

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World

Report Name	Digital Progress Report
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Governance	City Region Deal Joint Committee

1: Purpose of the Report

To update the board on the outcome of the Digital Gap analysis and the proposed solutions

An extensive GAP analysis has been undertaken of existing and planned infrastructure in the region through a programme of desk research and interviews with infrastructure owners and service providers.

An analysis was undertaken at a *premise level* of the current service availability in the region using published information and broadband availability checkers. This was undertaken for all premises in the City and an arc around the City covering the housing market area in the Shire stretching from Stonehaven in the south, Inverurie in the west and Ellon in the north.

The results of the gap analysis highlighted significant gaps in coverage of fibre in both city and shire.

2: Recommendations for Action

The following options are recommended to address the findings of the gap analysis:

Public Sector led approach

An approach is to invest in Aberdeen City Council's and Aberdeenshire Council's own network infrastructure. In addition, discussions were held with other public sector bodies such as NHS to assess their plans.

If the public sector demand for network infrastructure could be aggregated it may drive further commercial deployment in the region.

Aberdeen City Council is investing in its own network infrastructure and has recently upgraded connectivity to schools to ultrafast fibre via SWAN. Aberdeenshire Council has its own radio based network serving all sites in its area and which will not be replaced in the

near future and is looking to coordinate activities with NHS with whom it is sharing premises.

However these actions alone will not achieve the aim of every business being able to access ultrafast and 97% of households having access to superfast (>30Mbps) services. Further investment is required to ensure a wider coverage in business and communities areas both in urban and rural areas.

Stimulate Commercial led deployment

Discussions with industry have revealed that proactive investment in new infrastructure will be limited in the near future and the challenges of coverage and speed remain. The key messages received were:

- Any expansion of the existing fibre footprints of the infrastructure providers (e.g. City Fibre, SSE Telecom) would require either a commitment by the public sector to use or extensive aggregation of private sector demand
- Innovative new fibre access providers (e.g. Gigaclear) will require some gap funding to ensure ubiquitous coverage in the Aberdeenshire housing market area. All have finite investment funds and all areas of the UK are seeking to attract commercial investment in their areas. The Aberdeen City Region is effectively competing to attract such inward investment.

Aberdeen City and Aberdeenshire Councils continue to actively promote the region to the telecommunications operators and have been working with local trade bodies to stimulate and aggregate demand to encourage investment. In addition the public sector has extensive purchasing power that it can harness. Both Councils continue with such initiatives. However gaps in the market will still remain.

It is recommended that both a Public Sector led approach and an approach to stimulate Commercial Led approach to address the gaps in fibre coverage.

Aberdeen City and Aberdeenshire are currently having on-going discussions with the Scottish Government regarding next steps.

3: Summary of Key Information

The aim of this theme is to ensure that the City region has a world class digital infrastructure to ensure economic development, helping to build communities and provide excellent public services. A gap analysis showed that on 84% of premises had at least 30 Mbps. This is well short of comparable city regions. A number of options were assessed to address this using the City Region Deal funding. (detailed in the business case). The option that will provide most benefits is a regional procurement to address both business and residential gaps in broadband speed. This procurement should be undertaken in partnership with the Scottish government. A regional procurement would give sufficient scale to attract best value from the market. The solution is likely to be provided by a consortium of providers with specialism in different types of broadband delivery options. The procurement could start in February 2017 and the full deployment would be complete by January 2018.

4:	Finance and Risk
It is planned that the digital infrastructure funding from both the City Region Deal and the additional £254 million Scottish Government Funding will be combined under this workstream.	

Milestone	Date
Business Case issued to UKG & SG for formal Review	14 November 2016
Business Case Peer Review	5 – 12 December 2016
Business Case Review by Programme Board	5 January 2017
Business Case Approved by Joint Committee	20 January 2017
UKG / SG Approval of Business Case	January 2017
White Area in-fill procurement	Feb - August 2017
Complete white area in-fill	December 2018
Duct build procurement	Feb-April 2017
Duct build completed	January 2018