ARGYLL AND BUTE COUNCIL   **ENVIRONMENT, DEVELOPMENT &**
                                              INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND ECONOMIC GROWTH   **2 JUNE 2022**

DIGITAL EXCLUSION FUND – UPDATE

1.0   EXECUTIVE SUMMARY

1.1   The Council established a £250,000 Digital Exclusion Fund at its budget meeting on 25 February 2021. The Fund was created to support communities and in some cases individuals that are missing out on national programmes due to logistics and economies of scale. While vouchers are available from the UK and Scottish Governments in some cases these do not cover the full cost of infrastructure builds. This report brings forward two proposals for funding from the Digital Exclusion Fund.

1.2   The first proposal is to provide funding of up to £40,000 to the Back of Beyond Broadband (BOBB) for the purpose of completing a Fixed Wireless Access (FWA) network on the island of Kerrera.

1.3   The second proposal is to provide revenue support to a number of Island Community Halls that are part of the £100k Islands Infrastructure Fund application that is one of the projects being considered for and Islands Infrastructure Funding bid, subject to delegated approval. This is considered to be a pilot proposal to allow the Council to determine the value of distributing an element of the Digital Inclusion Fund in this manner. The reason for this approach is that consultation with various island Community Councils has identified a key inclusion barrier to digital connectivity in community halls is monthly connection charges.

1.4   It is proposed that we support the community hall initiative by providing the monthly connectivity charge for a 24 month period. This will allow them to either identify a sustainable model or establish if the service is required on an ongoing basis given how technology changes. If the service is not required the IT equipment provided will be able to be removed and repurposed in another location.

RECOMMENDATIONS

It is recommended that Members of the Environment, Development and Infrastructure Committee approve:-

   i.   The provision of capital funding to the Kerrera Digital Infrastructure project to a maximum of £40,000.

ii.   The provision of revenue funding to a maximum of £10,000, should the Islands Infrastructure Fund bid be successful, in order to provide connectivity charges for identified island community halls for a period of 24 months.

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DIGITAL EXCLUSION FUND – UPDATE

2.0 INTRODUCTION

2.1 The Council established a £250,000 Digital Exclusion Fund at its budget meeting on 25 February 2021. The Fund was created to support communities and in some cases individuals that are missing out on national programmes due to logistics and economies of scale. While vouchers are available from the UK and Scottish Governments in some cases these do not cover the full cost of infrastructure builds.

2.2 This report brings forward two proposals for funding from the Digital Exclusion Fund.

3.0 RECOMMENDATIONS

It is recommended that Members of the EDI Committee approve:-

i. The provision of capital funding to the Kerrera Digital Infrastructure project to a maximum of £40,000.
ii. The provision of revenue funding to a maximum of £10,000, should the Islands Infrastructure Fund bid be successful, in order to provide connectivity charges for identified island community halls for a period of 24 months.

4.0 DETAIL

Background

4.1 Modern standards of Digital Connectivity is of paramount importance in this modern life, unfortunately, for a number of local communities and individuals this is currently still aspirational due to a lack of infrastructure or affordability. Although there are ongoing Government and commercial investment programmes many of these plans however extend to 2026/27.

4.2 The Council's Strategic Transportation Service has been working to distribute the Council's Digital Inclusion Fund with both the UK and Scottish Governments, local communities and local suppliers. However, we have to ensure we apply the

funding at the right time – to take advantage of national resources that will be deployed on the ground, in order to ensure the Council's funding goes as far as possible and does not duplicate public funding.

4.3   Currently the main programme regarding Digital Connectivity is the Scottish Government's Reaching 100% (R100) programme. This is the commitment that the Scottish Government has given to provide every premise in Scotland access to Superfast Broadband.

4.4   The current advice that we have been given from Scottish Government and Openreach is that the best course of action is to wait until infrastructure providers (in most cases this will be Openreach) have the necessary people, equipment and material on the ground in the locations where contracted R100 work is progressing.

4.5   This approach however does not help the premises that are struggling to get a usable broadband at this current time hence the need to look at potential alternative solutions.

4.6   Strategic Transportation have engaged with the council's legal team in how the funds can be distributed to communities in need. We need to however be aware of 'Subsidy Control' and ensure that the Council is compliant when distributing funding.   The Council's Legal department have advised that funds can be provided to a community council/trust that has an existing contract with a provider.

4.7   Strategic Transportation are currently working with Legal to establish a method of how this can be evidenced to ensure that the funds provided are used for that specific purpose in a transparent manner and that we are not simply giving out a lump sum with a potential surplus.

Kerrera Community Trust

4.8   Following communication with Kerrera Community Trust on how to access the Council's Digital Exclusion Fund, a project was presented to the Strategic Transportation Team earlier this year with a proposal to connect the remaining premises on the Island of Kerrera. Back of Beyond Broadband (BOBB) have had aspirations to complete this however additional infrastructure costs have always been the key barrier to identifying an affordable sustainable model for this island community that lies close to Oban.

4.9   Discussions have taken place with Back of Beyond Broadband (BOBB). BOBB are a local Oban Digital Infrastructure provider, who has built a substantial Wireless network across the West Coast working closely with Scottish Sea farms to provide connectivity in very remote locations. They are also listed on the Scottish Governments official supplier list.

4.10   BOBB have submitted a proposal which is enclosed as an **Appendix 1** of this briefing. BOBB have provided a very good service to the north of the island of Kerrera for the last few years, however there are still 14 premises on the south of the island that they have been unable to reach. BOBB's proposal is for 3 stand-alone off grid repeater stations to be installed at various locations, to allow for line of site to the remaining premises, creating an island wide network. In light of the

current cost of living crisis with fuel costs there is a possibility that the cost may be greater than outlined in the initial proposal which were obtained in January, currently outlined in **Appendix 1.**

4.11 The price estimates in the appendix at £33,100 were based on prices from January and, due to inflation, it is now estimated that up to £40,000 is required.

Community Hall Connectivity Charges

4.12 The Islands Infrastructure Fund gives us the opportunity to pilot the Island Community Hall Connectivity Project initially on some selected islands (the bid has still to be submitted subject to delegated approval). Strategic Transportation has started engaging with the different Argyll Islands Community Councils to establish their willingness, or otherwise, for this intervention.

4.13 From early responses we have established that this has been positively received. One of the key issues that has been highlighted by Community Councils is the affordability of the ongoing broadband costs.

4.14 It is proposed that we initially utilise the Islands Infrastructure Fund to provide the necessary infrastructure to these halls that wish to take advantage of this capability. This would not only allow the hall to undertake this new hybrid meeting model but could also be a community digital hub that could allow individuals that do not have the domestic access the ability to access online services adding to the digital inclusion agenda. We have also been made aware that some community halls are used for rural Doctors surgeries.

4.15 As the Island Infrastructure Fund is for capital projects only it is proposed that the use of the Council's Digital Exclusion Fund be used to support the ongoing monthly costs following a community grant model for an initial 24 months.

4.16 Depending what solution is utilised costs can vary, for example a general FTTC superfast broadband service can be had for around £30/calendar month (cm) whereas a LEO satellite solution will cost around £110/cm with upfront equipment costs of £599 (plus electricity costs for signal receiver).

4.17 We have been undertaking discussions with our ICT colleagues with regards to the purchasing of suitable robust equipment which would be appropriate for this purpose.

4.18 We have also had discussions with our community planning colleagues who have also indicated that they are very keen to support this proposal, and are assisting with the funding bid to the islands Infrastructure Fund.

4.19 The positives with this proposal are that it supports

- Remote and fragile Island communities

- It supports community Empowerment

- It reduces the need to travel and consequently the drive to net zero

- It tackles the issue of digital inclusion/exclusion building on the work of the council and our partners in this area

- It can potentially support the future delivery of community health and wellbeing.

The potential negatives are the project sustainability

- Whether a community could afford the ongoing connection costs after funding support expires.

- IT equipment security

- Future IT support.

4.20 All agreements with community halls operators with regard to potential revenue funding will be done on a needs only basis i.e. the hall has no existing connection, that public access is agreed through the hall being open at agreed times. Recipients of the funding will be advised at the outset that the revenue funding from the council is considered a one off pilot, with no obligation from the council to continue this funding after the initial 2 year fixed period. Community Halls in receipt of the equipment and revenue funding will also be obliged to monitor usage of the equipment. Efforts will also be made to encourage use amongst the communities in receipt of capital or revenue funding. Revenue support will be capped at £10,000.

5.0 CONCLUSION

5.1 The rollout of digital infrastructure continues across Argyll and Bute through national programmes. Modern digital connectivity promises a number of direct economic and social benefits to our communities. The Scottish Government has always maintained however that the initial R100 programme will not reach every premise in Scotland and that additional funding, or alternatively, innovative technological solutions will be required to ensure delivery. Given the increasing importance of digital connectivity to our communities it is now imperative that every premise across Argyll and Bute receives equitable coverage notwithstanding our geographical and dispersed population challenges in Argyll and Bute. The £250,000 Digital Exclusion Fund created by the Council can assist with this objective of digital coverage and inclusion.

5.2 Members are asked to approve the release of Digital Exclusion funding of up to a maximum value of £40,000 for the Kerrera Digital Inclusion project and up to a maximum of £10,000 for revenue support for Island Community Halls subject to a successful Islands Infrastructure Bid. Any monies issued to community halls would be subject to an agreed MOU ensuring accessibility and monitoring of use. Revenue support will be for a maximum period of two years only and considered as a pilot. This will allow the operators of the Halls to either identify a sustainable model or establish if the service required. If the service is no longer required the IT equipment provided will be removed and repurposed in another location. Any further release of funding from the Digital Inclusion Fund will be subject to a further report to the EDI Committee.

6.0 IMPLICATIONS

6.1 Policy – the Single Outcome Agreement (SOA) and Economic Development Strategy and Action Plan support improvements in the digital infrastructure.

6.2 Financial – There is an indirect impact on council finances with the Digital Exclusion Fund sitting in earmarked reserves.

6.3 Legal – Legal implications are to follow existing community grant funding criteria

6.4 HR – None.

6.5 Fairer Scotland Duty:

6.5.1 Equalities - the differing nature of the deployment of new technology has the potential to lead to inequalities in terms of access to digital services including those which support business and personal development.

6.5.2 Socio-economic Duty - there is an overall risk that the economic and social benefits rising from modern digital infrastructure are not fully realised

6.5.3 Islands - There are risks that those areas which do not benefit from digital infrastructure could become less attractive locations within which to live and work which could have implications in relation to the SOA objective of growing the population.

6.6 Climate Change – The ability to access online services/meetings will limit the requirements to travel reducing an individual's carbon footprint.

6.7 Risk - The various programmes are reliant on new technology and innovation which is developing rapidly. Some projects are reliant on commercial operator decisions to invest whilst grant funding is necessary for many aspects of digital infrastructure improvement in Argyll. These aspects all create a level of uncertainty around the extent of infrastructure improvements.

6.8 Customer Service - improvements in broadband and mobile technology improve the opportunities for digital based customer services.

Executive Director with responsibility for Development and Economic Growth:
Kirsty Flanagan

Policy Lead for Economy and Rural Growth: Councillor Robin Currie
Policy Lead for Islands and Business Development: Councillor Liz McCabe

19 May 2022

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APPENDIX
Appendix 1 – Back of Beyond Broadband (BOBB) Proposal for Kerrera

APPENDIX 1

Back of Beyond Broadband (BOBB) Proposal for Kerrera

As discussed the North end of the Island has enjoyed a Back of Beyond Broadband connection for a few years now and the remaining, South of Kerrera has been something we were keen to connect but we have not had the business case for, prior to now.

We can finally put in a quick to deploy, renewables powered, Fixed Wireless Access (FWA) network, giving the homes and businesses an option of up to 1Gb connection speeds, with a guaranteed 100Mb.

The plan here is to bring a multi-Gb fibre optic connection into our base in Oban, to then relay out to Kerrera and to other communities currently struggling with connectivity solutions.

The hope is that the fibre end will be connected by the end of March 2022 and the majority of the FWA network will be in place, ready to be connected to properties soon thereafter. To do this we need to build our off-grid solution, which powers the FWA hardware on hill sites, to allow for suitable Line of Sight (LoS) through to the 14 properties. These Off-grid solutions are tried and tested in some of the most extreme locations on the West coast of Scotland, one site exists on Uist at 600m and has been operating for 14 months with no down time to date. The BoBBox's are bespoke solutions, built in-house. Specifications are different depending on the location. They are designed to be fully upgradable and they are not permanent structures, ensuring land is undisturbed at the sites. Each BoBBox is monitored remotely and maintained by us to allow a 99.99% uptime of the network, in all weathers and conditions.

The FWA hardware is also tried and tested in the field and 100Mbps-1Gbps is commonplace with our existing networks in Oban and Campbeltown. The hardware has seen significant improvements in the time we've been operating (since 2015) allowing for improved speeds and security as the hardware evolves. Our customers tend to stick with us, even though we compete directly with other network providers (Openreach etc.) so we have many loyal customers who have been with us from day 1 of BoBB. End users enjoy our unbeatable customer support and quick response times, competitive pricing and all while keeping it local. We offer full WiFi6 solutions through-out a premises alongside Cat6+ network wiring if required, again this is secure, capable of handling the required 1Gbps speeds and is remotely managed and maintained by us.

The costs of this Kerrera network build will be as follows, at cost-

x3 BoBBox relay sites, including FWA hardware= £8000 each, total= £24,000

x14 individual premises connection, including WiFi= £250 each, total= £3500

Labour costs, x2 men over 9 days= £400 per day, total= £3600

Total project cost- £33,100

We have an existing mast site at the Gallanach Caravan Park (Oban Caravan Park), this can be quickly and cost effectively upgraded to allow for the multi-Gb links, we can absorb these costs which will be around £2000. This site is grid connected but we may look to swap to renewables power and use the grid link as a backup in the near future.

The new Fibre site at the Oban side is the main BoBB site in Oban. We will connect the existing BoBB network, also allowing for the new Kerrera connections and the other potential network extensions to other communities. This site fibre is being upgraded and will depend on the lead times for the fibre connections, which is currently estimated for the end of March.

We are looking to secure written permission from the individual landowners in the coming weeks, initial talks have been exciting and enthusiastic. The price estimates are based on January costings consequently the ask from the committee has been increased to a maximum value of £40k to reflect cost pressures at this time.