

# ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

<b>Report Name</b>	Digital Infrastructure Full Business Case
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<b>Date of Report</b>	5 <sup>th</sup> February
<b>Governance</b>	Aberdeen City Region Deal Joint Committee

<b>1:</b>	<b>Purpose of the Report</b>
<p>To update Committee on timescales for presenting the Digital Infrastructure full business case; and To request permission to accelerate one of the options by using Aberdeen City and Aberdeenshire Councils' Digital funding at a cost of £220,000.</p>	

<b>2:</b>	<b>Recommendations for Action</b>
<p>i: To note the timescales for the Digital Infrastructure Full Business Case has moved from February 2021 to at least May 2021 as it is dependent on when we receive information from the Scottish Government on the R100 premise level data as relevant to the Aberdeen and Aberdeenshire area. The delay to R100 will see at least a five-month delay to the Business Case approval, depending on when the outcome is known and the governance approvals stages with the Scottish Government and Joint Committee that follow.</p> <p>ii; To approve Option 2 in the interim - which is the utilisation of a 0.5 FTE up to 1FTE officer to drive demand stimulation and aggregation activities, with a further 1.5FTE if required, once the R100 North Lot premise level data is determined. This is subject to Aberdeenshire Council committee approval on 11<sup>th</sup> March 2021, as per their governance for City Region Deal funding.</p>	

<b>3:</b>	<b>Summary of Key Information</b>
<p><b>3.1 Timescales for Business Case</b></p> <p>The Joint Committee were presented with the Digital Infrastructure Gap Analysis and approved an Outline Business Case at its meeting of the 13 November 2020 (Agenda Item 11 and 12).</p>	

### 3: Summary of Key Information

Due to the contract detail being agreed between the Scottish Government and BT, for the North Lot of R100, we have no visibility of the number and location of premises to be served until Spring 2021. Until then we will not know the scale of the challenge in Aberdeen and Aberdeenshire, and the financial implications, and therefore cannot complete the Full Business Case.

- Scottish Govt has requested that the communities where demand stimulation activities will be required should be identified. Again, we will not know where these are until the procurement results are released.

- It is unknown if a combination of the North Lot procurement and the Scottish Govt voucher scheme will provide adequate funding to reach all the white premises in Aberdeenshire.

#### 3.2 Request for funding to prepare for Option 2

Therefore, we will have no new information to update the full business case until we know this information in the spring. The Outline Business Case (OBC), set out in Appendix A to the Digital Infrastructure Business Case approved by the Joint Committee on 13<sup>th</sup> November 2020, has the following options that were to be developed for the full business case:

Option 1: GAP funding of rural broadband services:

Option 2: Utilisation of Vouchers + Demand Stimulation/Aggregation

Option 3: Financial Measures

Option 4: Expand Public Sector Infrastructure

At this point we know that Option 2 will be one of the recommended options. This will propose the utilisation of 2.5 FTE staff to drive demand stimulation and aggregation activities at a cost of £110k per year for 2 years. It is recommended that this option is approved now so the recruitment and training process can get underway.

#### 3.3

Should Joint Committee approve this request the timeline would be as follows

March – Approval at Aberdeenshire Infrastructure Services Committee

March – Digital Stakeholder Lead Post advertised

April – Interviews and Recruitment

May – Start date

May – Expect to hear outcome of R100 and could therefore submit full Business Case

If the outcome of R100 is known earlier than May and a further 2fte required, we would also have the permission to recruit before full Business Case.

### 3: Summary of Key Information

This should mean the when the business case is approved, once the outcome of the R100 North Lot is known these officers will be in a position to start right away. (with 0.5fte recruited in the interim with a further 2fte recruited if required)

- Officers held discussions with the Scottish Government in January 2021 and it was agreed that the 0.5fte Digital Stakeholder Lead should be recruited first, with the other two officers recruited once the North Lot white premises were determined. This will ascertain whether the full 2fte will be required for demand stimulation and aggregation activity.

3.4 The focus of the posts will be as follows:

#### 0.5 FTE up to 1FTE Digital Stakeholder Lead

- Engaging and collaborating with the digital communications industry, network providers and UK and Scottish Governments and their agencies to secure inward investment supporting delivery of fibre broadband across Aberdeen and Aberdeenshire
- Engaging and acting as the conduit bringing together local council teams involved in the deployment of digital infrastructure, i.e. planning, highways, property.
- Developing programmes and bids with regional stakeholders to support digital infrastructure delivery

#### 1.5 FTE up to 2 FTE Digital Engagement Officers

- Deliver a programme of activities supporting residents, communities, businesses and partner organisations that stimulate the take up of digital access initiatives, in particular UK and Scottish Government voucher schemes
- Responsible for supporting communities across Aberdeen and Aberdeenshire and assisting them in developing their strategies to maximise fibre broadband, increase coverage and reduce poor performance
- Engage with business and partner organisations across Aberdeen and Aberdeenshire to promote the tangible benefits of fibre based broadband leading to the increased take up of fibre broadband products
- Development of events and a range of activities to promote fibre broadband to community, business and partner organisations.

3.4 Governance

<b>3:</b>	<b>Summary of Key Information</b>
	The proposed officers will be based in Aberdeenshire Council and will work on aggregation and demand stimulation activities across both council areas.

<b>4:</b>	<b>Finance and Risk</b>
	Option 2 will be funded from the currently unallocated Digital Theme funds. The Grant Letter stipulates the full business case must be approved before any funding is drawn down. Therefore, the posts will be funded by the Councils contribution to the Digital Theme, at their own risk, if there were to be any delay to the R100 premise level detail. To mitigate this risk only 0.5fte will be recruited at present.