
Provision of Broadband in Rural Areas – Progress Report

1. INTRODUCTION

Members will recall previous Council and EPPG updates regarding the recent broadband projects affecting connectivity and bandwidth availability across the Highlands and Islands of Scotland. The UK Government created a new body in 2010, Broadband Delivery UK (BDUK), with a broad remit including a vision that 90% of UK homes and businesses will have access to superfast broadband by 2015 with the remainder accessing similar services by 2020. To date BDUK have announced funding for 4 pilot superfast broadband projects, one of which covers the Highlands and Islands area including Mid Argyll and Kintyre. This project is managed by Highlands & Islands Enterprise (HIE). Much is expected of the BDUK superfast broadband pilot for the Highlands and Islands and HIE have recently taken the project to tender. This paper provides an update on developments to date.

2. RECOMMENDATION

That members note the current status of the BDUK Superfast Broadband Initiative and the inclusion of MAKI within the existing HIE/BDUK Superfast Broadband project.

3. DETAIL

3.1. BDUK recently announced a £50m bidding round for superfast broadband projects in England. This is the second of 4 slices of funding out of a £530m national UK programme. BDUK has a clear remit to allocate and distribute the £530 fund to bring superfast broadband to the third of UK homes and businesses which won't be provided for by the broadband market and would otherwise miss out.

3.2. HIE have received £10m as one of the initial 4 pilot projects under the earlier bidding round and are working on an overall funding package which includes contributions from HIE, ERDF and other private and public sector partners. The project covers the Highlands and Islands and includes most of Argyll and Bute with the exception of the Helensburgh area.

3.3. The broadband Pathfinder North project is working closely with HIE on their plans and a Pathfinder North representative has been nominated to the project board.

- 3.4. HIE have a vision of everyone across the Highlands & Islands having access to at least 30mb bandwidth by 2020, although they know they will need considerably more resources to achieve this. If they can deliver superfast broadband to 50 key towns they will cover 50% of the population but if they include a radius of 20km from those towns they will cover 80% of the population. As a first stage they envisage coverage to at least 15 towns (including at least one in each local authority area) by 2014, expanding to a 20km radius of those towns the following year.
- 3.5. BDUK is adopting a national approach in Scotland in the disbursement of its funding for broadband projects. Although the exact process has still to be agreed between BDUK and the Scottish Government, BDUK has confirmed that Scotland has been taken out of the "competitive bid" approach it is pursuing with English Local Authorities. Instead, BDUK will work with the Scottish Government on the development of a strategic broadband infrastructure plan for Scotland. The Scottish Government, in turn, is working with the Local Authorities, Scottish Enterprise (SE) and HIE on the development of regional plans, which will contribute to the wider approach.
- 3.6. The Scottish Government are now finalising the regional strategic broadband plans for the HIE and South of Scotland areas and hosted a Rural Broadband Summit on 20th June where the remaining Scottish Local Authorities not already covered by the HIE and South of Scotland plans, were encouraged to begin the development of local plans. The final national Scottish plan is expected to be completed by the end of 2011
- 3.7. HIE recently published a fact sheet for stakeholders which includes the following update:
- 3.7.1. High speed digital connectivity is an essential part of Scotland's 21st Century infrastructure – an enabler of both economic and community benefits. Superfast, or Next Generation Broadband (NGB) will aid the sustainability and growth of fragile communities, not least by improving remote delivery of public services. It will also enable new forms of remote working, remote education opportunities and lifestyle choice in rural communities.
- 3.7.2. HIE, with support from regional partners, is committed to delivering NGB to all parts of the Highlands and Islands. This project is designed to meet the Scottish Government's target of NGB to all by 2020, with significant progress by 2015.
- 3.7.3. This is a truly transformational project for the Highlands and Islands, securing the delivery of a step change in connectivity across a large, sparsely populated region which the commercial market will not service unaided. NGB in the Highlands and Islands will make a real contribution to

Scotland's prosperity and avert the risk of a rural-urban digital divide.

- 3.7.4. HIE's project has attracted enthusiastic support from stakeholders including local authorities, universities and colleges, health authorities, and business and community organisations. Their backing stresses the importance of connectivity as an enabler, underpinning a vast range of activities which drive successful communities and businesses.
- 3.7.5. Current trials in the Highlands and Islands are already showing significant results, including cost savings and improved remote delivery of health services. Poor or limited connectivity in rural locations is a barrier to extending these trials further. This project will create opportunities to expand the remote delivery of public services.
- 3.7.6. In June 2011, HIE launched the procurement process to appoint an experienced partner to co-invest in the provision of NGB services throughout the region. Procurement will follow the OJEU competitive dialogue process and HIE expects to sign contracts by July 2012.
- 3.7.7. The project will be delivered in phases. Confirmation of the rollout plan will be known soon after the contract is awarded. It is expected that the total value of the contract, including both public and private sector funding, will be £200m - £300m. Initial funding will come from BDUK, HIE and ERDF. HIE is working to identify a funding package to deliver this.

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