

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 11 MARCH 2021

IMPROVING ACCESS TO DIGITAL INFRASTRUCTURE

1 Reason for Report / Summary

- 1.1 To update Committee on progress with digital infrastructure in Aberdeenshire and propose the use of Aberdeenshire Council funding to create additional capacity to support improved connectivity in areas of limited coverage.

2 Recommendations

The Committee is recommended to:

- 2.1 Note the update on the gap analysis of digital infrastructure and forthcoming investments in Aberdeenshire; and**
- 2.2 Approve the use of up to £110,000 of Aberdeenshire Council's contribution to the City Region Deal digital workstream to create additional staff capacity to improve take up of digital infrastructure services and voucher schemes.**

3 Purpose and Decision-Making Route

- 3.1 The Aberdeen City Region Deal (CRD) was formally signed on the 21 November 2016 by Aberdeenshire Council, with our partners Aberdeen City Council, UK Government and Scottish Government.
- 3.2 At the meeting of Aberdeenshire Council 17 August 2016 (Item 3) the Council approved the Aberdeen City Region Deal Agreement along with the Implementation Plan, the Financial Plan and the Assurance Framework, subject to our partners approval also (Aberdeen City Council, Opportunity North East, the UK Government and the Scottish Government).
- 3.3 The Council also approved Aberdeenshire Council's global contribution of £10m to the Aberdeen City Region Deal Budget subject to approval of the detailed business cases of the individual projects being granted by the Council, other funding bodies and by the City Region Deal Joint Committee, the UK Government and the Scottish Government.
- 3.4 At its meeting on 5 February 2021, the Aberdeen City Region Deal Joint Committee (Item 8) approved the allocation of up to £220,000 from the CRD Digital Theme to create new staff capacity to further advance the provision of future-proof digital infrastructure in Aberdeen and Aberdeenshire. The £220,000 will be allocated from both Councils' contribution towards the CRD Digital Theme, and hence approval for this expenditure is required from Infrastructure Services Committee as part of the Council's governance of its financial commitment to the City Region Deal.

4 Discussion

- 4.1 In the spring of 2020, the Aberdeen City Region Deal Joint Committee commissioned a gap analysis of existing digital infrastructure across Aberdeen City and Aberdeenshire and a review of known future commercial and public sector investments. The aim of the gap analysis is to provide options for future investment in digital infrastructure through the resources allocated to the Digital Theme in the City Region Deal. Approximately £7 million remains uncommitted at the current time.
- 4.2 Elected Members were apprised of the outcomes of the gap analysis work at a seminar on 24 February 2021. In summary, the key findings are as follows:
- In spite of the significant investment made by Aberdeenshire Council and the UK and Scottish Governments through the Digital Scotland programme, superfast broadband coverage (>30Mbps download speed) is 82% against a Scotland average of 94%
 - Across the UK, on average 55% of premises can receive ultrafast broadband (>300Mbps download speed). In Aberdeenshire, that figure is 3.2%
 - Approximately 21,800 premises in Aberdeenshire do not have a superfast broadband service
 - In July 2020, BT announced commercial investment in fibre-to-the-premise build in seven locations across Aberdeenshire over the next four years. Work has commenced in Ellon and Inverurie with Banff, Cowie, Fraserburgh, Peterhead and Stonehaven to follow. This will bring ultrafast services to many of the premises in these areas, although it will be noted that many of them can already receive superfast services (>30Mbps)
 - There is good 3G and 4G coverage across much of Aberdeenshire, with the exception of some areas along Deeside and into the Cairngorms National Park
 - There are no current commercial plans for 5G deployment in Aberdeenshire. The area has not yet benefited from any pilot activity through the UK or Scottish Government's 5G programmes, although new 5G initiatives are under active consideration
 - The SSE Telecoms contract (funded through the City Region Deal) to deliver new fibre connections to public sector sites in Aberdeen and the immediate surrounding communities is progressing well. Commercial opportunities to build out from this new infrastructure are being considered
- 4.3 The Scottish Government's Reaching 100 (R100) programme will start to deliver in the North contract area later in 2021. The start of the contract was delayed due to a legal challenge but that was resolved late in 2020 and Openreach was confirmed as the supplier. Due to the delay, a new Open Market Review to revise commercial investment plans has had to be undertaken, which will then inform the R100 deployment plans. Openreach expect to be able to release further details about their deployment plans for the North contract area in the early summer of this year.

- 4.4 The gap analysis work has therefore only been able to reach a certain point due to the uncertainties about R100 investment in Aberdeenshire. The full options for future investment of City Region Deal funds into digital infrastructure across the area will therefore not now be considered until later this year, when much more clarity is available about gaps in infrastructure deployment until 2024.
- 4.5 Whilst the delay to award of the R100 contract and the subsequent impact on the completion of the gap analysis and options appraisal is frustrating, the City Region Deal Joint Committee has agreed to move forward with one of the proposals that came out of the gap analysis – namely the creation of additional staff capacity to build and maintain stakeholder relationships around the R100 programme and 5G and to support communities, businesses and residents to explore different solutions if R100 does not deliver for them.
- 4.6 This proposal would see up to 3 full-time equivalent posts created within Aberdeenshire Council’s Economic Development Service. A lead Officer post would be focused on stakeholder relationships and engagement with UK and Scottish Government digital programmes, broadband infrastructure providers and Mobile Network Operators. Up to two engagement Officer posts would work to support people and businesses in areas that have poor coverage to develop local solutions and access funding (e.g., through Government voucher schemes). The additional staff capacity will work across Aberdeen City and Aberdeenshire, although the focus will be on digital infrastructure and access in Aberdeenshire given the relative scale of the challenge.
- 4.7 Subject to Infrastructure Services Committee approving the use of up to £110,000 of Aberdeenshire Council’s City Region Deal contribution in this way, the posts will be recruited in the spring/summer of 2021 on a two-year fixed-term basis.

5 Council Priorities, Implications and Risk

- 5.1 The Report will support activity and service delivery across the following Council priorities:
- Our people – education; health and wellbeing
 - Our environment – infrastructure; resilient communities
 - Our economy – economy and enterprise
- 5.2 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial		x	
Staffing	x		
Equalities		x	

Fairer Scotland Duty		x	
Town Centre First		x	
Sustainability		x	
Children and Young People's Rights and Wellbeing		x	

- 5.3 An Equality Impact Assessment is not required because the proposed activity covered by this Report will be delivered across Aberdeenshire, with a focus on remote and isolated communities that are excluded from digital infrastructure investment. The proposals in the Report do not have a differential impact on any of the protected characteristics.
- 5.4 The staffing implications of this report are that up to 3 FTE posts will be created, on a two-year fixed-term basis, in the Economic Development service. Job profiles have been designed and are currently being graded, with a view to recruitment commencing in March (subject to ISC approval of the financial contribution).
- 5.5 The following Risks have been identified as relevant to this matter on a Corporate Level:
- ACORP005 – working with other organisations (e.g. partnership working). Expectations of what can be achieved through partnership working with commercial providers will need to be set out and agreed at the start of this activity.

6 Scheme of Governance

- 6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this Report, their comments are incorporated within the Report and are satisfied that the Report complies with the Scheme of Governance and relevant legislation.
- 6.2 The Committee is able to consider [and take a decision on] this item in terms of Section F.1.1(a) of the [List of Committee Powers in Part 2A](#) of the Scheme of Governance as it relates to resource matters within the Aberdeen City Region Deal.

Alan Wood

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Date 18 February 2021