



# **‘Connected Capital’**

## **Edinburgh’s Bid to the Urban Broadband Fund February 2012**



department for  
culture, media  
and sport

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**APPLICANT INFORMATION**

**Project Name:**

**'Connected Capital' Programme**

**Lead organisation - include address with postcode:**

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**If the bid is a joint proposal, please enter the names of all participating bodies and specify the co-ordinating authority**

The City of Edinburgh Council will co-ordinate and lead programme delivery but will involve other private, public and third sector organisations in delivery.

**Proposed start Date of Project: 01/04/2012**

**Proposed end Date of Project: 31/03/2015**

## **SECTION A – SHORT-FORM BUSINESS CASE**

Our proposal for Edinburgh's 'Connected Capital' Programme is comprised of the following elements:

- High-speed wireless provision in a contiguous area of the city centre, with further phased rollout to areas beyond the city centre and to key cultural and community locations across the city.
- Enabling Ultrafast connectivity in an incubator facility being set up in Leith and undertaking SME stimulation interventions and awareness raising activity focussing on the Leith Enterprise Area and specific high growth sectors such as Creative Industries to showcase Ultrafast broadband capabilities and stimulate demand.
- Core Infrastructure infill activity across the city to address white spots and develop local digital participation, to achieve 90% Next Generation Access (NGA) across the city and maximise the availability of Ultrafast connectivity for residents and businesses through increasingly fibre based products as well as potential upgrades of exchange only lines.
- Digital Participation and demand stimulation activities (non-capital) underpinning the investment proposals above aligned to the Council's existing Smart City Programme and other initiatives from public, private, voluntary and academic sectors.

*A1. Define the strategic objectives, measures of success and targets of the proposal with respect to:*

### *A1.1 Economic growth*

To contribute to the priority outcomes in the Council's Economic Strategy for 2012-2017 'A strategy for jobs' as outlined in section B.1.

### *A1.2 Take-up of broadband services*

To increase Ultrafast availability in the city to over 90% for residential and business premises by intervention in currently defined White areas.

To increase take up of broadband (Superfast and Ultrafast) in the city among:

- Citizens;
- businesses, including SMEs.

To raise awareness among SMEs about the benefits of Superfast and Ultrafast broadband for their business and encourage uptake.

### *A1.3 Social objectives*

To enable opportunities for young people through engagement with education establishments and industry.

To act as an enabler for other agencies' social initiatives such as NHS Lothian's eHealth programme.

To increase digital participation and address digital exclusion.

### *A1.4 Other local objectives*

To positively support tourism and the festivals by providing enabling technology and infrastructure.

To align with local investments and accelerate the delivery of Smart public services such as telecare, flexible/home working and online service delivery.

**A2. Set out the rationale for public investment:**

**A2.1 What are the specific needs you are addressing?**

Coverage

Edinburgh has a mature market with the fastest average maximum broadband speeds in the UK at 10.1Mbps<sup>1</sup>. Data shows that a large number of premises in the city already have broadband coverage or are on track to receive such a service (see maps in Appendix B). However, some areas of the city do not have high-speed broadband capability and will not receive this under current operators' plans for the next 3 years. In addition, 3G coverage in the city is poor in terms of national averages. This is partly due to the city's topography and the large numbers of historic buildings and conservation areas making mast/transmitter siting more challenging. These proposals seek to create the infrastructure to allow operators to improve coverage.

Tourism, Heritage and the Festivals

Edinburgh is a World Heritage City and a major tourist destination, attracting 3.52m visitors every year<sup>2</sup>. In a report prepared for the Edinburgh Tourism Action Group in 2011 the following vision for tourism was set out: *Edinburgh should be seen as a global market leader in the innovative use of information technology to attract visitors to Edinburgh and to maximise their satisfaction through visitor services of outstanding quality*<sup>3</sup>.

The City is a festival city with 23 different festivals throughout the year<sup>4</sup>. During the summer there up to 11 concurrent festivals, the biggest of which, the Fringe, attracts over 2.8m visitors, 21,000 performers and means Edinburgh becomes the temporary location for over 2,500 businesses involved in these festivals. The population of the city doubles during August and is believed to refresh three times suggesting a total of around 1.5m incoming visitors to the city.

These factors are underpinned by an ever increasing demand and expectation of the availability of high speed connectivity to enable new approaches to the delivery of customer experience.

Innovation and Research

Edinburgh is a university city with over 60,000 undergraduates and postgraduates and a further 40,000 college students. Along with London, Edinburgh is recognised as one of only two fully-fledged UK 'Ideopolises' – vibrant, sustainable knowledge cities that are driving economic development and raising the quality of life in their surrounding regions in the UK<sup>5</sup>. Edinburgh has consistently been identified as a 'knowledge hub'<sup>6</sup> and has one of the highest concentrations of professional occupations in the UK – only exceeded by Oxford & Cambridge. In 2010, 1,700 people in Edinburgh were employed in research and experimental development – over 19% of the Scottish total. In 2010, businesses in Edinburgh spent £147m on research and development – 24% of the Scottish total.

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<sup>1</sup> OfCom

<sup>2</sup> Edinburgh by Numbers 2011/12: [http://www.edinburgh-inspiringcapital.com/pdf/EBN\\_2011-2012.pdf](http://www.edinburgh-inspiringcapital.com/pdf/EBN_2011-2012.pdf)

<sup>3</sup> Tourism Technology Edinburgh – Final Report (Feb 2011).pdf

<sup>4</sup> City of Edinburgh Council Festivals Survey 2010

<sup>5</sup> [http://www.workfoundation.co.uk/assets/docs/publications/60\\_Ideopolis\\_Complete.pdf](http://www.workfoundation.co.uk/assets/docs/publications/60_Ideopolis_Complete.pdf)

<sup>6</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/urban/stateofcities\\_2007.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/urban/stateofcities_2007.pdf)

As a city region we have long been seen as innovators – Edinburgh University's Informatics Forum is a global centre for excellence. Other examples being the first local Council in the UK to give all school pupils an email address, providing a comprehensive online planning service and introducing online Choice-Based Letting. In addition, NHS Lothian is one of the pilot areas for the Technology Strategy Board's DALLAS initiative.

World-class connectivity will contribute to sustaining and growing Edinburgh's strengths in terms of innovation and research.

#### Uptake and Demand – Digital Participation

Over 71% of Edinburgh's 220,000 households have a broadband connection<sup>7</sup> but this means that over 63,000 households do not. Whilst 71% is high compared with the Scottish average it is low compared with other UK and world cities. Ofcom research has shown that the reasons for not using internet services include lack of interest, lack of access to a computer, lack of confidence and financial considerations rather than purely lack of access to high speed connectivity. Given that the market is generally providing a good level of broadband coverage in Edinburgh it would seem that these factors may play a key role in take up and demand for Super- and Ultrafast services. As a capital city with a world-class academic and innovation heritage as well as being a major tourist destination, Edinburgh's broadband take-up should be higher.

#### Economic Growth – 'A strategy for jobs' and the importance of SMEs

The Edinburgh Economic Review estimates that the numbers of people looking for work in Edinburgh will grow by an average of 1.2% per year, but job supply will only grow by 0.3%. By 2018 there could be 37,000 more people looking for work in the city than there are available jobs. It is recognised that unemployment and in-work poverty do more to create inequality and escalating social costs than any other factor. The Council's Economic Review calculated the cost of joblessness to the city as £309m p.a. in lost output alone. Jobs growth is therefore a key priority and success measure for the city. The importance of small, medium, micro and sole trader enterprises is emphasised by the fact that almost 94% of registered enterprises in Edinburgh have fewer than 250 employees and 89% have fewer than 50. In addition, it is estimated that there could be around 15,000 unregistered or micro-businesses potentially employing up to 17,000 people.<sup>8</sup> The Council's Economic Strategy 2012-2017 lists support for business as a priority outcome with specific references to driving an entrepreneurial culture, achieving a thriving creative industries sector and having successful spin-outs from the city's universities in high-tech sectors such as renewable energy and life sciences. A study conducted by Ericsson using data for OECD countries has found that a 1% increase in average broadband speeds is significantly associated with a 0.003% increase in GDP growth. A 100% increase in broadband speeds - i.e. doubling broadband speeds - could therefore result in a 0.3% increase in GDP growth.<sup>9</sup>

It is felt that lack of ICT skills and understanding of the benefits of high speed broadband connectivity are the main barriers to demand for such services and therefore this proposal focuses on enabling infrastructure in an incubator facility and in the Leith Enterprise Area coupled with educational activities for businesses across the city with a view to closing the knowledge gap and drive demand.

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<sup>7</sup> Scottish Government Household Survey 2009/10

<sup>8</sup> Edinburgh City Region: Economic Review 2011

<sup>9</sup> <http://www.ericsson.com/networkedsociety/lab/research/need-for-speed/>



*A2.2 Have all options to meet these needs by the stimulation and encouragement of private sector investment been explored?*

Engagement has been undertaken with the major telecommunications providers in the city and their rollout plans have been understood as far as is possible at this stage. From discussion and analysis it is clear that existing providers have sought to promote take up in the city. The broadband infrastructure proposals to the Urban Broadband Fund are to deliver infill of white areas and will be coupled with demand stimulation and digital participation activities to address areas where there is currently not a commercial case for supply by the private sector providers.

The Council undertook a competitive dialogue exercise in 2008/09 for delivery of a wireless city and identified interventions that would be required from the city in terms of capital investment and planning authority. The Urban Broadband Fund will enable the capital requirements to be achieved.

Supply and demand factors will be reviewed at key gateways during the course of the programme to ensure that the city's intervention remains appropriate in the context of market activity.

*A2.3 What resources and skills are you uniquely placed to contribute to the project*

The proposal builds on the particular strengths and unique character of the city as:

- Scotland's capital city and seat of government;
- A world heritage city with historic old town and thriving tourist industry that acts as an entry point to the rest of Scotland;
- A festival city with over 20 individual festivals taking place throughout the year and home to the largest Arts festival in the world every summer generating £0.25bn additional value to Scotland and £0.148bn to Edinburgh alone;
- Home to a strong and fast growing creative industries sector: the number one location for the industry outside London with four of the world's 10 largest advertising companies, three of the 10 largest architecture companies, three of the 10 largest video games and software companies and two of the world's 10 largest publishing companies. There are 28,000 people working across the sector which generates over £2bn GDP p.a.;
- A centre for science and technology and cutting edge research, development and innovation: Edinburgh University's Informatics Forum has the only 5\*A rating for computer science in the UK and the region's 'Science Triangle' is home to four universities, two world-renowned bioscience research institutes and seven science parks making this 'super-campus' among the 20 largest science parks in the world;
- A recognised EU knowledge hub and 'ideaopolis' with one of the highest concentrations of professional occupations in the UK.

In addition, Edinburgh has well developed city and national networks that can be leveraged to complement and enhance delivery of the programme. These include:

- Other public sector bodies such as the Scottish Government and NHS Lothian;
- Business organisations such as Scottish Enterprise, Edinburgh Chamber of Commerce, Federation of Small Businesses, Business Gateway and Edinburgh Business Forum;
- Cultural and community organisations.

Edinburgh is also a founding signatory to the Scotland-wide Digital Participation Charter and member of the Digital Participation Action Group bringing together public, private and voluntary partners to collectively address participation.

The Council will contribute a programme and project team and governance structure to deliver the programme as set out in section C1.1.

*A3. Outline the information, education and demand-stimulation (consumers, business, public sector and third sector) activities to be undertaken (more detail should be given in Section D).*

Demand stimulation activities will be an over-arching programme theme running through all proposal elements. These activities, described in section D, will build on existing activities and programmes being carried out by the Council and its partners. Specific marketing activities will be agreed with any private sector supplier partners selected through procurement activities for delivery.

*A4. What new infrastructure does your proposal require?*

*A4.1 Fixed. (Fibre, cable, &c)*

Fibre based infrastructure to premises not currently capable of receiving NGA services :

- Backhaul infrastructure for Wireless network;
- Fibre based infrastructure to incubator centre(s).

*A4.2 Wireless connectivity.*

Brackets and street furniture enhancements to enable the location of Wi-Fi transmitters (and 4G femto-/pico-cells in future) in key public spaces, on an open access basis.

Wi-Fi infrastructure in key public buildings for visitor access on a free (or initially free) basis extending the infrastructure already committed to under other plans.

*A5. Define the area(s) over which ultra-fast or Superfast broadband is to be delivered:*

*A5.1 By existing networks and already-announced rollouts by existing communications service providers*

Appendix B (Map 1) illustrates the expected coverage of Super-Fast Broadband, as indicated by the data provided by BDUK, under the current programme of upgrades proposed by providers. *[MAP REDACTED AS DATA PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*

Appendix B (Map 2) illustrates the current coverage of Virgin Media's fibre network in the city, as indicated by the data provided by BDUK, which they have advised is 'Ultra-fast' ready. *[MAP REDACTED AS DATA PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*

Appendix B (Map 3) illustrates the contiguous area where upgrades (principally fibre based infrastructure) would enable 'Ultra-fast' readiness. *[MAP REDACTED AS DATA PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*

*A5.2 By investment in infill (areas not covered by commercial suppliers)*

Appendix B (Map 4) indicates the 'white' postcodes within the city where current commercial programmes to 2015 do not propose to pursue upgrade activities. *[MAP REDACTED AS DATA PROVIDED UNDER NON-DISCLOSURE AGREEMENT]* As would be expected in an urban setting these do not present themselves in clearly defined contiguous areas, but rather as a web of individual postcode clusters, primarily located around existing exchanges, where Exchange Only lines are prevalent, or rather at a cabinet as opposed to an



exchange level. Allowing for this, there are two areas that have higher concentrations of 'White' in rural West Edinburgh, around Kirkliston, Newbridge and Queensferry, and the City Centre.

#### **Ultrafast coverage and investment:**

Virgin Media has already identified that it can meet the required speeds to facilitate Ultrafast Broadband over its existing Fibre Network, where it has coverage. Current Virgin Ultrafast capability *[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*<sup>10</sup>,

BT OpenReach is looking at different approaches to upgrade and enhance their network, particularly in fibre beyond the exchange (either FTTC or FTTP). *[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT]* Under BT's recently announced new Fibre-On-Demand Service, business customers who benefit from FTTC can purchase a new high-speed service providing Ultrafast speeds of up to 300Mbps<sup>11</sup>. As reported, this service will be available to all ISPs as well as BT's own retail division and is primarily aimed at businesses (SMEs in particular). Current FTTP coverage over the OpenReach network is not known at this stage. BT has indicated that this detail could be provided via an Open Market Review once a procurement process has commenced.

Business premise access to Ethernet facilities is not known as this is confidential commercial supplier data. However, it is understood that Ethernet coverage addresses the principal business areas in the city, including separate network coverage by Cable and Wireless as well as BT.

A particular issue above the 90% threshold in Edinburgh relates to premises that benefit from an Exchange Only line and the Council would look to work with providers to examine options for bringing the 6% (15,051) premises in this situation up to a fibre base infrastructure standard where State Aid rules, funding and technology allow.

Full data on current fibre to premises based infrastructure coverage at >80-100Mbps in the city is not currently available. However it is estimated that current availability is in the region of 80-90%.

The 'Connected Capital' programme will seek to increase Ultrafast availability in the city to over 90% for residential and business premises by intervention in currently defined White areas. Based on analysis of available data this would affect *[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*. This will create close-to contiguous provision across the whole urban city area (70 square miles).

#### **A5.3 By new networks**

The State-Aid compliant procurement process to achieve the infill will be an open competition and may identify a new network supplier to deliver the infill provision. Where an existing supplier is identified this is likely to involve an extension to their current network rather than a new network.

#### **A5.4 Wireless connectivity**

Appendix B (Map 5) indicates the core area within the city where new metro wireless provision would initially be focused. In addition, ways of extending coverage along principal transport routes and around key

<sup>10</sup> Based on BDUK data provided

<sup>11</sup> <http://www.ft.com/cms/s/0/f7cad70c-4da6-11e1-b96c-00144feabdc0.html#axzz1lgT2rWXo>

Council service centres in outlying areas of the city will be prepared. These expansion options are shown in Map 5b in Appendix B.

*A6. What funding from the Urban Broadband Fund are you requesting? (Details in Section G.)*

We are requesting £11 million in funding from the Urban Broadband Fund as profiled in section G. Alternative funding scenarios are shown in Appendix C.

*A7. Briefly set out what additional funds will be contributed to the project (more detail given in Section G):*

*A7.1 by Local Authorities*

Programme and Project Team Funding (£1.9m over 3 years).

External Consultancy Resource.

Marketing Activity resources.

Incubator facility set up and management.

Alignment with existing investments such as schools Wi-Fi, home/flexible working etc.

*A7.2 from the EU*

Alignment with the existing Interreg North West Europe (NWE) Open Innovation Project and alignment with existing business support projects including Business Gateway - availability of funds subject to detailed planning phase

Intention to pursue funding and partnership opportunities under:

- Framework 7 Capacity Theme: Research for the benefit of SMEs; and

- Competitiveness and Innovation Framework Programme (CIP): Information and Communication Technologies – Policy Support Programme (ICT-PSP).

*A7.2 by other partners.*

A range of partner organisations have committed to work with us in the development and delivery of these proposals and gave permission for their organisations to be referenced in this document. Specific resource commitments and any funding opportunities would be dependent on the detailed implementation planning to be carried out in the next phase to July 2012 and agreement with the organisations themselves. The organisations are:

Scottish Government;

NHS Lothian;

Edinburgh University;

Heriot Watt University;

Edinburgh Napier University;

Festivals Edinburgh;

Creative Edinburgh;

Cultural Partnership Network;



Digital Participation Action Group including:

- Mydex;
- ScotlandIS;

Business Gateway;

Federation of Small Businesses;

Scottish Enterprise.

In addition, the following supplier organisations have expressed their willingness to engage with us throughout the process and have already met with members of the bid team and attended a proposal development workshop on 27 January:

- BT, Virgin Media, Cable & Wireless, Vodafone, Cisco, IBM, Microsoft, O2.

The Council has been engaging with a number of these suppliers to understand their coverage and further delivery plans in the city. These discussions and the sharing of data have taken place under Non-Disclosure Agreements (NDA).

#### **Support for the 'Connected Capital' Programme**

**Alex Neil (MSP), Cabinet Secretary for Infrastructure and Capital Investment**, said: *"I welcome and support the City of Edinburgh Council's bid which fully aligns with the Scottish Government's Infrastructure Action Plan. High quality digital access and faster internet speeds are a necessity for Scotland and our economy. Across Scotland our ambition is for all our citizens to have access to and the ability to participate in the digital revolution that has the potential to transform lives, bring communities together and substantially boost our economy. The Plan makes clear that delivery of national broadband targets requires a strong partnership approach with Local Authorities. This will ensure that the right balance between both the national objectives and local needs is struck and delivered. For Edinburgh, improved connectivity will specifically help enhance the digital economy and user experience in relation to tourism and the Edinburgh Festivals. This is a key overarching theme of the bid. A partnership approach with Edinburgh will continue as the Scottish Government progresses with its Infrastructure Action Plan and the Edinburgh bid is an integral part of our delivery strategy."*

**David Birrell, Chief Executive of Edinburgh Chamber of Commerce**, said: *"Accessing markets, customers and data in quick time gives businesses the edge. Edinburgh's 'Connected Capital' is an essential element of recovery in the Scottish economy and will support employment opportunities in the businesses it sustains."*

**Faith Liddell, Chief Executive of Festival Edinburgh**, said: *"Edinburgh's Festivals see a wireless zone for Edinburgh as crucial to our position as the world's leading festival city. The experience of our 4 million customers will be enriched and the service to the 2,000 visiting journalists improved, while our 25,000 artists will have a new creative space to explore."*

*A8. Any physical resources the city or its partners are contributing to the project. (Details in Section C.)*

As part of the Wireless element of our proposal the city will provide access to its street furniture, buildings and other infrastructure required to deliver the project. Initial discussions have taken place with NHS Lothian and the universities about opportunities for use of their buildings and assets in the city for siting transmitters and other infrastructure.

The city will provide use of its facilities such as libraries, community centres, neighbourhood offices, schools, offices etc for activities related to education, skills development, demand stimulation and for programme activities.

An incubator facility in Leith is being provided under existing plans using Open Innovation (Interreg) and Business Gateway funding.

## **SECTION B – DIGITAL-LED ECONOMIC GROWTH**

*Demonstrate an ambitious vision for growth. In particular:*

*B1. What job creation initiatives and strategies for attracting new businesses into the city are in your proposal including, where relevant, linkage to the delivery of a successful Enterprise Zone?*

The proposal is integrated with the Council's Economic Strategy for 2012-2017 'A strategy for jobs' which sets out the vision: *'We want our residents to be proud of Edinburgh – a confident, creative and inspiring capital city, powering growth and jobs for the City Region and Scotland; a city whose quality of life and commitment to sustainability draws talent and investment from around the world; a city where the public, private and third sectors collaborate with common purpose; and ultimately a city which puts the people of Edinburgh at the heart of its economic success.'*

The Strategy has 4 Programme Actions:

1. Invest in the City's Development and Regeneration;
2. Support Inward Investment;
3. Support business;
4. Help unemployed people into work or learning.

The strategy sets three gross targets for the Council. These are to support the creation and safeguarding of 20,000 jobs, support £1.3 billion of physical investment and support the movement into work and learning of 10,000 people. The Council has developed a methodology that will enable it to measure its specific contribution towards the realisation of these targets, taking into account considerations such as optimism bias and additionality.

The interventions proposed as part of the 'Connected Capital' Programme will be aligned with the defined targets above and the priority outcomes of the strategy, specifically that by 2017:

- The development zones have taken off creating a surge in demand for commercial development;
- The creative industries sector is thriving, following investment in innovative workspace for start-ups, with the city's year round programme of festivals used to champion the creative industries and provide a platform for their innovative products;
- Edinburgh has benefited from the influx in tourists and investment;
- Edinburgh is a globally competitive business location.

The Council has identified 4 development zone<sup>12</sup> areas in order to drive forward development and to deliver better linkages between property development proposals across the city: City Centre; South and East Edinburgh; Waterfront; and West Edinburgh. The four zones are seen as critical to the delivery of a strategy to drive sustainable investment for Edinburgh and the Council has stated that it sees economic growth and the development of these zones being led by the private sector, closely supported by the public sector. Each Zone has a detailed Development Plan developed to articulate a jointly held vision for the zone whilst also acknowledging the challenges, opportunities, priorities and targets for delivering growth. The Zone Plans take account of current planning policy and emerging issues from the Strategic Development and Local Development plans.

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<sup>12</sup> [http://www.edinburgh.gov.uk/download/meetings/id/33811/item\\_8-investment\\_zone\\_plans](http://www.edinburgh.gov.uk/download/meetings/id/33811/item_8-investment_zone_plans)

This proposal focuses actions on the existing development zones and is aligned to wider Economic Development and regeneration initiatives.

*B2. How will the proposed development enhance the capability of businesses, particularly SMEs, to increase efficiency and revenues?*

Wi-Fi and mobile proposals will enable the promotion of local services and stimulate development of applications and use of online services such as cloud computing which are expected to generate business and growth locally.

Investment in SME incubator facilities with Ultrafast connectivity will provide the platform for skills and capability development and drive demand for fast connection speeds in the market. This will be tied in with work being undertaken by the Business Gateway and partners such as the Federation of Small Businesses, Scottish Enterprise, the Edinburgh Chamber of Commerce, Scottish Development International and local universities and colleges. For example, Scottish Enterprise has a number of projects which aim to encourage tourism businesses to adopt new and existing technologies to improve business efficiency and enhance the visitor experience. The 'Technology in Tourism' project is currently under development. This should bring together a number of elements which take the business through a connected journey of technology improvements which would help maximise the use of the available and developing technology e.g. smartphone apps, location-based services, e-ticketing, social media and augmented reality applications.

It is anticipated that the proposed interventions will act as enabling factor for increased university spin-outs and, together with the opportunities for knowledge transfer about the practical application of technology, will help to drive growth and trade.

The existing, relatively poor, coverage of 3G, from a city perspective, will prove a hindrance to small businesses that increasingly rely on mobile communications for their every day business needs. Improvement in services through Wi-Fi and 4G will enhance mobility and increase efficiency and also be a driver to generate more online trading activity. The increase in coverage to address the current white spots will enable all business no matter where located in the city to enjoy the same level of high connectivity.

*B3. What proposals are included for leveraging innovation and new broadband connectivity for the development and delivery of public services?*

The Council has an existing Smart City programme which is focussed on the application of technology to improve customer service, drive efficiency, and promote active citizenship and digital participation. Greater connectivity in the city and the opportunity to build on new access methods such as wireless in city zones and Ultrafast connectivity will allow new applications and services to be developed and tested. The Council has been an active participant in EU research programmes with academic partners and is currently finalising plans to pilot Open Data applications with NESTA. This coupled with city wireless access is expected to enable further application development related to public services. The Council is also currently delivering a workstyle programme to enable flexible and mobile working for its staff and is delivering wireless connectivity in all Council run schools to allow pupils to bring their own devices into the classroom extending the utilisation of ICT in the curriculum.

In developing this proposal we have engaged with Edinburgh University, Heriot Watt University and Edinburgh Napier University. We intend to work with the city's universities as key partners in the delivery of the Urban Broadband Fund investments. This joint working is expected to include exploring synergies with



their networking capabilities, benefiting from technical expertise and building on their facilities/services for new start-ups/SMEs.

NHS Lothian will be a key partner in terms of alignment with the DALLAS e Health programme<sup>13</sup>. Access to connectivity is a crucial element in being able to deliver the proposed assisted living technologies and benefits of the DALLAS programme. We will work closely with NHS Lothian to ensure that the deliverables and benefits of both programmes are aligned.

*B4. How do you propose to stimulate additional private sector investment in order to generate greater accessibility to faster broadband services by businesses and consumers?*

We have already engaged with the majority of industry suppliers during the development of this bid. We intend to continue to share our vision for the 'Connected Capital' Programme with the industry and work with suppliers as partners so that opportunities can be jointly identified.

It is the Council's intention to liaise with suppliers on how the investment using 'Connected Capital' resources can leverage further private sector capital to maximise the reach and impact of the investment in infrastructure.

Digital participation and awareness raising activities that will be carried out as part of this programme are a crucial element in stimulating demand and take-up among Edinburgh's residents and businesses. It is anticipated that this increased demand will stimulate private sector supply and investment.

As outlined in greater detail in section E3 we intend to investigate development of a dedicated portal to allow suppliers to easily and efficiently see information about developments in the city to enable them to align their commercial plans more closely with city developments.

*B5. What commitments to raise skills levels in the local population, providing greater accessibility to educational programmes to equip more people with better knowledge-based skills, will accompany this investment in faster broadband?*

The City of Edinburgh Council acts as the local authority with lead responsibility for managing the delivery of Business Gateway across Edinburgh and the Lothians. The proposals for 'Connected Capital' will be aligned with the Business Gateway Services in the City specifically skills development workshops and events aimed at SMEs and start-ups. This will ensure that the knowledge-base in terms of the benefits of faster broadband is developed and with over 2,000 start-ups p.a. and 28,000 people working in the creative industries the reach could be substantial.

Faster broadband connections and Wi-Fi areas are being rolled out to all 87 primary schools and 23 secondary schools run by the Council over the next year. These developments involve 50,000 pupils and staff and will allow skills levels in terms of use of high-speed connectivity to be improved. This will allow pupils to bring in their own devices thus extending the use of IT in the curriculum. This proposal aligns with these developments.

Skills Development Scotland has plans in place to establish a Skills Academy for school leavers to provide training and apprenticeships in web and application development. We will align this programme with these activities.

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<sup>13</sup> <http://www.devicesfordignity.org.uk/news/63-the-dallas-programme--delivering-assisted-living-lifestyles-at-scale>

In terms of skills among the SME sector it is intended that the Leith incubator facility will be also be available as an education centre to showcase the benefits and use of Ultrafast broadband connectivity to city businesses. From our engagement with the Federation of Small Businesses in Edinburgh and colleagues working for Business Gateway we know that seminars and training for small businesses in web development, social media and ICT are typically oversubscribed 4:1. We therefore intend to align the 'Connected Capital' Programme with existing skills development activities already being carried out in the city and facilitate these where possible.

In developing our proposals we have engaged with key university partners and have committed to work with them during the detailed planning and delivery of the programme. It is expected that this joint working will include growing partnerships for developing training material and delivering training for citizens and businesses.

Edinburgh's 26 Libraries across the city already offer a range of skills development opportunities such as ICT courses, one to one tuition, access to the internet (the People's Network) via 417 public access desktops in all libraries and Wi-Fi currently available in a number of libraries.

*B6. Describe how the project will dovetail with national plans for broadband rollout in Scotland.*

The Scottish Government published 'Scotland's Digital Future – Infrastructure Action Plan'<sup>14</sup> on 31 January 2012 following publication of 'Scotland's Digital Future – A Strategy for Scotland' in March 2011<sup>15</sup>. The action plan makes a specific commitment that the Scottish Government will support city bids to the UK Government's Urban Broadband Fund. In addition, we have held a series of meetings with members of the Scottish Government's Digital Strategy Team as part of the development of our bid to ensure that our bid is aligned with Scottish plans and the Scottish Minister and the Digital Strategy Team have endorsed our bid. The Scottish Government's Action Plan sets out the vision of delivering a world-class digital infrastructure for Scotland by increasing connectivity and speeds, delivering innovative local solutions, increasing take-up and stimulating demand, all of which is entirely consistent with the aims of the Urban Broadband Fund and our proposals to it. Our proposals to work with the Digital Participation Action Group (of which the Scottish Government is a founding member), to facilitate skills support to SMEs and enable enhancement of digital public service delivery are consistent with the Scottish Government's key actions set out in their plan. During detailed planning phase for the delivery of 'Connected Capital' we will continue to work closely with the Scottish Government to ensure that the programme continues to align with the developing Scottish plan.

Opportunities to take advantage of knowledge sharing, collaborative working and resource efficiency will be explored in a Scotland-wide context to ensure that activities at national and city level are complementary. The delivery of this programme will be aligned with the Scottish Government's Agenda for Cities which sets out an approach for the 6 Scottish cities to work collaboratively to drive forward economic growth. One focus of this collaborative activity will be on delivering world class digital connectivity, capacity and usage across the cities and their regions.

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<sup>14</sup> <http://www.scotland.gov.uk/Publications/2012/01/1487>

<sup>15</sup> <http://www.scotland.gov.uk/Publications/2011/03/04162416/0>

## **SECTION C – COMMITMENT OF RESOURCES**

*C1. Detail those physical and administrative resources that will be committed to the achievement of objectives in this proposal (show financial resources in Section G – Funding):*

*C1.1 from the city*

The Council will own responsibility for delivering the Programme and will provide funding for a Programme Team and project management for the individual proposal elements which will be run as projects within the context of the overall programme. The Programme and Project teams will have full access to Council facilities – buildings, ICT etc – and will report through the Council's existing governance structures. The Programme team will also co-ordinate the work of partners involved in the programme and external consultants as required.

The Council will make available its Economic Development expertise and mobilise its network of partners in the city to deliver the aims of the programme including demand stimulation activities.

The Council's own ICT investment plans will be aligned to this proposal.

As Planning Authority the Council will make available planning expertise and planning decision-making power to facilitate Programme delivery.

In addition, the Council's Libraries, Schools and Neighbourhood services will be involved bringing substantial expertise and access to resources, knowledge and stakeholder groups in the city.

In terms of physical infrastructure the Council will make available street furniture and buildings for the deployment of the wireless network (and other proposal elements as required).

In 2011, Creative Scotland accepted a proposal by the City of Edinburgh Council to provide a funding agreement under their Innovation and Place funds. The funding from Creative Scotland includes £40,000 to support incubation space for Creative companies. Plans are in place to pilot an Open Innovation Creative Incubator in Leith during 2012/13 and 2013/14 with around £460,000 of funding being agreed for this. Building on these existing plans Urban Broadband Funding will be used to provide the Ultrafast broadband infrastructure to this facility and thus increase the attractiveness of the facility to digital based creative companies including roll-out enterprises from the universities, such as Edinburgh University's Centre of Informatics.

*C1.2 from the private sector.*

We have engaged with a range of private sector suppliers in the development of this proposal (see list in section A7.2) and all have stated their support for this bid and their willingness to work with us in the next phase as we develop the detailed implementation plan. Under NDAs we have discussed suppliers' plans for their own rollouts in the city so that we understand what has already been committed to and this has helped shape our 'Connected Capital' proposals in this document. We expect to negotiate and agree specific resource commitments from both ourselves and suppliers as Partners during later stages of the planning and delivery process and after procurement activities. We expect that supplier input will include inputs to demand stimulation and marketing activities, use of infrastructure and other activities as appropriate. At this stage it is not possible or appropriate to seek specific commitments to provide resources beyond suppliers' existing commercial plans until our funding allocation is known and the market engagement strategy and procurement approach have been defined.

The Digital Participation Action Group which includes members from the private sector has committed to support the development of the proposal and delivery.

*C2. Provide evidence that the City Authority has access to the project management capability and strengths in programme governance to deliver the programme of work.*

The City of Edinburgh Council has mature project and programme management capabilities and significant experience in delivering major technology and infrastructure programmes.

The Council's own project and programme managers follow the OGC best practice Prince2 and Managing Successful Programmes (MSP) methodologies. In addition, the Council has adopted a change management methodology that complements its programme and project management activities and increases the success of achieving objectives and benefits by ensuring that key stakeholders are engaged in and support the change.

The Council will deliver this programme through its Corporate Programme Office which would ensure alignment with key Council strategies, performance mechanisms and decision making processes. This approach will ensure that the Programme has direct access to the Corporate Management Team (Chief Executive and Directors) and appropriate political structures.

A Programme Board and Programme Reference Group will be established to ensure the engagement of the wider public sector, academia, third sector and private sector as the programme is driven forward.

Cost assumptions for a Programme and Project teams are included in section G. Alongside a programme manager and project managers for each proposal element, the programme team will include procurement, legal, marketing and planning experts as well as business analyst resource for activities such as data analysis, user requirements and customer journeys.

In addition, we intend to engage external consultants for specific elements of the planning and delivery work and have included resource costings for this as part of our programme and project revenue costs. This would be targeted to ensure that we have access to all the required capabilities for all areas of the programme. This is an approach that we have taken for a number of other major programmes and which has proved very effective.

*C3. How will value for money be assured?*

A business case will be produced, and updated at key gateways clearly identifying the following:

- Expected outcomes (both tangible and intangible)
- Option appraisal
- Risk assessment
- Sensitivity analysis
- Funding options
- Cost benefit analysis
- Project whole life costs (capital and revenue)

By adopting this approach, the Council will ensure value for money will be obtained. Once the anticipated benefits have been identified a benefits realisation management plan will be used. This plan will classify the benefits into financial categories e.g. definite, expected and logical and non-financial e.g. qualitative and intangible. The plan will include an assessment of the types of benefits expected, their estimated value and what is required to deliver them. This review will highlight what dependencies and external inhibitors may

be present leading to individual project plans, with project owners identified, to ensure the benefits are delivered.

*C4. Broadband investment will lead to both quantifiable and non-quantifiable benefits. Outline how you propose to measure and monitor the delivery of such benefits that are quantifiable.*

The 'Connected Capital' Programme will define a comprehensive Programme Management approach as part of detailed implementation planning to July 2012. This will include definition of a benefits tracking and monitoring approach that will align with existing Council processes and be incorporated into the budget planning process under the Council's governance structures.

The Council's corporate performance framework has been developing since 2005 based on the application of performance scorecards, regular reporting and scrutiny of performance indicators and improvement actions by Elected Members, the Corporate Management Team (CMT), Departmental and Divisional Management Teams. It is periodically reviewed to reflect organisational and governance changes. The Framework is currently being reviewed. Outcome based service assessment lies at the heart of performance management in Edinburgh<sup>16</sup>.

Economic Benefits will be tracked and monitored as part of the Monitoring and Evaluation Process Set out in the Council's Economic Strategy for 2012-2017 'A strategy for jobs'.

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<sup>16</sup> <http://www.scotland.gov.uk/Topics/Government/local-government/delperf/SOA>

## **SECTION D –STIMULATING TAKE UP AND DEMAND**

- D1. Detail your proposals for education, information and demand building activities generating greater demand by businesses (including SMEs) and residences for ultra-fast broadband services, aiming for 50% take-up across all sectors.*

As outlined above in section B.5 the Council is making a substantial investment in improved broadband connectivity and Wi-Fi access points in its 87 primary schools and 23 high schools. This changes the school IT model and will allow school pupils to bring in their own devices and access new means of curriculum delivery. This investment, combined with new ways of delivering educational content to pupils, is expected to produce a cohort of school leavers over the next few years with significantly higher expectations about the connectivity they need and want for their private and professional lives. In the short term pupils who do not have access to broadband services at home are allowed access to school resources after school hours and use the extensive network of free internet PCs in the city's libraries.

As outlined in section B.5 the development of the Leith Ultrafast zone will include education opportunities for businesses across the city to understand and explore the benefits of high speed broadband connections for their businesses. Existing training sessions, aimed at skills development and knowledge building, are currently oversubscribed by 4:1. It is expected that raising the knowledge levels among businesses, including SMEs, will stimulate demand for faster broadband services.

The development of a city wireless zone will be a key enabler for tourism and the Edinburgh festivals providing a huge range of opportunities to reach large audiences in the city and beyond and provide information on the benefits of connectivity. We will engage with city partners including business groups and academic institutions to capitalise on wireless development and build awareness and demand.

Joint working with partners such as the NHS as well as internal services such as city libraries and neighbourhood teams will target activities at heard to reach groups and groups that have typically been digitally excluded for a variety of reasons.

- D2. How will the proposed investment be utilised to transform the delivery of public sector services by making as many services as possible available online?*

The Council has an existing Smart City programme which is focussed on the application of technology to improve customer service, drive efficiency, and promote active citizenship and digital participation.

As part of Programme delivery the Council will work with other public sector bodies in the city to encourage the further provision of online services. The City of Edinburgh Council, and other public sector organisations in the City Region, are increasingly considering how the physical co-location of services, and more individual-centric design and delivery of public services, can achieve the outcomes consistent with the Christie Report<sup>17</sup>. An Urban Broadband Fund investment in Edinburgh, together with the higher digital participation by citizens that will follow, can facilitate a greater integration of public services at a local level, driven by better partnership, personalised services, collaboration and effective local delivery.

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<sup>17</sup> <http://www.scotland.gov.uk/Publications/2011/06/27154527/18>



It is anticipated that the Wi-Fi investment will drive the development of apps for a range of services both public and private. This will be specifically encouraged through engagement with business groups in the city and the universities and colleges. If a European funding bid is successful it is expected that this would include specific deliverables for enhanced public service delivery.

*D3. Proposals for delivering social benefits, possibly including: online involvement in democratic processes; flexible working; more flexible local labour markets; changing patterns of work; more online commerce.*

As part of programme delivery we will work with the Digital Participation Action Group comprised of the Scottish Government, private sector, third sector and leading academic bodies who have signed up to Scotland's Digital Participation Charter. The City of Edinburgh Council is the first Local Authority signatory to the Charter. The Charter commits the signatories to bring together their collective skills and resources to increase digital participation levels in Scotland and deliver the associated economic, social and environmental benefits. A supplement to the Charter will be published by April 2012 detailing specific activities and an Action Plan. The 'Connected Capital' Programme deliverables will be aligned with this Action Plan.

The Council is currently delivering a programme of mobile and flexible working for its staff. As this programme is rolled out it is anticipated that the staff cohort will have become more aware of the importance of high-speed connectivity and the opportunities it provides. It is expected that knowledge gained through employer driven activities such as this will stimulate demand amongst staff as private consumers of high speed connectivity services.

As described above the Council's economic strategy for the city places a key focus on job creation as a means of driving the economy and in turn alleviating social deprivation and exclusion. The economic benefits of the 'Connected Capital' interventions are expected to have knock-on social benefits in the city.

Part of the Council's web and channel development strategy is looking at greater online participation in democratic processes by means of eConsultation services on the Council website. It is expected that these will also be available for those accessing via mobile devices.

NHS Lothian is one of the pilot health boards for the DALLAS programme which seeks to facilitate access to eHealth services. We have spoken with their Head of eHealth Infrastructure and Operations in the development of this proposal and NHS Lothian are keen to align their activities with any improved connectivity for Edinburgh citizens that will be developed as part of the 'Connected Capital' Programme. We intend to work closely with NHS Lothian in the delivery of our proposals.

## **SECTION E – STREAMLINING PLANNING PROCESSES TO SUPPORT INFRASTRUCTURE ROLLOUT**

- E1. Demonstrate how the Local Authorities involved will expedite the installation of new infrastructure by ensuring that wayleaves, streetworks and other permissions required for access to public land and properties are made available in a timely fashion.*

The Council operates concession contracts for infrastructure provision in areas such as street furniture and bus shelters, and has previously explored through competitive dialogue the potential of such arrangements for wireless provision. There are clearly stated policies and guidance on radio communications equipment within its existing planning strategies and Plans, and part of the proposed deployment of the fund would be to undertake a 'beachhead' approach where potential barriers to deployment of new infrastructure were identified and solutions found by the Council and its partners, in advance of the procurement process.

This 'beachhead' approach would also cover other consents and permissions, as may be required, as part of the package of service the Council would bring to any proposals to ensure that rapid deployment can be achieved once plans have been agreed.

The option of developing a development concordat that allows operators to understand the consistent approach that will be taken in the city, as has been done with the [City's Chamber of Commerce](#) is also seen as a way of ensuring that the approach to deployment is simplified.

- E2. Indicate how engagement with large private owners of properties and land will be used to facilitate access for the deployment of infrastructure.*

The City of Edinburgh Council operates a [Zone Development Framework](#). Each Development Zone benefits from a Key Relationship, or Zone Manager. Through the Zone Managers the Council engages with the development community as well as prospective investors and developers. This role allows the Council to act as the facilitator for development, and would ensure that the right connections are made where existing relationships are not yet established.

- E3. Detail any other steps the Local Authorities will take to facilitate network deployment and up-grading.*

A repeated theme that the City of Edinburgh Council has picked up from the telecommunications industry is their desire to have access to 'real-time' information about development in the city. Through our [Planning and Building Standards Portal](#) it is already possible for anyone to search and track planning applications and building warrants as well as access the Development Plans for the city. However, to improve engagement and facilitation of investment the Council would like to examine whether a dedicated Portal could be created for infrastructure providers that allows them access to publicly available information in a tailored format that is more intuitive to their business needs, allowing them to understand what the 1, 3 and 5 year development pipeline is likely to be and then to be able to map onto this the live planning consents granted and in turn the building warrants applications, so as to understand what demand opportunities arise from new development and regeneration activities across the city. Whilst not a major piece of work it is considered that it could accelerate the infrastructure planning timeline allowing for more rapid deployment and up-grading.

## **SECTION F – COMPLIANCE WITH STATE AID RULES**

*F1. Show how the proposed infrastructure investments and business models to be used will comply with State Aid rules.*

Specific legal advice has not been sought due to the timescales for preparing this bid. However this is recognised as a key activity in the detailed planning stage. For the purposes of this bid we have reviewed the guidelines on State Aid and have also looked at approved schemes elsewhere in the country. From our understanding of the guidelines therefore:

### Wireless:

- technology agnostic enabling infrastructure (brackets, street furniture, dark fibre as required) provided along with planning consents on buildings where wireless transmitters are to be sited;
- procurement competition open to the whole market (Westminster approach).

### Core Infrastructure:

- Infill investment only (white areas as defined in guidelines following a detailed street level mapping study);
- procurement competition open to the whole market with a focus on user needs rather than specific technology;
- consideration within the procurement strategy of 'clawback' arrangements where, when take-up from households and businesses reaches a trigger, then investment is repaid.

### Incubator/Ultrafast zone:

- enabling infrastructure provided in incubator facility (ducting, cable etc) and in wider areas as required;
- open market competition for provision of Ultrafast connectivity.

Procurement of the three proposal elements above will follow state aid guidelines to ensure acceptable aid and the Council will work with the Scottish Government and DCMS state aid officials to ensure that this is understood throughout the procurement stage, as it is at this point that we would be in a position to apply for State Aid compliance confirmation.

*F2. Summarise any information you have received from the Commission that supports the view in F1.*

Given the timescales for submission we have not had the opportunity to engage with the European Commission on the State Aid implications of our proposals. This is included as part of our next phase detailed delivery planning work for the period to July 2012. However, we would welcome the opportunity for appropriate notifications to be co-ordinated centrally by DCMS on behalf of all cities.

**SECTION G – FUNDING**

**G1.** Please complete this funding table detailing proposed funding make up and profile.  
Non-monetary resources to be contributed to the project should be set out in Section C.

Total capital funding required (GBP)	2012-2013	2013-2014	2014-2015	Notes
	£ millions	millions	millions	
Private sector investment	tbc	tbc	tbc	Suppliers have shared their coverage and rollout plans with the city under NDA but have not made further specific financial commitments at this stage.
UBF funding	£1.25m	£6.25m	£3.5m	Split across the different proposal elements. Max investment shown. See Appendix C for scenarios. <b>[DETAIL REDACTED]</b>
Other funding (Local Authority &c.)	£0.7m	£0.64m	£0.55m	Programme & Project Delivery Resource and Marketing & Demand Stimulation Activities (may be revised subject to detailed planning 1) Subject to successful application for FP7 funding and/or Competitiveness& Innovation Framework Programme 2) Open Innovation (Interreg), Business support and Creative Scotland commitments for incubator facility
Other funding (European/ERDF)	tbc £0.23m	tbc £0.23m	tbc tbc	
<b>Totals</b>				
- Capital	£1.25m	£6.25m	£3.5m	UBF only at this stage (see App. C)
- Revenue	£0.93m +	£0.87m +	£0.55m +	
Approximate number of premises, residential / non-residential, covered by the funding	<b>[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT ]</b>	<b>[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT ]</b>	<b>[COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT ]</b>	Exact annual figures would be determined during detailed planning of the rollout. Premises covered as a result of city UBF intervention by 2015 would be <b>[DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT]</b>
- Residential premises				
- Business premises				

**G2. Funding Structure:**

**G2.1** *Describe any modelling that has been used to arrive at the funding estimate. (Full details not required at this stage.)*

Wireless infrastructure funding is based on CAPEX identified as part of a previous competitive dialogue undertaken by the Council to explore the creation of a Wireless city in 2009.

Core Infrastructure and Ultrafast zone funding is based on discussions with suppliers and indicative costs provided.

It is assumed that year 1 (2012/13) will be a partial year in terms of funding availability and that the bulk of the capital investment will be made in year 2 (2013/14) so that marketing/demand stimulation activities that are dependent on the investment can be commenced and benefits realisation can be monitored within the period to March 2015.

**G2.2** *How will the capital funding be spent and who will own the infrastructure? For example, do you propose to lease equipment from a private sector contractor (cabinets) or own the capital investment (laying cable, installing wireless) or will the private sector contractor own the capital investment?*

Where enabling infrastructure is provided (e.g. brackets, ducting, dark fibre) it is currently intended that the Council will retain ownership of this and lease it to suppliers as required. For the core infrastructure it is anticipated that the private sector will own the capital investment. However, this will be finalised during design of the procurement processes in the next stage and in consultation with the private sector during the bidding process. In addition, it is intended that a 'clawback' clause will be included as part of the core infrastructure rollout tied to supplier gains following the initial public investment.

As with all normal capital procurement it is expected that this would be reflected on the Council's balance sheet.

**G3.** *Describe the commercial model that you propose to use. Give the reasons for your choice and, if it is a JV/PPP or alternative model, the nature and key principles of the risk bearing arrangements.*

In the current financial year, CEC anticipates capital expenditure in excess of £185m. In delivering this programme, CEC has approved governance and management arrangements in place for all major projects. This includes structures incorporating a Senior Responsible Owner, a Strategic Management Group, Project Team and other Stakeholder groups. Among the critical elements to be examined in the full business case for this project, will be a detailed risk assessment and evaluation of funding options. This will help determine the nature of the delivery vehicle to be used. It is expected that the Council will enter into partnership agreements with the supplier(s).

## **SECTION H – DELIVERY**

*H1. Timely development, procurement and delivery timescales to ensure delivery is completed no later than March 2015*

A high level delivery Gantt chart is included at Appendix A to this document. The exact timeline for delivery will be finalised during the detailed implementation planning phase March-July 2012. Each proposal element will be delivered as a separate project defined within the overall programme. Where appropriate for the elements of the bid delivery will be in phases to March 2015 with a period of review and planning between each phase to ensure that lessons from each preceding phase and project are taken on board and the approach is refined to maximise benefit delivery.

As part of the planning phase consultation and engagement activities will be undertaken with citizens, businesses and key stakeholder bodies and groups within the city to ensure that the detail of the plans is consistent with user needs.

*H2. Give the proposed timetable for procurement and demonstrate how cost effectiveness will be achieved.*

The procurement approach for each proposal element will be scoped during the detailed implementation planning phase. Once funding and State Aid compliance are confirmed requirements specifications and procurement documentation will be developed. It is anticipated that separate procurement / supplier engagement activities will be undertaken for each proposal element.

*H3. The proposal should demonstrate its fit with the government's approach to using SMEs in delivery<sup>18</sup>.*

Any procurement and delivery approach would be consistent with the Council's 'Sustainable Procurement Policy'. This includes a commitment made at the Finance and Resources Committee in March 2011 to include community benefits in all Council procurements. Specifically these include encouraging bids from SMEs and the third sector with a view to maximising the social and economic benefits from any procurement and to ensure a sustainable supply chain in the city.


As well as engagement with SMEs in procurement activities, engagement with and involvement of SMEs, as key actors in the city economy, will be built into the programme delivery. SMEs will be involved in demand stimulation activities, solution design and benefits monitoring and evaluation. Through the Council administered Business Gateway and city partners such as Creative Edinburgh, Scottish Enterprise and the Federation of Small Businesses SMEs will be involved in a planned and focussed way.

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<sup>18</sup> See <http://www.cabinetoffice.gov.uk/content/small-and-medium-enterprise-sme-action-plans>

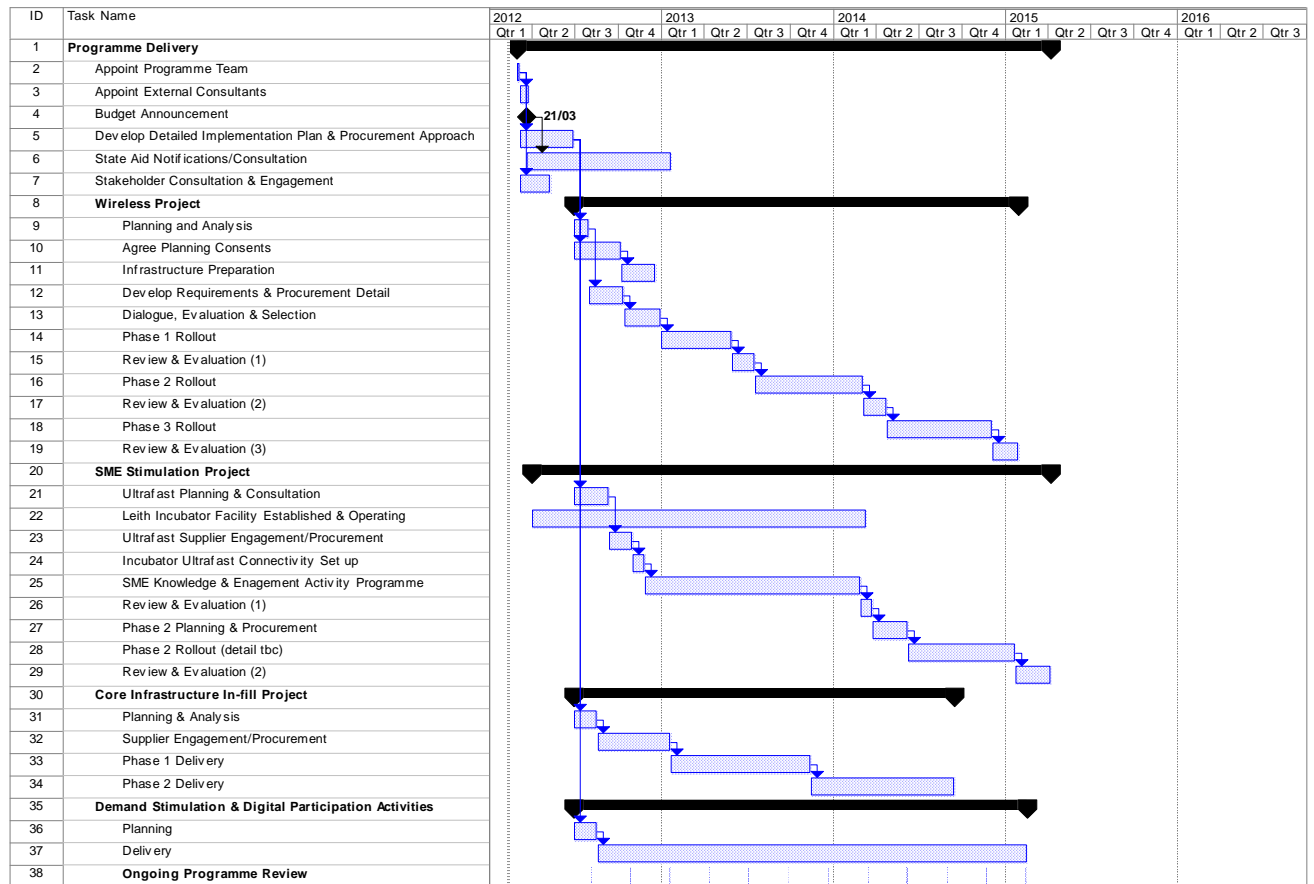


**Sign off by Local Authority CEO, Section 151 officer or Portfolio-Holding Executive Member**

Name of proposal: Edinburgh - Connected Capital Programme	
I verify that this proposal to the Ultrafast Broadband Fund fits with corporate policy	
Signed: 	
Name: Sue Bruce	
Job Title: Chief Executive	Date: 18/02/12

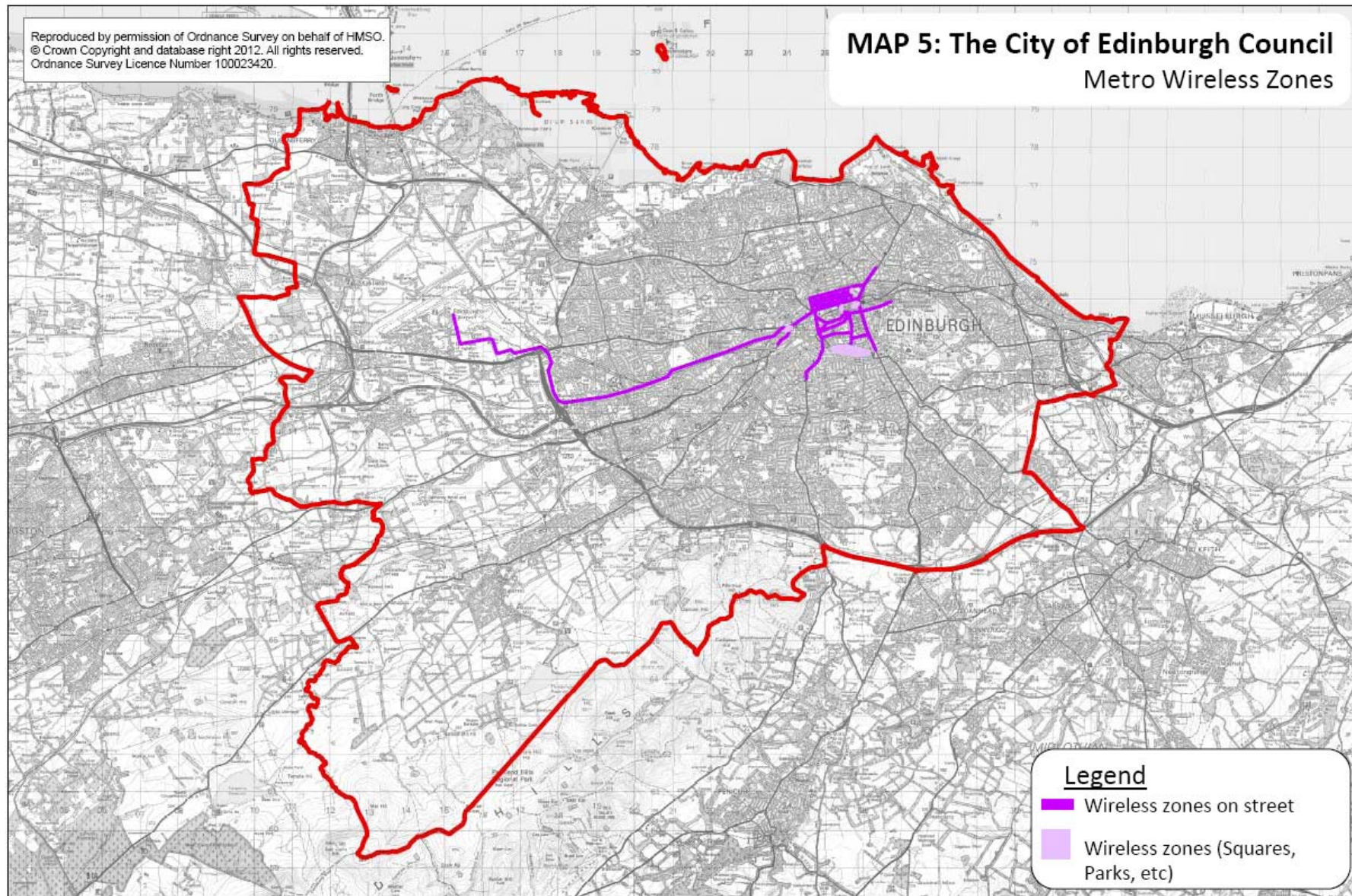
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## Appendix A: 'Connected Capital' Programme - High Level Delivery Plan

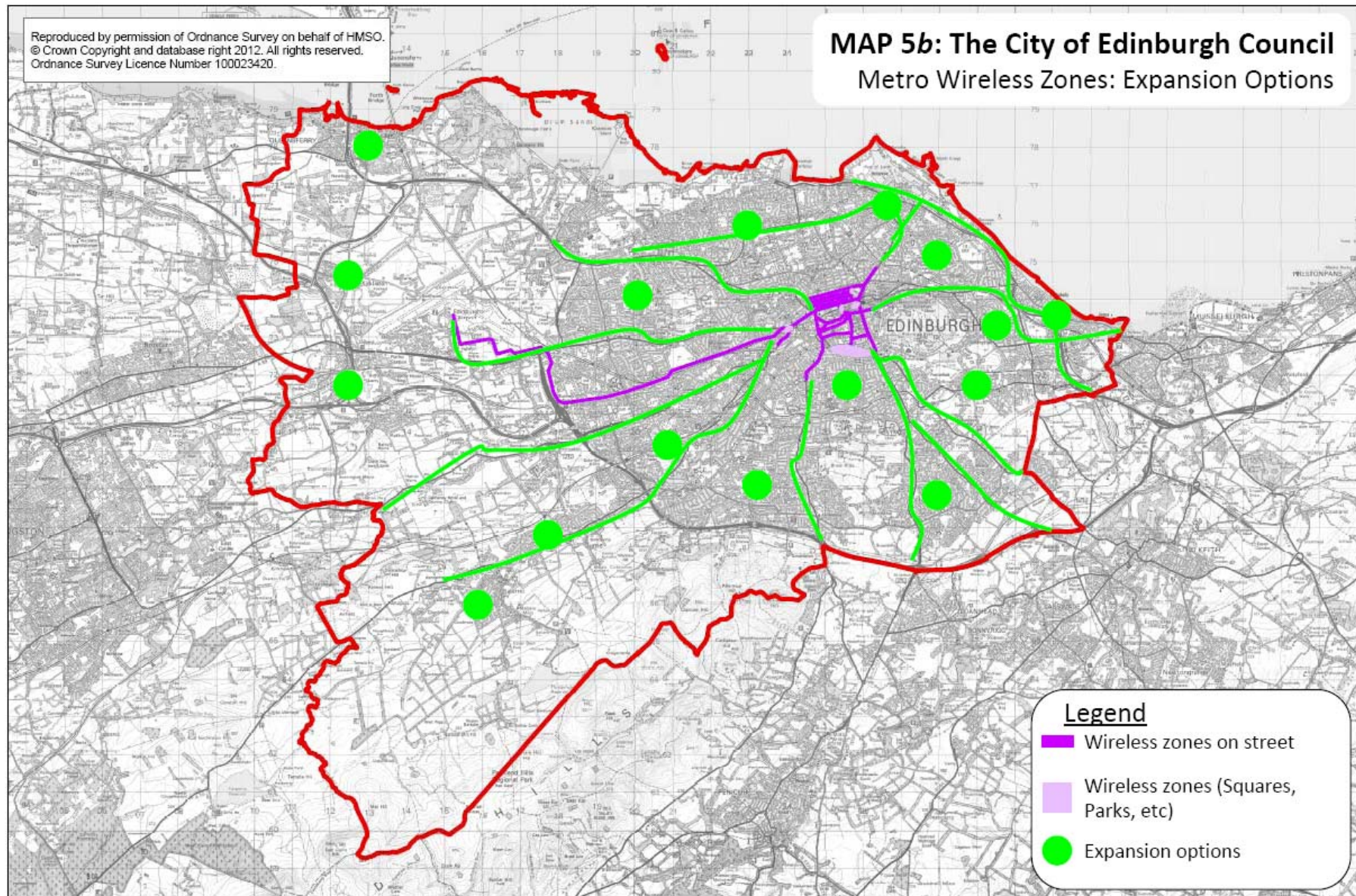


## **Appendix B: Coverage Maps**

*[MAPS USING COVERAGE DATA REDACTED AS PROVIDED UNDER NON-DISCLOSURE AGREEMENT]*









## Appendix C: Investment Scenarios

*[REDACTED]*