

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

DRAFT BUDGET 2017-18; BROADBAND

SUBMISSION FROM LOCH RANNOCH HIGHLAND CLUB

1. The purpose of this report is to set out, for the Rural Economy and Connectivity Committee, the problems caused to The Loch Rannoch Highland Club by the current poor Broadband Provision and the impact on the present and future development of the organisation posed by the lack of timely progress in the implementation of the commitment made by the Scottish Government to deliver Superfast Broadband Access to at least 95% of the premises in Scotland by the end of 2017.
2. Loch Rannoch Highland Club is a Time Share Resort located on the shores of Loch Rannoch adjacent to the village of Kinloch Rannoch.

The resort opened in 1976.

It consists of 85 accommodation units referred to as lodges. Each lodge is owned on a weekly basis by individual owners. This means that there are potentially 4,420 owners who own in perpetuity or lease on a 5 to 10 year holiday contract. This figure is reduced by the fact that some owners own more than one lodge/week. The club currently also holds a number of lodge/weeks in its own name for various reasons. It seeks to sell these and, in the meantime, it gains income for the club by renting them on a weekly basis. Currently, the number of owners stands at around 2,950

The average potential occupancy of the clubs lodges is 5.5 persons per week. This means there is a potential of around 24,300 visitors annually. In practice, the current annual occupancy is around 11,000 visitors annually.

The club is a 'non-profit' members club run by a committee of members and which employs staff to run and administer the organisation

The club employs 31 employees, mainly full time who reside in the Rannoch, Tummel and Strathtay areas.

The club has an annual turnover of £1,750,000

The village of Kinloch Rannoch and the surrounding area is heavily dependent on income from the club and from club users. Many small businesses in the area draw trade from the occupiers of the club lodges and from persons employed by the club.

3. Current Broadband provision is provided by British Telecom. This is through a small telephone exchange in the village of Kinloch Rannoch.

The current Broadband Speed experienced in our site is a maximum of 14mps, however bandwidth is very poor so the actual speed experienced varies and can be as low as 250kps. On some occasions.

The variation in speed is mainly dependant on usage and it is noticeable that the lowest speeds are experienced when the demand is at its highest.

It is also inevitable that the periods of highest demand on the site coincide with the periods of highest demand elsewhere in the area.

4. The club does monitor the views of its owners and renters and the vast majority of them express the view that Broadband provision is one of the worst features of the site.

5. The demand for Broadband among the owners and renters in general is increasing exponentially.

Where, 5 years ago, the occupants of each lodge might be expected to bring one internet connected device, the proliferation of internet devices (e.g. laptop computers, Tablets, Smart Phones, Games consoles, E-readers) means that many lodges might house as many as 10 or 15 connected devices.

Many of today's internet connected devices remain connected to the internet all of the time they are in range of the site Wi-Fi and interact with the connection constantly. In many cases, a device may carry out an automatic update downloading large files with no input from the user.

The trends of internet use have also changed over the last few years. Where users were mainly concerned with web browsing and emails, the increase in social media, video streaming and other associated uses has caused an enormous increase in demand over a barely adequate link.

In practice, the club has to impose a restriction on the amount of data each user can download on a daily basis to 1gb per day per device. This is not enough to allow video streaming and can cause problems with upgrade downloads. The only option for the club to enforce this limit is denial of service. This causes constant friction with our owners and renters.

6. Like most holiday resorts, The Loch Rannoch Highland Club is having to contend with increasing competition in the leisure market.

Time Share resorts, in particular are being forced to look to alternative income streams as the time share concept has become less popular with the holidaying public. The club does this by renting lodge weeks on the open market.

As the first timeshare resort in Scotland, the club is currently experiencing an issue with a large number of ageing owners who purchased lodge/weeks when the club first opened and now need to sell their lodges on as they are no longer able to use them. It is imperative for the club to source new markets and sell lodges.

In order for the club to remain viable, we need to appeal to younger people, many of whom have young families that require web connection. Many people also rely on the internet to keep in touch with their business interests.

Current internet websites require a greatly increased download speed as the content becomes more complicated and imbedded content (e.g. youtube inserts and similar items) increases.

The current Broadband provision is not fit for purpose and this will get worse with the advances in technology that are currently planned which require more and more bandwidth and faster and faster broadband speeds.

7. The Club has been and still is trying to find a viable solution to the broadband black hole. We have made enquiries with many providers over existing lines, and explored more 'exotic' technology such as microwave, satellite and fibre. To date, none of these have provided a viable solution. A recent survey by BT to supply and improved service would cost in excess of £200,000 plus the cost of cable laying at £140 per metre. Assuming this latter cost was to the nearest exchange, this would come to a total in excess of £380,000.
8. In conclusion, the inadequate broadband provision throughout the western end of Strathtummel and Rannoch threatens the viability of The Loch Rannoch Highland Club and other businesses in the area. This in turn threatens the economic welfare of the local area, an area which is highlighted as a high priority for tourist expansion by Perth and Kinross Council. An improvement in Broadband quality and speed is essential if the club is to compete in the holiday market and the area is to thrive.

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