
Exploring the Provision of Town Wi-Fi hotspots including an update on Helensburgh Pilot project

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the works undertaken in relation to outdoor, public town centre Wi-Fi in Argyll and Bute. Following on from the Policy and Resources Committee decision to operate a pilot project in Helensburgh. The procurement resulted in a Wi-Fi service being established within Colquhoun Square, Helensburgh in late 2015 but unfortunately due to a number of issues relating to the concession model this service has ceased to operate.
- 1.2 Since the commencement of the pilot in Helensburgh, digital connectivity has been highlighted during the Remaking Rothesay Charrette and the Bute Island Alliance have applied to the Scottish Towns Partnership Digital Towns Pilot fund, which if successful will provide consultancy support to the group to establish what digital improvements could be made. Dunoon Alliance have also considered this but we understand will not be progressing at this stage.
- 1.3 BID 4 Oban (the Business Improvement District) team sought to work with the Council to provide a privately run, publically available Wi-Fi service at no cost to the Council in Oban. BID 4 Oban obtained grant funding to support the capital cost of the new equipment required and will cover the revenue costs of operating the service. Initial plans were that the Wi-Fi access point would be located upon the street lighting columns in Stafford Street however the service being operated is not based on the use of any Council facilities. We are advised that this private service has been operating since April 2017 with around 700 page visits per month.
- 1.4 When Policy and Resources Committee considered Town Centre Wi-Fi in 2014, the rationale for progressing with the pilot project was that it could support town centre vitality and encourage people to linger longer in our town centres. It is still believed that there are benefits from the provision of public Wi-Fi within the public realm areas however these benefits are lessening with the rollout of 4G mobile coverage (which allows secure, fast access to the internet and emails from mobile devices),.
- 1.5 Given the outcome of the pilot in Helensburgh, the ongoing work by a third party in Oban, the ever changing landscape in relation to technology, the rollout of 4G and the potential impact on Council resources, it is not proposed to undertake an options appraisal looking at delivery across the other main towns as indicated within the 2014 Policy and Resources Committee decision. The Council's role would appear more appropriately directed towards facilitating third party services rather than

through direct provision of a Wi-Fi service as this is believed to represent a more sustainable approach and better value for money.

2.0 RECOMMENDATIONS

2.1 Members of the Policy and Resources Committee are asked to:

2.1.1 Note the work undertaken in relation to outdoor, publically available Wi-Fi in Helensburgh, Rothesay and Oban;

2.1.2 Agree that the contract for a concession Wi-Fi service in Helensburgh is formally terminated and the options appraisal is not undertaken;

2.1.3 Where demand arises, agree that Council infrastructure can be utilised to facilitate the rollout of publically available Wi-Fi through third party operators where there would be no cost or service implications to the Council.

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2.0 INTRODUCTION

- 2.1 This report provides an update on the works undertaken in relation to town centre Wi-Fi in Argyll and Bute. On 30 October 2014 the Policy and Resources Committee considered a report about the provision of Wi-Fi in the public realm of our towns. The decision of Committee was as follows:

“The Committee agreed that a pilot project, funded from existing departmental resources, be delivered for Helensburgh (on the basis that CHORD works have included infrastructure to facilitate the delivery of town Wi-Fi) and that, subject to the outcome of the pilot, an options appraisal looking at delivery across the other main town centres should be progressed at a later date.”

3.0 RECOMMENDATIONS

- 3.1 Members of the Policy and Resources Committee are asked to:

- 3.1.1 Note the work undertaken in relation to outdoor, publically available Wi-Fi in Helensburgh, Rothesay and Oban;
- 3.1.2 Agree that the contract for a concession Wi-Fi service in Helensburgh is formally terminated and the options appraisal is not undertaken;
- 3.1.3 Where demand arises, agree that Council infrastructure can be utilised to facilitate the rollout of publically available Wi-Fi through third parties operators where there would be no cost or service implications to the Council.

4.0 DETAIL

- 4.1 The 2014 Report, set out two possible ways of obtaining an outdoor, public Wi-Fi service, a concession model or a purchase model. The concession model allows use of Council infrastructure in return for the provision of a public Wi-Fi service at no cost to the Council. The purchase model would involve the Council purchasing the Wi-Fi equipment and service and paying an ongoing maintenance cost in order to provide a public Wi-Fi service. The capital cost to purchase the required equipment could be up to £15,000 per settlement depending on the requirements of the system and the ongoing revenue costs to cover the maintenance of the system could be up to £1,500. It is expected that revenue costs would occur for approximately five years

following which it may be necessary to replace some or all of the equipment if it has become out of date or obsolete. This model of delivery would have implications not only in terms of financial resources but also a staff resource required to implement and monitor the operation of the system. We are also aware that if Wi-Fi is rolled out in one location there is likely to be demand from other settlements across Argyll which could significantly increase the resources required to support this service.

Helensburgh

- 4.2 It was agreed that Helensburgh would be a suitable location to pilot a public Wi-Fi service as the CHORD works had provided street lighting with ducting and power connections suitable for accommodating Wi-Fi infrastructure. The CHORD works had not provided the actual hardware required to transmit a Wi-Fi signal or the internet connections or service required to maintain a public Wi-Fi service.
- 4.3 Following the committee, a procurement process ran which aimed to secure a supplier through the concession model. Details of this process are set down in appendix 1 (exempt under paragraph 6 of Schedule 7A of the Local Government (Scotland) Act 1973 due to commercial details). This resulted in a Wi-Fi service being established within Helensburgh but unfortunately due to a number of issues, also detailed in appendix 1, this service has ceased to operate. The informal feedback that we have been provided by the contractor has indicated that they are not able to operate the service using their planned business model and as such would be unable to continue operating the service.
- 4.4 Consideration was then given to the use of a purchase model. However, given the ever changing landscape in relation to technology and the rollout of 4G, (which allows secure, fast access to the internet and emails) there are also concerns about this route. In 2014 there were very few places in Argyll and Bute which benefited from 4G, we are now in a position where coverage has extended into Lomond, parts of Lorn, eastern Bute and Cowal (depending on network). Coverage is expected to continue to be extended during 2017 (linked to the Ofcom licence requirement and the replacement of the emergency services communication with a 4G service) as there are approximately 120 planning applications for new masts and upgrades pending or approved. There are also concerns about whether users want to use a public Wi-Fi service. A recent survey from YouGov which found that the majority of train users would prefer to use a 3G/4G service rather than public Wi-Fi because of concerns about sharing personal information and security of the network. These issues, in addition to the actual cost of purchasing and operating a purchase model together with the staff resources required during the operation of the service makes this route not best value for money and has not been progressed in Helensburgh.

Rothesay and Dunoon

- 4.5 Digital connectivity was highlighted during the Remaking Rothesay Charrette and since that date the Bute Island Alliance have been working with Scottish Towns Partnership to see how this issue could be progressed. Bute Island Alliance have applied to the Scottish Towns Partnership Digital Towns Pilot fund, which if successful will provide consultancy support to the group to establish what digital

improvements could be made. This work has been facilitated by Argyll and Bute Council. There have been similar discussions in Dunoon but it is understood that the Dunoon Alliance will not be proceeding with an application at this time.

Oban

- 4.6 For some time there has been a demand from local councillors for public Wi-Fi in Oban to complement the public realm works which were undertaken through the CHORD project. An approach was made by the BID 4 Oban (the Business Improvement District) team to work with the Council to provide a privately run, publically available Wi-Fi service at no cost to the Council. Discussions were held and BID 4 Oban obtained grant funding to support the capital cost of the new equipment required. BID 4 Oban will cover the revenue costs of operating the service. It was initially planned that the Wi-Fi access point would be located upon the street lighting columns in Stafford Street however the service being operated is not based on the use of any Council facilities. We are advised that this private service has been operating since April with around 700 users page visits per month, although without a benchmark as to expected usage it is difficult to confirm whether this is a high level of usage. A second access point has now been added and the service now extends down to Station Square.
- 4.7 Although this project has been progressed without the need to use Council infrastructure the principal of this would generally be acceptable, where it would not interrupt any operational activities. Consequently, this may be a solution which could be utilised in other locations if there was a suitable partner organisation keen to progress a Wi-Fi service.

Moving forwards

- 4.8 When the Policy and Resources Committee considered Town Centre Wi-Fi in 2014, the rationale for the progressing with the pilot project was that it could support town centre vitality and encourage people to linger longer in our town centres. This would be complementary to the public realm works undertaken in relation to the CHORD project. It is still believed that there are benefits from the provision of public Wi-Fi however these benefits will lessen as the rollout of 4G mobile coverage continues, as detailed above.
- 4.9 Whilst the data on usage is limited we do have some details from the two projects that have commenced. In Helensburgh, approximately 1,200 page hits were received each month (some of these could be multiusers) whilst in Oban it has been around 700 page hits. Without more detailed information it is difficult to benchmark this usage or to understand whether the demand is growing or contracting. We do not have details on how many unique users have been attracted or how long they have been using the Wi-Fi for.
- 4.10 The project in Oban does however indicate that there could be opportunity for a third party model to operate a publically available, town centre Wi-Fi where there is an organisation that would be willing to fund that from their own sources (possibly supplemented by revenue generated from advertising etc.) if this was necessary. It is recommended that the Council works with any other third sector or business groups

who indicate that they are interested in providing a public Wi-Fi service in the towns and other settlements across Argyll and Bute to facilitate this service where possible through the use of Council infrastructure. It is not expected that the Council would have any budget available to support any additional proposals. Use of Council infrastructure could be acceptable where this does not impact upon other Council activities. Partner organisations would be solely responsible for the set up and operation of the Wi-Fi service, subject to safe working practices when utilising Council infrastructure, and have the discretion to generate revenue as they felt appropriate.

5.0 CONCLUSION

- 5.1 Given the outcome of the pilot in Helensburgh, the ongoing work by a third party in Oban together with the ever changing landscape in relation to technology combined with the rollout of 4G and the potential impact on Council resources, it is not proposed to undertake an options appraisal looking at delivery across the other main towns as indicated within the 2014 Policy and Resources Committee decision. Consequently, given these issues, the Council's role would now appear more appropriately directed towards facilitating third party services rather than through direct provision. This is believed to be a more sustainable and better value for money approach.

6.0 IMPLICATIONS

- 6.1 **Policy** – The Single Outcome Agreement and our Economic Development Action Plan recognise the importance to our economy in people's ability to access the internet, enabling people to connect from their homes, businesses and while on the move. The SOA and EDAP also support the regeneration of our town centres to make the vibrant and vital.
- 6.2 **Financial** – To date there has been no expenditure in relation to the provision of public Wi-Fi, costs have been restricted to staff resources. Previously costs for implementing a pilot project in one town were anticipated to be up to £15,000 based on the purchase model with ongoing support and maintenance costs which could be in the region of £1,500 per annum.
- 6.3 **Legal** – Support would be required in relation to enabling access by a third party to use appropriate street furniture or any other legal agreements.
- 6.4 **HR** – Staff resource have been required from Economic Development, Roads and Amenity Services, IT and Procurement to rollout the Helensburgh pilot, similar input would be required if any other partner projects were progressed.
- 6.5 **Equalities** – The implementation could provide free Wi-Fi access for all within town centres and overcome issues of affordability in relation to internet access (suitable devices would still be required). Alternatively internet facilities are available within libraries.

6.6 **Risk** – As demonstrated through the Helensburgh pilot project, there is a risk that the concession model would not be viable and there may be a need to cease to offer the service. There is a risk that 4G phone coverage will provide a similar, paid for, service for those wanting to access the internet in the future.

6.7 **Customer Service** – None anticipated although availability of town Wi-Fi could assist customers accessing online services.

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APPENDICES

Appendix 1: Helensburgh Pilot Project

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Procurement

Following the issuing of a Request for Information, it was agreed that it was worthwhile putting out a formal Invitation to Tender for a public Wi-Fi system within Argyll on a concession basis. Tender responses were to be submitted by July 2015 and opportunity was given for bidders to rollout a pilot scheme in Helensburgh followed by other locations across Argyll.

Only one tender response was received from an organisation called Deepcblue Limited who indicated that they would set up a delivery company called BroadChord (this company has since been dissolved in January 2017). The contract was awarded to Deepcblue with Broadchord Limited in August 2015 at no cost to the Council and on the expectation that Deepcblue/Broadchord would commence a five year service covering the CHORD area of Helensburgh within 3 months and that they would pay the Council a nominal amount for use of their infrastructure. It was proposed that BroadChord would pay a nominal fee of £1 in the first year which would rise to £100 by year 5.

Service Provision

It was agreed that the service would be rolled out in a staged manner with the initial soft launch focusing on Colquhoun Square in time for the Winter Festival. It was confirmed that the Wi-Fi went live in November 2015. Rollout to Sinclair Street and West Clyde Street was expected to follow during 2016.

Unfortunately during the works in Colquhoun Square it was identified that when the CHORD works were undertaken the control panels required to support the Wi-Fi were not installed within the correct lighting columns. This issue has been addressed through the CHORD contract but meant that alternative arrangements had to be put in place to support the Wi-Fi service.

Whilst the service was able to function there was an issue that some wires were located on the exterior of the lighting column and as such were vulnerable to vandalism. For this reason, the service did not operate for part of June and July 2016.

Later in July 2016, we understand that the Deepcblue/Broadchord server failed and they were unable to replace this due to the capital costs. Initially Deepcblue/Broadchord indicated that they were working to repair/replace the server and restore the service. The Council applied pressure to Deepcblue/Broadchord but with no payment being made by the Council there was limited ability to encourage Deepcblue/Broadchord to make the necessary repairs.

Officers met with representatives from Deepcblue/Broadchord in January and February 2017 when they confirmed that they were not in a position to reinstate the public Wi-Fi service. They confirmed that the business model they were utilising was not sustainable and that a financial contribution would be required from the Council if they were to continue (this would not be possible without suitable funding being identified and a new procurement process being undertaken).

Due to the issues associated with the service no invoice has been raised seeking the nominal payment by BroadChord agreed in the contract.

Usage

The contract let to Deepcblue/Broadchord required reporting of user numbers etc. to help in understanding how many people were using the public Wi-Fi service. This information has never been forthcoming from Deepcblue/Broadchord other than a verbal indication that on average about 40-50 people per day were using the Wi-Fi and that the peak usage was approximately 600 users in one week.

More information about usage and also details about the positive activities that Deepcblue/Broadchord had undertaken in providing the Wi-Fi service, albeit for a limited period, was requested for inclusion within this report but this has not been forthcoming.

It is now proposed that the contract is formally terminated.