
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR INFORMATION

**Title: BROADBAND PROVISION IN CAIRNGORMS:
UPDATE**

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Purpose

The proposed project to deliver superfast broadband to the communities and businesses in the 'hardest to reach' areas of the National Park, which was to be led by Cairngorms Community Broadband, will not now go forwards. Provision of superfast broadband in this area is now expected to be delivered through the Scottish Government's "Reaching 100%" (RI00) Programme.

This paper provides an update on the work undertaken within the Cairngorms National Park to the proposed community-led project and the reasons underpinning the change in delivery arrangements for superfast broadband.

Recommendations

The Board is requested to note:

- a) **this update on the Authority's support and the resources invested in seeking to secure a community-led high speed broadband service provision in the Cairngorms; and**
- b) **that there is an expectation of, and dependence on, the national RI00 programme to deliver superfast broadband services to all rural communities in the Cairngorms.**

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Strategic Context

1. The National Park Partnership Plan (NPPP) for 2012-2017 included a work programme on infrastructure and communications improvements as a contribution toward the five-year outcome of “*a sustainable economy supporting thriving businesses and communities*”. The Cairngorms National Park Economic Strategy 2015-2018 highlighted the critical importance of broadband and mobile connectivity and included actions to form a collaborative project to work on delivery options.
2. A paper was taken to the CNPA Board in December 2015 and the Board:
 - a) Noted the progress made through the Digital Scotland Superfast Broadband Programme and the work scheduled to improve provision in the towns and villages of the National Park;
 - b) Noted the very limited progress that had been made, despite the communities’ best endeavours, in each of the two Community Broadband Scotland ‘pioneer’ projects that had been selected in the National Park – in Tomintoul and Glenlivet; and Corgarff and Glenbuchat;
 - c) Decided to support in principle the Cairngorms Community Broadband project as an aggregated project that would benefit over 1800 people at estimated cost of £1.3M to be provided through Community Broadband Scotland (CBS).
3. The Authority invested a significant amount of resource to progress this objective following a twin-track approach:
 - a) Director of Planning and Rural Development and his team coordinated a group of community representatives and other organisations, including CBS, to consider options for delivery of superfast broadband. Proposals were developed for a community-led delivery organisation and the transition arrangements to the new organisation were put in place.
 - b) Director of Corporate Services and his finance and LEADER teams led on the establishment of Cairngorms Community Broadband Ltd. (CCB Ltd.); on negotiations with CBS and others in developing a business plan and procurement approach for the community project; and on securing LEADER funding to support the development phase of the project. David Watson, the CNPA Economic Development Manager, was made available to CCB Ltd and provided highly valuable officers support to the Directors over a sustained period. Dave Fallows was nominated by CNPA as a Director of CCB Ltd.

Strategic Policy Considerations

4. After around nine months of relatively intensive work by CCB Ltd., a business plan and procurement approach to market had been established. Professional legal, financial and project management advisors had also been identified with the support of CBS. The company hoped to go to procurement over summer 2017, after a number of delays caused primarily by complexities of the funding arrangements available for community led projects. However, the final approach to procurement stalled as the company found it impossible to source a final dataset of premises to be included in the Cairngorms offer to market.
5. The company also failed to secure approval from governing agencies, Broadband Delivery UK (BDUK) and CBS, to any form of business model from which an ongoing revenue stream could be secured. This was required to underpin the estimated, ongoing revenue costs of the company, to be incurred as it delivered its contract management responsibilities over a seven year contractual period.
6. Procurement delay, in particular, resulted in the CCB Ltd. project running into the timescale for consultation on the Scottish Government's R100 programme.
7. At broadly the same time, wider issues combined to bring into question the long-term viability of the community-led broadband models that were being developed across Scotland. These issues included lack of potential supplier appetite; higher than anticipated costs for community broadband projects; the financial failure of a supplier to an early broadband project in Western Scotland. Consequently, CBS announced that a review of its own activities would be undertaken.
8. As a result of these issues, CCB Ltd. was requested to determine whether the company wished to continue to pursue a community-led broadband project, or whether the Cairngorms should be included within the R100 option. It was made clear that it would not be possible to pursue both a community-led solution and then to use the R100 programme as a fall-back position should the community-led project fail to secure a supplier at an affordable price.

Strategic Risk Management

9. CCB Ltd. had hoped to provide a service delivery start for some communities in the Cairngorms of Spring 2019. This would have been subject to securing sufficient market interest within budget allocation for the 4,000 or more properties that CCB Ltd understood to be lacking high speed broadband service.

10. The timetable for the Scottish R100 programme involves:
 - a) Three regional lots going to procurement later in 2017 – the whole of Cairngorms National Park will be included in the Northern Region
 - b) Contracts to be awarded December 2018.
 - c) First areas scheduled for delivery in 2019 – it is not known at present where these first areas for delivery will be but we should know by summer 2018 which premises will benefit from initial roll-out.

11. However, the initial R100 procurement is unlikely to extend service provision everywhere and options for future phases are currently being explored by Scottish Government.

Cairngorms Community Broadband Ltd. Decision

12. These risks have been weighed up by CCB Ltd, and after careful consideration, the CCB Ltd. Directors agreed unanimously that CCB:
 - a) suspends its pursuit of a community-led broadband solution for Cairngorms communities;
 - b) adopts a position that the only option that will be adequately resourced moving forward will be the Reaching 100% Programme (R100) and that programme should pick up the delivery of broadband for the Cairngorms communities;
 - c) advise the Cairngorms National Park Authority (CNPA) as the Convenor of the Cairngorms communities stakeholder group and the various community contacts of their position;
 - d) indicate to Cairngorms LEADER Local Action Group that CBS will not be able to take up their kind offer of project development funding.

13. CCB Ltd. Proposes to “mothball” the Company in order to pick up alternate options again should R100 not be seen to deliver broadband to Cairngorms communities.

Success Measures

14. One implication here for the Authority relates to Priority 9 of the NPPP for 2017-2022, focusing on economic development of the National Park, and the need to strengthen and diversify the economy of the Cairngorms National Park. Improving digital communications infrastructure remains a key objective within this priority.

15. Given the efforts put into the community-led approach to provision of superfast broadband over the last few years, the lack of practical progress made is extremely disappointing. Many community members have invested a very significant amount of their time and energy in taking the proposed project forwards. It will be challenging to encourage them to be involved in similar approaches in future.

16. Initial discussions have taken place with the R100 Team though the Cairngorms Digital Steering Group and they were made fully aware of the intense community frustrations that have built up. One key challenge is the need to keep up a flow of communication with the communities around all matters concerning digital connectivity so that those people with the poorest provision know what is happening and when their service will improve.

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David Cameron

27 September 2017