
Please find attached the Additional items for the above meeting

	SCRUTINY BUSINESS	
13.	Minute (Pages 3 - 6) Consider amendments to Minute of Meeting of the Audit & Scrutiny meeting held on 5 November 2018. (Amended Minute attached.)	2 mins
14.	Broadband Review Consider draft report on review of the Digital Scotland Superfast Broadband programme. (Draft report to be tabled at the meeting.)	45 mins

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SCOTTISH BORDERS COUNCIL AUDIT AND SCRUTINY COMMITTEE

MINUTE of Special Meeting of the AUDIT AND SCRUTINY COMMITTEE held in Council Chamber, Council Headquarters, Newtown St Boswells on Monday 5 November 2018 at 1.00pm

Present:- Councillors S. Bell, (Chairman), H. Anderson, J.A. Fullarton, S. Hamilton, N. Richards, H. Scott, S. Scott, E. Thornton-Nicol

Apologies:- Councillor K. Chapman

Also Present:- Councillor M. Rowley

In Attendance:- Chief Officer Economic Development, Clerk to the Council, Trainee Democratic Services Officer (E. Graham)

Scottish Government DSSB Team representatives: (Ms S. Budge, Mr J. Carsley, Ms F. Muir, Ms R. Darroch)

1. WELCOME AND INTRODUCTIONS

The Chairman welcomed those present to the meeting and introductions were made.

2. DIGITAL SCOTLAND SUPERFAST BROADBAND (DSSB)

- 2.1 The Chairman welcomed Scottish Government representatives: Programme Director for Digital Scotland, Sarah Budge; Senior Stakeholder Manager for Digital Scotland, Fiona Muir, Deployment Lead for Scottish Government, Rachael Darroch and Programme Director for Openreach, James Carsley. In 2014, the DSSB programme set out to ensure that, when combined with commercial coverage, 85% of Scottish premises had access to fibre broadband by the end of 2015 and 95% of Scottish premises had access to fibre broadband by the end of Contract 1. This 85% coverage was the step-change in terms of access to broadband. The contract required that each local authority area was to have a minimum of 75% coverage. **In the Scottish Borders, a Minute of Agreement had been signed between the Council and Scottish Government in July 2013, with the Council investing an additional £8.4m to increase coverage. Based on a desktop modelling exercise, indications were that 93.8% of premises would be connected to fibre infrastructure.** This assumed that commercial deployment would be completed as planned. In total 93.7% (figure to be verified), as at 30 September 2018, of premises were currently connected to the fibre broadband enabled network. This coverage dealt with access, not speed. The Thinkbroadband organisation statistics for Scottish Borders as at 1 November 2018 showed 83.9% of premises above 24Mbps speed and 93.81% of premises having partial fibre/full at any time. There were also a number of constraints at the time of the contract signing, as well as the real complexity and challenges in the Scottish Borders with **80% of structures built using SB local subsidy contribution were classed as very rural** and also Borders having some of the longest cable runs in Scotland.
- 2.2 The Scottish Borders Progress Coverage showed that structures/installations completed in 56 exchange areas: Fibre to the Cabinet (FTTC) at 79; Fibre to the Premises (FTTP) at 38; FTTC CuRe (Copper Rearrangement) existing lines were moved from either an exchange or a cabinet, to a new cabinet at 82. In the early stage of the Programme, Total Homes Passed (THP) had high returns on the structures deployed with an average of 183 per structure. As the programme was now in the most challenging areas to deploy, and the change in technology mix of deployment, this return was now much reduced (around 30 to 40 premises per structure) - the more rural, the more challenging the build. At times, a decision was made to go slower with the build to ensure the best value option was made. **Due to the rurality of the build and technology required to deliver to hard to reach places, it was often much more expensive, and when instances occurred of the cost**

breaching a contractual threshold, these had to be referred to Scottish Government for approval, with detailed costing provided to allow informed decision making. This had both a cost and time impact on delivery. In terms of the speed, Scottish Borders progress showed 36,500 premises had been connected to fibre infrastructure by DSSB, with 31,000 having access to speeds over 24Mbps (85%) and 33,000 >2Mbps (91%).

- 2.3 Additional funding from 'Gainshare' (£15.6m) had been invested into the contract allowing for deployment to be extended into 2019. This meant there was the possibility for further work in around 40 exchange areas, with the potential to address 3,000 homes, bringing a mix of additional coverage and speed uplift. Work was being carried out in some of the most remote areas which brought many challenges but these would be addressed as soon as possible. The take up levels for the Superfast broadband service within the Scottish Borders was marginally lower at 44.2% in comparison to the Rest of Scotland at 46.2%. However, a lot of effort was being put in to increase this with a new campaign launched recently. Information was available on where and when fibre broadband would be rolled-out in any area by visiting www.scotlandsuperfast.com. Once it was available in any area, people would need to contact their service providers to switch to fibre broadband – this is not an automatic process. The DSSB team also reported that the website was a very useful tool with information and videos. Members were asked to make contact if there was missing information or anything further that could be added. The information on-line was post code driven and when entered, information on each property was available. In summary, an incredible number of premises had been provided access to fibre as a result of DSSB intervention. The programme was focussed on taking fibre as far as possible within the funding available, increasing coverage and uplifting speed. There were a number of key points to note especially around the scale and complexity of the task in hand, as it was not always possible to connect all areas at once. Both the current commercial and DSSB programmes were still in the process of rolling out fibre broadband. Plans could change once the work commenced where unanticipated issues occurred, often these only coming to light once spades were in the ground. In terms of benchmarking, there was only a 0.2% difference in coverage between that in Scottish Borders and that in Dumfries & Galloway. There were great variations within Highlands & Islands from urban to very rural with the added challenge of having very little infrastructure to begin with in the west of the area.
- 2.4 Members asked the DSSB team a number of questions, including about R100, which was a different programme, with a separate team, and was currently out for procurement. R100 committed to 100% of Scottish premises having access to more than 30Mbps by 2021, with some of these using non-fibre solutions. DSSB would continue to provide fibre and a superfast service as soon as possible and would complement R100. In terms of coverage within the DSSB contract, the original focus was on FTTC (fibre to the cabinet), and then copper from the cabinet to premises. Access to fibre broadband may be through copper or an exchange but this still counted as coverage. In 2014, in terms of long lines and speed, this infrastructure had never been done before so work on DSSB had been based on a model. The primary priority had been to get fibre as far as it would go and uplift the speed above 2Mbps. Within 1.5km of a cabinet, speed should be at least 24Mbps. It was known that speed would reduce over copper over a distance. However, if fibre had been taken all the way to premises, then coverage would have been much reduced due to the high costs of FTTP connections. There were ways to enhance copper speeds. At the moment, 83.94% of premises could access superfast broadband with speeds of 24Mbps or more. Further funding for the DSSB programme going beyond March 2019 was being investigated. In terms of the coverage to be fulfilled by March 2019, the Chairman asked that the representatives consider what figures could be released, acknowledging that the way this was calculated had changed since 2012. The 'postcode' basis of the DSSB programme had been one of the challenging parts of the process, whereas R100 would be 'premises' based. The postcode base had been driven by the Open Market Review process, with DSSB building on the planned commercial provision. It had not been anticipated quite how difficult it would be to establish which premises within a postcode area would be impacted in terms of connections and speeds.

Some cabinets were also reaching or already at capacity, and these were being monitored so an upgrade could be planned or an additional cabinet put in as necessary. This was part of Openreach business as usual process and out-with the DSSB programme remit, although work continued between both teams to resolve this or target where possible.

- 2.5 The Chairman thanked DSSB representatives for attending the meeting, for their presentation, and for answering all the questions. It was further noted that the background reports attached to the agenda were for Members' reference and any questions arising from these would be dealt with at the next meeting.

DECISION

NOTED:

- (a) the presentation;
- (b) that a special meeting of the Audit and Scrutiny Committee to further consider the Broadband Review would be held on Wednesday 21 November at 10.30am in the Council Chamber, Council Headquarters; and
- (c) that the DSSB would provide further data if possible on the number of properties not connected and the number of properties not passed the level of >2Mbps.

The meeting concluded at 3pm

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