

North Skye Broadband

North Skye Broadband Project Phase 1.

Scoping Doc for HIE

North Skye Broadband

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Mission Statement

The aim of North Skye Broadband (2015) Ltd, is to publish an invitation to tender document for the provision of superfast broadband services to 100% of the premises in the North Skye Broadband project area and develop an organisation that will deliver the overall North Skye Broadband Project and manage the on-going operation.

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1 Introduction

1.1 Background to this project

BT are currently rolling out Superfast Broadband to some areas of the Highlands and Islands. However for those communities that are not part of this roll-out there are no alternative plans to provide high speed broadband in these areas. The only way to ensure Superfast Broadband reaches the remote and rural areas of North Skye in the short to medium term is for the community to take matters into its own hands and develop its own community-led solution. Faster broadband affects how we work, how we socialise and how we entertain ourselves. The economic benefits of faster broadband include the possibility of allowing more home- based businesses, increased innovation and productivity in business, more jobs and faster communication. The social benefits can range from better access to services and improved health care, to enabling people to be more informed, better educated and more socially and culturally enriched. It does not matter if you are in a city or in a small village on an island on the West Coast of Scotland, Superfast Broadband is a necessity and will remove the digital divide for the population and businesses therefore creating a more even playing field. Conversely, failure to provide Superfast Broadband will result in an ever increasing digital divide with all the social, political, financial and community development consequences that come with it.

North Skye Broadband (2015) Ltd has been established in order to deliver a community led superfast broadband solution to the communities of North Skye.

From concept of delivering superfast broadband to the rural communities of North Skye the following high level requirements have been established:

- a) A company shall be formed that will manage the North Skye Broadband project and that meets the requirements to gain access to community development/support funding from Highland and Islands Enterprise.
- b) A full time member of staff or contractor will be employed in order to support the development of the project, including the delivery and overseeing of the tendering process.
- c) An Invitation to tender document will be delivered. This document will cover the requirements of the organisation and communities of North Skye. The Invitation to Tender will be for Super-Fast Broadband Services with coverage aimed at 100% of the area of coverage”
- d) The overall management of the Invitation to Tender Process. This will include the tender award and development of a business case for the organisation that will implement and operate the service.
- e) Formally constitute an organisation that will meet the requirements of Community Broadband Scotland in order to access up 89% capital funds required and will lead the project moving forward.

1.2 Purpose of this document

The purpose of this document is to provide the high level plan for a project to meet the requirements outlined above with its primary objective being to support and secure the required seed funding from HIE in order to reach the stage where an appropriate organisation is formed to deliver the project with a strong business case and valid technical solution.

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1.3 Scope of this document

This document defines the activities to be undertaken to complete the project, who will undertake them, when they will be undertaken and what they will deliver. It shall be periodically reviewed and approved by the NSB (2015) Ltd, Board and Steering Group.

1.4 Community support

This project has been led from inception through its inclusion in the Glendale community growth plan and therefore has been agreed to be inclusive to the wider community of Glendale. In 2015 the project scope was extended to cover the areas of Duntulm and Waternish and the Glendale Trust secured the services of Mull and Iona Community Trust to deliver a community Broadband Scoping document.

This document concluded through detailed community consultation and engagement that:

- 1) There is demand and support for a community-led broadband service in the Glendale, Waternish and Duntulm
- 2) There is demand and support for a community-led broadband service in other areas of North Skye (including Staffin, Struan, Sconser, Skeabost and Edinbane/Greshornish), where it is likely that the BT roll-out will not benefit all (if any) residents. Therefore consideration should be given to expanding the geographical scope of the project.
- 3) There is a need for an enhanced, preferably Superfast broadband service in the area, that will improve the lives of visitors, residents and the performance of local businesses.

There are clear opportunities and benefits presented for the local community who are keen to not only benefit directly from the provision of Superfast Broadband, but also to become involved in the delivery of the overall project. Over 16 individuals from 10 different communities have committed themselves to supporting the project as it moves forward as well as several significant business organisations and community organisations across the wider area.

The communities of North Skye have clearly and demonstrably recognised the importance Superfast Broadband provision and strongly support the project.

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Work breakdown

Activities that will be undertaken in order to complete this phase of the project are listed below.

1.5 Constitute and formalise organisation and steering group for taking the project forward.

This activity will deliver a registered company limited by guarantee with all relevant paper work completed and submitted to Companies House. A bank account will be created for use by the company. A Board shall be elected from the interested parties. A Steering Group will be formally constituted based on the articles of the Company. The Steering Group will seek to have representation from all the areas covered in the project scope. A communication system will be put in place with email forwarding and addressing facilities provided.

This activity will be completed by individuals from within the North Skye Broadband interested parties group with help from the Glendale Trusts local development officer.

1.5.1 Activity Outputs

- North Skye Broadband (2015) Ltd registered with Companies House.
- A company bank account.
- Legally constituted steering group.
- Email forwarding facilities.

1.6 Secure full time Project Director

A full time Project Director will be commissioned or employed based upon competitive selection and tendering process. There have been a declarations of interest from 2 individuals linked with the project to date. A member of the Steering Group who has over 25 years of recruitment experience along with a Board member will be responsible for the recruitment of the project director. Key factors affecting costs will be the duration of the project and the skills required. The project aims to ensure that the highest quality candidate can be selected for the role as the responsibilities of this post will directly affect the success of the project. In terms of transparency HIE will be invited to be involved in the selection process. A legally binding contract will be required to be in place with the successful candidate and shall include all relevant insurance, pension and pay roll requirements.

This activity will be completed by an individual from each of the Steering Group and the Board.

1.6.1 Activity Outputs

- Project Manager specification document.
- Job advertisement and publication.
- Interview dates attendance and facilities.
- Contract of employment.
- Relevant insurance, pay roll and disbursements procedures in place.

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1.7 Publish Invitation Tender Document

This activity will deliver and publish the ITT for the project. This document will be the key deliverable of the project director. It will be based on the requirement set by the Steering Group and communities but will, at the highest level, call for the delivery of superfast broadband services to 100% of the project area. It is anticipated that the ITT will be supported and produced with help from HIE resources with the technical preparation and development of the document. CBS has a call off contract with telecoms specialist, Atkins Limited (FarrPoint, an independent IT and communications consultancy are a named sub-contractors and will also be available), they will offer independent support through the procurement and contract stages of the North Skye Broadband project.

Key tasks will be:

- Production of key documents for all procurement stages with input and review from NSB
- Production of evaluation and scoring templates
- Support and guidance for scores on the evaluation panel

This activity will be completed by the project director with help and input from HIE, legal, and accounting expertise as well as referencing other successful projects such as Giga Argyll.

1.7.1 Activity Outputs

- Scoping document for the preparation of Tender document.
- Invitation to Tender Document for North Skye Broadband Services.

1.8 Deliver Commercial Model

This activity will deliver a robust commercial model for the commercialisation phase of the project. The model will include all aspects of the commercial operation of the trading business including but not limited to sales, funding, and operational costs. The model will be agreed by the Steering Group and Board with a view to being the key foundation of funding process and development of the business plan.

This activity will be completed by the NSB Board with help from the project manager, Steering Group, HIE, legal, and accounting expertise as well as referencing other successful projects such as Giga Argyll.

1.8.1 Activity Outputs

- Agreed Commercial Model.
- Operational spreadsheet associated with model.

1.9 Selection of tender and developed business case / plan.

This activity will manage the tender process and will involve coordination between all parties in order to reach the stage where the tender is awarded. The criteria on which the tenders will be scored will be developed and agreed in advance. Based on the commercial information from the tender documents a robust business case will be developed. This business case will be used to create a detailed business and operational plan that can be used by the organisation formed to take the project forward while also being used to secure the required funds for the project.

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It is anticipated that the project and business plans will be developed and include long term revenue generating activities including assumptions based on assessments of vertical markets such as IPTV (television over internet), VOIP services (internet telephony) while considering options like the provision of mobile sites on infrastructure and increasing market share in areas outside of the phase 1 target area. It is the ambition of North Skye Broadband to provide superfast broadband services to customers who are based in areas covered within the scope of the current BT fibre roll out and who may not be benefiting as from the provision of fibre enable exchanges or cabinets to distance and location relative to the improvements provided by BT. The business plan will be developed with long term assumptions (seven years plus). The business plan will include proposals for Phase 2 of the project in which the company will aspire to provide superfast broadband to premises in areas outside the phase 1 scope.

This activity will be completed by the North Skye Broadband and the project director with help and input from HIE, legal, and accounting expertise as well as referencing other successful projects such as Giga Argyll.

1.9.1 Activity Outputs

- Preferred tenderer selected (and agreed if possible).
- Business and operational plan for new organisation documented.

1.10 Assess suitability of full bi-lingual project delivery.

It is the aim of the project to be bi-lingual (Scottish Gaelic and English). A process will be investigated in order to deliver the project bilingually. As only one of the board advisors are proficient in Gaelic it is anticipated that a paid for service may be required in order to ensure all publications and communication is delivered proficiently in both English and Gaelic and in particular any press release, progress updates and website. Funding sources will be investigated to determine whether funding is available for this service with the long term view of ensuring the ongoing project is fully inclusive of both languages.

1.10.1 Activity Outputs

- Strategy document for including Scottish Gaelic in publications and communications
- Contracted translation services in the short to medium term.
- Secured funding for provision of Gaelic translation service if required.

This activity will be completed by Project director with help from the steering group and NSB (2015) Board

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1.11 Constitute organisation to deliver the North Skye Broadband project.

This activity will see the formation of an agreed corporate structure that will meet the requirements of funders and in particular Community Broadband Scotland. Based on the recommendations of the North Skye Broadband report this is likely to be a Community Benefit Society. This will require evaluation of the company structure and legal implications along with accounting and finance implications. This newly constituted organisation will oversee the delivery of the North Skye Broadband project and the on-going operation.

This activity will be completed by the Steering Group of North Skye Broadband (2015) Ltd with help from the project director and Board.

1.11.1 Activity Outputs

- Legal appraisal of company options.
- Financial appraisal of company options.
- Registration of organisation with relevant body.
- Completion of all corporate governance tasks.

1.12 Project Review and Evaluation

At the end of the project when the deliverables have been met there will be a non-destructive post mortem of the project. This will determine and measure the success and issues surrounding the delivery of the North Skye Broadband project. A review and measurement tool should be agreed such as an evaluation questionnaire, as well as gathering feedback from the wider community and participants. It should also be noted that as the project develops more detailed plans can be developed.

This activity will be completed by Project director with help from the steering group and NSB (2015) Board.

1.12.1 Activity Outputs

- Completed project review.

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2 Summary of project deliverables

Deliverable	by whom	by when
Fully constituted company ltd by guarantee	NSB	Month 1
Bank Account Set Up	NSB	Month 1
Communications infrastructure set up	NSB/LDO	Month 1
Steering Group formally constituted	NSB	Month 1
Project Director job specification	NSB	Month 2
Project Director job contracted	NSB	Month 3
Bilingual Assessment including funding applications	PD/NSB	Month 3
Invitation to tender document scoping document completed	PD / NSB	Month 4
Invitation to tender document completed and published	PD/NSB	Month 5
Initial "straw man" Business Plan	NSB/PD	Month 5
Preferred Supplier selected	PD/NSB	Month 7
Legal and accounting appraisal of new corporation completed.	PS/NSB	Month 7
Completion of business plan with 7 year forecast	PD/NSB	Month 9
Contract Award	NSB	Month 9
Completed project review	CC/LDO	Month 9

2.1 Activity overview

When?	What?	Where?	Who delivers the activity?	Who is the activity for?	What will you achieve?
October 2015 – January 2016	A company limited by guarantee will be formally established with elected board and formal steering group. Project director recruited. ITT document will be produced with the winning tender selected. A robust business and operational plan will be produced including detailed commercial model. An appropriate body will be constituted to deliver Phase 2 of the project.	North Skye as determined by the Map provided by BT detailing the scope of their intended superfast broadband roll out.	Lead by North Skye Broadband Group. Which will include board members, and a steering group. A project director will be recruited to oversee and deliver the project.	The activity is for all members of the community of North Skye who wish to have access to super-fast reliable broadband.	The activity will deliver and issue an Invitation to Tender document which will be the basic of requirement to deliver a business plan, and solution for the provision of superfast broadband for North Skye. A formally constituted body will be formed which meets funding requirements and will maintain the role of the Project Director.

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3 Resources and costs

The table illustrated below gives a breakdown of the costs associated with the delivery of the project. These costs are based on initial offers from suppliers. It should be noted that funding for services provided through CBS for access to external consultants such as Atkins and Farr Point are not included in this budget as they are not considered to be a direct cost to NSB 2015 Ltd. Full notes for the budget are attached in Appendix 1.

NSB
(2015)
Ltd.

Budget

EXPENSES		Notes
Operating Expenses		
Accounting and Legal	5,000	1
Advertising	8,000	2
Depreciation		
Dues and Subscriptions		
Insurance	1,000	3
Interest Expense		
Maintenance and Repairs		
Office Supplies	2,000	4
Payroll Expenses	4,000	5
Postage	3,000	6
Rent	3,240	7
Research and Development		
Salaries and Wages	30,000	8
Taxes and Licenses		
Telephone	1,200	9
Travel	7,500	10
Training	6,000	11
Web Hosting and Domains	5,000	12
Other	9,000	13
Total Operating Expenses	84,400	
Non-Recurring Expenses		
Furniture, Equipment and Software	10,000	14
Gifts Given		
Other	5,000	15
Total Non-Recurring Expenses	15,000	
Total EXPENSES	99,940	

*The table above bases these figures on an 9 month period.

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4 Funding

The main area of funding may come from Highlands and Island Enterprise and Community Broadband Scotland, with the possibility of smaller funding from Gaelic Funding Bodies. As detailed in 3 Resources and Costs it is anticipated that funding for specialist services will be included as part of the support from CBS in particular with relation to the publication of the ITT.

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- Comunn na Gàidhlig / Bòrd na Gàidhlig

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5 Appendix 1 Notes on financial model

1. Limited advice on structure and contractual arrangements required, as well as accountancy and tax compliance. Assumes that we can leverage advice and guidance provided to CBS for other similar entities.
2. Job advert, public meeting announcements, printing etc.
3. Employer and director liability insurance.
4. Paper, ink, stationary and other office supplies.
5. These are to on-costs of employment assumed at approx. 11% of salary.
6. Postage costs for mail shots etc.
7. Estimate based on price for office space at Jans (£360 pcm), alternatively, and preferably, the PM will be home based, in which case there will be a need to make a contribution to the PM's office running costs.
8. Project manager with some contingency for other small contract work. Contract period will ideally be for 9 months and is based on current PM rates.
9. Mobile for project manager plus fixed telephony costs for office.
10. Mileage Expenses for Directors and project manager (assume HMRC allowable rates).
11. Training costs to cover training of employee, steering group and directors on particular areas such as technical training, governance and networking with other similar community broadband groups.
12. Also includes a little design work and bilingual work.
13. Contingency on total at approx. 10%.
14. One off items (mainly office and IT) and probably capital.
15. Promotional material, banners, OHP, screens etc. for community presentation etc.