

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE – 3rd December 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).
- 1.2 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.
- 1.3 The Highland Council has a dual role in the project, acting as the Lead Authority on behalf of other Partner authorities and as an individual Partner authority.
- 1.4 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.
- 1.5 The intention is that the infrastructure currently being deployed, could be used in the future for the delivery of broadband services 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 third party suppliers.

2. Implementation Progress

- 2.1 The Pathfinder North Implementation stage commenced on the 21st of March 2007 with 808 sites scheduled to be connected.
- 2.2 The network rollout is phased over a period of eight Milestones covering two years from March 2007 to March 2009.

- 2.3 As of 7 November, 416 sites have been connected across the Pathfinder Partnership.
 2.4 A breakdown of the Milestone progress is detailed in Table 1 below:

Table 1 – *as of 7th November 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	234
6	21 st Jun 08 – 20 th Sep 08	595	493	371
7	21 st Sep 08 – 20 th Dec 08	723	639	416*
8	21 st Dec 08 – 20 th Mar 09	850	711	
	Sites with dates to be confirmed	n/a	808	

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

- 2.5 Across the Partnership the delivery to 7th November 2008 is as follows (these exclude sites in the process of Change Control):

	A&B	HC	MC	OIC	SIC	Total
Sites connected	68	202	78	18	50	416
Sites still to be connected	77	251	30	9	25	392
Total Sites	145	453	108	27	75	808
% complete	46.9%	44.6%	72.2%	66.7%	66.7%	51.5%

3 Revised Rollout Plan

- 3.1 As advised at the last Resources Committee, a meeting was called with Cable and Wireless Directors and The Highland Council Chief Executive to discuss the delays to the rollout of the Pathfinder North network.
- 3.2 As a result of this meeting on 16 October 2008, Partners were informed at their Project Board by Cable and Wireless, that the implementation period would run past 20 March 2009, the original implementation deadline. Following this meeting, Cable and Wireless were tasked to provide a revised Detailed Rollout Plan for 7 November to Partners for further review, so Partners could assess the revised scheduling for the network but also undertake a financial assessment on any proposed delay.
- 3.3 Pathfinder Partners have been requested to supply further information on costs related to the delayed rollout post 20 March 2009, so recovery of these costs can be pursued with Cable and Wireless.

- 3.4 The revised schedule has been affected by a number of factors:
- Access to 3rd party mast sites (such as National Grid Wireless, Scottish and Southern Electric, Arqiva and Scottish Water), required for Core Network connectivity, has not been granted in the timeframes expected.
 - Delay by Cable and Wireless in implementing the necessary agreements with suppliers such as BT
 - 3rd party sub-contractors were failing to complete their works as scheduled
- 3.5 Having assessed the revised rollout schedule, Cable and Wireless are indicating the delivery of 200 sites between now and 20 March 2009, this includes 13 BT sites. This would leave 205 sites to be connected across the Pathfinder area post 20 March 2009. This includes 114 BT sites and 91 connected via other technologies. Confirmation is awaited from Cable and Wireless with regard to these sites.
- 3.6 It is expected a number of BT sites will be connected between now and 20 March 2009 and would therefore improve this position. We will be unable to confirm this until the BT sites have been surveyed, which is currently taking place from now through to 18 December 2008. The last sites due to be connected by Pathfinder are in September 2009, five in Highland and one in Shetland.
- 3.7 The Central Project team and Partners continue to work with our supplier to improve on these delivery timescales.

4. Pathfinder North Project Costs

- 4.1 By 31 October 2008, THUS were paid a total of £12.9m for 405 connections that have been made to this date.
- 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 Partners have so far drawn down minor enabling works grant claims of £750k, against a further government grant of £1m.
- 4.4 The Central Project Management expenditure for 08/09 to 31 October 2008 is £64.4k and is within budget.
- 4.5 As a result of the delays detailed above, the profile for expenditure has been re-assessed and the drawdown arrangements with the Scottish Government have been updated.

5. Post Implementation Arrangements

- 5.2 It is proposed that this arrangement continues going forward with The Highland Council continuing it's duties as Lead Authority. As such, it will be necessary to understand the management requirements for the duration of the contract term and any financial impact. This requirement is currently under review by The Head of E-Government.

5.3 Pathfinder Partners will be consulted on Service Management arrangements through December and January prior to a proposal being presented back to the Pathfinder North Project Board.

6. Recommendations

Members are asked to:

- i. Note the Report

Signature: Vicki Nairn

Designation: Head of E-Government

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Date: 11th November 2008