

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

<b>Report Name</b>	Aberdeen City Region Deal
<b>Lead Officer</b>	Julie Wood, CRD Programme Manager ACC
<b>Report Author</b>	Wendy Robertson, ACC
<b>Date of Report</b>	21 August 2019
<b>Governance</b>	City Region Deal Joint Committee

<b>1:</b>	<b>Purpose of the Report</b>
1.1	To present the Aberdeen City Region Deal the correspondence arising from discussion at the previous meeting of R100 and Spectrum.

<b>2:</b>	<b>Recommendations for Action</b>
2.1	It is recommended that the Joint Committee consider and comment upon the correspondence as appended.

<b>3:</b>	<b>Summary of Key Information</b>
3.1	At the meeting on 2 May, 2019, (Item 9) a report was considered providing an update on progress of the Digital Landscape work.
3.2	After discussion, the Joint Committee agreed as follows: (1) that representations be made to the Westminster Government that any future Spectrum allocations should stipulate a defined provision in the harder to reach, rural areas; and (2) that concerns be expressed that the Scottish Government's R100 programme had not worked as anticipated
3.3	Letters were sent by Councillor Gifford, Chair of the Joint Committee, and the responses received, are attached for consideration.

4:	Finance and Risk
4.1	There are no Finance and Risk implications in this report



Cabinet Secretary for Transport, Connectivity &  
Infrastructure  
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The Scottish Parliament  
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**Councillor Jim Gifford**

*Leader of the Council*

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03/06/2019

Dear Mr Matheson,

Aberdeenshire Council welcomed the DSSB report “Delivering on our commitment in Aberdeenshire” and the accompanying document detailing how our £16million had been deployed. We are though acutely aware that some 11% of premises in our Local Authority area have received no benefit from the programme and are unlikely to do so by the time it concludes in March 2020

Over 5000 premises in Aberdeenshire were invited to apply for connection vouchers but under 1000 did so. Only 353 of these proceeded to a (mainly) satellite solution, evidence of both significant resistance to satellite broadband and the scale of the challenge remaining to connect these premises.

We are aware that the R100 programme is expecting to make the offer of a 30 Mbps connection to 100% of premises in Scotland, with rural areas being prioritised. Apart from learning that FTTP is the default methodology for mandated premises and unspecified timetable slippages, we have very little detail on this project and the “aligned interventions” programme which will deal with premises not receiving FTTP.

We would also ask that you confirm that any programmes after R100, which will focus on providing gigabit capable connectivity, will start with rural areas and work back into large settlements, where commercial deployment is much more likely to occur. It is essential that our rural communities and businesses suffer no further disadvantage if they are to compete effectively - both domestically and internationally

Whilst not wishing to understate the challenge of providing superfast broadband to all premises, good quality connectivity is vital to rural areas and our smaller towns where to date there has been little if any competition in service provision.

By way of comparison, Portugal enjoys 89% FTTP and 4G coverage is excellent out with major settlements and Scotland must be able to match this level of coverage if we are to be economically successful, particularly in rural tourism.

5G deployment is dependent on widespread deployment of fibre if we are not to see a plethora of masts and aerials. We are sure that you will agree that it is better to have common user fibre built for the benefit of all and for a large number of end users than have each of the four network operators or their joint venture companies compete for sites and incur avoidable costs in connecting up Scotland's huge rural geography.

We trust you will be able to provide a detailed response to us in terms of the number of Aberdeenshire addresses covered by R100, the number in the mandated area and the number for which aligned interventions will be necessary. It would also be very useful if we could be provided with a timetable for delivery of the R100 programme, including a start date.

Yours sincerely

**Councillor Jim Gifford**  
**Leader of the Council**

Minister for Energy, Connectivity and the Islands  
Paul Wheelhouse MSP



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Councillor Jim Gifford  
By email: [rachel.stanford@aberdeenshire.gov.uk](mailto:rachel.stanford@aberdeenshire.gov.uk)

Our ref: 2019/0016739  
01 July 2019

Dear Cllr Gifford,

Thank you for your letter of 03 June to the Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson MSP, in which you ask a number of questions regarding the Reaching 100% (R100) Programme. I am responding as the Minister with portfolio responsibility for the Scottish Government's interventions on digital connectivity.

As you will perhaps be aware, regulation and legislative competence in the area of telecommunications is wholly reserved to Westminster under the provisions of the 1998 Scotland Act. However, the clear absence of a UK-wide strategy for improving rural connectivity, and the threat that entire areas of the country would be left with no superfast coverage at all, with the consequent severe implications for economic development in those localities, has meant that the Scottish Government has had to step-in take the lead and use Scottish Government resources to address poor coverage, given broadband's economic importance to Scotland.

Aberdeenshire has been well served by the Digital Scotland Superfast Broadband (DSSB) programme with latest figures showing that 86,261 premises are now capable of accessing fibre broadband, with 73,153 of those capable of receiving speeds of 24 Megabits per second (Mbps) or above. Data produced by independent broadband analysts, thinkbroadband, indicate that around 82% of premises in Aberdeenshire can now access superfast broadband at speeds or more than 30 Mbps, up from just 16.6% in 2014 when DSSB deployment began.

As you may be aware, the DSSB programme was never intended to deliver 100% coverage, but to use public resources to address areas where there were no commercial investment planned and help maximise the fibre broadband coverage delivered with the funding available at that time. That being said, I fully recognise the increasing importance of good quality digital connectivity across Scotland, especially in our country's more rural areas. This is exactly why we have developed our £600 million Reaching 100% (R100) programme that will deliver on our commitment to ensure that every home and business in Scotland has access to superfast broadband – of speeds greater than 30Mbps.

The Scottish Government has committed an unprecedented sum to the R100 programme of £579 million (96.5%) of the £600 million committed to the initial procurement.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

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[www.gov.scot](http://www.gov.scot)



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This represents the biggest single public investment in any UK broadband project, building upon the £400 million investment made by the Scottish Government and our partners to the current DSSB programme. The UK Government has chosen to commit just £21 million to the forthcoming R100 investment – or just 3.5% of the total cost – despite regulation and legislative powers over the telecommunications being an area wholly reserved to the UK Parliament.

We are determined that the R100 programme delivers the best possible results for Scotland and have designed a procurement process to achieve this. I recently updated Parliament on the current procurement timetable which outlined that I anticipate the appointment of a preferred bidder or bidders by the end of September 2019 with contract signature by the end of the year. Until contracts are awarded, it is not possible to say with any certainty which premises will be reached by the procurement and which will be delivered through aligned interventions, such as targeted voucher schemes.

The R100 procurement has been designed to target areas that need it most; we have excluded urban premises from the intervention area in the first instance, reflecting our view that public investment should be focused on rural Scotland and the legal constraints upon our intervening in areas, including urban centres, where commercial investment will occur. We have also mandated coverage in specific places in rural and island communities, ensuring that bidders will deliver new fibre infrastructure in key strategic locations, and that every part of Scotland is within reach of accessible fibre. We expect our investment through the initial £600 million R100 procurement to deliver a fantastic coverage outcome, pushing new fibre into remote rural areas with the expectation that fibre to premises solutions will play a very important role.

One of the key lessons learned from the current Digital Scotland contracts is ensuring that people and communities at a local level have early clarity on deployment plans. This is something we undertake to do as part of the R100 roll-out. However, the timing for doing so is reliant on the on-going procurement process and so we have committed to publishing clear deployment plans, once contracts have been awarded. This will ensure that the information provided is as accurate as possible.

I trust this information is of use to you.

Kindest regards,

**PAUL WHEELHOUSE**

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Margot James MP  
Minister for Digital and the Creative Industries  
DCMS  
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3 June 2019

Dear Minister,

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Aberdeenshire Council recognises the need for world class connectivity if our businesses are to compete effectively in global and domestic markets and deliver on the objectives of our Regional Economic Strategy.

We also recognise the requirement for excellent digital infrastructure if we are to operate efficiently and cost effectively in delivering public services, particularly to sparsely populated rural areas.

This Council made the largest contribution of any UK Local Authority to upgrading its area's broadband infrastructure (£16million), yet we are likely to have around 11% of our premises unable to access superfast broadband when the current DSSB programme closes in March 2020.

We would be grateful therefore if you could affirm your Department's commitment to having the mobile network operators deliver 5G services in rural areas first and before investing in cities. Previous licencing agreements have seen rural areas and large areas of many regions left disconnected, to the detriment of residents, businesses and visitors. A major problem when attempting to grow the rural tourism industry and promote precision farming for example.

We are working hard to maximise the deployment of gigabit capable infrastructure to help facilitate the roll out of 5G and support our businesses in contributing to our growth and export agendas. These efforts would be much more effective if your Department directed the phasing of investment in 5G networks and considered the benefits afforded by 5G as well as the licence income in assessing bids.

The DCMS LFFN programme encourages the use of the “public sector anchor tenancy” model in the construction and deployment of new gigabit capable infrastructure. If mobile network operators were directed to use such infrastructure, it would be far easier to encourage further investment in improving rural connectivity. New build infrastructure would have more end users from day-one reducing the commercial risk to the infrastructure company and providing resilient infrastructure to the network operators and service providers.

Yours sincerely

**Councillor Jim Gifford**  
**Leader of the Council**



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8 July 2019

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Our Ref:  
MC2019/05339/DB

Thank you for your correspondence of 3 June, regarding 5G roll out in rural areas. Please accept my apologies for the delay in replying to you.

The government is committed to creating a policy and regulatory environment that will ensure the right conditions for the development and deployment of 5G networks across the UK. The government recognises the importance of having world class digital connectivity across the country and has seen that fast, reliable connectivity can deliver economic, social and well-being benefits for both rural businesses and residents.

While there have been significant improvements in both mobile coverage and broadband connectivity overall (today 92% of the country is covered by a good 4G signal, and over 95% of the country has access to superfast broadband), the government recognises that there is more to do, particularly in rural areas. This is why we are working closely with industry to further extend mobile coverage and rollout of full fibre broadband.

These steps will support the rollout of 5G across the country, which will be built upon 4G networks and requires a network of high capacity broadband. Additionally, the government's 5G Testbeds and Trials Programme is running projects across the UK to test 5G technology and to develop new technical and commercial models for 5G deployment, including in rural areas. Rural projects include:

- 5G Rural Integrated Testbed (5GRIT), which is located in Invernesshire and Perthshire, as well as other locations across the north of England and Wales. The project is trialling 5G technology across a range of rural applications, such as smart agriculture, and connecting poorly-served communities.
- 5G Rural First, which is focusing on delivering 5G benefits for rural communities and industries like agriculture, broadcasting, and utilities. This is based primarily on the Orkney Islands, as well as rural Shropshire and Somerset.
- To reflect the challenging economics of providing connectivity in rural areas, DCMS plans to use the Rural Connected Communities (RCC) programme to explore new technical solutions and commercial models, the evidence from which will help improve coverage.

The government is fully committed to providing world class digital connectivity across the country and, as set out above, sees 5G as an opportunity to fulfill this.



I hope this information is helpful.

Margot James MP  
**Minister for Digital and the Creative Industries**