5 BROADBAND CONNECTIVITY ISSUES**

- 5.1 Although there is significant progress with the Superfast Broadband roll-out, there are a number of related issues which have caused concern. Officers are concerned about the lack of information from British Telecom on the download and upload speeds of the areas already covered, or to be covered, by the DSSB roll-out. The exact details of premises in exchange areas which will be covered by the provision of superfast broadband only becomes clear once cabinets are activated. It is recognised that more information is being provided by British Telecom, however it is still limited. It is proposed that this issue is raised with the Deputy First Minister when he meets with the South of Scotland Alliance on 8 February 2016.
- 5.2 It has been noted that additional resources have been made available by the Scottish Government to further extend the delivery of Superfast Broadband. Again, the South of Scotland Alliance plans to discuss with the Deputy First Minister how the Scottish Borders and Dumfries and Galloway will benefit from this new funding allocation.
- 5.3 Community Broadband Scotland (CBS) is working with community groups to develop projects for providing broadband solutions in the areas outwith the Superfast Broadband roll-out programme. However, officers are concerned about the limitations of this initiative.

- 5.4 The Scottish Government is using CBS as its main instrument for facilitating the provision of Superfast Broadband in premises in the most rural areas of Scotland. It is understood that this programme will support 16-18,000 premises across Scotland, out of a total of approximately 120,000 premises that will not be served by the Superfast Broadband Programme. This means that it is likely that a significant number of premises will remain without superfast broadband access across Scotland, especially in rural areas like the Scottish Borders. There is a need for a national solution to this issue, for a programme to cover the remaining 5-6% of premises in the Scottish Borders (and other areas of rural Scotland). Again, it is proposed that this issue is raised with the Deputy First Minister when he meets with the South of Scotland Alliance on 8 February 2016.
- 5.5 The existing CBS programme has been facing complex problems in encouraging rural communities to undertake projects. To address these issues, CBS is developing an aggregated approach that brings a number of rural communities together to provide a critical mass of premises that can then form the basis of a commissioning exercise. Currently such a strategic programme is being developed within the South of Scotland for the Tweeddale, Ettrick and Yarrow, Eskdalemuir and Newcastleton areas.
- 5.6 Significant expectations and burdens are placed on communities to manage and sustain these projects. It is clear that communities need to have good capacity, leadership and skills to do this, meaning that only some communities will be able to take on these projects. There are also significant levels of revenue and capital funding required, to be provided by these communities in addition to the funding support from CBS. This could be difficult for communities to secure. This issue has already arisen with the project mentioned above, where revenue funding to support the development and planning stage of the project is not available from CBS and cannot be easily identified from local organisations. It is proposed that this issue should be raised with the Deputy First Minister when he meets with the South of Scotland Alliance later in the month.
- 5.7 Apart from the CBS provision it is also recognised that additional support is to be made available by the UK Government to households and businesses in remoter rural areas to take up satellite broadband. However, it is acknowledged that satellite broadband is not an ideal solution because of the limitations in the capacity of superfast broadband that can be provided.
- 5.8 Moving into the future, there are concerns about ensuring that the Scottish Borders can benefit from future digital network improvements. In particular, it is important that key industrial areas are connected to ultra-fast broadband to provide a level playing field for local companies to compete on. It is proposed that this issue should also be raised with the Deputy First Minister when he meets with the South of Scotland Alliance.

## **6 IMPLICATIONS**

### **6.1 Financial**

There are no direct financial costs as a result of the recommendations of this report. The Council has already committed £8.4M of capital funding to the Digital Scotland Superfast Broadband roll-out in order to extend that programme to cover as many premises as possible in the Scottish Borders. However, it is clear that other programmes, particularly Community Broadband Scotland, need to have additional revenue funding available to help make their planning and delivery stages. This is an issue that the South of Scotland Alliance should raise with the Deputy First Minister when they meet on 8 February 2016.

## 6.2 Risk and Mitigations

There is a reputational risk to the Council if the DSSB Programme does not deliver to as many households as possible. This risk has been mitigated by on-going involvement by Council officers in the programme management of the roll-out. Scottish Government and COSLA are also involved in managing the roll-out contract to ensure that the public funding involved is used as efficiently as possible, thus ensuring that as many premises as possible are served by the technology. It is important that the proposals from the South of Scotland Alliance are reinforced in order for the potential benefits of these changes to be realised for the Scottish Borders.

## 6.3 Equalities

It is anticipated there are no adverse impacts due to race, disability, gender, age, sexual orientation or religious/belief arising from this report.

## 6.4 Acting Sustainably

The roll-out will contribute to the sustainability of local businesses and communities as it will facilitate the delivery of digital services and digital business opportunities to a much greater number of premises across the area. For instance, this could help reduce the need for travel and reduce vehicle emissions.

## 6.5 Carbon Management

The Superfast Broadband rollout could reduce the need for travel and have a positive impact on carbon emissions.

## 6.6 Rural Proofing

While this report does not propose any new or amended policy, the superfast rollout will improve digital connectivity in many rural areas. However, there remain significant challenges in providing good, modern broadband services to all the rural areas of the Scottish Borders.

## 6.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

## 7 CONSULTATION

- 7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments incorporated into the report.

### Approved by

**Rob Dickson**  
**Corporate Transformation**  
**and Services Director**

**Signature .....**

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### Background Papers:

**Previous Minute Reference:** Item 8, Scottish Borders Council, 26 June 2013

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Douglas Scott can also give information on other language translations as well as providing additional copies.

Contact us at Douglas Scott, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA Tel: 01835 825155, email [dscott@scotborders.gov.uk](mailto:dscott@scotborders.gov.uk)