



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 3 MAY 2016**

SUBJECT: BROADBAND AND MOBILE CONNECTION COVERAGE

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING & INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To advise the Committee about the latest situation with broadband and mobile connection coverage in Moray.
- 1.2 This report is submitted to Committee in terms of Section I (E) (3) of the Council's Scheme of Administration in relation to the exercising of functions that promote economic development.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- (i) note the current situation and plans for broadband and mobile connection coverage in Moray; and
- (ii) agree that staff continue to liaise with Highlands and Islands Enterprise and other partners concerning plans to close gaps in broadband infrastructure and mobile connection coverage in Moray.

3. BACKGROUND

3.1 BROADBAND

A report entitled "Broadband Infrastructure Coverage" was presented to this Committee on 25 August 2015 (para 12 of the minute refers). At that time 70% of premises in Moray were connected to high speed broadband. That figure has now risen to 83%, meaning that 37,000 properties in Moray are able to connect to high speed broadband infrastructure.

- 3.2 Highlands and Islands Enterprise (HIE), who are overseeing the Phase 1 roll-out of high speed broadband in the region, expect that 93% of Moray premises will be connected to high speed broadband by the end of December 2016. Moray will have the highest connection rate of any Local Authority in the Highlands & Islands Region. For phase 1 the target is 24Mbps.

- 3.3 A Phase 2 roll-out is currently being planned by the Scottish Government, HIE and partners. In order to comply with the European Commission a new procurement is required and a new umbrella state aid notification is being taken forward by BDUK (part of the UK Government). It is expected that the regulatory regime required for Phase 2 will be in place by mid 2016. However, if there is continuing pressure to ensure that all Local Authorities achieve equitable percentage coverage rather than targeting premises that are cheapest to reach, then the additional coverage in Moray may be limited for Phase 2. However, no final decisions on the priorities for Phase 2 have been made.
- 3.4 BT is currently assessing how far coverage will go under the existing contract with HIE. This is taking longer than expected as it is likely that BT will be able to extend coverage beyond the previously announced 84% with existing funding and clawback (gainshare) made available through strong levels of take-up. It is expected that these changes will be worked through by May.
- 3.5 Once it is known which areas in Moray will not be connected in Phase 1 then those areas will be able to progress with community projects through Community Broadband Scotland. That scheme is administered by HIE and it can provide support and funding available through that scheme for community broadband schemes in rural Scotland.
- 3.6 Tomintoul and Glenlivet Development Trust have been working towards their area getting money from Community Broadband Scotland. They plan to be part of a wider Cairngorms scheme which is currently awaiting details of Phase 1 roll-out. Both Tomintoul and Glenlivet are getting a level of coverage under the main rollout with a single cabinet planned in each area. In addition, HIE hope that more coverage will be possible in Glenlivet, although even then not everyone in the area will be reached in Phase 1.
- 3.7 Individual premises which cannot get speeds of 2MB, and which will not be part of the current broadband roll-out, are eligible to apply for a new grant of up to £350 each from the National Satellite Broadband Scheme. This scheme is administered by the Scottish Government and funded by HIE out of the existing Phase 1 funding. The Scheme has been publicised on The Moray Council website and satellite broadband providers have been promoting the scheme locally.
- 3.8 A map is attached as **Appendix 1** showing which exchange areas are receiving some level of roll-out in Moray. That map however does not show cabinets or the detailed picture for individual premises. As a broad guide, the closer premises are to an updated cabinet, the faster the broadband speed. However, those more than 2.5 kilometres away are unlikely to see any benefit. BT is to issue further information showing anticipated coverage at postcode level at the end of phase 1 by the summer.
- 3.9 The UK Government has indicated that it plans to introduce a Universal Service Obligation (USO) for broadband by 2020 to ensure that all homes and businesses have access to a reasonable broadband service. It has been

suggested that the USO will stipulate a speed of 10Mbps but no final decision has been made.

3.10 **MOBILE CONNECTION**

Mobile connection is important to businesses and people in Moray, with Ofcom reporting that in 2015 more than half of the Scottish population uses mobiles or tablets as their preferred device to access the internet. Poor connection in rural areas impacts on businesses (e.g. tourism), services (e.g. emergency services) and individuals.

3.11 The most recent coverage figures for mobile are shown in the table below.

	UK	Scotland	Highlands and Islands
Indoor voice premises (coverage by all 4 operators)	*85%	*79%	61%
Geographic voice (coverage by all 4 operators)	*58%	*29%	29%

**Source Ofcom Connected Nations report December 2015*

- 3.12 Mobile Phone companies have committed to providing 4G coverage to 95% of premises in Scotland by the end of 2017.
- 3.13 UK Government have agreed with mobile operators an increase in geographic coverage by the end of 2017 such that they estimate that in Scotland 66% of the area will have coverage from all 4 operators (currently at 29%). 6% of Scotland is estimated to still be a “not spot” by end 2017 with no reception at all.
- 3.14 The UK Government are working on improving the emergency services mobile network by the end of 2017. They are aiming for 90% geographical coverage in the UK. There are no national or regional breakdowns of these figures.
- 3.15 The Scottish Government are currently piloting a scheme in the Cairngorms and Arran of non-domestic rates relief for masts in areas which would otherwise not be commercially viable.
- 3.16 The Scottish Government are working with Ofcom to try to ascertain exactly where the “not spots” are so that plans can be made for development. There are no results yet for this process.
- 3.17 The Scottish Government are working in collaboration with HIE and others on a “Mobile Action Plan”. A first draft is due in Spring 2016.
- 3.18 The main area that HIE are currently suggesting where Local Authorities can help is with the planning applications for the infrastructure. A single point of contact within the Council has been agreed with HIE for planning issues.

4. SUMMARY OF IMPLICATIONS

(a) Moray 2023: A Plan for the Future/Service Plan/Health and Social Care Integration

Moray 2023 “The Ten Year Plan” identifies Sustainable Economic Development as its top priority. The Plan includes a target that 95% of premises will have access to Next Generation Broadband by 2023.

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan.

(c) Financial Implications

There are no financial implications for the Council’s budget in this report.

(d) Risk Implications

If the Council was to set up its own programme to close gaps in broadband and/or mobile coverage there would be a high risk of duplication of effort and resources to those of Community Broadband Scotland, HIE, the Scottish Government and UK Government until such time as the details of the areas that are not to be connected through phases 1 and 2 are known.

(e) Staffing Implications

Beyond staff continuing to research and liaise with HIE and other partners there are currently no direct staffing implications from this report.

(f) Property

There are currently no property implications.

(g) Equalities

There are no equalities impacts arising from this report.

(h) Consultations

Consultation has been undertaken with Stuart Robertson, Director of Digital Highlands and Islands (DigitalHI); The Corporate Director (Economic Development, Planning & Infrastructure), Head of Development Services, Equal Opportunities Officer regarding any Equalities implications; Legal Services Manager (Property and Contracts), Democratic Services Manager, Darren Westmacott

(Committee Services Officer) and Deborah Brands (Principal Accountant) and their comments have been incorporated into the report.

5. CONCLUSION

- 5.1 Access to high speed broadband is currently at 83% of premises in Moray and is planned to be 93% by the end of 2016. Details for the other 7% non-connected areas will be available later this year. Plans for a Phase 2 procurement are under development.**
- 5.2 Mobile connection coverage is set to increase in Scotland to 95% by the end of 2017. A Scottish Government report “Mobile Action Plan” is due imminently.**
- 5.3 For both broadband and mobile, Moray Council should liaise with partners to work towards enacting plans. This would minimise the risk of duplicating efforts.**

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Background Papers:

Ref: