

COMMITTEE	Finance, Policy & Resources
DATE	1 <sup>st</sup> December 2017
REPORT TITLE	Participation in Gigabit Voucher Scheme
REPORT NUMBER	CG/17/145
DIRECTOR	Steve Whyte
REPORT AUTHOR	Gordon Wright

---

**1. PURPOSE OF REPORT:-**

- 1.1 To seek approval for the Council to participate in a UK government pilot to provide vouchers to local businesses for 1gb full fibre connections.

**2. RECOMMENDATION(S)**

- 2.1 It is recommended that committee:

- a) approve the Council's participation in a UK Government funded scheme to provide vouchers to local businesses for 1Gbps full fibre connections subject to approval from the Head of Legal and Democratic Services of the associated grant agreement setting out the terms and conditions of the Council's participation.
- b) note that the Council will be able to recover administration and support costs related to the scheme.

**3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE**

- 3.1 The Aberdeen City Region Deal area has been selected as a pilot location for a UK government voucher scheme offering financial support for SMEs adopting gigabit (hyper-fast) capable digital connectivity. Up to £5M may be available, in total, to local businesses to meet the capital costs to upgrade connectivity under the scheme.
- 3.2 The programme is due to launch in December 2017 and run until the national funding allocation is reached. The Council will need to provide resources to support demand stimulation and validation checks on the SME status of applicant companies. The scheme will be administered through a central portal for supplier registration and claims.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The Council will work with local partners and media to publicise the availability of the grant to local business, and support scheme administration of the central portal. Any costs incurred for these activities will be recoverable from the UK government, subject to submission of a claim by the Council. The Council will not be directly involved in handling payments for individual vouchers.

#### 5. LEGAL IMPLICATIONS

- 5.1 The Council will be required to sign a grant agreement arrangement setting out the terms and conditions of participation. This is currently under review by Legal Services.

#### 6. MANAGEMENT OF RISK

<b>Risk</b>	<b>Mitigation</b>	<b>Assessment</b>
Finances	Failure to be able to support delivery would see the city region deal area lose a potential of £5m grant support for local SME businesses. Resources will be allocated to support the scheme.	Medium
Employees	Inadequate staff resource to support the scheme. The Head of IT and Transformation will seek to identify and secure capacity to support the delivery of the programme.	Medium
Customers/Stakeholders	A lack of demand may reduce impact of scheme. A comprehensive communications strategy is being developed.	Medium
Environment	No risks	
Legal	The Council will need to sign a partner agreement. Legal Services are reviewing this.	Low.
Technological	In sufficient connectivity to reach SMEs. Engage will suppliers to extend networks.	Low
Reputational	Take up may not be as high as estimated. Comprehensive communications plan will be drawn up.	Low.

## **7. IMPACT SECTION**

- 7.1 This proposal supports activity across all areas of the LOIP programme. Aberdeen's LOIP acknowledges the positive impact that digital connectivity can have on economic, educational, health and social needs.
- 7.2 Economy
- 7.2.1 The Council aims to support improvement in the local economy by providing high speed fibre connectivity to small and medium businesses.
- 7.3 People
- 7.3.1 The proposal supports ACC and partner initiatives to deliver world class connectivity to all communities within the city. While targeted at SMEs the underlying infrastructure becomes available to all sectors and individuals. Supporting the wellbeing of locally based SMEs will have positive social economic benefits.
- 7.4 Place
- 7.4.1 The use of central government support to local SMEs will help secure equitable delivery of enhanced connectivity to SMEs operating in all our communities helping to address market shortcomings in offering competitive pricing to locations at the edge of network reach.
- 7.5 Technology
- 7.5.1 This proposal supports key elements in the LOIP and Aberdeen City Region Deal by facilitating commercially attractive connectivity for our SME community.

## **8. BACKGROUND PAPERS**

Aberdeen Local Outcomes Improvement Plan.

## **9. APPENDICES (if applicable)**

None

## **10. REPORT AUTHOR DETAILS**

Gordon Wright  
Digital Economy Manager  
gwright@aberdeencity.gov.uk  
01224523642

## **HEAD OF SERVICE DETAILS**

Simon Haston

Head of IT and Transformation  
shaston@aberdeencity.gov.uk  
07768725244