
Exploring the Provision of Town Wi-Fi hotspots across Argyll and Bute

1.0 EXECUTIVE SUMMARY

This report provides the Policy and Resources Committee with information in regard to the potential options available relating to the provision of Town Wi-Fi within Argyll and Bute towns. Town Centre Wi-Fi can play a key role in making our town centres more vibrant and attractive. Such provision can offer the shopper, tourist or general visitor free and immediate access to the internet and encourage them to spend more time and hopefully money within the town.

The principle of the provision of town Wi-Fi would support the Single Outcome Agreement and Economic Development Action Plan which recognise that our town centres need to be thriving and vibrant if we are to attract and retain businesses and increase footfall. In addition it would build on the Councils investment through the CHORD Programme.

In the larger cities, delivery of Wi-Fi has been commercially driven (concession model) with operators paying a small fee to use street furniture as opposed to being developed, owned and operated by the council at their cost (purchase model). Settlements utilising the concession model typically have significantly higher visitor numbers and footfall than the Argyll towns and it is not yet known whether there would be a commercial appetite amongst operators to provide a service using the concession model in Argyll.

This report investigates the options for taking forward a town centre Wi-Fi proposal including doing nothing, running a pilot in Helensburgh and undertaking an options appraisal to look at coverage across the main Argyll towns. The options are also considered in light of the possible rollout of 4G mobile coverage.

It is recommended that the Policy and Resources Committee

- I. Agree that a pilot project 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.

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2.0 INTRODUCTION

- 2.1 UK and Scottish Government policy work into the health of our town centres and the opportunities offered through digital technology has highlighted that the provision of Town Centre Wi-Fi can play a key role in making our town centres more vibrant and attractive. Such provision can offer the shopper, tourist or general visitor free and immediate access to the internet and encourage them to spend more time and, hopefully, money within the town.
- 2.2 The Single Outcome Agreement and the Economic Development Action Plan recognise the importance of the regeneration of our town centres and built environment in order to enhance the competitiveness of Argyll and Bute. In addition it is recognised that our town centres need to be thriving and vibrant if we are to attract and retain businesses and increase footfall. The regeneration of the built environment of our towns is critical in delivering a competitive Argyll and Bute and the provision of town Wi-Fi would further build on the Councils investment through the CHORD Programme which recognises town centres as places which should contribute to the vitality and viability of our towns.
- 2.3 Major cities such as Glasgow and Edinburgh have recognised the importance of the provision of free Wi-Fi zones/hotspots within their city centres. The models that have been adopted in the provision of such a service have been based on what is referred to as the concession model. This is where the service operators pay a small fee to have exclusive use of the Local Authority owned street furniture such as lampposts. However these are major settlements and have significantly higher visitor numbers and footfall than any of the Argyll towns; high footfall is critical for the concession model to be attractive to commercial operators. It is not yet known whether there would be an appetite amongst commercial providers to provide a service using the concession model within Argyll and Bute.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee
- I. Agree that a pilot project 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.

4.0 DETAIL

- 4.1 In response to the National Review of Town Centres External Advisory Groups Report: Community and Enterprise in Scotland's Town Centres (July 2013), the Scottish Government published the Town Centre Action Plan in November 2013. Both documents recognise the importance of town centres to the health of our towns and espouse the "Town Centre First" principle. The aim of the principle is to encourage the public sector (and others where possible) to invest in their town centres and focus on the provision of public buildings and homes in town centres where they can create footfall and help their communities thrive. The overall objective is to deliver town centres that are "...vibrant, attractive and safe places where local people want to spend their time and money."
- 4.2 UK and Scottish Government policy work into the health of retail in our town centres and the opportunities offered through the digital technology has highlighted that the provision of Town Centre Wi-Fi can play a key role in making our town centres more attractive. The Town Centre Action Plan states that the Scottish Government "can see the potential opportunities that this offers to town centres and their businesses".
- 4.3 The effect of the digital revolution on our town centres has been significant and has resulted in a different way of buying and selling. Promoting and increasing the number of those using our town centres for retail, business, recreation, culture and arts and social purposes is critical to the regeneration of our town centres and to ensuring that we maximise the economic benefit from the investment in our towns through projects such as CHORD.
- 4.4 There does not appear to be any definitive research around the value of town centre Wi-Fi provision which indicates its contribution to the economy of a town and indeed this may vary dependent upon the town itself, hotspot locations and extent. Anecdotally Wi-Fi provision can offer the shopper, tourist or general visitor, free and immediate access to the internet within the town centre Wi-Fi hotspot and can encourage them to stay longer. Depending on the set up, it can offer businesses a way to advertise directly to those using the town centre and it could link to other local initiatives such as tourism and heritage trails.
- 4.5 The key consideration is the quality of the service offered both to the customer as well as to what is being offered to businesses, how they can link in and the cost to them to do so.
- 4.6 In addition to the potential benefits of town centre Wi-Fi, it is also worth noting that the rollout of 4G phone coverage is ongoing and expected to cover 95% of premises across Scotland by the end of 2017. There is no indication as to whether this will benefit any of the Argyll towns (all of which currently have poor or non-existent levels of 3G coverage). 4G coverage, where available from your network operator, provides fast broadband access via smartphones (handsets and contracts which enable 4G are required). Informal indications are that 4G coverage could mirror broadly those areas which benefit from the rollout of next generation broadband but this is not confirmed. In Argyll and Bute, next generation broadband is currently available in Helensburgh and Oban and is expected to be live in Dunoon

at the end of 2014, Campbeltown, Rothesay and Lochgilhead are expected to follow in 2016.

4.7 Do Nothing

If the Committee determines that there is limited benefit in the provision of town centre Wi-Fi then work can cease. This may have some impacts on the competitiveness and vitality of our town centres if people prefer to visit locations which have access to the internet or by shortening visit times once people are within the towns however it is not possible to quantify if this will be an issue and if it is to what extent.

4.8 Options Appraisal for main Argyll Towns

If it is determined that the principle of providing free Wi-Fi within our key towns is of economic benefit to those towns then the next question is how best to investigate the options available to ensure that the best solution is found. It is considered that the process would fall into four distinct phases:

1. Options Appraisal;
2. Business Case;
3. Procurement Phase;
4. Implementation Phase.

4.9 There are 2 main options for delivery of Wi-Fi within our town centres and the options appraisal process would look to investigate these further to determine which would be viable within the Argyll and Bute towns:

1. the concession model where the service provider pays a small rent in return for obtaining exclusive use of Council street furniture, such as lampposts, for this purpose;
2. the purchase model where the Council would pay a contractor to provide the Wi-Fi service and may or may not own the equipment itself, there would also be on going running, maintenance and support costs.

4.10 In the larger cities, delivery of Wi-Fi has been commercially driven (concession model) as opposed to being developed, owned and operated by the council. The Council has however had to find the resources to carry out the initial procurement process which in some cases has amounted to hundreds of thousands of pounds. The key difference between the settlements which have typically utilised the concession model is that these settlements have significantly higher visitor numbers and footfall than the Argyll towns. The options appraisal process would seek to establish whether there would be an appetite from commercial operators to provide a service using the concession model in Argyll.

4.11 In the purchase model, footfall would not be as important as the Council would pay for the installation of the equipment (either through purchasing or leasing the equipment) and would identify the locations which it felt would most benefit from free Wi-Fi provision, the more locations the higher the cost. In this model the Council would also have an ongoing responsibility for maintenance and running costs. It is anticipated that the equipment would require refreshing after five years.

4.12 Below are initial outlines of the two models however further detailed investigation would be required to confirm these.

	Concession Model	Purchase Model
Options appraisal	Estimated cost of approx. £15,000 to obtain consultancy advice to support an options appraisal and market testing exercise following which a delivery model would be identified.	
Anticipated capital cost	£0	Approx. £15,000 per town dependent on level of coverage requested – number of hubs. May be additional costs if siting hubs on private property
Anticipated revenue costs	£0	Approx. £1,500 per town per annum for a maintenance and support contract
Anticipated income	Possible generation of small level of income if the service provider is willing to pay for the use of street furniture Possible generation of a small level of income if advertising is sold to local businesses but there would need to be a staff resource identified to liaise with businesses etc. and develop any access page	Possible generation of a small level of income if advertising is sold to local businesses but there would need to be a staff resource identified to liaise with businesses etc. and develop any access page
Consultant input	Support likely to be required through the procurement process – specialist technical knowledge	If options appraisal details system requirements, may be able to proceed through procurement without consultant input however some specialist technical input likely to be required
Business advertising	Advertising could be offered on a start-up page which could generate a small income for the Council	
Staff resource	Staff resource required during the appraisal, development, implementation and post-implementation process	
Post-implementation	Staff resource required to monitor the contractual relationship with the service provider	Staff resource required to monitor the contractual relationship in relation to the maintenance and support contract, to be a point of contact in the event of service issues from members of the public and, if selling advertising, to administer sale of advertising space
Issues	Installation of Wi-Fi can be a complex process requiring planning and building owner consents which can be	

	<p>expected to take around 18 months to complete, this may be reduced where all equipment is sited on buildings, structures or land within Council ownership but this may mean that less than optimum locations are utilised.</p>
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- 4.13 In terms of the more detailed tasks involved in this initial options phase, these would be as follows:
- Develop a Vision –desired outcomes (level of coverage, free at the point of use, may restrict access to 30min periods, user experience, possible financial return);
 - Examining the approach (Concession vs. Purchasing model);
 - Wi-Fi assets - ownership and maintenance;
 - Council property/street furniture available;
 - Commercial appetite (including tentative meetings with potential providers);
 - Availability/ suitability of Council Financial returns (if Concession model);
 - Procurement methodology (OJEU, Competitive Tender etc.);
 - Funding requirements (if not Concession Model);
 - State Aids - Compliance appraisal;
 - Resourcing;
 - Timescales.
- 4.14 It is thought that there could be benefits to aggregating into a package the main Argyll towns linked initially to the CHORD projects and possibly some visitor hotspots. Such a package may prove more attractive to commercial operators and make the concession model more viable and more cost effective to the Council. This could initially be based on the CHORD towns but would be further investigated during the options appraisal stage.
- 4.15 The options appraisal would require the support of a number of Council services in particular Roads and Amenity Services from whom a list of street furniture such as lampposts will be required.
- 4.16 Procurement work would be required to obtain specialist consultant support to undertake the initial options appraisal exercise. The cost of this work is not yet known however initial indications are that it could be in the region of £15,000 and would take 2/3 months to complete (subject to support from relevant Council Services and potential service operators).
- 4.17 Issues to be considered prior to commencing the options appraisal include:
- In which areas would the Council like to see Wi-Fi available in public spaces?
 - Would the Wi-Fi be available for free at all times?
 - Would there be a limit on the time and/or data allowed?
 - What are the desired outcomes as a result of the project?
 - Would the Council want to make advertising available through the Wi-Fi service?
 - What content should be restricted?
 - Does the Council wish to own and maintain the Wi-Fi equipment itself?
- 4.18 Pilot Project
 If the Committee determines that they would like to progress town centre Wi-Fi on a pilot basis then there would be an option to focus on a single town. It is proposed that Helensburgh would be the most appropriate location for this pilot as works

undertaken in relation to CHORD have included additional ducting to allow a Wi-Fi provider to install their equipment with minimal disruption (it would still be necessary to provide the Wi-Fi units and cabling and establish the necessary internet connections).

- 4.19 On a single town basis, it is expected that the purchase model will be the only viable option. The expenditure and staff resource required to implement the pilot are expected to reflect those outlined for the purchase model detailed in paragraph 4.12 and the questions highlighted at 4.13 and 4.17 will also need to be addressed before the pilot can progress. It is expected that progressing with the pilot without consultant input would require considerable technical support from the IT service to ensure an appropriate product is being purchased.

5.0 CONCLUSION

- 5.1 The provision of free town Wi-Fi would support the objective of the SOA, EDAP, CHORD and Town Centre First Principle, all of which seek to deliver vibrant, attractive and economically sustainable towns. If delivered correctly it could assist in making our town centres more attractive, support existing businesses, increase footfall and add value to capital investment already being delivered through our CHORD regeneration programme.
- 5.2 It should be noted that development of Wi-Fi provision across the town centres is not without risk and whichever route is taken would require a financial and staff resource commitment from the Council over the long-term. Adequate resources and thorough investigation is required if the most appropriate solution is to be obtained. This is set against the backdrop of the rollout of 4G mobile coverage and an anticipated drop in the local authority budget in coming years. On the other hand provision of town centre Wi-Fi could help to support our towns and ensure that the digital offering to those using the town is equivalent to nearby larger towns and cities. The pilot project will allow us to assess the costs and benefits associated with town centre Wi-Fi before determining whether it should be provided across the other Argyll towns.
- 5.3 The Committee are asked to determine whether work should be progressed in relation to town centre Wi-Fi.

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 Costs for implementing a pilot project in one town are 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.

Funding would be required to employ consultants during the initial options appraisal, business case and procurement stage for the wider towns appraisal should it be agreed that this is progressed at a later date however a further report would come back to members at that point.

- 6.3 Legal Support would be required in relation to enabling access by a third party to use appropriate street furniture. Location of equipment on property not within the Council's ownership may increase the need for legal input.
- 6.4 HR Staff resource would be required from Economic Development, Roads and Amenity Services, IT, Procurement, Legal, Planning and Estates during the options appraisal work and implementation of the pilot.
If implemented, staff resource would be required to monitor contracts with the provider, this resource requirement would be higher if the purchase model was utilised. Staff resource may also be required in relation to maintaining an access page.
- 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).
- 6.6 Risk There is a risk that the concession model would not be viable and therefore the delivery would be dependent on ongoing Council funding. Should funding become unavailable 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 Services None anticipated although availability of town Wi-Fi could assist customers accessing online services.

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