

PE2127/A: Develop a new Digital Connectivity Plan for the Highlands and Islands

Scottish Government written submission, 20 December 2024

While the area of telecommunications is reserved to the UK Parliament under the provisions of the Scotland Act 1998, the Scottish Government has stepped in and played a lead role in enhancing Scotland's digital infrastructure using the Scottish Government's own resources, given the economic importance of digital connectivity in Scotland. Effective digital connectivity can ensure that our rural and islands communities are an integral part of the economic, social, and environmental wellbeing of Scotland.

The growing combination of terrestrial and non-terrestrial digital solutions forms a comprehensive toolkit ensuring that everyone, regardless of their location, can play a full part in the digital economy.

A core theme of Scotland's Digital Strategy is ensuring that no one is left behind in the digital world and that geography should not be a barrier to getting online. By focussing investment in extending the reach of digital infrastructure even further into Scotland's rural communities we are ensuring we meet that objective. The Scottish Government's NSET 10-year plan includes a strong commitment to provide an efficient and resilient digital infrastructure in Scotland. Our investments in recent years, together with our further digital connectivity plans, is providing future-proofed, resilient connectivity for decades to come.

The Scottish Government's Digital Connectivity Division works closely with Highland & Islands Enterprise colleagues as well as the local authorities across the Highlands and Islands area. We are currently delivering on several programmes aimed at developing Scotland's digital connectivity with a key focus on rural and island areas. Some further information is provided below.

Reaching 100% (R100) contracts

Through the Scottish Government's Reaching 100% (R100) contracts, we are investing over £600 million to extend fast, reliable broadband to homes and businesses across Scotland. This is one of the most ambitious and complex digital infrastructure programmes in Europe.

As of 11 November 2024, over 65,000 premises now have access to faster broadband thanks to the Scottish Government's R100 contracts, delivered by Openreach. Over 80% of the premises to be connected through the R100 contracts are in rural areas, reflecting our view that investment should be focussed where it is needed most – rural Scotland.

We have invested three times more in the R100 North contract, which includes the Highlands and Islands, than we have in the Central or South contracts. As of 11

November 2024, over 19,000 premises now have access to faster broadband connections thanks to the R100 North contract alone. All of the R100 North contract build will be future-proofed, fibre-to-the-premises (FTTP) – more than 30 times faster than our superfast commitment.

In 2022 the R100 North contract delivered 16 new fibre optic subsea cables to 15 Scottish islands, which will enable over 12,000 island premises to be connected to full fibre broadband.

R100 Scottish Broadband Voucher Scheme (R100 SBVS)

The Reaching 100% Scottish Broadband Voucher Scheme (R100 SBVS) was designed to ensure that anyone who could not access a superfast broadband connection – either through R100 contract build or commercial coverage – would be able to do so. Through the combination of the subsidy of up to £5,000 (to cover capital costs associated with equipment and installation) and the affordability threshold of £56.20 per month (guaranteed for 12 months), we believe that the scheme offers an affordable and accessible means for eligible properties to secure a connection.

With around 40 registered suppliers, there is a good mix of technology available, including fixed wireless, 4G mobile, satellite and fibre services. Indeed, of those connections delivered to date across Scotland, almost a quarter utilise fibre-to-the-premises (FTTP) technology.

As of 18 November 2024, 1,498 connections have been delivered in the Highlands and Islands through use of vouchers, with a further 382 potential connections in the pipeline.

Scottish 4G Infill (S4GI) and the Shared Rural Network (SRN) programmes

The Scottish Government has now completed delivery of its Scottish 4G Infill programme (S4GI), in which we have invested £28.75 million (including £11.27 million of ERDF funding for the Highlands & Islands) to bring future-proofed 4G mobile infrastructure and services at 55 mobile “notspots” – again providing connectivity in rural and island areas.

All 55 masts are now live and providing 4G services with 37 of the 55 masts located in the Highlands & Islands. Around half of S4GI masts offer a service by at least 3 different mobile network operators and S4GI delivery partners WHP Telecoms Ltd. and Cellnex UK continue to work to bring more mobile network operators onto S4GI sites, further increasing choice for customers.

S4GI is improving everyday life for the communities and local businesses our masts serve. Mobile connectivity is directly supporting wider plans for local tourism and enabling residents to access services and stay in touch with families and friends as well as helping rural businesses. In an independent evaluation into the impact of S4GI, residents and business owners highlighted a range of benefits since the programme’s completion. This includes wider online customer bases for businesses and better connectivity for communities during broadband outages.

The Scottish Government welcomes the £1 billion joint commitment from the UK Government and the mobile network operators in the Shared Rural Network (SRN) programme and is supportive of its rollout throughout Scotland.

We are aware that there is some opposition to planned SRN rollout from organisations concerned about the adverse effects in wilderness areas. We are working closely with the UKG's SRN programme team to broker dialogue and forge a solution, with a review of planned Scottish sites being undertaken which we hope will address concerns while still delivering the coverage uplift needed.

Project Gigabit in Scotland

The Scottish Government is playing a key role in delivering the UK Government's Project Gigabit programme in Scotland. This programme aims at achieving 85% gigabit-capable coverage across the UK by 2025 and nationwide coverage by 2030.

We are leading delivery of local and regional procurement activity in Scotland and jointly managing activity in Scotland that arises from a nationwide contract recently awarded by the UK Government.

The Scottish Government has worked with Building Digital UK (BDUK) to prepare a regional procurement covering over 13,500 eligible premises in Orkney and Shetland. This procurement launched on 11 December 2024 with up to £40.7 million of public subsidy made available to an infrastructure supplier to deliver gigabit-capable connectivity to premises across the Orkney and Shetland islands, including to some of the hardest to reach communities in Scotland.

Premises in other parts of the North of Scotland are expected to be included in a contract with Openreach, who will be delivering via Project Gigabit across the UK. A call-off on this contract, covering over 76,000 premises in Scotland not included in other contracts, is expected to be initiated in the coming months. This call-off is anticipated to make up to £157.1 million available to connect premises across Scotland.

The Scottish Government and UK Government will work together to ensure that this activity and our own R100 programme are aligned – allowing Openreach to drive coverage even further into Scotland's rural and island communities, including in the Highlands and Islands.