

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE – 11th June 2008

Agenda Item	
Report No	

Pathfinder North Progress Update Report

Report by Head of E-Government

SUMMARY

This report updates the Resources Committee on the progress of the Pathfinder North Broadband Project which will provide high capacity broadband links to schools, libraries and other council buildings throughout the Highlands and Islands.

1. Background

- 1.1 The Pathfinder North project is to procure, implement and manage the delivery of managed broadband services in five local authority areas across the Highlands and Islands (Highland, Moray, Argyll and Bute, Orkney and Shetland). The five local authorities formed a consortium to undertake the procurement. The Highland Council was appointed the lead authority for the procurement and implementation of the Pathfinder North programme. As a result, The Highland Council has a dual role in the project – one role being to act as the lead authority on behalf of the other partner authorities and the second role as an individual partner authority.
- 1.2 The services delivered by the Pathfinder North Project, will offer direct benefits to local authorities by enabling high bandwidth connections for schools, libraries and other Council offices throughout the Highlands and Islands. The intention is that the infrastructure currently being deployed could be used for the delivery of broadband across the geographical areas by making the facility available to the private sector, residential and other public sectors, working with the supplier of Pathfinder North and 3rd party suppliers.

2. Project Update

- 2.1 The Pathfinder North Implementation stage commenced on the 21st of March 2007 and 805 sites are currently scheduled to be connected by the 20th March 2009. As of the 9th May 2008 205 Pathfinder North sites were connected.
- 2.2 The supplier, Thus, requires an extensive expansion of their Core Network to deliver the services to the Pathfinder North areas. Unfortunately, the Core Network activity has been delayed which has consequently meant that a number of sites have not been delivered as expected.

2.3 A number of factors have contributed to the delays:

- Significant Core Network activity was required during the winter when inclement weather prevented access the hilltop masts due to unsafe working conditions
- Access to 3rd party sites (such as National Grid Wireless, Scottish and Southern Electric, Arquiva and Scottish Water), required for Core Network connectivity, and has not been granted in the timeframe expected.
- 3rd Party sub contractors were failing to complete their works as scheduled.

2.4 Whilst the supplier has assured the Partners these issues have now been addressed the consequence of these delays is still evident from the site connection figures.

2.5 Partners wrote to Thus on the 3rd of April 2008 to state their concerns regarding the implementation delays. The Chief Executive of Thus, William Allan, informed the Partners in a written response on the 22nd of April 2008 that Thus are taking all the necessary steps to ensure a successful and on schedule implementation. These steps include the appointment of a new project manager for the project, a revised staffing structure, better management of third party suppliers and a revised roll out forecast.

3. Implementation Progress

3.1 The network rollout is phased over a period of eight Milestones covering two years from March 2007 to March 2009.

3.2 The latest forecast sent by Thus is detailed below. Where the connection method has not been confirmed a date has not been given, hence 100 sites currently shown as to be confirmed (TBC). The intention is to bring these 100 sites into the rollout period as they are surveyed and the connection method is known.

Table 1 – *as of 9th May 2008

Milestone	Dates for Delivery	CT	Forecast	C/Live
1	21 st Mar 07 – 20 th Jun 07	25	-	10
2	21 st Jun 07 – 20 th Sep 07	127	-	27
3	21 st Sep 07 – 20 th Dec 07	212	-	89
4	21 st Dec 07 – 20 th Mar 08	340	-	152
5	21 st Mar 08 – 20 th June 08	468	296	205*
6	21 st Jun 08 – 20 th Sep 08	595	493	
7	21 st Sep 08 – 20 th Dec 08	723	639	
8	21 st Dec 08 – 20 th Mar 09	850	711	
	TBC	n/a	811	

Key:

CT – contractual total (cumulative)

Forecast – cumulative number of sites currently scheduled to be connected as part of Letter response

C/Live – the cumulative total of live sites

Note: the figure 811 includes sites currently being added via Change Control.

3.3 Work progresses on site connectivity across the Partnership. The total of sites connected across the Partners is listed below.

Argyll & Bute: 39 out of 145 sites.

Highland: 112 out of 450 sites.

Moray: 35 out of 109 sites.

Orkney: 3 out of 28 sites.
Shetland: 16 out of 73 sites.

4. Pathfinder North Project Costs

- 4.1 By 16 May 2008 THUS were paid a total of £5,860,556 for 194 connections which had been made to the 30 April 2008.
- 4.2 The current total expenditure has been 100% grant aided from the £61m government grant available for this project. Partners will provide the balance of funding of £9m towards the end of the 7 year contract.
- 4.3 A proposed revised roll out schedule has been received from THUS and this is currently being assessed to ascertain if it is acceptable to the Partners. The profile of future payments to THUS will follow the agreed roll out plan. Partners have so far drawn down minor enabling works grant claims of £545,333.77 against a further government grant of £1m.
- 4.4 At 31 March 2008 the Central Project Management expenditure for the first 12 months of roll out was £99,468 against a 2 year budget of £198,000. In addition Partners were recharged a total of £ 57,518 by an approved split. These costs covered insurance, Construction Design Management (CDM) Regulations external professional support and a small element for consultancy. The CDM Regulations are part of the UK's Health and Safety Legislation and apply to large projects over 30 days in duration such as Pathfinder North. As the available specialist CDM skills have not been available within the Council, it has been necessary to engage external support to comply with Health and Safety legislation..

5. Communications

- 5.1 Regular project updates and progress are available through the Pathfinder North website at www.pathfindernorth.co.uk

9. Recommendations

9.1 Members are asked to:

- i. Note the actions taken, and progress to date, in relation to the Project to date

Signature:

Designation: Head of E-Government

Author(s): Vicki Nairn, Martin Robinson, Michael Fraser, Danny Bird

Date: 20th May 2008