



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 17 March 2021**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**10<sup>th</sup> Meeting 2021, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

**COMMITTEE MEMBERS**

- \*Peter Chapman (North East Scotland) (Con)
- \*John Finnie (Highlands and Islands) (Green)
- \*Jamie Halcro Johnston (Highlands and Islands) (Con)
- \*Emma Harper (South Scotland) (SNP)
- \*Richard Lyle (Uddingston and Bellshill) (SNP)
- \*Angus MacDonald (Falkirk East) (SNP)
- \*Mike Rumbles (North East Scotland) (LD)
- \*Colin Smyth (South Scotland) (Lab)
- \*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Robbie McGhee (Scottish Government)  
Paul Wheelhouse (Minister for Energy, Connectivity and the Islands)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

Virtual Meeting



## Scottish Parliament

### Rural Economy and Connectivity Committee

Wednesday 17 March 2021

*[The Convener opened the meeting at 10:00]*

### Decision on Taking Business in Private

**The Convener (Edward Mountain):** Good morning, everyone, and welcome to the Rural Economy and Connectivity Committee's 10th meeting in 2021. I ask everyone to make sure that their mobile phones are in silent mode. The meeting will be conducted in virtual format.

Agenda item 1 is a decision on taking items in private. The committee will need to consider its legacy paper and its annual report at items 5 and 6, respectively. Does the committee agree to take those items in private?

**Members** *indicated agreement.*

## Digital Connectivity

10:00

**The Convener:** Item 2 is an evidence session on digital connectivity. I welcome Paul Wheelhouse, the Minister for Energy, Connectivity and the Islands, and Clive Downing, the R100—reaching 100 per cent—programme director, and Robbie McGhee, the deputy director for digital connectivity, both from the Scottish Government.

I invite the minister to make a brief opening statement.

**The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse):** Thank you, convener, and good morning to committee colleagues.

As our Covid-19 vaccination programme provides some long-awaited light at the end of the tunnel, so the Scottish Government's plans for economic recovery are brought into ever-sharper focus. I recognise that, as we seek to ensure that the recovery is both green and resilient, high-quality future-proofed digital connectivity will undoubtedly play a central role. That is why, despite all regulation and legislative competence in the area of telecommunications being wholly reserved to United Kingdom ministers and the UK Parliament under the provisions of the Scotland Act 1998, as colleagues will be aware, we are seeking to accelerate investment in Scotland's digital infrastructure wherever possible.

That began with the £463 million digital Scotland superfast broadband, or DSSB, programme, which delivered on time and on budget, going on to exceed our expectations by connecting more than 950,000 premises to fibre broadband, which is 110,000 more than was originally anticipated. Indeed, almost 95 per cent of premises across Scotland are now able to access superfast broadband, which is up from just 59 per cent in 2014. That has delivered a tremendous platform, which we are now building on with our substantial investments in the three R100 contracts, augmented by the Scottish broadband voucher scheme. When combined with the continued expansion of commercial coverage—which, I am glad to say, we are now seeing—we are ensuring that everyone in Scotland can access superfast broadband.

As a result of our efforts to incentivise investment in full fibre through the extension of non-domestic rates relief in our full-fibre charter, the R100 programme has, in many ways, become a full-fibre programme. Build is well under way in south and central areas, and it is now mobilising in the north.

Mobile connectivity is equally vital for many homes and businesses in Scotland, and it can be just as transformative, particularly for those in remote rural and island communities. Through our Scottish 4G infill programme, our £25 million investment will deliver up to 46 new masts, bringing 4G to some of Scotland's most recognised not-spots. We have already made significant progress, with 11 masts now operational across six local authority areas and many more to follow throughout this year and until 2023. There are, I think, 18 under construction and 11 at the pre-build stage.

Looking to the future, we are investing now to ensure that Scotland reaps the fullest possible benefits from 5G and to secure our position, we would like to think, as one Europe's most forward-looking digital nations. We have established the Scotland 5G Centre, which will deliver a national network of 5G innovation hubs to work with local small and medium-sized enterprises so that they embrace, utilise and, ideally, innovate with 5G technologies. Earlier this month, the Scotland 5G Centre launched the infralink project, which is creating a national best-practice framework to facilitate the siting and operation of both 4G and 5G digital infrastructure on publicly owned land, buildings and streets.

Resilient digital infrastructure is also crucial in enabling the movement of data both domestically and internationally. I am pleased to say that, today, through our work with the Scottish Futures Trust and a range of partners, we have published a vision and action plan for Scotland to drive significant economic growth through attracting new investment in the green data centres market. That will allow us to capitalise on innovation from real-time, data-hungry applications such as the internet of things, big data analytics and artificial intelligence.

Taken as a whole, our ambitious programmes will leave us well placed to deliver the meaningful step change in digital infrastructure that I know the committee is keen to see and which we feel is required to ensure that all parts of Scotland can share in the benefits of digital connectivity.

I am happy to take questions.

**Colin Smyth (South Scotland) (Lab):** My questions are about the central and south lots of the R100 programme. Can you confirm that the central lot procurement will connect 32,000 premises, with 79 per cent of those having fibre to the premises, and that the south lot will connect 21,000 premises, with 100 per cent of those having fibre to the premises? Can you also confirm that both lots are on schedule to be completed by 2024, with the majority of the work being carried out by the end of 2023?

**Paul Wheelhouse:** It is helpful to put this on the record. I can confirm that the R100 central lot contract will connect 32,216 premises to superfast broadband, with 95.6 per cent of that contract build being full fibre to the premises. The member is correct in saying that 79 per cent was the figure that we started with in negotiating with BT. I am pleased to say that, following further discussions, £4.5 million has been invested in the central contract area by the UK Government, which has helped us to flip 5,400 premises that would have had fibre to the cabinet to having fibre to the premises. UK Government ministers topped up the investment at a marginal cost, allowing almost all connections to be full fibre to the premises. That welcome development takes the total spend in that contract area to £87.5 million of public investment, of which £83 million came from the initial contract award and £4.5 million was provided by UK ministers.

The R100 south lot will be of interest to Mr Smyth, who represents that area. We will connect 20,740 premises to superfast broadband, and all of that build will be full fibre to the premises for gigabit-speed broadband.

We remain on track to complete the contract build in the central and south lots by 2024, as the member said, with the vast majority of the build to be completed by the end of 2023. I hope that that answers Mr Smyth's questions.

**Colin Smyth:** We appreciate that update on the numbers. You said that progress is being made on the ground in the central and south lots. Will you expand on that and explain how many premises in each lot have, so far, been connected? Have any of the payment milestones been achieved?

**Paul Wheelhouse:** BT is making substantial early progress across the central and south areas. The committee is aware that delivery of those contracts is a massive civil engineering project, and extensive survey and design work goes ahead before any building work is done. A total of 262 premises have, so far, been connected. The south lot programme began in Biggar and is working out from there, with 252 premises having been connected. In the central area, 10 premises in Auchterarder have been connected. We expect to see a steady increase in the number of premises being connected in the south and central lots in the months to come.

We expect around 500 premises in the central area to be connected by the end of this month and almost 3,200 to be connected by the end of 2021. That is 10 per cent of the central lot contract. In the south lot, we expect around 1,800 connections to be delivered by the end of June this year and just over 4,900 by the end of the year. That is 24 per cent of the south lot contract build, and that is all full fibre.

Mr Smyth is aware of this already, but, for the benefit of viewers, I note that any premises that are due to be connected through the contracts after the end of 2021 will be eligible for the Scottish broadband interim voucher scheme, which we might touch on later. That will enable customers to access a superfast service while they wait for full-fibre connection.

A number of payment milestones have been achieved across all three contracts, but it is early days. Much of the spend relates to completion of the detailed survey work in a number of build phases across both the central lot and the south lot areas. Such work is about to get under way in the north, too, along with the achievement of monthly premises targets. However, the programme is structured in such a way that payment for build is in arrears of the build being carried out, so we would not expect second payments to come through until the next financial year. Members will probably have seen in the budget figures that give an indication of the scale of likely spend in 2021-22.

**Colin Smyth:** That is helpful, minister. Thank you. Your update suggested that the R100 programme will now connect around 50,000 properties in the central and south Scotland areas by using fibre to the premises. However, the vast majority of households will still rely on the commercial roll-out to benefit from full fibre. Should the Scottish Government not do more to break down the barriers to progress that companies face—for example, by mandating the provision of full fibre to all new-build properties and improving companies' ability to access private and public land to carry out infrastructure work? The latter is a particular problem in Scotland, given the higher number of telecommunications poles that are on private land.

**Paul Wheelhouse:** Indeed, Mr Smyth. You raise an important point on electronic communications codes, which we are aware of and which is relevant here in relation to the positioning of overhead infrastructure in private gardens. You are quite right that the number of those masts is much higher in Scotland than it is in other parts of the UK. We are in active discussion with UK Government ministers about that, and we are feeding into the consultation on electronic communications codes to raise that issue with them. As you will know, the Scottish Government has no legislative locus on the regulation of the market, and we rely on engagement with UK ministers in order to get Scotland's needs across in our discussions. It is correct that that is an issue.

As for what else we could do, we have considered the non-domestic rates regime and have given 10 years of rates relief as opposed to

the five years that have been given at the UK level. Therefore, in Scotland there is 10-year rates relief for newly let fibre, which we believe has been helpful in unlocking commercial investment not only in our cities but in larger rural towns.

As is the position for any Government in the UK, the Scottish ministers are under a restriction in that we cannot intervene in areas where commercial proposals exist. That has always been a constraint—whether it related to DSSB in the past or whether it relates to R100 now—such that we can act only where there are white-space areas in which we know that no commercial build is planned. It is a key part of the regulatory process that we must go through an open-market review and identify which areas are free for us to intervene in, so that no conflict or distortion of the market will be caused by our intervention. Then, as we have done with R100, we can design programmes to address the lists of premises.

I do not know whether we will come on to this later, but that is part of the reason for our currently having a phase at the beginning of the north contract in which we are finalising the list of premises before we press on with BT. We have to take account of any changes in commercial build since the awarding of the contract to BT was originally announced. We then had the legal challenge, which delayed that process.

I hope that that is helpful, Mr Smyth. However, if I have not answered your question fully, please do come back to me.

**Colin Smyth:** You have rightly highlighted where powers might lie elsewhere, but powers over planning lie very much with the Scottish Government, which currently has the power to mandate that all new properties should have fibre to the premises. However, around 6 per cent of new-build properties in Scotland do not have that—particularly those in smaller rural areas. Those communities are losing out, so surely we should change the law to mandate the provision of full fibre to the premises as part of the planning regime.

**Paul Wheelhouse:** My apologies for not addressing that point, Mr Smyth. You did raise that, but I missed it in my response.

We are aware of the need to do that. I should point out that a number of suppliers—Openreach and Virgin are two of them, but there are others—already offer that for any new development in which there will be more than 20 premises. I believe that there is an operational rule that they will make an offer to developers to install full fibre to such developments free of charge. However, in rural locations, there are often smaller developments and self-build properties that are on their own—for example, where crofters are

building new accommodation. Those present real issues, and such properties would not benefit from that practice that the suppliers offer. Building regulations and the planning system are obviously important in that regard. My colleague Kevin Stewart, who is the minister with responsibility for the planning system, is actively looking at what more we can do to stimulate digital connectivity.

With your permission, convener, I will bring in Mr McGhee to give a sense of the discussions that we have had with planning colleagues on that front.

10:15

**Robbie McGhee (Scottish Government):** I confirm that that is very much a live issue. We know that there is legislative activity at the UK level. We have always tried to match or go further than other parts of the UK, so that we create an environment in which full fibre is maximised. There are on-going discussions with planning and building standards colleagues, and ministers will take a view in due course.

**Richard Lyle (Uddingston and Bellshill) (SNP):** My questions follow on from Colin Smyth's questions. We need to clear this up. Broadband is not a devolved matter; it is wholly the responsibility of the UK Government. Am I correct in saying that?

**Paul Wheelhouse:** All legislation relating to telecommunications and its regulation is the responsibility of UK ministers. We have used economic development powers to intervene and try to find a solution for what we regard as market failure. However, under the Scotland Act 1998, all telecommunications policy is reserved to UK ministers.

**Richard Lyle:** Because of the UK Government's failure to improve broadband throughout Scotland, the Scottish Government has taken the matter on board. Am I correct in saying that?

**Paul Wheelhouse:** That is my interpretation. Thank you for raising that point. I am not making a direct criticism of current ministers—they have inherited a situation from their predecessors—but there has been historical underinvestment in Scotland's telecommunications by UK Governments of different stripes.

We are intervening to address what is regarded as market failure. As I described to Mr Smyth, we can intervene only when there has been market failure; we cannot intervene when there are already commercial solutions. By definition, we intervene only when there has been a failure of the market to deliver to customers. We do not regulate or govern the market, so we are not responsible for the problem, but we take responsibility for our

R100 programme. We recognise that we have to deliver that programme—we are not ducking that responsibility—and we are trying to solve a problem that we did not create.

**Richard Lyle:** There is a mix. Thank you for clearing that up.

Although, as you said, broadband is not devolved, BT has been issued with an updated intervention area in the north that takes account of changes in commercial roll-out plans. When will the remodelling work, with the updated information, be finalised? When will the Scottish Government announce definitive completion dates for the R100 north lot, as we do the work instead of the UK Government?

**Paul Wheelhouse:** At the contract signature stage, BT indicated that the build in the north lot would be completed in 2026. We have committed to providing Openreach with the finalised speed and coverage template, which is commonly known as the SCT, no later than 31 March this year, which will allow it to finalise its coverage footprint.

As I outlined in my response to the committee on 8 March, we expect the remodelling exercise to conclude in April this year, after which it will be subject to a review through our governance structures and those of building digital UK to ensure that the list is acceptable. Only once that process is complete will we be able to say with certainty when contract build in the north lot will conclude. We expect the full picture across the north lot contract area to be built by summer 2021. Our online address checker, which I hope colleagues have seen, will then be updated to reflect the expected completion date.

I know that a key gap that is of interest to members relates to customers in the north not being able to say, at this point, whether they will be helped before December 2021 and will therefore not need to take up an interim voucher or whether they will receive a service after 2021 and will therefore be immediately eligible for an interim voucher.

I appreciate that those timescales seem lengthy. BT is working hard to accelerate the build and is working in advance of the lists being agreed, to progress some of the work. For example, we have announced that 15 islands will have improved digital connectivity, which BT is proactively progressing in advance of the final list so that it can get the vital vessel that is required to get the subsea cables laid in time to avoid any disruption to the programme. There are several interdependencies and things that might impact on that, but we are working to April for the conclusion of the remodelling exercise and to get that all agreed by BDUK by the summer.

**Richard Lyle:** What was the outcome of the R100 state aid public consultation that closed in January? When will the final intervention area maps be published?

**Paul Wheelhouse:** I will try to answer that as best I can. Following the north lot contract signature on 11 December, a state aid public consultation was published to reconfirm which premises remained eligible for public investment via the R100 contracts. That took into account any changes in the commercial coverage that we were aware of, as I mentioned earlier, and it allowed us to provide BT with an update on the intervention area on which it will finalise its coverage footprint.

The consultation closed on 24 January this year with 10 responses having been received, including two from providers who had not previously provided data. In other words, we had not been aware of their commercial plans, so that requires a bit of adjustment. Analysis of the responses to the consultation is continuing, and we expect the draft actions to be taken as a result of the consultation to be concluded by the end of March, when we will pass the list to BT. It will then be submitted to the UK Government's national competency centre as part of the overall R100 north lot change request assurance process, with a state aid consultation report to follow in due course.

We expect the full picture across the north to be available by summer 2021, and our online address checker will be updated to reflect expected completion dates. The final intervention maps will be published in the report that I mentioned. In other areas—the central and south areas, for example—we are already able to provide information to local authorities so that they can identify affected premises. We will aim to do that as quickly as possible in the north as well in order to inform colleagues at Highland Council, which is part of the city region deal, about money from the UK Government to invest in digital connectivity there. That will help them to plan how to use that money. We are working at pace to ensure that we get all of that in place for all stakeholders.

**The Convener:** I get the impression that lot 1 of R100 will be complete by 2026. Is that what you have just said?

**Paul Wheelhouse:** Yes. That is certainly what we assumed at the time when the contract was awarded to BT. As I said, BT is trying to accelerate that, but there is a safety-first approach to the timescales. As with the other contracts, we are dealing with the tail end of delivery by that date, so the vast majority of the build will be earlier than that. However, that is correct—we are starting from the position that it will be complete by 2026. Clive Downing might be able to give you an idea of what BT is doing to accelerate that, but that is the date that we are working to.

**The Convener:** That will be bitterly disappointing for people in the Highlands, who were expecting it in 2021—indeed, they were promised it in 2021 by your predecessor. Can you confirm that 2026 is the date by which it will be delivered and that that is the date—if not earlier—that was agreed when you signed the £384 million contract with BT?

**Paul Wheelhouse:** Yes—2026 is the final date for completion of build and sign-off of the programme. The work might continue into 2026 for some premises, based on that assumption, but we are trying to accelerate that. We are also trying to attract some money in from UK ministers—on a similar basis to what we did with the south lot—to flip any fibre to cabinet to fibre to premises.

At the moment, we are working on an assumption of 86 per cent fibre to premises for the north lot, for example, although we want to improve on that. Inevitably, full fibre takes longer to build than fibre to cabinet, so that may have implications. I therefore do not want to be too definitive but, as I say, the vast majority of the build will be earlier than that.

In relation to your point about Fergus Ewing and the previous commitment, that commitment was for superfast. In many respects, it would have been easy for us to have an earlier date for completion of the programme by going for a range of products that delivered superfast services, at 30 megabits per second or more. However, as I say, 86 per cent of the north lot will get full fibre, which is 1,000Mbps and is a future-proof solution. As I said when we made the announcement, that is the right thing to do. I appreciate that we take a hit as a result of having a programme that takes longer, but it is the right thing to do.

We should compare the position in Scotland with the UK Government's gigabit commitment, which was made when Mr Johnson became Prime Minister and which targeted 2025 as the end point for 100 per cent coverage. That was a £5 billion commitment, which was very welcome at the time, but it has now been scaled back to £1.2 billion by 2025 and only 85 per cent coverage.

In that context, I think that Scotland will be very well placed. We will have 100 per cent full fibre in the south lot area, 95.6 per cent—I believe—in the central lot area and almost 86 per cent in the north lot area, which is the starting position before we even agree any further funding from UK ministers. I think that it will be worth it, and we have made provision so that, if anybody needs a superfast service, which was the original commitment, they can get it through the interim voucher scheme by the end of this year.

**The Convener:** I know that many people will be disappointed.

I want to pick up on the point that you made about rates relief for fibre cabinets. I believe that you said that that will be in place for 10 years. Many people in remote areas rely on line-of-sight systems, which require a big broadcast mast, and those do not get rates relief. Is that fair?

**Paul Wheelhouse:** I have not considered that issue, although I understand the point that you are making. I am happy to ask colleagues whether they have done any work on that. Obviously, we have prioritised full fibre, because that is the gold standard of service, but I recognise the value of fixed wireless providers of superfast services. We have some valued suppliers that are providing that for the interim vouchers.

I recognise that the approach to rates relief might look unfair. Through the rates relief for full fibre, we are trying to prioritise the gold standard solution that we know will deliver gigabit services, which are 30 times as fast as superfast. That is the reason why we have prioritised that.

I ask Robbie McGhee whether he has done any work on non-domestic rates relief for fixed wireless, or whether he is aware of any work being done on that.

**Robbie McGhee:** To clarify, the rates relief does not just apply to fibre cabinets; it applies to fibre generally, so that is lit fibre and dark fibre across the country. By and large, any kind of fixed wireless access network—certainly one that is capable of delivering superfast speeds—will be underpinned by fibre, so those kind of networks should still benefit downstream from the rates relief, which should help with the business case and affordability. It is a truism that, in any modern telecommunications network, fibre tends to be the key component. Therefore, even though the actual fixed wireless kit does not currently benefit from the rates relief, some of the key underpinning elements of those networks can benefit from it.

**The Convener:** I have written to the Government about the issue because, if someone gets to a certain level of income with line-of-sight equipment, it will attract business rates under the rating system as it is an attachment to the ground, so it is not excluded. I ask you to bear that in mind.

The next question is from Peter Chapman.

**Peter Chapman (North East Scotland) (Con):** My questions are on the Scottish broadband voucher scheme, which, as you readily admit, much of the north area will have to rely on in the medium term.

Evidence from the residents of one community in Moray suggests that there are issues with accessing the interim voucher in the north lot area. The residents of Finnerne claim that the Scottish Government has fumbled the roll-out of interim

support vouchers. They state that vouchers will not be made available until the delivery of R100 begins later this year, which will mean more agonising delays. Can you confirm that both the main and interim vouchers are available and can be activated across all three lot areas now?

10:30

**Paul Wheelhouse:** I will touch on the point that Mr Chapman made about the north lot and on what happened with regard to the likes of Finnerne. I met the representative of Finnerne community council to discuss that yesterday, along with Richard Lochhead MSP as the local member.

We did not want to prevent people from having a chance to get a superfast broadband connection while the legal action in the north lot area was under way, so we made the main voucher available to everyone in the north irrespective of whether they were being delivered to pre or post December 2021. Normally, if they were being delivered to post December 2021, they would get an interim voucher to tide them over until the longer term solution came in.

The contract that we have signed with BT for the north lot will deliver what we believe is a fantastic outcome for the region. To account for the changes in the commercial bill plan that we have just been discussing, BT is required to remodel its bill plans. That means that there is a bit of uncertainty about which premises will be eligible for an interim voucher or the main voucher if they are not covered by R100. That remodelling exercise is a state aid requirement; the programme is governed by the out-going state aid arrangements that we had while we were in the European Union and in the transition period.

Until those bill plans are finalised, it will not be possible to confirm which premises are eligible for an interim voucher and which are not. I know that that has been hugely frustrating for the community in Finnerne, as we have discussed the subject with it. As I said, we have tried to be helpful by making the main voucher available to everybody, on a non-discriminatory basis, so that they can secure a superfast connection.

However, there is a risk that, if someone uses the main voucher, they could subsequently be removed from the R100 contract bill plans. If it turned out that their premises were due to be covered by R100 but they had used the main voucher, it would in effect descope them from R100. We are therefore trying to protect the interests of those in areas such as Finnerne by making sure that we know that information before we get into discussing main vouchers versus interim vouchers with them. We do not want to

prevent them from getting a better solution than they could get with the main voucher if they were to wait and perhaps get full fibre.

In the case of Finnerne, roughly 70 per cent of the build in the area was thought to be commercial at the time when the intervention area for R100 was settled. Subsequently, the commercial proposal dropped out. If we start from a position of that holding firm in the remodelling exercise, roughly 70 per cent of the community would be eligible for the main voucher. However, we may see some come back in, given that other areas have gone out to commercial build. The area may now be picked up by R100 through the contract with BT. We are waiting to see how many of the premises might be covered under the contract.

To try to be helpful to Finnerne community council, we have provided it with a list of 155 premises that we know for certain are eligible for the interim voucher. They are within R100 and are likely to be delivered to after December 2021, and they are therefore able to download the interim voucher without any downstream consequences for getting the R100 solution. I am not sure whether that spreadsheet has been physically provided yet, but we agreed yesterday that the R100 team would forward it to the community council. It will be able to communicate directly with those households to say that it knows that they are eligible for the interim voucher and to encourage them to take up that opportunity, which will save others from going on to the checker.

As soon as we are able to give information to the remainder of the community, we will do that. We have committed to engaging with the community council on any updates that come through on the intervention area. We will notify it of them in order to save members of the community from having to go online and use the checker on a regular basis. I hope that that is helpful.

We try to be helpful in making the main voucher available. Data is now coming through that means that we should be able to start identifying those who are eligible for the interim voucher because we know that they will get an R100 solution in the near future.

**Peter Chapman:** We have focused on one village in Moray, but I assume that many communities across the north are in a similar position and are facing a heap of uncertainty about how they can move forward. How quickly will you start to know the answers to the various questions? How quickly can the various communities get some certainty about the best way forward for them? As you said, they have little certainty at the moment.

**Paul Wheelhouse:** I recognise that, Mr Chapman. We are keen to give them information

as soon as we can. In the south and central areas, we have been able to provide the unique property reference data so that each premises that is covered by R100 in the intervention area has a unique number. Unlike the DSSB programme, which was done at postcode level, the R100 programme was agreed with BT at the premises level and it has a specific target list of premises to address.

In the south and central areas, we have been able to pass information to local authorities in the form of exact lists. Perhaps Robbie McGehee or Clive Downing can confirm that. It is similar to what we are doing with Finnerne, as an individual community. The local authorities are getting access to the information so that their economic development teams can work proactively—on top of the marketing that the Government does—to ensure that people know their rights in relation to accessing vouchers and to give them confidence about when delivery will happen.

In the south and central areas, we are getting closer to having more granular data on quarterly bills. I gave some examples of that earlier. We are down to specific exchange areas and we know broadly which quarters we are building in, so we can help local authorities to engage with our communities. The R100 team also has a support team to engage with communities. It would not be appropriate for me to name individual civil servants, but we have a team that is prepared to engage with communities—as has been done with Finnerne and other communities—in order to explain what is happening with R100. It can also engage the local authority.

**Peter Chapman:** Can you provide figures on the uptake of the two categories of vouchers across the three contract areas? Have uptake and demand been as expected?

**Paul Wheelhouse:** The situation changes daily, but I can share the figures that I have in front of me. After the first six months of the Scottish broadband voucher scheme, we have a pipeline of 807 vouchers, with 183 installed. That compares with the 394 that were installed in Scotland in the first two years of the UK Government's rural gigabit voucher scheme, which launched in May 2019.

I appreciate that the numbers are low at this point, but we are ahead of where the UK scheme was at the equivalent stage in its development. We appreciate that more needs to be done to bolster take-up. We are working with all the suppliers that are registered with the Scottish broadband voucher scheme in order to give them the most accurate picture of eligible premises so that they can target areas with marketing and try to generate demand.

We are also working to raise awareness of the scheme among the wider public. Recently, we began a targeted postcard campaign to direct people to more information and encourage them to apply, although it is probably too early for people to have received those postcards. That was targeted at the central and south areas, given the uncertainties in the north.

We want to make it as straightforward as possible for people to get connected through the voucher scheme. We know that the choice and navigating the information can be overwhelming, so we want to make the choice between suppliers and technologies such as fixed wireless, satellite, 4G broadband and full fibre—in some places, full fibre has been delivered through vouchers—as simple as possible.

We know which suppliers are active in each local authority area and we will continue to work to improve the user experience. We are taking on board feedback from users of the voucher scheme and, as I said, we are providing data to local authorities on the unique property reference numbers, which will guide them to ensure that local communities are aware of what they can do to help themselves.

**Peter Chapman:** I have one final question. You say that there have been 807 applications across Scotland. Can you give us a breakdown across the three different build areas?

**Paul Wheelhouse:** I think that I can; I am just checking—yes, I can. I will read from the table before me, and I hope that it all tallies up. First, can I check what information you want? Do you want to know how many vouchers have been requested, issued and completed in each of the areas—

**Peter Chapman:** Yes.

**Paul Wheelhouse:** —or do you want to know about the technology?

**Peter Chapman:** No.

**Paul Wheelhouse:** Apologies—I did not mean to speak over you, Mr Chapman.

On the main vouchers, in the central area, 74 have been requested, eight have been issued and six have been completed. In the north, 109 have been requested, 129 have been issued—that is confusing; I am not sure why a higher number has been issued than has been requested, but perhaps officials can clarify that—and 55 have been completed. In the south, 28 have been requested, 42 have been issued—again, those columns seem to be the wrong way round—and three have been completed. In total, therefore, 211 main vouchers have been requested, 179 have been issued and 64 have been completed.

On the interim vouchers, in the central area, 11 have been requested, 19 have been issued—again, I think that the columns might have been transposed; obviously, something is not quite right there—and installation has been completed in 20 cases. In the north, no interim vouchers have been requested, issued or completed as yet. In the south, six have been requested, 10 have been issued and four have been completed. In total, 17 interim vouchers have been requested, 29 have been issued and 24 have been completed.

Obviously, there is a bit of an issue with that table. I will ask my officials to explain that.

**The Convener:** That might be helpful, because those figures do not work. However, I am sure that Robbie McGhee is going to leap to your defence and tell you that you have read them out the wrong way round.

**Robbie McGhee:** I will get Clive Downing to confirm this, as I do not have the figures in front of me, but I think that they are in distinct blocks. The vouchers that have been requested are the ones that are currently working their way through the system, and the ones that have been issued are the ones that have come to fruition. They are distinct numbers; they are not cumulative. I think that that is probably—[Inaudible.]

**The Convener:** I think that I got that before Robbie McGhee's connection dropped.

Jamie Halcro Johnston has a follow-up question.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Good morning. I note the irony of someone's broadband going down during a debate on broadband.

As the convener has already highlighted, in my area, the Highlands and Islands, there are considerable areas where broadband coverage is limited—that is particularly the case in some of the most remote communities in our region. Do you expect there to be some premises in those remote or harder-to-reach areas that will be permanently reliant on wireless coverage, or do you expect to be able to provide them with permanent fixed links?

**Paul Wheelhouse:** That is a good question, and I think that, in fairness, a lot will depend on the UK-wide policy framework and the actions of the regulator.

At the moment, BT is voluntarily offering to replace copper wiring—and aluminium wiring, which still exists in some localities and is even worse—by 2027. That is not a regulated commitment, but the regulator and the UK Government might put that into regulation and law at some point and require those premises to be

updated, which would provide the potential for further gigabit investment.

Obviously, we welcome commitments around gigabit investment by UK ministers. I appreciate that it is still an evolving area in terms of the delivery mechanisms for that funding, and I assure you that we are making a strong case for as much of the £1.2 billion that has been committed to be spent before 2025 to come to Scotland to help us to address some of the most challenging topography in the British Isles. That we should have a more than pro rata share of that funding, given the scale of the issues that we have here, is also the view of two committees of the House of Commons.

I think that there is a lot to play for. As I mentioned to Mr Lyle, the R100 programme is a voluntary step on the part of the Scottish ministers. We have made an offer to UK ministers to administer any funding on their behalf in Scotland, as we have successfully done with DSSB, which overachieved its targets, as I said earlier. We are happy to work with them. I have a good working relationship with Matt Warman—I have no direct criticism of him as an individual—and we have had productive discussions. I would like to think that, together, we can address those remaining properties.

10:45

The R100 programme, as we have discussed previously, is the contracts plus the voucher scheme plus the commercial build. I am hopeful that, between those three sources, we can address the commitment that we have given to reach 100 per cent of premises. Many premises might have an existing fibre connection that is below superfast standard, and they would potentially be eligible for the main voucher to bring them up to superfast standard.

At previous committee sessions, we have discussed the potential for communities to aggregate vouchers so that they can get a more substantive community solution. That involves taking into account—for as long as it is available—the UK Government's rural gigabit voucher scheme, which offers £3,500 for businesses and £1,500 for residences, and our offer of £5,000 across both categories. We certainly encourage communities to take advantage of that while the UK Government's voucher scheme is available. In theory, that ends in March this year, but I believe that there is a one-year extension—Robbie McGhee might be able to confirm that. That will give us until March 2022 to utilise that UK Government funding source.

In addition, we are aware of the UK Government's plans to determine what

procurement vehicle it will use for the gigabit programme that it has announced, which are still at an early stage.

I appreciate that there are a lot of uncertainties in what I have said to Jamie Halcro Johnston, but there are a number of moving pieces; we are only one part of the story. I cannot determine what Ofcom or the UK Government will do, but I hope that, between us, we can crack the back of the issue.

**Jamie Halcro Johnston:** I am conscious of time, so I might come back to that.

**John Finnie (Highlands and Islands) (Green):** Good morning. You have covered a lot of ground already, minister.

The word “irony” was used. Oh, the irony of a succession of three Conservative politicians haranguing you! One of them said that there was little certainty about the programme; however, what there is absolute certainty about is the fact that it is the UK Government's failure to discharge its obligations in an area that is clearly within its remit that means that you are sitting in front of us. Anyway, you are sitting in front of us and I am grateful for your replies.

You might already have answered my two small questions. I apologise if you have done so, but maybe you could confirm the answers for the sake of clarity. How many of the premises for which vouchers have been requested to date have been eligible for the additional £250 for the hardest-to-reach areas? What have been the main types of technology that the voucher scheme has covered?

**Paul Wheelhouse:** For the record, I certainly agree with Mr Finnie's assessment of the situation. However, I am delighted to be here to help by answering the committee's questions.

I hope that my figures are bang up to date. To date, there have been 100 applications for interim vouchers from the Scottish broadband voucher scheme in the category that Mr Finnie has mentioned of the extra £250 for those in the hardest-to-reach areas. Installation has taken place in 45 of those cases. However, in practice, none of those has been above the £400 threshold. That is not entirely unexpected, as the additional £250 was principally targeted to apply in the Highlands and Islands, where we would expect it to be required. Up to 12 March this year, all premises in the R100 north contract were eligible for the £5,000 funding that was available under the main voucher scheme. It has therefore not been necessary to use the interim voucher with the extra £250, because a more generous option has been available to residents and businesses in that area.

John Finnie also asked about types of technology. Since the SBVS was launched on 14 September, the number of suppliers has grown. We now have 55 suppliers registered, who are offering a range of different technologies: full fibre, which is otherwise known as fibre to the premises; fixed wireless access; fixed mobile 4G access; and satellite. The SBVS has received and approved applications across all those different technologies. Nearly 50 per cent of the solutions that have been approved to date have involved fixed wireless access; around 35 per cent have involved fixed mobile or 4G access; and, I am delighted to say, 16 per cent are delivering fibre to the premises, where that is possible within the budget.

As I said in response to the previous question, we are actively working with and encouraging suppliers to explore the aggregation of vouchers, as that would make it more likely that the money might go as far as to provide full fibre. We can supply the little table that I have here, rather than go through the figures in full. It contains information about the different technologies, how many have been delivered and how many are in build. If that would be of interest, the committee might find that helpful.

**The Convener:** Thank you, minister.

**John Finnie:** I have a brief supplementary. Colleagues will know that I am not remotely technical, and I get a bit dizzy with all the terminology. It is frequently said to me that satellite is expensive, but it is an option. Are you able to say in general terms in how many cases vouchers have been used for satellite and in what sort of areas? Even if you were to write to the committee, it would be helpful to have that information.

**Paul Wheelhouse:** Of course—we can provide more detail on that. Just 1.3 per cent of the vouchers that have been used to date have been for satellite. Satellite has improved dramatically over previous generations of the technology, and people can now get consistently good upload and download speeds, although some conditions of use around things such as gaming and streaming may apply for certain products. We will get some information on that to the committee, unless Robbie McGhee or Clive Downing can add any further detail now. Regardless of what Robbie and Clive can say, we will provide more information to Mr Finnie and the committee.

**The Convener:** I am conscious that there are a lot of questions still to come, so rather than bringing them in, it would be helpful if you could send that information to the committee.

Have you finished, John?

**John Finnie:** That is me for now. I have some other questions to ask later on.

**Emma Harper (South Scotland) (SNP):** Good morning. Earlier this session, we considered a petition about the situation in the settlement of Laid, where the residents were not able to be connected even though a fibre network cable passes through the village. You have given very comprehensive responses about how the vouchers and the postcode checker work, and you have also talked about how the Government is supporting people to get access in the simplest way, because that is obviously a challenge.

In your answer to Mr Lyle's question, you said that the Scottish Government is using economic development powers to support people to get connected, when that is an obligation of the UK Government. In the context of Covid, we have heard that people are more frustrated because they are now working from home, and young folk also need access to the internet for doing school work from home. We echo the frustrations of people in rural areas. Can you do anything else to help people to tackle those frustrations?

**Paul Wheelhouse:** If anyone from those communities is watching this session, the first thing that I want to say is that we genuinely acknowledge how frustrating the situation is. Emma Harper has hit the nail on the head; especially in the context of Covid, we are acutely aware of how important digital connectivity is to us all—including for the format that we are using for this meeting—in enabling us to continue working, studying, living and contacting relatives and loved ones. In many cases, it is a hugely emotive issue, because many people have been denied that opportunity because of a lack of suitable bandwidth.

Over the past decade, we have put significant investment into tackling the issue, and there have been dramatic transformations in many communities. There were no commercial build plans at all in the three island areas—Shetland, Orkney and the Western Isles—so we had to intervene through DSSB. I readily accept that there are a number of funding partners, including the UK Government, the European Commission and local authorities, as well as Highlands and Islands Enterprise and BT, so it is not just for the Scottish Government to claim the credit, but DSSB has been pivotal to improving the quality of life for people in a number of localities.

As I said at the outset, as a result of DSSB, 950,000 premises are now able to get reliable, fast broadband. Obviously, we will work as fast as we can with the R100 programme to deliver full-fibre solutions and provide people with a remedy so that they can get services more quickly. Of course, we would have done that irrespective of Covid—we had a commitment to offer superfast broadband by the end of 2021, which is why the

voucher system is in place. It provides a helpful tool for those who are in the situation that you described and need help now. We will give them that information as soon as we can, so that they can utilise the interim voucher to get a service in place earlier than they would otherwise do through the roll-out of R100.

Through the S4GI—Scottish 4G infill—programme, we are also investing in 46 remote locations, where there are not-spots in mobile connectivity. I was fortunate to attend the opening of that programme with Ms Harper and other local stakeholders. In places such as New Luce in Galloway, that has had a transformative effect for farmers, who feel a lot safer going out and doing their work in their fields, because they have access to mobile technology. It is not just about fixed broadband.

Although it is a reserved area and, strictly speaking, from a legal perspective, we did not need to take those steps, we recognise that digital is central to Scotland's economic future and wellbeing. As I said, had we not done that, the impacts of the pandemic would perhaps have been worse. We are delivering connectivity across rural Scotland in a timeframe and at a scale that mean that we are far surpassing other parts of the UK. Although it is early days, at a time when others are still planning, we are building, so we are in a good position. Obviously, the committee might have thoughts on what other steps we could take and I am keen to hear them, but I am proud of the programmes that we have and I believe that they are delivering well for the people of Scotland.

**Angus MacDonald (Falkirk East) (SNP):** Given the minister's comments, I should perhaps declare that I am a beneficiary of gainshare at my properties in the Outer Hebrides and had superfast broadband long before it was expected.

Following on from Emma Harper's theme of community frustration, I know that the minister will be aware of outage issues for mobile networks. The committee has received correspondence from people who have experienced sustained disruption to mobile networks in rural areas, not least in Argyll and Bute. They have been having particular problems on the Isle of Jura, where they have suffered sustained and unexplained outages of the O2 and Vodafone networks, and there was even an outage for a full fortnight last October. You will be aware that many islanders on the west coast, who have no superfast or full-fibre broadband, have relied on the 4G network for business emergency communication in very remote areas, as well as for access to the internet at home. Given those concerns from the public and the increased importance of connectivity due to Covid, how are such outages responded to and managed by the Scottish Government?

**Paul Wheelhouse:** It is hugely important, and I am glad to hear that Mr MacDonald is a beneficiary of the gainshare system; it has been a real success of the outgoing DSSB programme that it has recycled money back into extending coverage. As we said earlier, unfortunately, the Scottish Government does not have formal, legal or lead responsibility for telecommunications. That area is still reserved to the UK Government, which is responsible for the security and resilience of critical national infrastructure. That is not to shift blame; it is just a fact. Obviously, we engage with UK ministers, but they lead on critical national infrastructure, such as 4G networks that serve Scotland's rural communities.

However, that does not mean that we are inactive; we are active in that space. We engage and collaborate with the UK Government's Department for Digital, Culture, Media and Sport and suppliers on infrastructure security and resilience. That is taken very seriously by our Scottish Government resilience room process, of which Mr Swinney has oversight.

We maintain a close working relationship with Ofcom, even though it is not strictly speaking accountable to the Parliament. It is the UK telecoms regulator and it leads on network performance issues. During Covid, it has been very good at keeping us informed about network resilience issues and demand load on the network, so I have to thank Ofcom for that. Ultimately, however, it is accountable to UK ministers and Westminster rather than us.

11:00

We also have a strong relationship with industry. Individual suppliers, providers, and industry bodies have kept us informed throughout Covid of the challenges that they face in terms of demand on the networks. We received notification of significant telecoms and internet outages. We engaged directly with the main service providers to understand the causes of the outages and to influence implementation of any measures to mitigate future issues through some of the things that we discussed earlier, such as planning or the siting of masts to improve the resilience of the network, in the hope that it can recover faster if there is an outage.

We also work proactively with the—*[Inaudible.]*—to ensure that we take any concern that they have got about their ability to continue to work during the pandemic and to maintain or enhance network capability. We have got to a good place with the guidance that has been deployed by the industry to allow them to continue to work. We recognise that this is critical national infrastructure and that we have to make common cause with UK ministers to ensure that

arrangements are in place to protect and repair networks when they are under threat from damage from the weather, for example.

Transport Scotland is just one example of an agency that has worked hard to ensure that telecoms engineers are recognised as key workers and are able to continue to access our islands in order to ensure that links are protected.

I hope that that was helpful, Mr MacDonald, but if you have any follow-up points, I am happy to try to address them.

**Angus MacDonald:** Thank you, minister. In the interests of time, convener, I am happy for you to move on.

**The Convener:** The next questions are from Emma Harper.

**Emma Harper:** Minister, you have spoken a bit about masts and mobile technology, and we visited New Luce in February 2020 to look at one of the masts that have been put in. The 4G infill programme was intended to deliver 45 new mast sites by 2022. Is the target completion date for the 45 new mast sites still accurate?

**Paul Wheelhouse:** Yes. My understanding is that we are going to see that programme broadly stick to time. I will just give you some figures that might give a bit of context. We believe that it can be considered to be a huge success, but the committee might take a different view. Projects to extend mobile coverage using public money are far from straightforward, because of the complexities of the commercial market.

The committee and Ms Harper might recall the UK Government's mobile infrastructure project of some years ago which, after a lot of fanfare and excitement, was able to deliver only three masts in Scotland. Despite the impact of the pandemic that we have just been discussing, the 4G infill programme remains on track to complete up to 46 masts. Including New Luce, 11 sites are already live and delivering 4G services across rural Scotland. I have been delighted to see that work being carried out despite the pandemic. More locations are expected to go live during the coming months, including a number in Dumfries and Galloway. We have a steady pipeline of build activity and site activations for the rest of 2021 through to 2023.

There was a little bit of slippage at the end of the programme, but 11 have been built, and 19 are in build at the moment, which takes us up to 30 in total that are either built or in build. There are 11 sites in pre-build, which bring the total to 41, and we are still working on final sites to complete the programme. Some are going in and some are coming out depending on whether there has been a lack of commercial interest in taking a mast or

whether there have been planning issues, such as the one location where planning was refused by the local council.

There is a bit of tweaking to be done at the edges, but I am confident that we are doing really well with the programme. It might slip a bit going into 2023, but I think that the outcome will be an excellent one for all those communities that will benefit from it.

**Emma Harper:** I have a question on the budget that was allocated in 2021-22 for the delivery of Scotland's 5G strategy. How much funding was allocated for that?

**Paul Wheelhouse:** You will see in the budget data that the vast majority of the £98.2 million that is set out in the 2021-22 budget for digital connectivity will be spent on R100 itself. However, the budget also includes provision for the roll-out of the Scottish 4G infill programme, which is a £25 million programme. Circa £4 million of the support in that total is for the Scotland 5G Centre, which seeks to maximise the economic impact of 5G and is undertaking a number of key projects. That also includes some provision for the delivery of the 5G innovation hubs that the Scotland 5G Centre has announced. I hope that that is welcomed by the committee.

**Emma Harper:** You mentioned the 5G connect hubs. How many will we have, and do you know where they will be located?

**Paul Wheelhouse:** I will give you some information, but it might not be exactly what you are asking for. In the programme for government, we announced the £4 million for the Scotland 5G Centre to deliver a network of 5G innovation hubs through what is called the S5G connect programme. That will be a national network of 5G innovation hubs that will work with local SMEs to embrace 5G, develop use cases on a private 5G test-bed network, and give them the skills that they need to use 5G technology as a business enabler. In some respects, digital has been seen not only as a sector in its own right but as an enabler for all other sectors. Our aim is for the network of hubs to act as a catalyst to place Scotland at the forefront of the next generation of wireless communication services.

Substantial progress is being made on the programme, and discussions are progressing with host institutions around Scotland about sectors and locations that could benefit from 5G. The first of the hubs will definitely be in Forth Valley and will be operational in May this year. I can also confirm that a further two locations will be announced shortly, although I do not have the details yet. I do not know whether Robbie McGhee or Clive Downing can elaborate, but we hope to announce those two hubs shortly.

**Emma Harper:** Thanks. I just hope that one of the hubs will be in South Scotland.

**Paul Wheelhouse:** I am sure that the officials will have heard that loud and clear.

**The Convener:** That was almost a constituency question, but we managed to gloss over it. Richard Lyle has a supplementary question, and then we will go to John Finnie.

**Richard Lyle:** Minister, will you remind me what the UK Government funding commit was originally, and what is it now?

**Paul Wheelhouse:** Do you mean for the gigabit programme, Mr Lyle?

**Richard Lyle:** Yes. Remind me, did the UK Government originally promise £5 billion, and has that been cut?

**Paul Wheelhouse:** You are correct. When the Prime Minister came to office, as part of his programme—his first pitch, if you like—he announced a commitment of £5 billion to deliver gigabit services across the UK by 2026. That has since been scaled back to £1.2 billion by 2025, and a commitment to deliver 85 per cent coverage in that time period.

I know and appreciate the difficulties, as does Mr Ewing, because procurement is a tricky issue when you are in a market in which there are risks of interfering with the competitive position of other players. We have to tread carefully with regard to public subsidy. No doubt, UK ministers have to confront that agenda as well. Therefore, we are delighted to be in a position of actually building. We have got through the planning, done the procurement and are now building.

Unfortunately, at a UK level, whichever procurement model is pursued, the procurement still has to happen. In many ways, it is an irony that, despite all the criticism that we have faced, it is only in Scotland that some of the money is now being spent, as Mr Finnie alluded to earlier. The £4.5 million that has been given to the central area to flip fibre to the cabinet to fibre to the premises is the first money coming out of the £1.2 billion that has been earmarked by the UK Government. The £4.5 million is in addition to the £21 million that is within the £600 million that we originally announced. In total, that takes the UK's contribution to £25.5 million. I say for the committee's benefit that that contrasts starkly with the situation in Northern Ireland, where the equivalent programme—project stratum—is 91 per cent funded by the UK Government and only 9 per cent funded by the Northern Ireland Executive. That is a bit of a disparity.

As I said, we continue to press UK ministers to spend in Scotland as much as possible of the £1.2 billion that they have committed. Some of that

could be through the R100 programme, which allows an uplift of up to 10 per cent in the contract value without breaching the agreement with the European Commission. The rest might have to be delivered through another vehicle, and we have offered to help to administer that with UK ministers.

**John Finnie:** Mr Lyle touched on what I planned to ask about. The minister says that discussions continue with the UK Government about the gigabit programme's implications. The figure of £1.2 billion has been mentioned. Will you say a bit more about those discussions? Does a Barnett formula type of arrangement apply to the £1.2 billion? Has it been recognised that the geographic challenges mean that we should get the lion's share?

**Paul Wheelhouse:** I certainly take the latter approach, given Scotland's share of the UK's landmass and given that we are a more sparsely populated country than the UK. It is not just the Scottish Government that says that; at Westminster, the Scottish Affairs Committee and, I believe, the Environment, Food and Rural Affairs Committee—I apologise if it was the Digital, Culture, Media and Sport Committee—have urged UK ministers to provide more funding to Scotland at a level that is above a Barnett-type approach, to reflect Scotland's share of the residual problem that is to be addressed and to reflect our topography.

We do not yet know how much of the £1.2 billion will be invested. I have raised that directly with Mr Warman, who has committed to working with us as the UK Government's programmes develop. I hope that it will not surprise the committee to hear that we are making a strong and compelling case to UK ministers that Scotland should get a substantial share of the funding, to reflect the issues that I have raised.

I do not criticise Mr Warman directly—he has been constructive so far—but we have historically seen an underspend on addressing the challenge that we in Scotland face. Other countries have taken a different approach, in which such work has been socialised more and investment in rural areas has been supported as part of the regulatory approach more effectively than in the UK.

We welcome the £4.5 million, which has made a difference to the marginal cost of flipping premises from FTTC, which is a good but not ideal solution, to fibre to the premises, which is the gold standard. However, we need clarity on how the £1.2 billion will be spent. It will be back-loaded in the period and will not all be available up front in 2021 or 2022. The funding will build up towards the end of 2024 and into 2025.

As I said, I think that the UK Government would acknowledge that, as we have R100 in place, that is the first vehicle for getting the money out of the door. We might look to get up to £38 million to supplement the north contract; that would represent the additional cost of 10 per cent that we could sustain within the regulatory limit. We could extract money in that way, but we need another vehicle to spend the bulk of the money that Scotland deserves.

**John Finnie:** It is good that discussions are ongoing and that you have good relations with the UK minister. You said that £4.5 million has been provided to the R100 central lot. As a result of that, has the UK Government technically started the roll-out phase of its gigabit programme in Scotland? Is the £4.5 million included in the UK's existing R100 commitment of £21 million, or is that an additional sum?

11:15

**Paul Wheelhouse:** It is additional to the £21 million that is already being invested in R100, which, in effect, is money that was left over from DSSB and that we have used in R100, with the UK Government's consent.

In its joint press release with us, the UK Government indicated that its investment of £4.5 million in the R100 central lot contract is the first money to be spent of its £5 billion investment—obviously that has been reduced to £1.2 billion by 2025, but it might ultimately be £5 billion, beyond 2025. The £4.5 million is helping to deliver gigabit service, and our flipping the 5,368—I think; it is just under 5,400—premises in the way that we have done is delivering gigabit service for those premises, to meet the standard that they are looking for.

**John Finnie:** Thank you for that clarification, minister.

**The Convener:** Jamie Halcro Johnston has the final questions.

**Jamie Halcro Johnston:** Some of my committee colleagues have leaped to the defence of the roll-out in Scotland, minister. However, given that the Government made a commitment to roll out to 100 per cent of premises and is spending hundreds of millions of pounds of taxpayers' money to do so, and given that your predecessor said that he would resign if the timelines were not met—I think that we are going to miss them by four years—do you accept that some criticism of the roll-out is acceptable and understandable?

**Paul Wheelhouse:** We are acutely aware of the commitment that we gave, which was to provide superfast services for all premises in Scotland by

the end of 2021. We are doing everything that we can, and I understand people's frustration.

I will not repeat what I said about the background to how we got here; I think that I have made that point sufficiently. We are trying to intervene to fix a problem that we did not create. We committed to the end of 2021 and we are trying to honour that commitment through the voucher scheme.

We made a conscious choice, and I appreciate that not everyone will agree with it. Faced with the option of going for superfast-only coverage and probably being able to deliver that fast, through the technologies that we were talking about earlier, such as fixed wireless, satellite, 4G broadband and, in some cases, fibre to premises, we have gone down a different route: we have gone for a future-proofed gigabit-standard service for the overwhelming majority.

As things stand, in Scotland central and south, more than 97 per cent of premises will get full fibre, which is an astoundingly good outcome. I appreciate that it is immodest of me to say so, but I think that the Government can be proud of that in the context of the original commitment, which we have gone well beyond—30 times faster than we originally committed to do.

In the north, we have a minimum of 85 per cent with full fibre. We hope to work with Mr Warman and his Government to up that to closer to 100 per cent. We have 16 islands getting new fibre connections that they would not otherwise have had.

It is legitimate for you and other members to push us hard to deliver fast, but I hope that members at least recognise that we will get a very good outcome. It will take longer than was forecast. When Mr Ewing was in charge of the programme, the commitment was to deliver superfast broadband; through the procurement, we are able to deliver something better. We have ended up with a different outcome from the one that Mr Ewing anticipated, and I take that on the chin. I made a conscious decision, as minister, to go for the future-proofed solution.

I am being open and honest about the process, and people can have faith that the outcome will be good. We obviously have a job to do to try to pick up premises that are not covered by R100, and the vouchers offer one way of doing that. We hope to unlock money from the UK Government, too, to supplement that and to get a future-proofed solution for premises that are not currently covered by R100 or a commercial build. I commit to you, Mr Halcro Johnston, and to others, that the Government will try to work constructively to achieve that.

**Jamie Halcro Johnston:** Thank you, minister. We all want to see all these schemes operate, because the 15 per cent who are missing out at the moment are often also missing out in relation to other infrastructure and connectivity issues.

I have a quick technical question on the rural gigabit connectivity programme. There is a commitment to look at extending that. What implications would that have for the rural gigabit connectivity top-up that is provided to the main voucher in the Scottish broadband voucher scheme and what discussions have you had on that?

**Paul Wheelhouse:** That is something that we have raised, and it is a good point to discuss. We are fully aware that there will be changes to the UK-level voucher scheme at the end of the month. That was always programmed to be the case, as far as I am aware; it is not something that has been done on the hoof. Detail of those changes has not yet been confirmed by UK ministers, but we have a good relationship with them, as I say, and I hope that we will get that detail in good time.

For our part, we are continuing to offer the full £5,000 Scottish broadband scheme main voucher, which we hope will be of great use to communities. For as long as the rural gigabit connectivity voucher scheme continues, in whatever form it takes if it is relaunched next month, we hope that we will be able to partner up in the way that we have already. It is expected that the new BDUK scheme will be targeted to more rural areas and exclude those premises that are likely to receive commercial roll-out. It is identified as being on area 2 as set out by Ofcom in its "Wholesale Fixed Telecoms Market Review 2021-26" consultation. We can get further detail on that for the committee if that would be helpful, to save you searching for it.

We hope that premises in rural areas that were eligible for the previous UK voucher scheme will remain eligible under the new scheme and that we can continue to buddy up the two voucher schemes to try to have maximum effect. That is a positive outcome from the warm discussion that we have had with Mr Warman. He recognised the common sense in working together on that and I am grateful for that good outcome.

As things stand, only two local authority areas in the UK have a higher figure for voucher value. We have one of the most generous schemes anywhere both in terms of the value and because we do not cap our scheme. Other local authorities might have a physical cap on the amount of money that they can spend. We have not capped it, so it is demand-led and we will continue to meet the demand as best we can.

**Jamie Halcro Johnston:** Thanks for that, minister. Do I have time for another question, convener? I am conscious of where we are.

**The Convener:** Yes, as long as you and the minister are brief.

**Jamie Halcro Johnston:** Okay, I will ask this last question. The Telecommunications Infrastructure (Leasehold Property) Bill is soon to receive royal assent. What impact will that have on the delivery of digital infrastructure in Scotland?

**Paul Wheelhouse:** I will do my best to keep this brief. The Telecommunications Infrastructure (Leasehold Property) Act 2021 received royal assent on 15 March—just this week. It seeks to address a long-standing issue around deployment to multi-dwelling units or blocks of flats. At present, the operators require the agreement of all landlords within a block to deploy infrastructure, and stakeholders have told us that in some cases landlords do not reply to requests to negotiate a wayleave agreement. Some may be more organised than others and some may choose not to reply.

We welcome the legislation, which will allow operators to apply to the sheriff court and have a time-limited agreement imposed where landlords do not respond to repeated—I stress that word—requests to negotiate an access agreement. We believe that that will have a positive impact on the roll-out of broadband infrastructure to multi-dwelling units or blocks of flats and we hope that it will reduce the legal costs to operators and the delays caused by unresponsive landlords. Given the committee's strong sentiment that during Covid we have learnt that connectivity is really important for people—if it was already important for them, it is doubly important now—we think that that is a helpful step towards ensuring that people get access to digital infrastructure more quickly than they otherwise would.

**The Convener:** Thank you, minister. That brings us to the end of our questions for you and your team. Thank you very much for your answers.

## Subordinate Legislation

**Plant Health (Export Certification)  
(Scotland) Amendment Order 2021 (SSI  
2021/88)**

**Plant Health and Plant Propagating  
Material (Miscellaneous Amendments)  
(Scotland) Regulations 2021 (SSI 2021/87)**

**Bee Diseases and Pests Control  
(Scotland) Amendment Order 2021 (SSI  
2021/91)**

11:23

**The Convener:** Agenda item 3 is consideration of three negative instruments, as detailed on the agenda. The Delegated Powers and Law Reform Committee considered the three instruments and no issues were raised. No motions to annul have been received in relation to the instruments.

As no member is indicating that they wish to comment on the instruments, I propose that the committee does not make any recommendations in relation to them. Does any member disagree?

That is agreed.

## European Union (Withdrawal) Act 2018

**Common Fisheries Policy (Amendment  
etc) Regulations 2021**

**Official Controls, Plant Health, Seeds and  
Seed Potatoes (Amendment etc)  
Regulations 2021**

**Vegetable and Ornamental Plant  
Propagating Material and Fodder Plant  
Seed (Amendment) Regulations 2021**

**Plant Health (Amendment etc) (EU Exit)  
(Amendment) Regulations 2021**

**Official Controls and Phytosanitary  
Conditions (Amendment) Regulations  
2021**

11:24

**The Convener:** Item 4 is consent notifications in relation to five UK statutory instruments. The instruments have been laid in the UK Parliament in relation to the European Union (Withdrawal) Act 2018. The instruments have been classified as type 1.

As members have no comments, is the committee happy to write to the Scottish Government, incorporating the comments that have been made in the briefing paper regarding the short notice, the technical changes and the provision of information, but confirming that we are content for consent to be given to the UK SIs that are referred to in the notifications?

We are agreed.

Before we move into private, I would like to say a few words, as I believe that the committee will not meet in public next week. It has been a great privilege to spend five years as your convener, and I have enjoyed my time. I personally thank all committee members, past and present, for the help that they have given me. It is not always easy to marshal 11 people in the same direction, and I include myself in that. I wish Mike Rumbles, Richard Lyle, Peter Chapman, Stewart Stevenson, John Finnie, Angus MacDonald and Maureen Watt the best of luck in the future, provided that it does not involve campaigning against me. I wish you well and thank you very much for all the work that you have put in.

It would be wrong if I did not briefly mention one or two other people at this stage, mainly the clerks who supported the committee during this session

of Parliament. It is very easy for the committee to be seen to move effortlessly through business, but it is only possible to do so if the clerks support the committee in the way that they have done. Sam, Alex, Jenny, Baktosch and Michael have all supported the committee, and we owe them a debt of gratitude for the paperwork and papers that they have prepared.

People might have noticed that one person remained off that list: Steve Farrell, who is the senior clerk. The reason why he remains off the list is that he has been a true disappointment to me, in that his answering machine message still refers to his being a clerk to the previous committee that he was on, and not the committee that he is on at the moment. However, although it has taken me five years to get over that and to excuse him for not making that change, I believe that we owe him a debt of gratitude for all the work that he has done to marshal his team to support us. I would like that point, and our thanks, to be recorded in the *Official Report*.

We now move into private session.

11:27

*Meeting continued in private until 12:21.*



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