

SCOTTISH BORDERS COUNCIL BERWICKSHIRE AREA FORUM

NOTE of Special Informal Meeting of the
BERWICKSHIRE AREA FORUM held in the
Council Offices, Newtown Street, Duns on
Tuesday, 28 June 2016, at 6.30 pm

- Present:- Councillors M. J. Cook (Chairman), D. Moffat (Vice-Chairman), J. Campbell, J. A. Fullarton and F. Renton.
Community Councils:- Abbey St Bathans, Bonkyl & Preston – David Morrison; Ayton – J Slater; Cockburnspath – Pauline Hood, Neil Simpson; Coldingham – Rhona Goldie; Coldstream & District – Martin Brims; Duns – Anne Affleck; Edrom, Allanton & Whitsome – Trixie Collin; Foulden, Mordington and Lamberton – Howard Doherty; Gavinton, Fogo and Polwarth – Keith Dickinson, Tim Jackson; Gordon & Westruther – Trevor Jones, Steven Morris; Grantshouse – John Prentice; Greenlaw & Hume – Gerry McCann; Hutton & Paxton – Ewan Miller; Lammermuir – Mark Rowley; Reston & Auchencrow – David Torr; Swinton and Ladykirk – Bill Purvis.
- Apologies:- Councillor J. Greenwell.
Community Councils:- Burnmouth; Chirnside; Eyemouth Town Council; Leitholm, Eccles & Birgham; St Abbs.
Calum Kerr, MP.
- Also Present:- John Lamont, MSP; Stephen Morris.
- In Attendance:- Community Broadband Scotland – Senior Community Broadband Scotland Advisor (Chantal Geyer); Digital Scotland Superfast Broadband – Senior Stakeholder Manager (Duncan Nisbet); SBC - Corporate Transformation & Services Director (Rob Dickson), Interim Head of IT (Bill Edwards), Senior Policy Advisor (Douglas Scott), Clerk to the Council (Jenny Wilkinson).

1. **WELCOME**

The Chairman welcomed those present to the meeting and explained that the purpose of the meeting was to continue a dialogue with the Council, Digital Scotland and Community Broadband Scotland, to establish the main issues for broadband provision in Berwickshire.

2. **BROADBAND PROVISION IN BERWICKSHIRE**

- 2.1 The Chairman invited Duncan Nisbet, Senior Stakeholder Manager with Digital Scotland Superfast Broadband programme (DSSB), to give a presentation to the meeting on progress with the Superfast Broadband programme. Scotland's digital vision was "For Scotland to become a world class digital nation requires that people living, working and visiting Scotland can communicate and connect instantly using any device, anywhere, anytime". This vision was underpinned by a future-proofed digital infrastructure. The aim of the DSSB programme was to increase fibre broadband to around 95% of homes and businesses across Scotland by the end of 2017. Community Broadband Scotland would support community led solutions in remote and rural areas where the marked or Superfast Broadband programme did not go. Phase II of the Superfast Broadband programme aimed to extend superfast broadband beyond 95% of homes and businesses. To improve mobile connectivity, the aim was to extend 4G mobile coverage beyond commercial plans while supporting 5G infrastructure requirements. These projects were about connectivity and not speed. There were a number of infrastructure constraints for broadband. The DSSB programme was an intervention project to address market failure and fund the gap between commercial cost and actual cost. There were few providers at the infrastructure level and while commercial coverage in Scotland stood at 66%, in the Scottish Borders as

a whole it was 39%, but this did not cover Berwickshire which had no commercial coverage. There was currently no Universal Service Obligation, although that was under discussion. The programme had to comply with State Aid criteria which meant costs were shared with the supplier, the programme was technology neutral, had open access, and promoted re-use of existing infrastructure where possible.

- 2.2 DSSB was one of the biggest programmes in Europe, just over half-way through delivery, reaching 590k premises so far. By March 2018 current expectations showed indicative coverage for Scottish Borders to be 87%. Solutions were also being deployed to address connectivity issues with exchange only lines. Ofcom Scotland figures for June 2015 showed 73% access across Scotland to superfast broadband. Speed tests and further information for the Borders area could be found at Thinkbroadband.com. Details of the status of each area within the Scottish Borders – accepting orders, coming soon, planned area, in contract/scope, exploring solutions - could be found on the Digital Scotland website. If an exchange was showing green on the interactive map then this meant there was some connectivity to properties in the area, but did not necessarily mean all were connected. There was an issue with ‘exchange only’ lines which required a complex re-design of the cabinets. Gainshare was built in to the contract whereby if BT made more profit from the contract than anticipated, this money could be clawed back for reinvestment. Scottish Borders was one of the 5 priority areas for this reinvestment and it was anticipated that the outcome of the modelling currently underway would be available late 2016 which would then be the subject of a public consultation. Mr Nisbet then referred to the Avanti next generation Satellite Pilot which was a subsidised satellite scheme aimed at those areas which had less than 2 MBs per second speed – currently there were 2 satellites in the Borders area.
- 2.3 Indicative funding (£21m from UK Government and £21m from Scottish Government) was now in place for Phase II of the DSSB programme, which looked to reach 100% coverage of ‘superfast’ broadband across Scotland by 2021. The Phase II programme was at an early planning stage and was running in parallel with the UK Government plans for a Universal Service Obligation by 2020. In summary, the DSSB deployment was ahead of schedule at the moment across Scotland, which would take coverage to around 95% of premises. Further work was planned to extend coverage, with mobile coverage key and Community Broadband Scotland well placed to deliver community solutions. Support was required from Local Authorities for any new build, but take up of services drove socio-economic development by protecting existing jobs and creating new ones; increasing GVA; and giving the potential to increase gainshare and thereby coverage. The digital connectivity path across Scotland showed 66% coverage from commercial operators (albeit none in Berwickshire), with DSSB planned coverage of 95% by the end of 2018 and Phase II anticipating 100% coverage by 2021. Alternative provision other than fibre was through satellite (from 2 mbps), Community Broadband Scotland, and private funding.
- 2.4 Questions were then asked of Mr Nisbet regarding various aspects of the presentation. While cabinets had been deployed in a number of areas in Berwickshire, and the map of postcodes showed that there was coverage, this did not apply to all premises within a postcode area. However, this did not preclude the possibility of other work being carried out within a postcode area in future to make further connections. Connectivity was measured to the cabinet and not to individual homes. The data on speed of download was still being collated and had not been robust enough to test adequately previously, but it was anticipated that information from BT Openreach would be reported to the Council by the end of July 2016. The UK Government definition of superfast broadband was 24MBps which was the rate included in the DBBS contract. European definition was 30MBps. On a show of hands, only 2 people present received 24MBps+ speed. In terms of ‘exchange only’ lines, Mr Nisbet explained that the government funded programme had enabled just under 600k lines, of which 200k were exchange only. Solutions for exchange only lines were significantly more complex and expensive to deliver. Reference was made to some villages in Berwickshire having 98% lines as exchange only, but Mr Nisbet

advised that the programme was only designed to influence the fibre part of the line and not the existing copper lines. In terms of other service providers, BT was obligated under the contract to make its infrastructure available to other suppliers at the same price as it did for its own provision. The proposed Universal Service Obligation was in its very early days and there was no indication at the present time on who would deliver this or how it would be done. In response to a question regarding the absence of a BT representative from the meeting, the Chairman advised he had decided that would not be appropriate at this stage to invite them, as the meeting was about gaining a sense of the issues for any future contract. Mr Nisbet further advised that as the infrastructure went further into rural areas, costs rose exponentially. There was value for money criteria built in to the current contract and that would be measured as the contract moved forward. However, a new approach may be needed in the future. Some research on premises in the Highlands and Islands had shown that even with 100% subsidy for installation of an infrastructure, there were not enough premises to cover the costs of future maintenance of such an infrastructure. Mr Nisbet emphasised the need for a different approach in future to the provision of broadband and mobile infrastructure to the more rural areas of the country, confirming that satellite broadband could be used but did have limitations. The DSSB programme had been set up to deliver superfast broadband and because of state aid requirements that was all it could deliver. The aim of the programme was to maximise resources to get 2MB speed up to 24MB speed wherever possible. Mr Lamont commented that broadband should be classed as simply another utility and expressed concern that the programme seemed to be playing catch up all the time; if the contract was to deliver the speeds of today in 4/5 years time, then the area would still be behind the rest of the country. There was also an issue with the data on the Broadband website as it showed Foulden with a commencement date but this had passed and nothing had happened. Mr Nisbet responded that BT was putting fibre deeper into communities and fibre was best for any future upgrades. BT was also looking at GFast which allowed network operators to bring the speed of fibre to copper lines in some instances.

- 2.5 Ms Chantal Geyer, Senior Community Broadband Scotland Advisor, then gave a presentation on Community Broadband Scotland. Community Broadband Scotland (CBS) had been set up by the Scottish Government to support those communities which would not benefit from the roll out of DSSB. A broad estimate was that across Scotland this would be around 120,000 premises. CBS would help communities develop affordable and robust infrastructure which was fit for the future. These communities could be geographic or communities of interest, but any undertaking a CBS project were required to set up as a legal entity to ensure in future they could take ownership of and manage the asset being developed. The community groups needed to ensure that they understood local demand and commitment to a non-BT fibre solution; had volunteer commitment, effort and energy; had representation from each geographical area; variant area expertise e.g. project management, financial, technical etc; and be fully committed to the idea of owning the infrastructure. CBS advisors provided support to help communities identify need and assess demand; technical design expertise to identify the most appropriate long term solution; procurement expertise to procure the best value option; project management advice and support to manage the process; and funding. In terms of funding, this was broken down into 3 stages: scoping and demand stimulation (100%); business planning, project planning and procurement support (100%); and capital funding for build and commissioning (89%).
- 2.6 There were several delivery models available. The proposed Berwickshire CBS broadband project group have favoured a 'turnkey' model which was one designed, built and operated by a supplier. Another model was one which was designed and built by a supplier but operated by a community. A third option was one where a supplier provided the design, support and training to a community which then built and operated the system. There could be variations on these models depending on market response and community commitment. One of the most important ways in which CBS operated was that communities needed to own the asset and, as such, were required to take the lead in making the decision to progress with a CBS project. CBS advisors did support this

process and helped communities to understand the technology solutions available which could include fibre to the home, wireless to the home, and hybrid fibre/wireless. The types of projects which resulted from this were very individual to local circumstances but account had to be taken of cost and value for money criteria. As CBS funding was public funding, the communities they worked with had to follow public procurement regulations, and any resulting technical solution had to be sustainable once in operation, and capable of upgrade/replacement in future. The Berwickshire CBS project had engaged the community; identified which community would lead the project; identified the project area; and had issued the demand survey. The scoping document was being completed and this would be followed by the technical survey and CBS project approval, state aid public consultation, definition of the project area, establishment of the community representative legal entity, procurement, de-scoping postcodes and network build. Finally, there were a number of challenges within the CBS projects. It was a lengthy process to adhere to state aid and procurement regulations; the lead time to build and deliver services involved planning consents, licences, etc.; backhaul affordability and availability; community volunteers time and effort; and retention of community engagement and commitment throughout the project.

- 2.7 Questions were then asked of Ms Geyer regarding various aspects of the presentation. Within the 7 postcodes of the Foulden, Mordington and Lamberton CC area, 2 or 3 would be covered by the DSSB rollout programme but others would not. Within these 2 or 3 postcodes two thirds were not within 1.2 km of the street cabinet so this represented an immediate divide in the community. Ms Geyer explained that CBS could only work in those full postcode areas which had no coverage from DSSB and it was recognised that this could be very frustrating. The street cabinet was sometimes placed away from the 'centre' of an area which could be a hindrance. Mr Nisbet explained that the majority of places with copper cabinets had fibre cabinets next to them and the programme was trying to use the infrastructure for telephony for broadband. BT needed to re-use the existing structure where possible but this was complex, involved additional costs, and had to show that it maximised speeds through the funding/infrastructure available. An example was then given by Gavinton, Fogo and Polwarth CC of a company established through an EU Leader project which had brought broadband into the area. This gave a speed of 18MBps from a separate provider to BT which could only offer 0.2MBps. Experience had shown that the setting up of the infrastructure and implementing it was not where the issues arose, but 6 months into operation when levels of service could go down and communities had to speak to the supplier. That should not be a responsibility taken on by a community. Often there was patchy technical experience capacity within a community to take on such work. Ms Geyer advised that CBS did have advisers to support community groups through the project and procurement processes but would need to check on the availability of any post-implementation support. Reference was made to East Lothian Council which had taken a lead by sponsoring schemes and encouraging communities to get together to take forward projects, but this may not be practical in the much greater geographic area of the Scottish Borders. In terms of those postcode areas which only had some connectivity, Ms Geyer explained that it was possible to go out to open market review at premises level before state aid consultation to see what response was forthcoming from commercial suppliers. Depending on that response these 'grey' postcode areas could then be added in to CBS projects. CBS did not de-scope any postcodes until just before a project infrastructure build started. Such postcode areas would be looked at if CBS received a request from the community.
- 2.8 Mr Stephen Morris, a local resident who was involved in the Berwickshire CBS broadband project, then gave a presentation on a local wireless broadband project which had been completed for the Whitsome, Polwarth and Cothill area in 2013, with an EU Leader grant of £140,000, resulting in 70 connections. CBS had been involved in all discussions and meetings. Gavinton, Fogo and Polwarth Community Council had then agreed to explore expansion options and 8 Community Councils had met in June 2015. Demand surveys had now been completed for 5 Community Council areas – Abbey St Bathans, Bonkyl & Preston; Gavinton, Fogo & Polwarth; Gordon & Westruther; Grantshouse; and

Lammermuir. This was a typical rural environment, not especially remote. These surveys had involved the delivery of questionnaires to over 1,400 premises: 425 had been returned (30% return rate) and of these, 90% wanted faster broadband, 35% ran a business or worked from home, and 59% of respondents were in areas which would not be connected through DBBS, with the remaining 41% in areas which although the postcode showed DBBS connectivity, were not able to access this. In terms of broadband speeds, 43% had less than 2MBps, a further 32% less than 5MBps, and a further 21% less than 8MBps. No one received superfast broadband, and only 4% of premises could view HD video which required 8MBps. In summary, Mr Morris advised that the roll out to 94% of all premises by the end of 2017 gave a false picture as there were many rural areas not covered. While the CBS role was recognised, no projects had been delivered in Berwickshire in 4 years, and the CBS process was complicated, lengthy and required significant community input. Discussion then centred on the issues of connectivity which was not necessarily just due to distance from a street cabinet but also the age of the infrastructure from the cabinet to a house. Mr Nisbet advised that when someone signed up to a contract, the provider should let the person know what speed to expect; if that speed was not what had been expected then the supplier could be challenged.

2.9 Mr Rob Dickson, SBC Corporate Transformation and Services Director, then spoke of the Council's involvement in broadband connectivity. It had been very helpful for the Director to hear about the issues in Berwickshire and broadband connectivity, with this and download speed high up on everyone's agenda. This was a significant strategic priority for the Council. There was a huge amount of activity going on to try to get the service needed, but there were gaps between what was being promised and reality. A report had been presented to the Council's Executive Committee on 7 June 2016 which gave an update on the progress being made in delivering improved broadband services in the Scottish Borders. The Council had provided £8.4M over 2 years to help extend the roll out of DSSB as far as possible in the Scottish Borders to get a higher % of coverage. Progress had broadly been good and connectivity would be in place in cabinets but this would not give full household coverage. These limitations had been identified within the DSSB programme and the Council had worked with Dumfries & Galloway Council through the South of Scotland Alliance to make representations to Scottish Government Ministers about the inequity between digital connectivity in more densely populated areas and that available in rural areas. The CBS initiative and approach was commendable but very, very challenging for communities and expensive. A solution for the Scottish Borders was not obvious due to the distances involved. Within the next few weeks the South of Scotland Alliance representatives were due to meet with Scottish Government officials to try to find a solution for the 6% gap. The aim was to get some broadband service no matter where someone lived. It was important to tackle infrastructure now for a sustainable solution going forward, but there needed to be a reality check about the scale of the challenge being faced. The infrastructure for mobile telephony was also important and it was hoped to get a breakthrough within the next 12/18 months with mobile companies. There was market failure here and the government had stepped in but not to the level yet required so that gap needed to be addressed. Mr Dickson acknowledged that with hindsight it would have been good to start with those areas with the greatest need but the DSSB programme had been extremely beneficial for most areas and had now shown where the gap existed. The Council would look at those postcode areas with little or no connectivity and respond accordingly as without broadband this could impede economic development in the Borders going forward. All this hinged on discussions through the South of Scotland Alliance and Phase II modelling within the DSSB programme and the reinvestment of gainshare funding. Reference was then made to the massive difference between what speed appeared to be available at the cabinet and what speed people actually received at home.

2.10 In response to a question about the Council's recent contract with CGI, Mr Dickson advised that there was community gain within the contract and CGI was setting up a base in the Borders, employing 100 people to begin with and it was hoped this number would increase over time. Part of the contract was also to deliver increased fibre capacity to all

secondary and some primary schools in the Borders. This was currently being scoped and by autumn the Council would know which primary schools would be connected, although it was already known that some of these would be beyond the central Borders. BT did see this as a challenge to their infrastructure and it was hoped that this contract would benefit the Council and eventually communities. This work was on top of the existing Council connections through SWAN (Scottish Wide Area Network) which connected all Council properties back to Headquarters through fibre. Unfortunately, there were restrictions of the use of SWAN due to the way it was procured. However, CGI would bring new fibre assets. SBC Interim Head of IT advised that the key messages from the meeting were a clear understanding of the connectivity challenges in Berwickshire, although other areas in the Borders also had the same issues; work was ongoing to try to address these challenges, including looking at fibre beyond schools; and the need to maximise the potential for opportunities within the CGI contract. The Chairman thanked everyone for attending the meeting and for the constructive discussions which had taken place.

The meeting concluded at 8.45 pm