

# **Public Consultation Report (Revised)**

**Digital Scotland – Reaching 100% Programme**

**July 2020**

# **PUBLIC CONSULTATION REPORT (REVISED)**

## **Digital Scotland – Reaching 100% Programme**

### **1. INTRODUCTION AND BACKGROUND**

The Scottish Government issued a Public Consultation<sup>1</sup> into the eligible intervention area for investment of public funds into NGA broadband infrastructure on 5<sup>th</sup> July 2017. The period of consultation closed on 5<sup>th</sup> August 2017. The Digital Scotland – Reaching 100% Programme: public consultation report was published on 16<sup>th</sup> May 2018<sup>2</sup>. This is a revised version of that report for the reasons outlined below.

The Reaching 100% Programme (“**R100**”) is striving to extend the availability of NGA broadband infrastructure to meet the Scottish Government’s commitment to deliver superfast broadband access to 100% of premises in Scotland. This commitment is captured in the document ‘Realising Scotland’s full potential in a digital world: A Digital Strategy for Scotland’.<sup>3</sup>

To achieve this, the Scottish Government intends to procure coverage of NGA broadband infrastructure (capable of delivering download speeds of at least 30 Mbps) in areas where such broadband is currently unavailable. Geographically, R100 covers the whole of Scotland. In addition, Scottish Government will develop a demand-led intervention programme for eligible premises not included in the NGA contracts.

### **2. PURPOSE OF THIS STATE AID PUBLIC CONSULTATION (REVISED) REPORT**

Under the European Commission’s State Aid guidelines, public sector intervention in broadband infrastructure investment is limited to those areas where there is no current or planned (within the next 3 years) commercial deployments, to avoid distorting what might otherwise be/become a competitive market.

The Scottish Government carried out an Open Market Review of all current and planned infrastructure within the scope area between December 2016 and January 2017. The submitted data allowed us to produce a draft intervention area for the Public Consultation.

The Public Consultation is now complete and this revised report sets out the responses to the consultation and the actions that the Scottish Government

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<sup>1</sup> <http://www.gov.scot/Publications/2017/07/4529>

<sup>2</sup> <https://www.gov.scot/publications/digital-scotland-reaching-100-programme-public-consultation-report/>

<sup>3</sup> <http://www.gov.scot/Publications/2017/03/7843>

has taken as a direct result of those responses and subsequent data changes from suppliers.

### **3. PUBLIC CONSULTATION RESPONSE**

A total of 52 responses were submitted during the consultation period. Five responses asked to be treated in the strictest confidence. The table in Appendix A summarises the responses and the actions that the Scottish Government has taken as a result.

### **4. REVISED INTERVENTION AREA**

As a result of the Public Consultation and subsequent supplier data changes, the Scottish Government has revised the NGA broadband map (the basic broadband map remains unchanged, but is included for completeness). In the absence of premise level data from some broadband infrastructure operators, the Scottish Government has mapped areas as white, grey or black at a postcode level, using the following criteria:

For basic broadband (see Appendix B),

- A postcode is turned grey if there is only one broadband infrastructure operator providing basic broadband services (with speeds greater than 2 Mbps) to that postcode
- A postcode is turned black if there are at least two broadband infrastructure operators providing basic broadband services (with speeds greater than 2Mbps) to that postcode
- All other postcodes remain white.

For NGA (see Appendix C),

- A postcode is turned grey if there is only one broadband infrastructure operator providing NGA services (with speeds greater than 30Mbps) to that entire postcode
- A postcode is turned black if there are at least two broadband infrastructure operators providing NGA services (with speeds greater than 30Mbps) to that entire postcode
- All other postcodes remain white.

In addition, the intervention area includes a number of “Grey, under review” areas (coloured blue on the map). These areas have been indicated to have planned commercial coverage for NGA broadband (i.e. mapped as grey), but those plans have been reported through the process as being ‘at risk’ (or have otherwise been deemed by the Scottish Government as being ‘at risk’) of not

being completed. These areas will be subject to continued monitoring and verification of supplier plans within the proposed delivery period by the Scottish Government and in the event that these commercial plans fall away, these premises will be reclassified as White NGA and form part of the proposed intervention area and therefore eligible for intervention via this aid measure.<sup>4</sup>

A combination of the ongoing monitoring process and identified data errors from suppliers has resulted in a material change to the Interventions Area since the publication of the previous report. This report identifies the revised figures and associated maps due to those changes. Previous figures can be found in the original Digital Scotland – Reaching 100% Programme: public consultation report<sup>5</sup>.

The mapping analysis of existing and evidenced planned coverage (within the next 3 years) has identified significant remaining ‘white NGA’ areas. The outcome of the Public Consultation is summarised in terms of NGA White, Grey, Black and ‘Grey, Under Review’ premises below and in reference to postcode mapping as described above:

	<b>Number of Postcodes</b>	<b>Number of Black Premises</b>	<b>Number of Grey Premises</b>	<b>Number of White Premises</b>	<b>Number of Grey, Under Review Premises</b>
<b>White</b>	29,325*	13,270	138,813	202,502	29,580
<b>Grey</b>	86,119	355,472	1,309,260	0	0
<b>Black</b>	29,173	569,345	0	0	0
<b>‘Grey, Under Review’<sup>6</sup></b>	9,482	11,291	126,989	0	51,813

\*2,915 postcodes do not appear in the R100 AddressBase dataset however are included in the National Records of Scotland 2019, release 2 postcode boundaries dataset, these have been included in the count of NGA White.

The Scottish Government set out to procure coverage to target the remaining ‘White NGA’ areas by conducting a procurement under the 2016 National Broadband Scheme (and in accordance with the Public Contracts (Scotland)

<sup>4</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:025:0001:0026:en:PDF> (paragraph 65)

<sup>5</sup> <https://www.gov.scot/publications/digital-scotland-reaching-100-programme-public-consultation-report/>

<sup>6</sup> The premises in these postcodes will be subject to monitoring and review as explained above.

Regulations 2015). An update on the procurement can be found later in this document.

As noted above, if commercial plans fall away in the 'Grey, under review' areas then these will be considered as eligible for intervention and reclassified as 'White NGA' areas.

Where possible, the Scottish Government has made coverage information available at a premises level within the identified white postcode areas to bidders to ensure that bids can target those premises without NGA broadband coverage efficiently.

It should be noted that whilst this report includes mapping of basic broadband coverage, the procurement will not deploy basic broadband technologies. The intention was to provide bidders with details of all the areas where there is basic broadband coverage so as to ensure, so far as possible, that these areas are only overbuilt by NGA compliant broadband infrastructure where the premises will receive over 30Mbps or at least a doubling of speeds, in accordance with the requirements of the 2016 National Broadband Scheme. Where doubling is not possible, the supplier is obliged to demonstrate that the design is optimised to limit the overbuild of existing basic broadband networks with speeds that are below 30Mbps.

Note the city centres of Aberdeen, Edinburgh and Glasgow have been excluded from this exercise as they are not eligible for state funding in accordance with the 2016 National Broadband Scheme. A breakdown of the excluded premises is shown below:

<b>City Centre</b>	<b>Total Premises</b>	<b>Premises &lt;30Mbps</b>
Aberdeen City	4,414	2,042
City of Edinburgh	12,883	3,994
Glasgow City	11,395	8,196
<b>Total</b>	<b>28,692</b>	<b>14,232</b>

## **5. NEXT STEPS**

The Scottish Government has used this information to define the Intervention Area in order to submit an application for State Aid Approval to invest public funds into the deployment of NGA broadband infrastructure within Scotland.

The Scottish Government published an OJEU Notice marking the start of the formal procurement process on 14<sup>th</sup> December 2017. The process required for the provision of NGA broadband infrastructure was expected to take up to two years and the Scottish Government expected to award contracts late 2019.

Four bidders were shortlisted for the detailed procurement phase, these were:

- Axione
- British Telecom
- Gigaclear
- SSE Telecom

The procurement initially targeted rural areas by removing from scope premises within settlements with a population of more than 125,000 people; namely Aberdeen, Dundee, Edinburgh and Glasgow. This is to ensure that early investment is targeted at those areas of greatest need and to allow the market time to address urban areas. The procurement also did not target premises achieving speeds of greater than 24Mbps as these premises are likely to see an uplift in speed above 30Mbps as a result of supplier technology upgrades. A small number of further postcodes will not be in scope as a result of an ongoing extension to current NGA contracts. The premise breakdown for this can be seen below:

	<b>Out of Scope Reason</b>	<b>Count UPRN</b>
1	NGA White premises in large urban areas	30,539
2	NGA White premises between 24-30 Mbps, beyond reason 1	27,999
3	NGA White premises set aside for other initiatives, beyond reasons 1 & 2	854
	<b>Total</b>	<b>59,392</b>

This leaves **143,110** NGA White premises **in-scope** for the main procurement.

In order to ensure the procurement delivers a core infrastructure across Scotland for the delivery of not only broadband services, but also to support the delivery of 4G and 5G mobile services, the procurement includes a number of mandated areas in some of the most remote, rural parts of Scotland.

The procurement is separated into three geographic lots – North, Central and South. These can be seen in Appendix D. The Scottish Government announced on 10 October 2019 that BT plc was the sole bidder for the Central and South lots and confirmed on 21 November 2019 that BT plc was the preferred bidder for the North lot. Following appropriate due diligence, governance and State Aid approval, the Scottish Government agreed contracts with BT plc across Central and South lots on 16 December 2019. The North lot is subject to a legal challenge from Gigaclear Limited. Until that challenge is heard and resolved, a contract cannot be awarded.

Further details on the outcomes of the contracts, including a premise-level checker, and the demand-led intervention programme will be published in due course.

## 6. FURTHER INFORMATION

Information about the R100 Programme can be found at:  
<https://www.gov.scot/policies/digital/>

For further information on the project, please write to:

The R100 Programme Team  
Digital Directorate  
The Scottish Government  
5 Atlantic Quay, 150 Broomielaw  
Glasgow G2 8LU

Or by email: [R100@gov.scot](mailto:R100@gov.scot)

**Appendix A – Public Consultation Response**

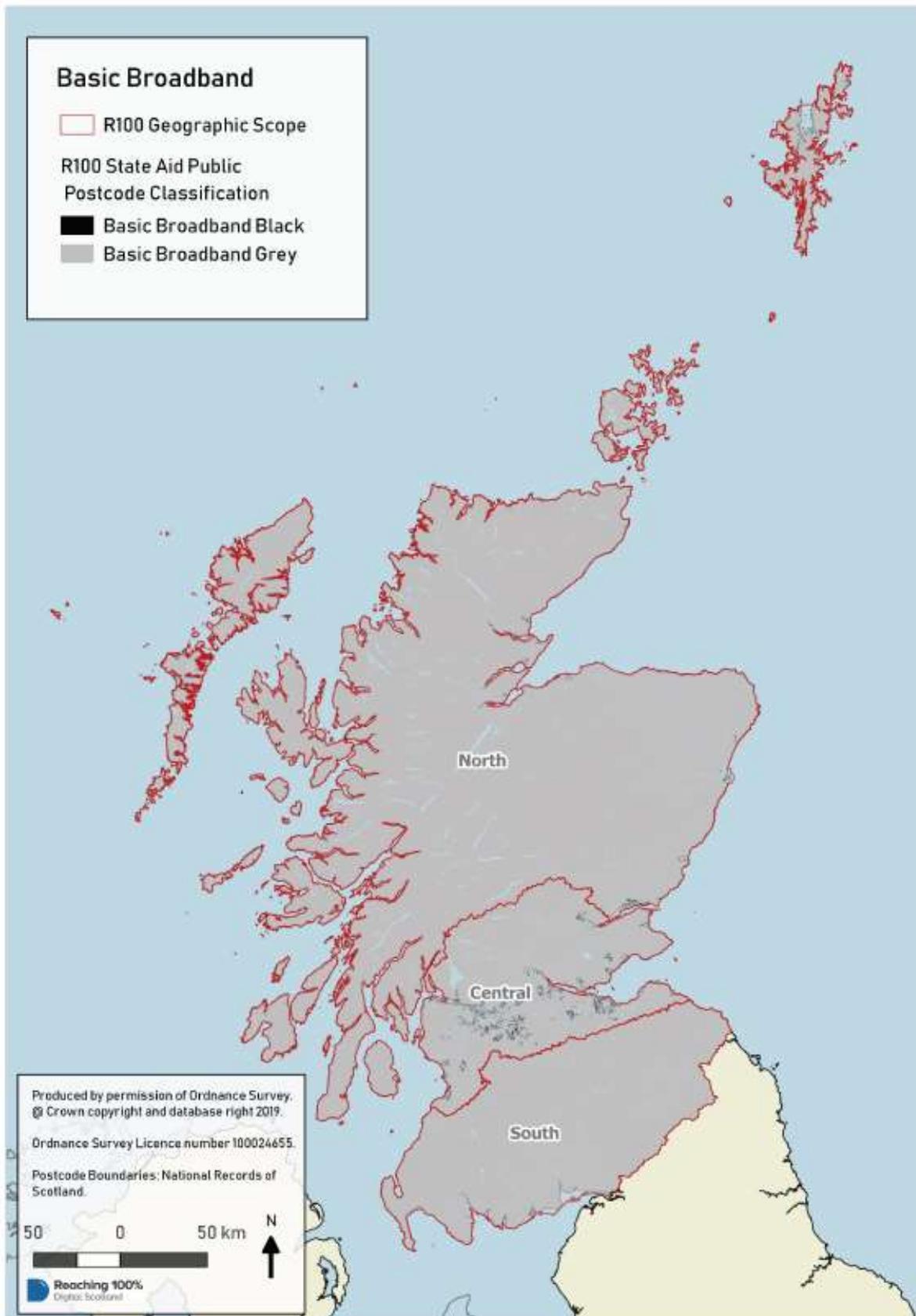
<b>Response</b>	<b>Responder</b>	<b>Comment</b>	<b>Resultant Action</b>
<b>1</b>	Charlie Anderson	Query re whether R100 will address slow speeds in Ky8 5NZ and surrounding postcodes	Advice provided – no change to intervention area
<b>2</b>	Balquhidder Community Broadband CIC	Actively engaged in a project to deliver hyper-fast broadband to several NGA White post code areas	Invited to submit information for ‘NGA Assessment’ – intervention area changed
<b>3</b>	Fibreicast Ltd	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>4</b>	Sianna MacDonald	Superfast Broadband query on individual premises	Advice provided –intervention area changed
<b>5</b>	GreySky Consulting Ltd	Working with Stirling Council to identify un-served ‘white’ premises	Advice provided – no change to intervention area
<b>6</b>	Angus Council	Angus Council are currently considering a submission to the consultation	Advice provided and follow up stakeholder meeting offered – no change to intervention area
<b>7</b>	Gigaclear	Request to share the draft intervention area	Draft NGA White premise information shared – no change to intervention area
<b>8</b>	Marykirk.com	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>9</b>	Applecross Community Company	Request for OS maps for the area served by AppleNet	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>10</b>	Donnchadh Kennedy	Concern about countryside coverage near Kilbrinie	Advice provided – no change to intervention area
<b>11</b>	Tree of Life Enterprises	Feedback that data on basic broadband map is incorrect for PA28 6QR	Advice provided – no change to intervention area
<b>12</b>	Charlie Anderson	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>13</b>	Alvah and Forglen Community Council	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>14</b>	Badenoch Broadband & Comms.	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area
<b>15</b>	Highland Community Broadband CIC	Confirm intention to respond to the Public Consultation	Invited to submit information for ‘NGA Assessment’ – no change to intervention area

<b>16</b>	HUBS	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>17</b>	CMNet CIC	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>18</b>	Len Chapman	Raised query on classification for the village of Cousland, Midlothian	Advice provided – no change to intervention area
<b>19</b>	Confidential Response 1	Confidential Response 1	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>20</b>	Sleat Community Trust	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>21</b>	Loch Tay Internet	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>22</b>	Heather Hill	Highlighting issue of slow speeds in the Lowther Hills area	Advice provided – no change to intervention area
<b>23</b>	Scottish Borders Council	Confirm intention to respond to the Public Consultation	Advice provided – no change to intervention area
<b>24</b>	Fife Voluntary Action	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>25</b>	Scotnet	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – intervention area changed
<b>26</b>	Ardvourlie Castle	Highlighting slow speeds on the Isle of Harris	Advice provided – no change to intervention area
<b>27</b>	RCGP Scotland	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>28</b>	Confidential Response 2	Confidential Response 2	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>29</b>	Colin Jenkins	Looking for clarity on how individual property is affected	Advice provided – no change to intervention area
<b>30</b>	Scaladale Activity Centre	Concerned that postcode is not on the intervention list	Advice provided – no change to intervention area
<b>31</b>	Lothian Broadband	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – intervention area changed
<b>32</b>	Broadway Partners	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area

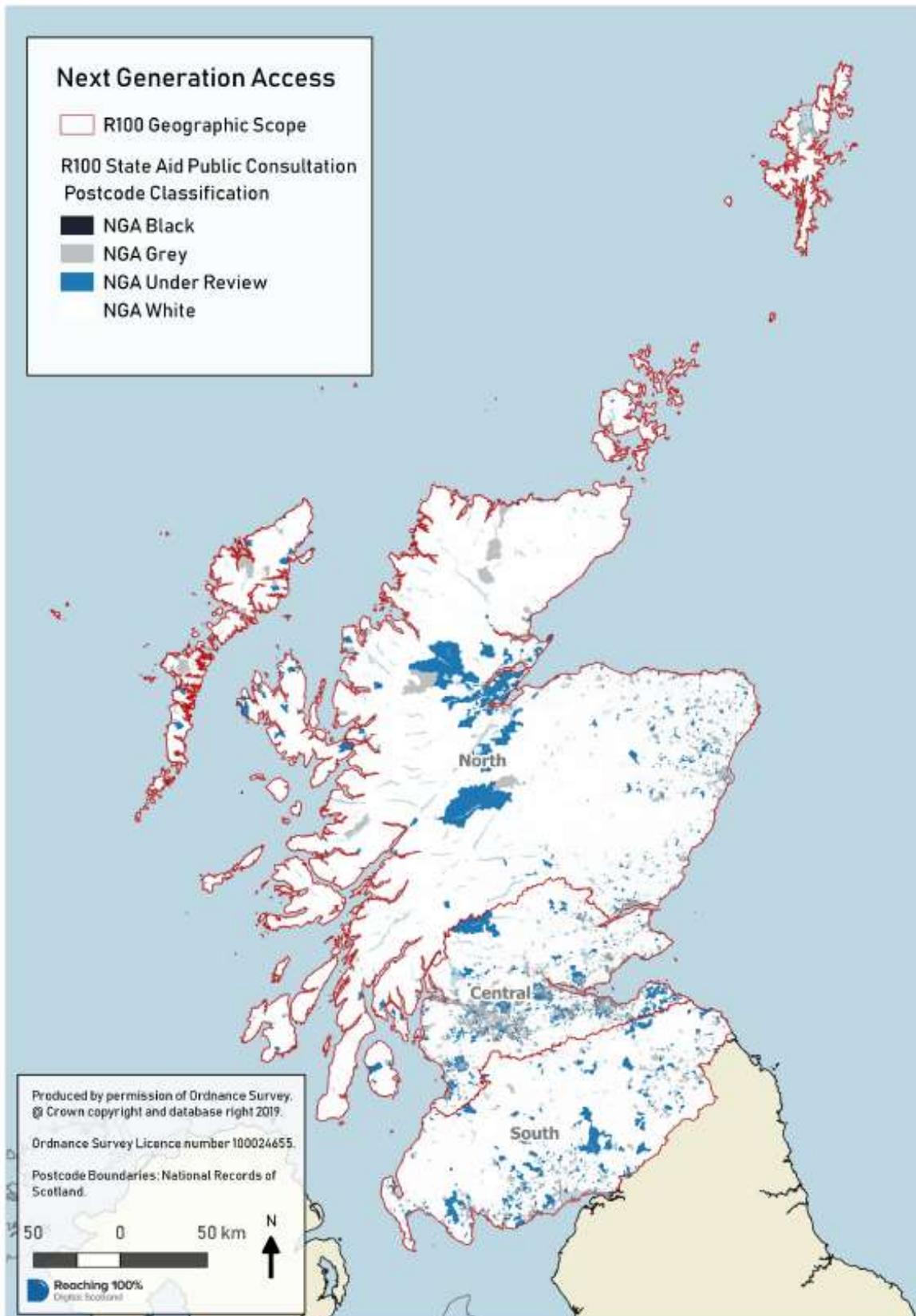
<b>33</b>	Bob Alexander Landscaping Ltd	Concerned about poor broadband impacting business	Advice provided – no change to intervention area
<b>34</b>	Penny Cousins	Concerned about poor broadband in area	Advice provided – no change to intervention area
<b>35</b>	RFCOM	Company with Wireless Tech looking to be involved	Advice provided – no change to intervention area
<b>36</b>	Confidential Response 3	Confidential Response 3	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>37</b>	East Lothian Council	Provided comment on consultation	Advice provided – no change to intervention area
<b>38</b>	Andrew Dodds	Provided comment on consultation	Advice provided – no change to intervention area
<b>39</b>	CloudNet	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>40</b>	South of Scotland Alliance	Provided written response to consultation	Advice provided – no change to intervention area
<b>41</b>	Tiree Community Development Trust	Raised concern around access to affordable backhaul	Advice provided – no change to intervention area
<b>42</b>	Independent Networks Co-operative Association	Provided written response to consultation	Advice provided – no change to intervention area
<b>43</b>	Perth and Kinross Council	Provided written response to consultation	Advice provided – no change to intervention area
<b>44</b>	Lothian Broadband	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – intervention area changed
<b>45</b>	Paul & Amanda Russ	Looking for clarity on how property is affected	Advice provided – no change to intervention area
<b>46</b>	Patricia Tucker	Concern over slow speeds around ML11 8LH	Advice provided – no change to intervention area
<b>47</b>	Confidential Response 4	Confidential Response 4	Invited to submit information for 'NGA Assessment' – intervention area changed
<b>48</b>	Andrew Walker	Provided comments on consultation	Advice provided – no change to intervention area
<b>49</b>	Dick Barbor-Might	Provided written response to consultation	Advice provided – no change to intervention area

<b>50</b>	Linlithgow Mill Road BID	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – no change to intervention area
<b>51</b>	Cromarty Firth Wireless Networks	Confirm intention to respond to the Public Consultation	Invited to submit information for 'NGA Assessment' – intervention area changed
<b>52</b>	Confidential Response 5	Confidential Response 5	Invited to submit information for 'NGA Assessment' – intervention area changed

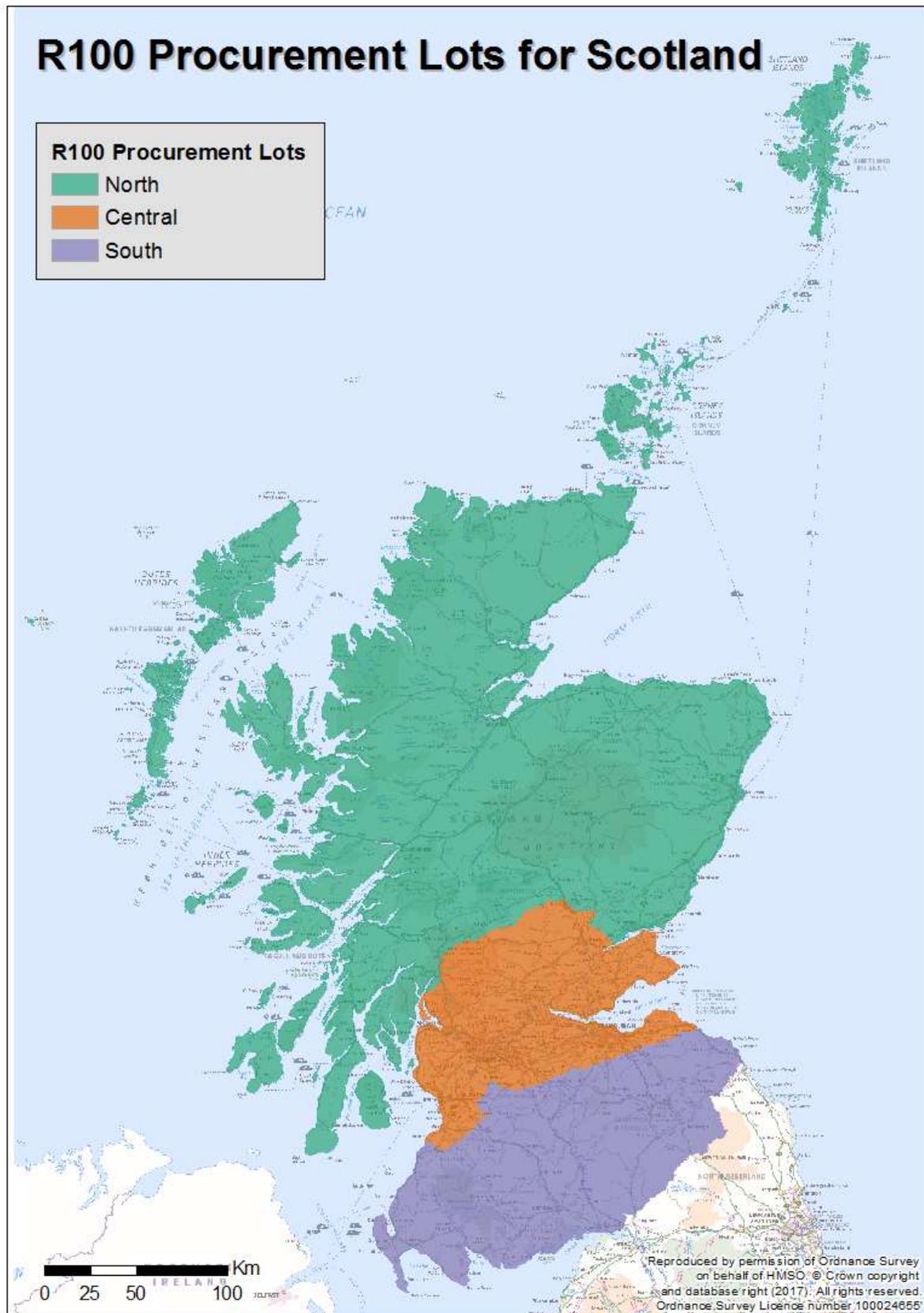
## Appendix B - Basic Broadband Map



## Appendix C – NGA Broadband Map



## Appendix D – R100 Procurement Lots





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