

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	Digital Gap Analysis Business Case
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Date of Report	18 th November 2022
Governance	City Region Joint Committee
Exemption	Report is Public - Appendix A is exempt under paragraph 6

1:	Purpose of the Report
	i. To seek approval from the Joint Committee for the Digital Infrastructure Business Case within the Digital theme of the Aberdeen City Region Deal.

2:	Recommendations for Action
	<p>It is recommended that the Joint Committee:</p> <ul style="list-style-type: none">i. Instruct the Head of Service, Planning and Economy of Aberdeenshire Council to explore options on how to proceed with Recommendation 1 in the business case for Digital Infrastructure at Appendix A, set out in the Programme Overview, and to report back to the Joint Committee at its next meeting, and note that approval will be required by the Scottish Government, UK Government and Aberdeenshire Council;ii. Approves Recommendations 2,3 and 4 in the business case (programme overview page 5, detailed options pages 44-48) for Digital Infrastructure at Appendix A subject to approval of the business case by the Scottish Government and UK Government and Aberdeenshire Council;iii. Notes Integrated Impact Assessment at Appendix B completed as part of Digital Infrastructure Business Case;

3:	Summary of Key Information
	<ul style="list-style-type: none">i. Background- The CRD has delivered the following projects to date. The City Network Extension project connected 57 Aberdeen City Council sites to fibre, enabling City Fibre to invest £57m for their commercial roll out of fibre, offering residents high speed fibre to the premises (FTTP) services. 75% of the city is now "ready for service". The Full Fibre project connected 192 Aberdeenshire, Aberdeen city and NHS sites to gigabit capacity speeds across the region. The Duct network project will deliver 30km of duct infrastructure across the city to complete a strategic transport link around the city. This infrastructure will futureproof for 5G, autonomous vehicles and other emerging technologies. The

3: Summary of Key Information

project will also provide the opportunity for internet service providers to lease space in these ducts to provide services to residents and business. This will cause less disruption to the public potentially preventing the need to excavate the roads

- i. A gap analysis was completed to map broadband service coverage across the region at premise level detail. Mobile network coverage was also mapped. This work highlighted the gaps within the region notably the “white” areas or premises, where there is no qualifying broadband infrastructure, and none is likely to be developed within three years. The purpose of the digital business case is to look at ways that the CRD can address some of these gaps with the budget of £7m that remains, but also to have a meaningful economic impact.
- ii. The Digital Programme of the Aberdeen City Region Deal is an investment in the Digital Connectivity and associated telecommunications infrastructure of the region. This includes but is not limited to full fibre fixed connectivity and associated infrastructure, 4G, 5G and Internet of Things wireless networks.
- iii. The programme will deliver the essential underlying Infrastructure required to support and underpin the regions broader economic development. It will help to ensure that the region is equipped with future-proofed Digital Infrastructure that will provide the transformative foundations for City Deal interventions and wider regional growth.
- iv. The project streams presented in this business case are:

Recommendation 1: The first option is to maximise fibre opportunities at pace in the areas in the region identified with very low/ or no coverage. Work is on-going to agree with governments a suitable model within the financial agreements and could include the provision of loans to telecommunications operators to stimulate investment in full fibre infrastructure in the Region. This will leverage additional commercial investment and accelerate and increase the availability of full fibre over and above that provided by existing planned commercial investments and public sector interventions such as R100. It is recommended that officers continue to work on agreement with governments to accelerate coverage to these areas and report back to committee.

Recommendation 2: The provision of investment to Port of Aberdeen to procure a private 5G infrastructure in the new Aberdeen South Harbour to increase productivity and reduce operational costs, making Aberdeen comparable with leading ports across the world. Initial discussions with Peterhead Port on their ambitions for 5G have taken place, with the opportunity to explore 5G provision in the future learning from the roll out of 5G at the Port of Aberdeen

Recommendation 3: The provision of investment to ScotEID/SAOS (www.scoteid.com) to facilitate the delivery of Industry leading Agri-tech applications and services and

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<p>Environmental monitoring in rural Aberdeenshire using Huntly as an initial area.</p> <p>Recommendation 4: A test-bed for 5G has been established in Aberdeen to help businesses explore the potential applications of next generation mobile connectivity. Scotland 5G Centre and Opportunity North East (ONE) are collaborating to drive the adoption of 5G in key sectors of the economy –including Tourism, Food and Drink, Energy, Utilities, Ports and Logistics and Agritech. This option will expand its activities by funding mobile ‘pop up’ coverage in the region to enable companies to test applications in a real-life environment.</p> <p>v. The relationship between the project streams and a transition to net zero according to Scotland’s Climate Change Plan is assessed and presented. Indeed, each of the options has beneficial impact: Wider availability of broadband in rural homes reduces the need for travel and aids the efficiency of delivery of public services. The reduction of CO2 in ports is a major benefit, as there will be a reduction in the need for construction activities and operationally the port will make greater use of autonomous vehicles and reduce the waiting times for vessels. A key goal of the Agri-tech programme is to monitor environmental impacts in rural areas.</p>	
4:	Finance and Risk
<p>i. To be funded by the £7m remaining budget in the Digital theme of the City Region Deal.</p>	