



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 30 October 2019**

**Session 5**



The Scottish Parliament  
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - [www.parliament.scot](http://www.parliament.scot) or by contacting Public Information on 0131 348 5000

---

**Wednesday 30 October 2019**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE</b> .....	1
<b>DIGITAL CONNECTIVITY</b> .....	2
<b>PETITION</b> .....	41
Parking (Legislation) (PE1616).....	41
<b>SUBORDINATE LEGISLATION</b> .....	42
South of Scotland Enterprise Act 2019 (Commencement and Transitional Provision) Regulations 2019 (SS1 2019/308) .....	42
<b>EUROPEAN UNION (WITHDRAWAL) ACT 2018</b> .....	43
European Rail Network for Competitive Freight and Trans-European Transport Network (Amendment and Revocation) (EU Exit) Regulations 2019 .....	43

---

**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**29<sup>th</sup> Meeting 2019, 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 Greene (West Scotland) (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:**

Claire Blake (Scottish Government)

Finlay Carson (Galloway and West Dumfries) (Con)

Robbie McGhee (Scottish Government)

Paul Wheelhouse (Minister for Energy, Connectivity and the Islands)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Rural Economy and Connectivity Committee

*Wednesday 30 October 2019*

*[The Convener opened the meeting at 10:04]*

#### Decision on Taking Business in Private

**The Convener (Edward Mountain):** Good morning, and welcome to the committee's 29th meeting in 2019. I ask everyone to make sure that mobile phones are on silent.

Item 1 is a decision on taking business in private. The committee is asked to consider taking item 6 in private. Item 6 is to consider the committee's approach to its inquiry on the construction and procurement of ferry vessels in Scotland.

The committee is also asked to consider taking item 7, which is consideration of the output from pre-budget and financial scrutiny on road maintenance, in private at this meeting and at further meetings if required. Are members agreed?

**Members** *indicated agreement.*

## Digital Connectivity

10:04

**The Convener:** Today, we will take evidence from the Minister for Energy, Connectivity and the Islands and officials on digital connectivity issues in the committee's portfolio.

I welcome Paul Wheelhouse, Minister for Energy, Connectivity and the Islands; Robbie McGhee, head of digital connectivity division; Claire Blake, the reaching 100 per cent programme commercial director; Caroline Tait, DWF legal adviser; and Anamaria Rehbein, lead on Scottish Government procurement input on R100.

Minister, would you like to give an opening statement of up to three minutes?

**The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse):** Thank you for inviting me to speak about our reaching 100 per cent programme and the wider digital connectivity agenda as it affects Scotland.

In December 2017, we published the contract notice for R100, announcing our intention to allocate £600 million to deliver our 100 per cent commitment to deliver superfast broadband to 100 per cent of premises. In February 2018, four operators were shortlisted to participate in dialogue—Axione, BT, Gigaclear and SSE Telecoms—and an invitation to participate in dialogue was subsequently issued to those operators in March 2018.

Following a number of extension requests from bidders and a necessary pause in procurement because of a legal challenge by one bidder against another, we concluded the dialogue process and issued a call for final tenders on 2 August 2019, with final bids received on 23 August.

Earlier this month, I announced that, as BT plc is the sole bidder for the central and south lots of the R100 procurement, we intend to proceed to contract with it as soon as possible. The R100 team is now working with BT to finalise contracts with a view to having them signed by the end of the year.

An announcement on the outcome of the north lot will be made in due course. As I am sure the committee will appreciate, during such a critical phase, there are limitations on the amount of detail that can be shared publicly. However, I assure members that detailed delivery plans will be shared when we are in a position to do so.

The reason why we are driving our commitment to R100 is not because we are legally required to

do so—indeed, all legislative and regulatory powers over all telecommunications are specifically reserved to United Kingdom ministers under the provisions of the Scotland Act 1998. Because we recognise that access to high-quality digital connectivity is a vital part of our everyday lives, providing a lifeline for our rural communities and opening up our businesses to new markets, we have sought to intervene using Scottish Government resources. We are going above and beyond what is required of any Scottish Government to ensure that everyone in Scotland can benefit from fast and reliable broadband.

Although I acknowledge and welcome the UK Government's recently announced ambition for nationwide full fibre by 2025, we still await clear plans on how that will be delivered and we are aware that UK ministers might have to navigate a similar procurement odyssey to attain their goals. We could have chosen to wait for the UK Government to act. Instead, we chose to act and, as a result, we are much further down the road towards delivering a solution on the ground than our UK Government counterparts. Moreover, I believe—this is backed up by evidence—that the Scottish Government and our partners have an excellent track record when it comes to successfully delivering large-scale digital infrastructure projects.

Scotland's £400 million digital Scotland superfast broadband programme met its target to extend fibre broadband to 95 per cent of premises across Scotland on time and on budget. Indeed, I am pleased to confirm that DSSB has now supported more than 940,000 premises to access fibre broadband, which is 100,000 more than originally envisaged. To give but one example, DSSB connected 34,110 premises in Argyll and Bute between January 2014 and June 2019, taking fibre coverage from 0.9 per cent at the start to 91.7 per cent by the end of June this year, or an increase of 90.8 per cent in coverage. I have a grid of information using thinkbroadband data that I can share with members. I have copies for members if they wish to take them; we will pass them round so that members can have them to hand.

Thanks to the successful take-up of services on DSSB-funded infrastructure, which now exceeds 50 per cent against an assumption of just 20 per cent, that has resulted in the release of further gainshare funding totalling £20.8 million, and the programme will continue to deploy throughout 2019 and well into 2020.

We also continue to make steady progress in delivering our mobile telecommunications ambitions as set out in the programme for government, despite that also being an area where powers are reserved to Westminster. We

will shortly announce the first three sites to be built through our £25 million Scottish 4G infill programme, filling up to 45 identified 4G not-spots in some challenging areas.

In July of this year, we launched our 5G strategy, setting out our aspiration to position Scotland as a 5G leader and establishing the Scotland 5G centre, which is a partnership between academia, industry and the Government to drive innovation and develop use cases around 5G technologies.

I thank the committee for the opportunity to speak today and, within the boundaries of procurement law, I will be very happy to answer any questions that you and other colleagues may have.

**The Convener:** I take this opportunity to welcome Finlay Carson, who is joining us today. For those who are giving evidence, please just keep your eye on me, because I am trying to let everyone come in and give everyone a chance to ask questions. If you are going off into too much detail, I might ask you to come back.

The first question is from Emma Harper.

**Emma Harper (South Scotland) (SNP):** I am interested in the final few premises that will need to access broadband. That is the whole point of the R100 programme. Many people have already got their broadband but the final few will be really challenging. I am interested to know when you expect to announce the preferred bidder for the north lot. I know that we have Openreach for the south and central lots.

**Paul Wheelhouse:** I appreciate that it will be frustrating for members, but I cannot give that answer today. We are in the final governance stages of the outcome of that procurement exercise.

The contract value is £384 million, which is the larger part of the £600 million, and we have had competitive bids for that lot. We have taken the right amount of time to undertake the evaluation. I have with me colleagues who have been closely involved in that. They are under similar constraints, but I hope that they can help if there are difficult questions in that respect.

We hope to announce the outcome in the near future.

**Emma Harper:** Will it be by the end of 2019?

**Paul Wheelhouse:** It is our intention to see an outcome by then, yes.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** Has the previous track record of bidders in other parts of the United Kingdom formed part of the consideration of whether they

are appropriate to be partners with the Scottish Government?

**Paul Wheelhouse:** Is there a particular—

**Stewart Stevenson:** I am thinking of the experience of one of the bidders for the Highlands and Islands in the south-west of England, where a contract was terminated. As I understand it, the company is yet to show a profit. I am not party to all the information that officials will have—how can I be?—but I am at least entitled to ask whether proper consideration is being given to the track record of that company, which has already attempted to deliver the kind of service that we are looking for in a rural area in another part of these islands. On the evidence that I have, it appears to have failed to have done so.

**Paul Wheelhouse:** Because of the issues around evaluation and other legal aspects, I will ask my colleague Claire Blake to clarify what account is taken of that. I appreciate the importance of Mr Stevenson's question and, rather than cause any difficulties down the line, I invite Claire Blake to respond to that point.

**Claire Blake (Scottish Government):** Track record is not technically part of the evaluation, because we are evaluating bids and not bidders at this stage. However, as part of our process, when we get to the point of selecting a preferred bidder, should that candidate be the one that is selected, we would go back and evaluate whether the track record on the contract that Mr Stevenson refers to has an impact on the company's suitability to deliver the contract. That is the next stage of the process, if that makes sense.

**Stewart Stevenson:** There is a second part of the track record that I referred to, and that is the financial record. From looking at the accounts of the bidder concerned—I am deliberately not saying who we are talking about—it is not clear that it has the financial resources or financial track record to see a bid through. Again, I speak from a position of much less knowledge than you will have.

10:15

**Claire Blake:** That is exactly the same category. If that bidder for the north lot was to be successful, we would look again at its track record, financial stability and other issues that were looked at at the outset to ensure that the bidder was suitable to deliver the contract before moving forward.

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** Minister, you say that you want to announce the preferred bidder by the end of the year. Does that also mean that you want to

make sure that the contracts for all three lots are announced by the end of the year?

**Paul Wheelhouse:** I can certainly confirm that it is our intention to sign the contracts by the end of this year. I am aware that time is pressing but, given the complexity of the evaluation that we have had to do for the north lot because there are two bidders, it has taken a bit more time than we anticipated. I am, however, still hopeful that we can achieve that goal.

We certainly intend to sign contracts for the south and central lots by the end of the year, but we also intend to achieve that for the north lot.

**Maureen Watt:** I presume that the north will be more technically challenging, so why do you think that there was only one bidder for the central and south lots and two for the most challenging part of the R100 programme?

**Paul Wheelhouse:** That is a good question. Throughout the dialogue process, there was continued interest in those contracts. Although only a single bidder was successful in getting the contracts in the south and central areas, we are confident that good outcomes will be achieved and that the competitive contract dialogue process has aided us in that.

**Maureen Watt:** You said that the north contract is worth £382 million.

**Paul Wheelhouse:** It is £384 million.

**Maureen Watt:** I am sorry—I cannot read my own writing.

What is the value of the central and south contracts?

**Paul Wheelhouse:** The central lot is £83 million and the south lot is £133 million. That reflects the complexity of the solutions that are required in the north. It is a large territory and a large number of premises will need to be addressed through the intervention. It is also true that more complex solutions will be required in that location, and that is reflected in the budgets that have been allocated through the modelling.

**Peter Chapman (North East Scotland) (Con):** There is only one bidder for the central and south lots, and we know who it is and that it is capable of delivering. Why has that contract not already been signed and that part of the programme already been delivered? What is the point of waiting for the north if we can carry on with the central and south lots?

**Paul Wheelhouse:** I might go to my colleagues to talk about what is happening with the process at the moment. I hope that it is seen to be sensible to identify a preferred bidder and negotiate the specifics of what will be in the contract. As the process has developed, the bidders' suggested

contract changes have been locked down in the contract design, but Caroline Tait or one of my other colleagues can talk about the legal aspects. We are also looking at the detail of timing and delivery and at the solutions that the bidders have suggested, and we are finalising the commitments that will be included in the contract.

Once a preferred bidder has been identified, we go into the process of dotting the i's and crossing the t's to make sure that the contract is satisfactory for both parties. That is a normal part of a procurement process in which a preferred bidder is identified, and we will move to sign contracts thereafter.

**Claire Blake:** I do not have a huge amount to add to that. The contracts are in relatively good shape, because we used the competitive dialogue procedure. We are just moving to finalise those contracts and get them through our own governance procedures. We also have to get state-aid approval for those contracts from building digital UK. We are going through that process, correcting any minor errors that might have been in the bids, and tidying up. You are right; it is not an enormous task that is playing out.

**Peter Chapman:** I hear what you are saying, but we are already months behind. If that was the explanation and we were on target for signing the contract, I would accept that, but we are months behind where we expected to be. We expected the contracts to be signed in spring this year and we are now right at the back end of the year and you are still saying that we have not even got the simple contracts sorted.

**Paul Wheelhouse:** I direct members to my response to a parliamentary question from Mr Stevenson just before the summer recess, which set out the background to and reasons for the delays, of which there had been a number. The Government fully acknowledges that it would like to have made such announcements earlier, but the procurement process was a dialogue in which there were opportunities for challenges by individual bidders. At one point, we had a legal challenge by one bidder against another. Such matters inevitably have consequences.

We also had a significant change to the intervention area, which arose out of a well-intentioned change of policy by the UK Government, which required gainshare funding to be used for fibre-to-premises as opposed to fibre-to-cabinet solutions. That required a reassessment of what would be left in an intervention area to be addressed by R100, the effect of which was to add more properties into such an area. We therefore had to give the bidders more time to reassess their proposals on using the budget to deliver against that. Although I do not criticise the UK ministers for their well-intentioned move to ensure a good

outcome for premises that are benefiting from gainshare funding, it had knock-on consequences for our timings, which have led to delay in reaching where we are now.

I hope that, when Mr Chapman sees the outcomes for each of the three lots, he will be satisfied that the process has been worth while in getting us into a good position as regards the quality of the offering that will be delivered in each of the three areas.

**The Convener:** Finlay Carson wants to come in briefly, and then I will come to Jamie Greene. Following that, we will move on to the next question.

**Finlay Carson (Galloway and West Dumfries) (Con):** Given that the target behind the Government's commitment to R100 was for 100 per cent of premises in Scotland to be able to receive superfast broadband by 2021, what completion date is the Government now giving to the preferred bidders? Will that be in the contract? If so, can the minister tell us what the date will be?

**Paul Wheelhouse:** Unfortunately, I cannot yet tell the committee what the date will be. As I said, the Government wants to make the details of the delivery plans public as soon as it can do so legally. At the moment, non-disclosure constraints still apply to the finalisation of the procurement process and agreement of the contracts.

As Mr Carson knows, the Government set out on the process with a view to achieving completion by the end of 2021. We have always acknowledged that the procurement process is challenging, and the delivery process is likely to be similar. UK ministers now face a similar challenge with their 2025 commitment and the procurement process that they will have to go through. However, we are confident that we will have a good outcome, and we hope to be ahead of the UK in reaching the targets. It is still very much our intention to deliver superfast broadband to 100 per cent of premises. However, as we have always acknowledged, we might have to do so through the R100 aligned interventions programme as well as through the main procurement process. We are actively looking at how we might use that programme to ensure that those who still require connection by 2021 can have it. I hope that in the very near future—perhaps by the end of the year—we will be in a position to give the detail that Mr Carson and, I am sure, other members round the table will be very keen to have.

I should add that, having learned from the DSSB process, in which there was uncertainty and, at times, frustration for communities about roll-out and not knowing when delay was going to happen, we are working hard to improve on that process. We will ensure that there will be an online checker



that will have details of not only R100 but the commercial roll-out and the aligned interventions, so that people will have a more comprehensive understanding of when they are likely to benefit from the roll-out this time round. Once we have agreed the delivery plans for each of the contracts, we hope to be in a position to start to roll out that detail for individual communities so that they know where they stand. Where they are reliant on aligned interventions, we can be open about that and try to progress those with them.

**Finlay Carson:** I would like a bit of clarification on that.

**The Convener:** No, Fin. I need to bring in other people, who might have similar thought processes to yours. I want to give other members of the committee a fair crack at that point. Jamie Greene wants to come in.

**Jamie Greene (West Scotland) (Con):** Minister, I have a point on which I would like clarification. You gave a figure of £384 million for the north lot. Where did that figure arise from? Is that just the level of budget that has been allocated to the job, or is it the expected cost of fulfilling it? In other words, is it a number that the bidders have come up with in reverse, or is the Government saying to them, "This is how much we have. What can you do for it?"

**Paul Wheelhouse:** It is the latter. The overall budget has been set at £600 million, but we have allocated a budget that is based on modelling the intervention area in each of the three lots. All three areas need to be completed to achieve our goal of 100 per cent coverage. The budget also takes into account the complexity of the work that will be required in the north lot, including the distance to properties and other topographical features that make it more challenging.

I am conscious of time but, if it would help, I will bring in Robbie McGhee to give us a sense of how the budget has been allocated.

**Robbie McGhee (Scottish Government):** As the minister said, extensive modelling was undertaken with our technical advisers on what we felt would be an appropriate split across the lots. We ran different scenarios, we looked at different types of outcomes and we alighted on the fact that the option described by the minister gave the best opportunity to address the more challenging geographies by directing the funds to the north lot, while retaining in the two other areas subsidy that would attract commercial interest. Throughout the process, we managed to retain that competitive tension, which suggests that that option has borne fruit, even though we ended up with more than one bid only for the north lot.

**Colin Smyth (South Scotland) (Lab):** When R100 was first announced, the Government said

that the contracts would be awarded by the end of 2018. That was delayed to early 2019 and then delayed further to September 2019. Today, we are told that it is being delayed further still, to the end of 2019. Given the fact that we are a year behind with the awarding of the contracts, never mind with their delivery, is it fair to conclude that the pledge to deliver R100 by the end of 2021 will not be fulfilled?

**Paul Wheelhouse:** I wholly acknowledge Mr Smyth's point that there have been delays. We have explained the position, and we can get copies of or direct members to the answer that I gave to Stewart Stevenson's question before the summer recess, in which I set out that the "end of the year" would be our revised target for signing contracts. We hope that we are still on track to achieve that—certainly for central and south. In the north, we still have to provide the outcome for the preferred bidder and to negotiate with it, in order, I hope, to sign contracts by the end of the year.

As I said in answer to an earlier question, we have always acknowledged that the timescales would be challenging. I apologise for the fact that I cannot give the detail of the timings today; that is a detail of the negotiations with the preferred bidders in central and south and will, in due course, be subject to negotiation with the preferred bidder in the north lot. As soon we are legally able to do so, we will commit to giving detailed delivery timescales for each of the three lots.

I acknowledge that the process has been more challenging than we had anticipated. As I mentioned, there have been legal challenges and changes to the intervention area—changes that happened at a UK level—which have caused delay, albeit for bona fide reasons. We expect that it will be challenging to meet the 2021 deadline—we have said that consistently since I have been in this post. However, the aligned interventions programme is our means of ensuring that customers who need a connection by the end of 2021 will be able to get one. I hope to be able to say more than that in the near future.

**Colin Smyth:** At this stage, you must know whether the 2021 target is realistic in any shape or form. Is it likely to be reached? Is reaching it even a possibility? Is the target now gone?

**Paul Wheelhouse:** I have tried to be as clear as I can be without breaking the rules under which I am having this discussion. We offered the committee a private session, in which I might have been able to be more open but, because this is a public session and it is a live procurement exercise, I cannot be more forthcoming. I have tried to give a signal that the process is extremely challenging. Colin Smyth can take from that what he will. As soon as we are legally able to do so,

we will commit to give further detail on delivery timescales. We will also provide published details around our aligned interventions programme. That will be a key means by which we can ensure that customers who need a superfast connection by the end of 2021 will get it.

**The Convener:** I acknowledge that you offered a private evidence session but the committee's aim is to hold the Government to account, and to do so in public. Therefore, we must go with the information that we have on the table and work with the information that you are able to give us. As you have already alluded to, when that information is updated, you will volunteer to come hotfoot to the committee to tell us when the delivery dates will be. That information is in the contract bid that the preferred bidders have put forward, so you will know it at the moment. When you are in a position to do so, you will release it to the Parliament and this committee.

10:30

**Paul Wheelhouse:** Absolutely, convener—as I said in my opening statement.

**The Convener:** Before we move on to the next question, which Mike Rumbles will ask, I have two quick questions. When the southern and central contracts are awarded, and provided that the preferred bidder wins those, a considerable amount of resources will be invested. Could those resources be used on other projects across Scotland? Will there be a symbiotic relationship between the southern and central contracts and the northern contract?

**Paul Wheelhouse:** I think that I understand what you mean. You are asking whether that investment in infrastructure will have a consequential benefit for the north area. I will ask colleagues to answer that from a technical point of view, but I imagine that there will be areas in the south and central lots where infrastructure goes in at the boundaries that will benefit communities that are immediately to the north and which are in the north lot. Not having seen the details of the deployment plan, it is impossible for me to say, so I will ask Robbie McGhee to answer that.

**Robbie McGhee:** At a high level, the infrastructure that will be deployed is, in essence, enabling infrastructure that will enable all types of things: the growth of mobile networks—4G and 5G—the internet of things and other emerging technologies that are underpinned by digital connectivity. It will have a transformational impact across the piece.

**The Convener:** Perhaps I phrased it wrongly, but the point that I was trying to get to was that the infrastructure that is required for the southern and central projects will require significant capital

investment in machinery, labour and the rest. Having made that significant investment, is there any chance that that could be of benefit in the north when the southern and central contracts are complete, if the north is still struggling on?

**Paul Wheelhouse:** That is a good question, but we cannot answer it at the moment because the outcome for the north lot is not yet in the public domain. I have to be careful what I say at this point in time because of the implications of any wording that I use. Because there is the same single bidder for the central and south contracts, there may be the potential for the infrastructure in one area to benefit the other. I cannot say more about the north lot because the outcome has not yet been published.

**The Convener:** Thank you.

**Mike Rumbles (North East Scotland) (LD):** There is a certain amount of frustration, minister, because your predecessor, the cabinet secretary, was straightforward with the committee, to give him his due. He was clear about his target date, which would have seen the programme completed by 2021, and although he changed that to the end of 2021, he was clear about that. There was nothing confidential about it.

However, when I lodged a parliamentary question asking you whether

“the Scottish Government ... will confirm that there will be no change to the timetable to deliver the R100 programme by the end of 2021”,

you gave a very comprehensive reply—without answering my question. All you actually said was:

“However, I want to reassure you that procurement for R100 is progressing well”.—[*Written Answers*, 27 September 2019; S5W-25263.]

That was your answer to me.

The frustration is building because we cannot seem to get confirmation from you of the Scottish Government's target, never mind what contracts are when. Correct me if I am wrong, but I get the impression that there is not a lot of proactivity. You seem to be responding to events involving various companies. I would like to know what proactive measures you are taking to ensure that you reach the Scottish Government's target.

**Paul Wheelhouse:** I apologise if that is the impression that I have given to Mr Rumbles or any other colleague. We are being proactive—very much so. My responses today and those that I have had to give during the live procurement exercise are founded in procurement law and the legal constraints on me. That is as frustrating for me as it is for members who are seeking answers, because at this point in the process I am unable to give the clarity that I would like to give. I have, this morning, committed to be as full and forthcoming

on those details as members would expect me to be, as soon as I am legally able to do so.

If that is the impression that Mr Rumbles has taken from my answer to the parliamentary question, I apologise to him. We try to give answers that are as comprehensive as possible, but there are details that I cannot put in answers because that would breach the non-disclosure aspects of the procurement exercise. Under procurement law, I am legally required to respect the commercial confidentiality of that process. If need be, I can ask colleagues, such as Caroline Tait, to explain the legal reasons for that.

**Mike Rumbles:** I fully understand commercial confidentiality and the legal constraints that you might have but, as a member of the Government, that cannot prevent you from saying to us and the public what your political aim is. It is nothing to do with the ins and outs of what you can say about the contract. I am not after that; I am after a confirmation like the one that we got from your predecessor—a confirmation that, all things being equal, you would like to see the programme completed by a particular date. We could then tell our constituents what to expect.

**Paul Wheelhouse:** Throughout my tenure as the minister responsible for this area of policy, there has been a live procurement exercise, which has placed a constraint on me. My predecessor, Fergus Ewing, initiated the process and, for a period before that, he was less constrained than I am.

In the procurement exercise, we set the end of 2021 as the objective for bidders. For the reasons that I gave to Colin Smyth, I cannot explain the outcome—

**Mike Rumbles:** Do you think that the programme is still on target?

**Paul Wheelhouse:** You asked me to comment on proactive measures. We are taking proactive steps, such as the aligned interventions approach. We have always acknowledged that, on top of the £600 million, there would have to be additional spend in order to achieve the full coverage that we have sought in our 100 per cent target for R100. We are planning that proactively at the moment. That is outwith the R100 procurement exercise, so we have more freedom to work on it.

For customers in areas where we will not achieve roll-out by the end of 2021, we are trying to provide a route so that connection can be achieved through the aligned interventions instead. We are trying to address the point that Mike Rumbles makes.

At this point, I am extremely constrained on what I can say about the timing of the main R100 procurement. I reiterate the point that the

convener has made. When I am able to do so, I am happy to come back to the committee and answer those points. I appreciate the accountability that I need to provide to the committee and to members in the chamber.

**The Convener:** I understand the constraints that the minister is under but it would be helpful to the committee if, when you can release information, the committee is kept informed. Some of that information might be available before the next meeting.

**Paul Wheelhouse:** Absolutely.

**Peter Chapman:** One of the things that is greatly frustrating for people is not knowing when they will receive suitable connections. In response to a written parliamentary question from Mike Rumbles, you said that

“one of the key lessons learned from the current ... contracts is ensuring that the public has early clarity on deployment plans.”—[*Written Answers*, 27 September 2019; S2W-25263.]

Are you content with the R100 situation? Will suitable connections be available to people and will they know with some certainty when they are likely to be connected? There is huge frustration out there, because people are told that it is coming, but when they ask when it is coming, there is no clarity. Can we be assured that there will be more clarity around the roll-out of R100 and on when people are likely to receive the service that they would like?

**Paul Wheelhouse:** Absolutely. I mentioned briefly that we are trying to be proactive about that. The DSSB programme has been a huge success in many ways but my team and I are conscious that people felt frustrated. That comes through in the cases that we deal with through ministerial correspondence. People are not sure about when they will get a connection. It is frustrating for individuals and communities. We are trying to develop a new online checker that will be more comprehensive than the DSSB checker. It will provide not only details of the agreed intervention area in each of the three contracts but a defined list of properties for which they will deliver. Soon after contracts are signed, we will have more information to circulate about the deployment timescales. That is obviously one of the areas that we will need to negotiate with the preferred bidders, but we will be able to be more open about that.

We are looking to use not only the R100 data but to tie in and collaborate with commercial delivery where commercial investment is happening. We want to ensure that people understand whether the solution for their area will be commercial or through R100, or whether

aligned interventions will apply and they can draw down any programme that we put in place.

We are trying to work with UK ministers and have had positive discussions with UK Government colleagues about how to make their interventions—their voucher schemes—and our potential voucher schemes work together to provide more comprehensive and, we hope, future-proofed solutions for properties that fall outwith the agreed intervention area in each of the three contracts. We have learned from previous experience with DSSB, with colleagues on the committee and people outwith the committee raising concerns, and we are trying to improve on that. It is an area in which we acknowledge that we need to be stronger.

**Peter Chapman:** Can you give us some confidence that the information will be easy to access? Will people be able to find it simply and easily and not need to go to their MSP and rattle their cage in order to find answers? Can you tell us that you will put in place such a system?

**Paul Wheelhouse:** I am sure that Mr Chapman will want to rattle my cage for other reasons. I will bring in Robbie McGhee to give a more comprehensive answer, although I know that the convener wants it to be a short one. Robbie will explain about the online checker.

**Robbie McGhee:** Using our experience from the DSSB programme, we have improved communications. At the start there was more of a safety-first approach and a reluctance to put much information about what was planned, as opposed to built, into the public domain in case things changed. We have seen a change and our postcode checker has got better and more forward looking.

There are a couple of contractual things that will help. The DSSB contracts offered the supplier quite a bit of flexibility. It was very much about premises passed—it was numbers. If the supplier hit a problem in one area, it could go elsewhere, which led to a certain volatility. However, the R100 contracts will be different. They are premises based, so suppliers will commit to connecting specific premises. That will feed through into the postcode checker and the quality of information that people are able to access through it.

**Jamie Greene:** I have a question about the contracts. There is often a lot of discussion in the committee of misunderstandings about what contracts mean when they are awarded. Can I clarify that the contracts to achieve the R100 programme will be outcome led and based on a fixed price? In other words—and I am not looking for commercially sensitive information—the contracts will have a price, a deadline and specific

outcomes that are expected of the successful bidder, whoever is gets them.

**Paul Wheelhouse:** I will direct that question to Robbie McGhee, who will know what we can say at this point.

**Robbie McGhee:** Indeed. On the contractual side there is a fixed level of subsidy per lot, for which we will contract for an agreed number of premises that is reflected in the speed and coverage templates that have come back through the bid. There are potentially a number of risk adjustments within that, on which Claire Blake can perhaps give more detail.

**Jamie Greene:** There is a lot of detail in what you have just said. When you say that it is a subsidy-based contract with elements of risk attached, what does that mean in layman's terms?

**Claire Blake:** They are not the traditional fixed-price contracts that you might picture if you were going to buy something. They are gap-funded contracts, which means that the infrastructure will be owned by the supplier and we are funding the gap in their commercial case. The contracts are fixed price in as much as we have a fixed pot of money—you have heard the figure for that, which is £384 million. For that pot of money, the suppliers are obliged to deliver to all the premises that they bid for in the speed and coverage template.

The measures that Robbie McGhee referred to relate to the fact that these are huge engineering contracts and there are some unknowns out there. It would not have been realistic to expect a supplier to go and survey every inch of the north lot before bidding for the contract, so there are some assumptions in there that will need to be taken into account moving forward. As far as possible, those have been mitigated and worked through on the basis of experience.

**Jamie Greene:** Surely the goal of R100 is to connect 100 per cent of premises, both commercial and residential, and the outcome of such subsidy would therefore be 100 per cent connectivity.

**Claire Blake:** I think that there is a bit of a misunderstanding. The overall R100 programme is to deliver 100 per cent coverage. There are three elements to the programme: the R100 procurement element is the one that everyone is interested in, quite rightly, because it is high profile and it has a lot of money attached to it. However, that is only a part of it. There is also the commercial build that we know is happening and there is a big aligned interventions programme or voucher scheme.

10:45

The R100 procurement itself was never designed or funded to deliver 100 per cent coverage. We asked the suppliers to take our pot of money and to go as far as they could with it. We asked them to tell us how many premises they could cover for that pot of money. The outcome will be known shortly. That should cover the vast majority, but not 100 per cent—that was never the intention. The 100 per cent coverage comes from the procurement itself plus the aligned interventions and the planned commercial build. It is about fitting three bits of a jigsaw together, if that makes sense.

**Jamie Greene:** Okay. That makes more sense.

**The Convener:** I am sorry—I am now totally confused. I thought that R100 was delivering 100 per cent broadband coverage to Scotland.

**Paul Wheelhouse:** It is, convener. To clarify, Claire Blake is saying that the main procurement of the reaching 100 per cent programme, which has a contract value of £600 million, will get us pretty close to that 100 per cent—

**The Convener:** But it will not cover every house.

**Paul Wheelhouse:** Not every house will be covered; that is why there is the aligned interventions programme. I used the term “aligned interventions” earlier—it is perhaps a technical term. That involves using supplementary funding to provide satellite solutions or other solutions that give people a superfast service on demand if they want to achieve that earlier than the programme would otherwise deliver or if they are not on the list of premises that will be covered as part of the bidding process for the £600 million.

To pick up on Mr Rumbles’s point about the political aim, we are absolutely committed to delivering 100 per cent superfast coverage. I can say that because it is not a contractual issue; it is a political issue. The R100 procurement is the main means by which we are doing that, but we also have aligned interventions, on which we are seeking to work with UK ministers.

In addition, as I am sure that the convener is aware, there is the UK Government funding that is going into city deals and so on, which we can supplement through aligned interventions and schemes such as the better broadband voucher scheme, so that, collectively, we achieve 100 per cent. We have a commitment to deliver that.

**Jamie Greene:** This goes back to my original question, but it is important that we have clarity. There has been a lot of discussion about the contracts, and I think that we were being boxed into an understanding that the £600 million would

achieve the R100 goal by itself; it is important that we get it out in the open that that is not the case.

It is fair to say, therefore, that there are households that will never be served by what is provided by the recipients of the £600 million subsidy—in other words, there are technical providers that will receive money as part of that subsidy that will not be able to service every household or premises in Scotland. Those households and premises will be given superfast via other means, which will be funded by other means, either commercially, via the Scottish Government or via the UK Government. Is that correct?

**Paul Wheelhouse:** It is correct. I should explain that, with the R100 main procurement, we have taken a decision to target rural and island areas rather than urban areas, although some urban areas could benefit from the investment. Commercially led investment is predominant in cities, urban areas and larger rural towns. There are good examples of such investment, whether it is through CityFibre, Virgin, Vodafone or Openreach. We are seeing some significant commercial plays and we are intervening through our 10-year rates relief to try to stimulate that—with some success, it would appear. Towns such as Kilmarnock have been specifically cited by Openreach as getting investment because of the change in policy on business rates relief.

There are different strands of activity, and you are quite right to identify that some properties might not be picked up by the R100 main procurement process. If they are not covered by that, they will be picked up by aligned interventions, commercial investment or other means.

**Jamie Greene:** What sort of broadband will those properties get? If you live in the central belt and you are covered under one of the R100 contracts, you will get top-quality cabinet fibre; if you live in one of the rural communities in Shetland, where coverage is 25 per cent below target at the moment, you are likely to get satellite provision, for example. Is it possible that people will get their 30 megabits per second broadband, but that they will do so through inferior technical means?

**Paul Wheelhouse:** I need to be careful what I say here, but I am confident that there will be extensive fibre-to-premises roll-out under R100.

**Jamie Greene:** But I am talking about the households that are outside the R100 bubble. What will they get?

**Paul Wheelhouse:** There might be different solutions. As well as providing funding per property, we are looking to work with UK ministers to top up what they are doing—for example, we

could add the money from the UK voucher scheme to our funding so that more funding will be available for a more future-proof solution.

You are right to identify that a range of technologies could be used, depending on topography and the circumstances of the premises—it will almost be a case of finding a bespoke solution for different premises. Consideration will have to be given to whether a 5G or a satellite solution is appropriate and to whether a fibre-to-premises solution is possible with the amount of funding that is available. All those possibilities will have to be evaluated on a case-by-case basis, for the reason that Claire Blake gave. Even with the R100 procurement, the bidders have had to guess to some extent what the lie of the land will be. They have made an educated guess but, once they get on the ground, they might have to fine-tune the approach that they take to individual premises.

I repeat the commitment that I gave to Mr Rumbles and others: we are committed to achieving 100 per cent coverage and to making sure that people have a superfast service. The speed test is key. Whatever technologies are deployed, it must be a superfast service, not a sub-superfast service, that is delivered. We give that commitment.

**Colin Smyth:** I have a brief question on the commercial element of R100. One of the ironies of the previous initiatives was that, when there was Government intervention, broadband in some remote areas was brought up to speed, while some of our town centres were still playing catch-up. Is the commercial element of R100 on schedule to be delivered by the end of 2021?

**Paul Wheelhouse:** I do not want to confuse members, but I point out that we do not control commercial deployment. However, there is considerable investment on the commercial side. For example, CityFibre has announced a £200 million investment programme in the roll-out of its 1 gigabit per second fibre-to-premises broadband network in Scotland. As a result—in part, at least—of the non-domestic rates decisions that we have taken, Openreach has announced that Kilmarnock, Bathgate, Broxburn and Whitburn will be prioritised in its fibre first programme. As we know, with project lightning, which is a £3 billion programme around the UK, Virgin is investing heavily in cities such as Edinburgh.

There is a range of commercial deployment, and we are really pleased with the increase in the past year or so in the level of interest in such investment in Scotland. As members might know, CityFibre intends to make Stirling the first gigabit-enabled city in not just Scotland but the UK, so it is investing there, as well as in Aberdeen and

Edinburgh. I can see that the convener is asking me to come to a close.

**The Convener:** No—please go on.

**Paul Wheelhouse:** Apologies, convener. Virgin has been investing heavily in Edinburgh and there has been significant investment in Glasgow. The market is strong in major urban conurbations. I should stress that, under state aid regulations, we are prevented from intervening in areas where there is commercial deployment.

**Colin Smyth:** We are bound to know whether those commercial initiatives are likely to deliver by a certain date. The Government's interventions are in the parts where there has been market failure.

**Paul Wheelhouse:** If it would be helpful to inform Mr Smyth and other colleagues about how we can be sure about what is happening, my colleague Claire Blake can talk about the monitoring that we are doing of commercial deployment.

**Claire Blake:** I completely understand where Mr Smyth is coming from. Although the commercial operators are not under our control, we are working closely with them by monitoring their plans monthly or, in some cases, quarterly to keep track of exactly what they are doing.

To go back to the jigsaw that is R100, anything that falls out of the commercial plans automatically becomes part of our aligned interventions scheme. We do not control the commercial operators, but we are building up a good relationship with them and getting good visibility of what they are doing and when, and we are fitting our aligned interventions around that in order to close any gaps by 2021.

**Colin Smyth:** You say that the commercial side of the process is on schedule to be delivered by the end of 2021, but whatever timescale the Government comes up with for its interventions, the commercial side will finish later than that in some areas. That is what happened with the previous initiatives.

**Claire Blake:** Yes, but what we are saying is that we are tracking the commercial build as it happens and if it looks as though that will not happen by 2021, the aligned interventions will come in at that point to fill the gap and ensure that the Government meets its commitment to 100 per cent superfast broadband. Does that make sense?

**Colin Smyth:** It makes sense, but it suggests that you will fill a gap just because the commercial side might be a bit late, rather than because there is market failure.

**Paul Wheelhouse:** There is an important point to make here—I will rely on my officials to keep

me right on the legal aspects. As a Government, we are unable to directly intervene in any shape or form in areas that have commercial deployment plans. As Claire Blake said, we rely on the commercial operators to keep us informed. If they plan to stop deployment in an area, we can intervene legitimately, but until that point we are legally prevented from doing so.

Colin Smyth has raised an important point. We are building a relationship of trust with the commercial operators, with which we work closely to facilitate their roll-out. We also work with local authorities, which are important partners in the process. We hope that we would be kept informed about any significant changes in their plans, at which point we could step in through aligned interventions. We would not be able to reopen the R100 procurement process, because we would have been working in an intervention area that had been defined and then modified during the dialogue process, as I outlined earlier in response to questions from other members.

However, through aligned interventions, we could come in without having to start a new procurement exercise, and try to pick up specific areas and provide a solution where required. We are legally prevented from intervening where commercial roll-out has already been deployed—that is simply a fundamental aspect of the competition landscape that we face. We have to go through open market reviews to identify areas in which we can intervene.

**Maureen Watt:** What you have just said is very important. I will give a practical example. The city of Aberdeen has been designated a commercial area, but rural parts that are within the city boundaries have been left out. Similarly, the town of Portlethen has been deemed commercial, but the villages of Old Portlethen and Downies have not been hooked up. Are you saying that such places will not come under R100 because of their position? Will they fall into the aligned interventions group?

**Paul Wheelhouse:** Maureen Watt has raised a very important question. At the point at which the intervention area was set, if we already knew that there was no commercial deployment there, we worked closely with the commercial operator to check whether they were planning to invest in it. We could then work out where the so-called white areas were, in which no commercial deployment was planned. If the communities that Maureen Watt outlined were on the list of those that had no prospect of commercial deployment, they will be in the intervention area for R100.

If, at the point that I have just mentioned, a commercial operation had been planned for such an area but the company pulled out of it—from time to time, companies' decisions or the

investment climate might change—we would have to step in by using aligned interventions, because the communities in question were not in the intervention area that had been agreed for state aid purposes for the R100 procurement process. I hope that that is reasonably clear.

**Maureen Watt:** Do you want the aligned interventions to be completed at the same time as the R100 work?

**Paul Wheelhouse:** Ideally, yes.

**Maureen Watt:** Or before then.

**Paul Wheelhouse:** Aligned interventions are a route for customers who are very keen—as many are—to have a superfast connection by the end of 2021; hence the target that we set. Once we are able to talk about the delivery timescales, if it does not look as though achievement by the end of 2021 will be possible in such an area, we would look at using aligned interventions as a means of allowing customers to achieve connection proactively. Rather than wait for R100 to deliver for them, they could go through a different route. If earlier delivery is important to their business or personal life, there is a route for them to achieve that. Aligned interventions are a means for us to deploy the flexibility that Claire Blake alluded to, so that we can respond if commercial operation in an area stops.

**Maureen Watt:** Are you appealing to the better nature of commercial companies to cover the rural bits that are within the boundaries of the areas that they bid for?

**Paul Wheelhouse:** Obviously, we are appealing to their better nature to a certain extent. To be fair to them, they are working very well with us on the sharing of information. It has taken a while, and they have their own regulatory constraints on what they can and cannot share, but within those boundaries they are all now working with us. I certainly appeal to their good nature at all times, but there are good prospects of working closely with them.

I hope that the planned online checker will give clarity to consumers. If there were to be a change in circumstances, their area would move from being covered by the commercial roll-out—if it is not covered by R100—and it would be flagged up that aligned interventions were available, if that is what they sought in order to get a service more quickly than R100 would deliver.

**The Convener:** I have a quick point of clarification. Minister, you said that R100 would not deliver fibre to every household and that some would have to rely on other technologies. When the committee has asked about that in the past, it has always been told that owners of properties that had to do so would not have to pay any more

than those who receive fibre. Will you confirm whether that is still the case?

**Paul Wheelhouse:** Are you talking about the monthly payments?

**The Convener:** Yes. Without naming any supplier—because more than one is available—if someone signs up for satellite broadband, it might cost £80 per month, but if they sign up to broadband from a fibre supplier that might cost £30 per month. Post-R100, will people who cannot get fibre be charged the same price as those who can?

**Paul Wheelhouse:** I certainly recognise the problem. Obviously, we are funding the capital infrastructure. Nonetheless, I might ask Robbie McGhee to clarify where that might have an impact on the price that the customer ultimately pays. If the Government, in effect, pays for the cost of the installation of the technology, a component of the monthly charge will be paying that back. If the installation is done commercially, that will, in effect, already be covered. The question is what impact that would have on the bill that the consumer pays. The convener raised a very important point, on which I will ask Mr McGhee to comment.

11:00

**Robbie McGhee:** It is important to recognise that, even where there are fibre-based technologies, there is still an element of volatility in relation to monthly payment, depending on the level of service that is taken up.

On the design of the aligned interventions programme, we will consider the different technology options that are open to people, which will differ from area to area. However, although we talk in terms of areas, the situation differs between individual premises, and clustering may be very low. Being able to consider that and determine what technology solutions are possible will enable us to consider the various options that might exist to mitigate any price differential that exists in relation to, for example, a superfast satellite solution. That said, as more capacity becomes available, more satellites are launched and more beams are able to access Scotland, we are seeing a natural reduction in costs even in relation to satellite technology, which has, in the past, been associated with higher monthly bills. We will continue to track that, which will be part of the information that we will be able to give the public about what is available as the aligned interventions programme rolls out.

**The Convener:** I will just park the fact that, when that point was raised at previous meetings, the undertaking was always given that those people who did not get R100 and who had not had

the money invested in their properties would not have to pay any more than those people who got R100. You can look back at previous meetings to see that. I am not sure that the minister can give the answer, but it is a key issue. That is what people out there—certainly the people I speak to—are expecting.

**Paul Wheelhouse:** One thing that I can say that points in that direction is that, unlike some of the voucher schemes that are available to customers across the UK, which have a cap, we will not have a cap. That perhaps alludes to the point that the convener is making, which has been made by the committee's predecessors. Obviously, as Robbie McGhee said, we will think very carefully about how we get cost-effective solutions for everyone—we do not want to disadvantage people. I am very aware of that point, convener.

**Angus MacDonald (Falkirk East) (SNP):** As I am conscious of time, I will ask just a quick question for the record. We know that the Scottish Government has committed £600 million to the first phase of procurement, of which £21 million—3.5 per cent of the total—was from the UK Government. Given that those figures were announced in 2017, are they still accurate?

**Paul Wheelhouse:** They are. We are still in a position where just 3.5 per cent of the total cost of £600 million is coming from UK ministers. Although that is helpful, it contrasts with the situation in Northern Ireland, where a total of £150 million has been committed by UK ministers over two years, which is 91 per cent of the cost of rolling out superfast broadband there. In Scotland, we have 3.5 per cent of funding from the UK Government—members can make their own conclusions on that.

We continue to push for further funding from UK ministers. Indeed, I point members of the committee to two key reports. One is a report by the Scottish Affairs Select Committee from 23 July 2018, which said:

“We recommend that the UK Government increase its current level of investment to reach the last 5%”

in Scotland. However, we have not seen an increase in funding. Although some regional and city region deals have gone through—the detail of which I can talk about—we have not seen an increase in funding contribution to the R100 itself.

The other report is from the Environment, Food and Rural Affairs Committee of the House of Commons, which suggested:

“Allocation of funding to the devolved nations should be needs based rather than Barnett allocations; for example, Scotland requires coverage to be provided to the west coast islands as well as Orkney and Shetland in the north, providing additional remote rural challenges”.



We welcome those positive contributions from the two committees in the House of Commons, which recognise the, if not unique, certainly particular, challenges of Scotland's topography in relation to the cost of implementation. I know that Mr MacDonald knows the Western Isles very well. The challenge of delivering superfast services in that particular locality is well acknowledged, as it is in relation to the other island and remote and rural communities of Scotland.

We certainly want to work positively with UK ministers. I have had positive discussions with Nicky Morgan and Matt Warman. We are still navigating those discussions but we are looking to collaborate in areas such as 5G, for example, and have positive discussions on how we can use voucher funding together to achieve better outcomes. However, I repeat that we are getting a pretty poor funding deal, compared with Northern Ireland.

**The Convener:** Members still have quite a lot of questions, so I ask members to work out where they can focus on particular areas within a single question or a couple of questions so that we do not overrun by too much. I am, however, mindful of how important the subject is.

Stewart Stevenson has some questions.

**Stewart Stevenson:** I do, and at least one of them has been covered fully, which is helpful. I want to consider the estimated subsidy per premise. Just to give some context, I understand that, under the UK scheme that will apply elsewhere, installation charges of up to £3,000 per premise will be subsidised. If that figure is correct for the 180,000 premises that we still have to connect, we should get £524 million. Should customers in Scotland apply to the UK Government for the £3,000 and let the Scottish Government top up the remainder, that figure would be fundamentally different from the £21 million that the UK Government is currently providing. If the UK Government supported Scotland in the same way as it is supporting elsewhere, it would mean something on the order of £524 million.

What is the subsidy per premise likely to be? What is your comment on the discrimination in favour of premises that the UK Government is making south of the border compared to north of the border?

**Paul Wheelhouse:** Unless one of my colleagues here kicks me hard, I will use gainshare as a means of demonstrating that.

Mr Stevenson is absolutely right. We welcome the recent announcement of the £5 billion that the UK Government has committed to achieving full fibre or gigabit-ready services. That could be good news. If it was Barnettised, we would only get 8.4

per cent of that, but, as the EFRA committee in the House of Commons acknowledged, if the UK Government took a needs-based approach, we might get more.

On the gainshare process, and looking at what we have had previously, we have seen two main rounds of gainshare funding that initially delivered a significant number of properties. I am just trying to locate the details in my papers, convener.

**Robbie McGhee:** The first tranche of gainshare, which was £17.83 million in total, connected approximately 29,000 premises. The second tranche was a similar amount of money, or slightly more, at £20.8 million across both contracts connect 7,000 premises. You can already see the hockey-stick effect manifesting itself as we move into the more challenging areas in the level of coverage through gainshare.

**Paul Wheelhouse:** It also illustrates the point about the change in policy on fibre to cabinet versus fibre to premises. That has been a big driver of increased costs per premises.

There are good reasons for those increased costs—I am not criticising the decision—but that change has increased the cost of interventions per property, especially in Scotland and other rural parts of the UK.

**Stewart Stevenson:** Forgive me, minister, but I am just trying to find out why the UK Government thinks it is appropriate to provide a subsidy of £3,000 to get to the hard-to-reach premises elsewhere. Have you been given any explanation about why it is not providing a similar quantum per hard-to-reach premise in Scotland? The amount that it is offering per premise at the moment is about £250 not £3,000.

**Paul Wheelhouse:** I understand the point that Mr Stevenson is making; it is a valid point, definitely.

To be fair to the UK Government, some voucher schemes are available in Scotland, but there is an upper cap to the better broadband voucher scheme of £2,400. For obvious reasons, that will go nowhere near the cost in some remote rural properties of putting in place a superfast or gigabit-standard service.

We have highlighted to UK ministers the point about the cap having a detrimental effect on roll-out in Scotland, notwithstanding the fact that we have made huge progress through DSSB and gainshare, which is giving some communities fibre-to-premises outcomes in the latest round, as Robbie McGhee said. However, there is a fundamental mismatch in understanding of what it costs to put in place a good quality service in some of our most remote and island communities. Even some isolated properties in the central belt

will have similar costs to some of the rural properties that we referred to earlier.

**Stewart Stevenson:** Even if we got a Barnett share of the £5 billion that the UK Government has offered, it would be £420 million compared to the £21 million that we are getting. The UK Government is responsible for telecommunications, so its approach to this appears to be hugely financially discriminatory against Scotland.

**Paul Wheelhouse:** I would certainly have to conclude similarly to Mr Stevenson. We are trying to strike a collaborative note with UK ministers but, as we can see from what has gone before, when we look at the deal that has been signed for Northern Ireland for £150 million with a top-up of another £15 million from the Northern Ireland rural affairs fund to make a total of £165 million over two years, and contrast that with the limited UK Government investment through the city region deals over a 10 to 15 year period in some cases, or the £21 million that it is putting into R100, on no basis can I see that a fair allocation has been made to Scotland.

I do not diminish the needs of Northern Ireland; I want to see that investment in Northern Ireland as much as anyone here would. However, there is a lack of parity in treatment and how Scotland has been supported financially.

**Stewart Stevenson:** On a slightly different point—briefly, please—can you indicate what suppliers' costs will be? They are making an investment and we are topping up, so what investment do we expect the suppliers to make in reaching the 180,000 premises?

**Paul Wheelhouse:** I do not think that I can do that because it might take us into—

**Stewart Stevenson:** Do you expect to be able to tell us that once the contracts are concluded? It would be a matter of some interest.

**Paul Wheelhouse:** We are not sure. We can come back to the committee about what we are able to reveal in due course.

**Stewart Stevenson:** That is fine.

**Angus MacDonald:** In his opening remarks, the minister talked about the 940,000 premises that have been connected through DSSB. Is the DSSB contract about to complete? If so, what broadband delivery activity will be happening across Scotland before R100 is deployed?

**Paul Wheelhouse:** That is a good point, and we started to touch on it when we talked about gainshare. Investment roll-out through the DSSB team will continue into 2020.

I will give some examples. The areas that are being covered by the latest round of gainshare for

Highlands and Islands Enterprise include Vatarnish and Glendale on Skye, Holm and Tankerness on Orkney, Bettyhill in Sutherland, North Erradale in Wester Ross and Kilchenzie in Kintyre. Those places are in the higher area that will be deployed through DSSB and the gainshare funding that Robbie McGhee referred to earlier.

In the rest of Scotland, Cromar and Donside in Aberdeenshire will receive investment, as will the Cree valley and Cummertrees in Dumfries and Galloway, which might be of interest to Mr Carson. There will also be investment in the upper Tweed, Manor and Stobo areas in the Borders.

Roll-out is, therefore, continuing. Numbers are more limited now because of the fibre-to-premises solution that is required, but it means that we are not waiting. To pick up on the point that Mr Rumbles made earlier, we are still being practical with our partners and continuing to see roll-out as well as the commercial roll-out. The fibre and superfast numbers are creeping up month by month, as you might have noticed from parliamentary questions, because investment has continued while the R100 procurement is under way.

R100 will deliver to roughly 172,000 premises; that is the target intervention on the list that was supplied to the bidders. There are a significant number of properties left to do, but roll-out will continue well into 2022 through the DSSB team.

**Angus MacDonald:** Indeed. Perhaps, convener, I should at this point declare that I am a beneficiary of gainshare, as recently as the end of last month.

**Paul Wheelhouse:** I am pleased to hear that.

**Angus MacDonald:** I own a property in the Western Isles that has fibre to premises, so I am delighted with that.

**The Convener:** The haves and the have nots.

11:15

**Maureen Watt:** Yes. Gainshare has been fantastic for a number of communities that thought that they would not get there.

Under the DSSB programme, local authorities were able to put in more money and, from looking at the table of coverage statistics that you gave us earlier in the meeting, it is obvious that that has been beneficial. For example, I know that Aberdeenshire Council, Dumfries and Galloway Council and Scottish Borders Council put in more money and their increase in coverage is up at 60 per cent, much higher than other authorities that did not put more in. For local authorities that had the foresight to add extra money for further roll-out

in their areas, that has obviously made a big difference.

**Paul Wheelhouse:** That is absolutely true and, as I tried to do earlier, we should acknowledge the important role that local authorities have played. I recognise that Scottish Borders Council put about £8.5 million of funding into DSSB, and that is tremendously welcome. I hope that those local authorities are seeing the benefit of that additional investment. Maureen Watt is absolutely right to highlight some of the staggering increases in coverage.

I picked out Argyll and Bute, but there are other areas where we are talking about increases of more than 70 per cent in the roll-out of fibre or superfast coverage between January 2014 and now. That has been hugely beneficial and it is predominantly in rural areas—Argyll and Bute, Dumfries and Galloway, East Lothian, Highland, Moray, the Outer Hebrides, North Ayrshire, the Orkney Islands and the Scottish Borders—where we have seen the biggest increases. In many of those cases, that has been largely influenced by the additional investment that has been made by the local authority to supplement the resources that other partners, including the Scottish Government, have put into the process.

**Richard Lyle (Uddingston and Bellshill) (SNP):** Good morning, minister. I have listened intently to the comments that have been made this morning. People still tend to forget that R100 is an additional project that has been brought in by the Scottish Government. Installing broadband is a matter that is reserved to the UK Government and not the responsibility of the Scottish Government. Let us not forget that.

The paper that you have given us this morning shows some amazing improvements in connectivity over the past five years. It is up by 82.1 per cent in Argyll and Bute, 80.5 per cent in Moray, 76 per cent in the Western Isles and 21 per cent in my area, North Lanarkshire—this is not a constituency question. I compliment you on that. The recent petition—

**Jamie Greene:** Who funded that?

**Richard Lyle:** That is the point. When you bring out the truth, people attack you for telling it.

**The Convener:** Excuse me, Mr Lyle.

When people are asking questions in the committee, I expect them to be able to do so without interruption. Mr Greene, I do not expect you to shout across the table, in the same way that I do not expect anyone else to do so when you are asking the question. Mr Lyle has a reasonable question to ask and I ask that each member of the committee gives everyone the

respect that they deserve. Mr Lyle, let us hear your question.

**Richard Lyle:** Thank you, convener. I take your points and I am sure that Mr Greene will also take them into consideration.

The recent petition by Hugh MacLellan, on behalf of Laid Grazings and Community Committee, asked for superfast broadband internet access to every household and business in Scotland, particularly in rural areas, before 2021. What improvements can rural households expect to see in their broadband access before 2021?

**Paul Wheelhouse:** That is a very pertinent question. Colleagues around the table have been probing me about that and I apologise again to Mr Lyle that I cannot give detail about what R100 will do. I am trying to give a firm steer to the committee that, whatever R100 will deliver, we will want to supplement that with our line to—

**Richard Lyle:** For brevity, that was just an opening question. This next one is what really concerns me. The committee has heard evidence about the fibre cable that has been installed in the village of Laid but is not as yet accessible for the petitioner's purposes. I find it astounding that there is a fibre cable running through a village that people cannot access. Does the minister understand the frustration of local residents who live in close vicinity to fibre infrastructure and yet cannot access it? Why do they have to wait for another cable that may be a couple of hundred miles down the road at the moment? Why can they not access the cable that is running right by their door, street and village?

**The Convener:** Minister, I am sure that you will want to give a long, technical answer to that with the rationale behind it, but I encourage you to give a short answer. Indeed, it might be appropriate to consider the particular point that Mr Lyle has raised and write back to the committee so that we can respond to the petition.

**Richard Lyle:** Okay—I will go with that approach, but I honestly think that it is frustrating. I have another question that you may be able to tie in with the last question. What is the Scottish Government doing to help communities to overcome such challenges? Should we not be considering helping residents to access cables in their street? Should we not take a spend-to-save approach, which would save us from having to lay another cable in that street or that village? Should the Government not consider paying for that for residents?

**Paul Wheelhouse:** I will keep my answer brief and I will give a more substantive response in writing to Mr Lyle's fair and important question about the situation of particular communities.

Sadly, many communities are in that situation, because of how the market has worked and the way in which the Government is able to intervene to try to resolve that. I have come across many examples myself.

It is frustrating when a customer has a cable going right past their driveway that they know is going to the cabinet but they cannot access superfast service—they may still have a long line issue with the copper cable coming back from the cabinet and have a slow service. That just does not make sense to the customer; I totally recognise that and we need to work collectively to resolve that situation.

However, for those customers who have a poor service, if they are already identified as not having a commercial solution—it sounds as though the community that Mr Lyle spoke about is in that position—they are likely to be in the R100 intervention area for procurement and they will, I hope, get a solution through R100 itself. If not, we will potentially be able to provide support through aligned interventions. In some circumstances, that may cover the cost of connecting them up to the fibre that passes their door.

However, we will come back with a more substantive written answer, convener, because I am conscious of the time. I give a commitment to Mr Lyle that we will give a substantive response.

**Richard Lyle:** Thank you.

**The Convener:** We will move to a slightly different topic, starting with a question from Peter Chapman.

**Peter Chapman:** I have a simple question on mobile coverage and I am looking for a simple answer. Can the minister provide an update on progress in meeting the 4G infill programme commitments? We know that there are many areas that 4G has not reached yet. How quickly can we fill in the gaps?

**Paul Wheelhouse:** The member is absolutely right—again, it is important to stress that, as I pointed out in my opening statement, it is another area of reserved policy. However, we have been able to identify a draft list of about 45 sites that are not-spot areas where we are allowed to intervene, where there are no commercial plans for mobile deployment. Again, the same criteria apply as we discussed earlier with broadband. The Government has committed £25 million to the Scottish 4G infill programme to try to provide future-proofed 4G services in selected not-spots.

We are hopeful that, in the very near future, we will be able to announce the first three of those sites that are going to be constructed. We are working to achieve commercial partners for the other sites as well, of course. The 4G infill

programme covers the capital costs of putting the mast in place. There are limits to what we can do thereafter, but the shared rural network is being taken forward in partnership with the four main MNOs—mobile network operators—and we are looking to collaborate to ensure that we dovetail our investment with theirs and with the roll-out of the emergency services network to get the maximum possible impact from Government funding, whether it is UK Government funding or our own, and the industry's investment programmes.

The good news is that we should be in a position to announce the first three of the 45 sites soon and we are continuing to work on the remainder. The biggest challenge in doing so is achieving interest from an MNO in utilising the mast. That is why we have to work with the shared rural network to check that we are not cutting across each other in our investment because we need those same operators to consider using the masts that we are investing in through the S4GI programme. I am happy to go into further detail if that would be helpful.

**Peter Chapman:** You are explaining that it is a joint investment between the commercial operators and the Scottish Government—is that correct?

**Paul Wheelhouse:** When it comes to the 4G infill programme, we are investing in the mast, but we need an operator to use the mast. We cannot provide the service, but we can provide the mast. In that respect, we need partnership, but the funding for the 4G infill programme is entirely from the Scottish Government.

**Peter Chapman:** Can you give us a figure for that fund?

**Paul Wheelhouse:** There is £25 million to cover the costs on 45 sites.

**Peter Chapman:** My other question is regarding 5G coverage. The rural nature of Scotland could put the country at a disadvantage for the roll-out of 5G. Is there sufficient collaboration between the Scottish Government, the UK Government and private sector partners to overcome the 5G challenge? Will it go down a similar route to what you have just discussed in relation to 4G?

**Paul Wheelhouse:** There are positive signs that collaboration will be possible with UK Government colleagues on that. I have had constructive discussions with Nicky Morgan and Matt Warman, who is Parliamentary Under Secretary of State at the Department for Digital, Culture, Media and Sport. Recently, we published our 5G strategy. Notwithstanding the politics around that, it has been welcomed as a contribution to creating the right climate for 5G investment. Our programme in that area is not comparable to R100. We are not

proposing to put hundreds of millions of pounds into 5G roll-out; it is a commercially led investment programme. However, we are trying to create the right investor climate for it, so, for example, we are looking at how we use the public estate to host masts and provide guidance to local authorities and other public sector partners to make that easier for them. We are looking at planning powers to see how we can offer support in that way. The 10 years' rates relief for newly lit fibre also helps to create the fibre infrastructure backhaul that will support the roll-out of 5G masts and other infrastructure.

We are collaborating with UK ministers on legislative change to allow appropriate wayleaves and other important measures, in order to enable rapid deployment of 5G. We are also collaborating to reassure people about public health. Public Health England is the lead on that.

**Peter Chapman:** You mentioned the planning issues. Some of the reasons for the backlog in getting new masts have been to do with planning issues. There is a programme to simplify that and make it quicker and easier to achieve. Where are we with that part of the programme?

**Paul Wheelhouse:** Peter Chapman is right. That is a high priority. We are working with Scottish Land & Estates and other key parties to develop a way forward that also works for them. The roll-out of mobile infrastructure is in everyone's interests, not least of those who work on the land, for health and safety reasons. We are working with the Convention of Scottish Local Authorities and other stakeholders. The Minister for Local Government, Housing and Planning, Kevin Stewart, is the lead in that area. We are looking at how we can make the planning process easier for digital investment more generally but with a view to creating 5G possibilities. Convener, do you want further detail?

**The Convener:** The member has indicated that he is happy with that answer.

**Stewart Stevenson:** Will the Government's efforts on 4G and, perhaps, 5G help the smart meter roll-out programme, which depends on access to a mobile network? I am not sure which network.

**Paul Wheelhouse:** That is a good point. When it comes to the roll-out of 4G and the 5G strategy, we have looked at the additional services and benefits that come to society from investment in mobile telephony of that kind. It is not just in areas such as smart meters, although I encourage people to deploy a smart meter. I am exploring that for myself. I have a technical issue to overcome relating to the height of my ceiling, but that is too much detail for the convener and the committee. There are good reasons to encourage

customers, particularly vulnerable customers, to get a smart meter. The roll-out will create the infrastructure that enables not only that but other areas, such as mobility as a service, digital health innovation and equipment that can be used to monitor people's health and wellbeing. All those opportunities come to Scotland because we are at the forefront of deploying the technology. We must provide assurance on issues such as health but I am confident that we can do that and roll out the infrastructure that will generate significant new economic opportunities for Scotland. I am especially excited about the opportunities for rural areas that arise from 4G and, especially, 5G investment in the future.

11:30

**Emma Harper:** The UK Government's 5G strategy was announced in 2017. Some of its goals were to

"connect 15 million premises to full fibre broadband by 2025, and provide full fibre broadband coverage across all of the UK by 2033."

If we were to leave provision up to the UK Government alone, we would have to wait 13 years from now. However, we should remember that we are talking about 5G when folk in a lot of places across Scotland would be happy with any G. How do we ensure that, in implementing its commitment to achieve better connectivity, the UK Government does not duplicate what the Scottish Government is trying to do? Does the Scottish Government have sufficient powers to resource and effect the change that we need to implement 5G, especially across rural areas?

**Paul Wheelhouse:** That is a very pertinent point. Perhaps I have not made it explicit, but we have no powers over the regulation of 5G or creating the legal framework to support such technology, so on that issue we rely on piggybacking on regulatory change that takes place at UK level. However, as I have said, we are trying to use our devolved powers as effectively as we can to provide the right investor climate. We have the 10 years' rates relief, and fibre is a great example of an area in which we have five years' more rates relief than exists at UK level. We know that that has been praised by the industry, which has been encouraging UK ministers to replicate it for England, so it is making an impact. Earlier, I gave examples that included Openreach's work in areas around Kilmarnock, which has been aided by such investment.

We are using our devolved powers in areas such as planning and are also providing guidance to local authorities and public bodies on the revenue framework that will enable them to charge for siting masts on the public estate. That approach must reflect good public finance

principles but, at the same time, recognise the public sector's role in facilitating and encouraging the roll-out and deployment of 5G in Scotland. Such matters are within our devolved competence, but we need to work with UK ministers to come up with a supportive and overarching framework that will support that roll-out. Emma Harper is right to highlight the important engagement that we must have; we cannot make it happen by ourselves. The 5G strategy is framed in that way, and we are pursuing an important initiative on the Scotland 5G centre that will drive innovation and academic research in the area to ensure that we pioneer solutions that will work for Scotland. That initiative is led by the University of Glasgow and the University of Strathclyde, and we are also working with other academic partners, including the University of the Highlands and Islands, to ensure that we harness the power to drive forward 5G in Scotland.

I am sorry that that was a long answer, convener.

**Emma Harper:** I am sure that we will be monitoring and evaluating the associated spending, as well as tracking what has been delivered. Will you tell the committee a little about how that will be done?

**Paul Wheelhouse:** If I may, convener, I will invite Robbie McGhee to comment on that, because he will be closer to the detail on it.

**Robbie McGhee:** The 5G strategy sets out a range of activities that we will pursue in the course of the next year or so. Not all of them involve spending money; they include aspects that the minister has mentioned, such as further planning reform and opening up public sector assets. We are working closely with the Scottish Futures Trust and our other partners that are involved in the 5G centre project to develop a route map to support delivery of the strategy.

The primary focus of what we are trying to do in the centre involves seeing that the 5G strategy is not necessarily about infrastructure; it is much more about supporting and developing use cases that showcase the innovation that 5G can unlock and how that might be rolled out more widely. A key part of what we will do will be capturing best practice and translating it across businesses in the wider public sector. We think that the 5G centre will be a fulcrum for such knowledge in Scotland.

**The Convener:** That leads us on neatly to our next question, which is from our deputy convener.

**Maureen Watt:** Thank you, convener. You took the words right out of my mouth.

Mr McGhee conveniently mentioned the proposed Scotland 5G centre. Minister, can you tell us where it might be located, what resources it

might have and the type of activities that it will pursue? Mr McGhee has alluded to those, but perhaps you could expand on what he said.

**Paul Wheelhouse:** I am happy to do so. The Scottish Government has not yet put the information in the public domain, but to aid the committee I can say that it will provide £5.3 million-worth of funding support to the Scotland 5G centre over the financial years 2019-20, 2020-21 and 2021-22. There will be £2.3 million in the current financial year and £1.5 million in both the next and the following years to provide the total of £5.3 million.

As Robbie McGhee said, we are also looking at using Scotland's 5G centre as a means of trying to unlock commercial investment. We will be looking at how we can lever private sector and other forms of investment, whether that is from the UK Government or other academic investment in Scotland, to see Scotland as a place where innovation can be pioneered. We hope to be at the front edge of that revolution in the deployment of 5G and the technologies that come off the back of it, such as the internet of things.

**Maureen Watt:** Do you have any idea where the 5G centre will be located, or will it be a virtual centre?

**Paul Wheelhouse:** Apologies for not mentioning that. It is being led by the University of Glasgow and the University of Strathclyde. However, as I said in response to another question, it will also look to work with other academic partners such as the University of the Highlands and Islands, to name but one. I know that members have other geographic interests, and we can try to ensure that there is appropriate coverage of those parts of Scotland.

**The Convener:** Please, minister, do not encourage the committee. It will be across Scotland.

**Colin Smyth:** I will make a bid for the south of Scotland that I hope the minister will endorse.

**Paul Wheelhouse:** Sorry, convener.

**Colin Smyth:** On that issue, the history of broadband and 4G is that cities come first and rural communities are always playing catch-up. We see that with 4G at the moment. What can be done within the limited powers and resources that ministers are deploying on the issue to make sure that it is not a catch-up process for rural communities when it comes to 5G? For example, I know that the Borderlands growth deal has a proposal around making the south of Scotland and the north of England a pilot scheme for 5G, but what can we do to make sure that the rural communities do not lose out and have a competitive disadvantage?

**Paul Wheelhouse:** I agree with the member that we do not want a repeat of previous telecoms revolutions, which have left rural areas behind. A focus of my engagement with the team around the development of the 5G centre is making sure that it is connected into rural Scotland. As Mr Smyth and others may know, there has been some pioneering work in areas such as Orkney. I recognise that that is largely funded by the UK Government, but very advanced work has been done in Orkney to develop 5G and look at how it can play into the energy system and transport infrastructure to help with things such as mobility services. We can learn a lot from that initiative.

Not leaving rural Scotland behind is very much at the heart of the matter, which is why I stressed the involvement of the University of the Highlands and Islands and, potentially, others. I will take note of Mr Smyth's comments about the south of Scotland, but I will not encourage others, convener. There is clearly an interest in making sure that rural Scotland is not left behind. I reassure Mr Smyth and other colleagues that seeing 5G deployed rurally is at the forefront of our thinking.

As members representing the Highland area will know, NHS Highland is pioneering in areas such as digital health. Although I have not looked at any evaluations, I know that that potentially offers exciting benefits for individual patients. Those services are being developed with rural people—in that case, rural patients—very much in mind, and I think that 5G will help to enhance the availability of such services.

**Maureen Watt:** You will be aware that some people think that there are negative consequences for public health from 5G and even 4G. What can you say to reassure people that that is not the case?

**Paul Wheelhouse:** I am grateful to the member for raising that. It is an important matter that could colour the whole debate if we do not nail it early on. If I may, convener, I will refer to some information that I have, because it is an important point. We are aware of the concern in some quarters that 5G technology can pose a risk to public health.

Like the UK Government, other devolved Administrations and the NHS, we receive advice on the issue from Public Health England, which is the UK technical authority on electromagnetic frequencies and their potential impacts on health. On 26 August, we published a short position paper on 5G and public health, based on PHE's advice. That has been endorsed by our chief medical officer and by Mr FitzPatrick, the Minister for Public Health, Sport and Wellbeing.

Our paper asserts that the Scottish Government believes the technology to be safe, with an evidence-based rationale to support our position on that. There have been calls on the Scottish Government to impose a moratorium on 5G deployment, but we have no ability to do that if we wanted to, because deployment is being commercially led and telecoms is a reserved area. However, I want to reassure people that, based on the evidence available to us, there is no public health risk from 5G investment in their areas. I would direct members to the statement that we published in August if that would be helpful in reassuring constituents on the matter.

**Maureen Watt:** I am sure that I read recently that, in England, schools will actively be used as areas for masts. Are we considering that in Scotland?

**Paul Wheelhouse:** As I mentioned, we are considering how we can encourage the use of public estate. Taking on board the fact that we believe that it is safe—I stress that point—there is certainly an opportunity for local authorities and other public sector agencies to consider how public estate can be used for relay stations and other means of ensuring that signals go across the area. We can give the committee further guidance on that in writing, if that would be helpful.

**Jamie Greene:** As a follow-up question on that point, the UK Government recently announced plans to change the Building Act 1984 to ensure that all new-build developments must contain infrastructure that will allow for gigabit-capable connectivity. Does that legislation apply to Scotland? If not, does the Scottish Government have similar plans?

**Paul Wheelhouse:** I ask Robbie McGhee to answer that.

**Robbie McGhee:** We have been working closely with UK Government colleagues on that. We have gone through a consultation process on what will come out of that. It would filter down, albeit that the relevant parts of the legislation would be devolved in Scotland, so it would require action on our behalf. We are alive to that, and we will follow it to ensure that we keep pace. If possible, we will look for opportunities to go beyond what is being agreed at UK level, as we have done in other areas.

**Jamie Greene:** Will you keep the committee up to date on that? That would be helpful.

**Robbie McGhee:** Of course.

**Jamie Greene:** One thing that comes out is that there are lots of good intentions from various sources, be that various Governments or the commercial sector, which has a vested interest. There are many schemes with different objectives

and funding levels. We have a universal service obligation with a supplier that is doing that and the R100 project and, as was discussed earlier, the chancellor recently announced gigabit-capable funding of £5 billion.

How does all that fit together? There are multiple contracts but, in effect, only a handful of companies can deliver outcomes for them. What joined-up discussions are taking place between the commercial sector, various Governments and local authorities, which are also involved in some of the funding? It is a bit of a higgledy-piggledy funding scenario. How do all levels of government ensure that they make best use of public money?

**Paul Wheelhouse:** That is an important point. Accountability and how we spend money across all forms of government is absolutely crucial, hence the reason why I am here today. To give Jamie Greene some encouragement, at official level, there is good engagement between my colleagues in the digital connectivity team and their counterparts at the UK Government's Department for Digital, Culture, Media and Sport. They also work closely with COSLA. We have a good relationship with local government in helping to provide advice and support, and our local authority partners are critical. We do not receive praise just for ourselves all the time; our local government partners receive praise for the way in which they have facilitated commercial investment at local level. I give a little bit of hope to Mr Greene and others that a degree of collaboration and partnership working is going on at all levels of government to ensure that we are co-ordinating as best we can.

One of the principal challenges that those who bid for work from us and from UK ministers will face will be around skills. Splitting fibre-optic cables and distributing the technology to our properties are highly skilled tasks that can be done by a limited pool of very highly skilled people. We have to consider how we invest in the workforce to support commercial operators so that they have the right availability of skills and apprenticeships in those areas. Nicky Morgan and I have discussed how having a limited pool of people with that expertise is a challenge at UK level as well. It is not just about the number of companies that are active in the space, although that is a fair point; it is about the scale of the workforce that is needed to roll out multibillion-pound investment programmes simultaneously, including commercial and Government programmes, and the sort of aligned intervention that we have talked about. We have to wrestle with all those factors and ensure that we make the appropriate investments in human resources to achieve those programmes. I do not know whether there is anything further to add.

**The Convener:** That note of hope might be the right place to end the session. By your own admission, there is a lot of stuff that you have not been able to share with the committee publicly. We would like to have that information as soon as it becomes available, and we hope that you will stick to your word and deliver it to the committee as soon as possible. If possible, the committee would like to hear of it first, so that we are in a position to question you on it.

That is probably the best place to leave the discussion. I thank you and your team for coming in for what has been a lengthy evidence session. I suspend the meeting for five minutes to allow the witnesses to depart.

11:45

*Meeting suspended.*



11:50

*On resuming—*

## Petition

### Parking (Legislation) (PE1616)

**The Convener:** I welcome everyone back to the meeting. Item 3 is consideration of PE1616, which was lodged by John Shaw, on parking legislation. As members will be aware, the petition is about the prohibition of parking in front of dropped kerbs. We considered the petition, and the committee's stage 1 report on the Transport (Scotland) Bill suggested that such provision should become part of the bill. At stage 2, the Government accepted that option and introduced provisions on the prohibition of parking in front of dropped kerbs.

The committee must now decide what to do with the petition and whether it wants to take any further action. Given that the suggestion has become law, it might be appropriate to write to the petitioner to say that we carefully considered the petition, which influenced our stage 1 report, which then encouraged the Government to include the relevant provisions in the Transport (Scotland) Bill.

Do members have any comments?

**Maureen Watt:** I agree with the convener's comments. When we took evidence on the bill, I always tried to ask questions about parking at dropped kerbs, because I was very mindful of the petition. We have probably done the petitioner proud by getting the provisions into legislation so quickly.

**Jamie Greene:** I thank the petitioner for bringing the issue to our attention. Of course, other stakeholders and groups have worked with us on the matter, individually and collectively, throughout our consideration of the Transport (Scotland) Bill. I also thank the Government for taking on board the committee's concerns and for including the provisions, which achieved cross-party support, in the bill.

**Angus MacDonald:** I was the deputy convener of the Public Petitions Committee when the petition was lodged, and we were certainly keen for it to progress, so we passed it over to your good selves. This is a result for the petitioner and for both committees.

**The Convener:** Is the committee therefore content to close the petition and for the clerks to write to the petitioner on behalf of the committee to thank him for his efforts in lodging the petition and to reflect the views that have been given today?

*Members indicated agreement.*

## Subordinate Legislation

### South of Scotland Enterprise Act 2019 (Commencement and Transitional Provision) Regulations 2019 (SSI 2019/308)

11:53

**The Convener:** Item 4 is consideration of an instrument that is not subject to parliamentary procedure, as detailed on the agenda. The instrument will commence most of the sections of the South of Scotland Enterprise Act 2019, which the committee considered earlier this year. No representations have been received in relation to the instrument. Are members content to note the instrument?

*Members indicated agreement.*

## European Union (Withdrawal) Act 2018

### European Rail Network for Competitive Freight and Trans-European Transport Network (Amendment and Revocation) (EU Exit) Regulations 2019

11:53

**The Convener:** Item 5 is on a consent notification for a UK statutory instrument, as detailed on the agenda. Technically, the instrument, which relates to the European Union (Withdrawal) Act 2018, is meant to be laid in the UK Parliament on, I think, 17 December this year. It might be that the SI will no longer be laid on that date, so I am interested to hear members' views on the matter.

**Mike Rumbles:** My point is about other similar statutory instruments that might come to the committee in the near future. We know, as of yesterday, that the people of the UK will decide on 12 December—five days before the instrument is due to be laid—whether Brexit will go ahead or is stopped in its tracks. Whatever we feel about that, people of the United Kingdom will make that decision on 12 December, so the instrument and others might be completely redundant by the time we examine them. Therefore, I propose that we do not agree to it, because there is the potential—more than potential—that the people of the United Kingdom will decide on 12 December to stop Brexit in its tracks.

**The Convener:** Mike—you seem to have prompted a whole lot of members to want to comment.

**Stewart Stevenson:** I suspect that the political point that Mr Rumbles makes is one that I do not find myself wholly at odds with. However, we have to continue to deal with the world as it is, rather than the world that we wish to have.

The EU (Withdrawal Agreement) Bill will probably fall—although I do not know—which might affect the situation, but at the moment the law is the European Union (Withdrawal) Act 2018. I note that trans-European transport network, or TEN-T, support does not currently apply to anything in Scotland, so the practical effect, even disregarding the comments that have been made, would be nil.

I am slightly concerned that if we reject the SI, we will send to some people, who might misunderstand what we are doing, negative messages about our willingness to support freight on our transport network and, in particular, on our railways, where there has been some investment.

We should not second-guess what people will do on 12 December. I know what I will be working for—we will all work for our individual objectives—but this is the law of land. The SI might or might not go through, but we should smooth its path, because what it is trying to do is the proper thing to be done.

**Richard Lyle:** I can see the point that my illustrious colleague Mike Rumbles made—it is one of the few times that I have agreed with him. The UK Government has continually moved the date of the UK's leaving the EU and, as of yesterday, we know that there will be an election on 12 December. The SI should be laid on 17 December in the UK Parliament, but that timescale will not be met, so I see no reason why we should agree to it.

**Jamie Greene:** Notwithstanding individual members' views on the UK's exit from the European Union and what might or might not happen, we are being asked to approve a statutory instrument. Withholding our approval would set a dangerous precedent to other committees and for future SIs that the committee is asked to review. To make a decision on approval based on future events is an improbable approach to take. We should treat things as they are, given the current state of the law.

**John Finnie (Highlands and Islands) (Green):** I align my position with that of Mr Stevenson. Mr Rumbles and others have made the valid point that the SI is one of a series of such things that we will likely have to deal with. It would be helpful for future deliberations of the committee to get definitive advice on the issue, although I appreciate that there might be different interpretations.

**Colin Smyth:** I reiterate that we should seek advice, because it is clear that the plan to lay the SI in the UK Parliament on 17 December—whatever happens on 12 December—is unrealistic. We need to be clear about the consequences on the dates for all the SIs of the decision that has been taken this week by the UK Parliament. What does it actually mean? With the best will in the world, 17 December is now not a realistic target date.

**Angus MacDonald:** On the previous two contributions, I am curious as to whether we could defer consideration for a week or two until we get advice.

**Mike Rumbles:** I am happy with Angus MacDonald's suggestion.

**The Convener:** It appears that there are two trains of thought among committee members. We need to be really careful that we do not create an immense backlog for ourselves through not knowing where we are going in the future.

12:00

My suggestion is that the committee should consider the SI and approve it and, at the same time, write to the minister for clarity on the situation and on what we should do in the future.

We should also ask the clerks to examine the parliamentary system to find out how such things will work in the future. The benefits of that would be that the members who are not keen to pass the instrument will have had a fair chance to make their point at committee, that we would not create a backlog for ourselves, and that we would know where we are before we have to consider another such SI. That seems to be a sensible procedure. Do members have any comments?

**Mike Rumbles:** I think that we should not move forward with the SI at all, but I am happy with Angus MacDonald's suggestion that we defer the decision until we get advice. There is not just this SI to consider—there will others coming down the road. I would prefer that the committee act as one, and I do not want to be the cause of division in the committee. I do not want to approve the SI yet, because I think that that would be wrong, but I am happy to accept the compromise that Angus has put forward.

**The Convener:** I have been given some information by the clerks. We have to make a decision on the SI by 20 November, so there is time for us to defer. I, too, do not want to cause division in the committee on the issue, so I suggest that we defer the decision for the moment, that the clerks find out the legal position and that I make contact through representative channels to ensure that we know what our position is on SIs.

**Jamie Greene:** I completely disagree. Why are we deferring a decision on an SI that has been presented to us? There is no rationale or reasonable justification for our deferring a decision on the SI because of future political events that might or might not happen. That is not how the committee should deal with SIs.

**The Convener:** I hear your comment, Jamie, but my point is that I do not want to divide along political lines and would much rather find out what the Parliament's legal position is. I am at a loss because I do not have such advice in front of me.

**Jamie Greene:** Can I abstain from the deferral decision?

**The Convener:** I hear what you are saying, but we have until 20 November, so the matter could be brought back next week when I have clarity and have been able to brief the committee on the Parliament's position.

**Jamie Greene:** It is nonsense.

**The Convener:** I note your disagreement, but I see a majority around the table nodding to my suggestion. Are members happy to deal with the SI according to that proposal?

**Members indicated agreement.**

**The Convener:** Do you want your dissent to be recorded?

**Jamie Greene:** Yes, please.

**The Convener:** Your dissent will be recorded in the minutes.

12:03

*Meeting continued in private until 12:32.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

---

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

---

All documents are available on  
the Scottish Parliament website at:

[www.parliament.scot](http://www.parliament.scot)

Information on non-endorsed print suppliers  
is available here:

[www.parliament.scot/documents](http://www.parliament.scot/documents)

For information on the Scottish Parliament contact  
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: [sp.info@parliament.scot](mailto:sp.info@parliament.scot)

---



The Scottish Parliament  
Pàrlamaid na h-Alba