Full Business Case
Connecting Scotland

September 2023

Scottish Government
Riaghaltas na h-Alba

1. Introduction

1.1 Purpose of document

This Full Business Case (FBC) sets out detailed proposals for the set-up and operation of a revised service delivery model, which will support sustainable delivery of internet-enabled devices, connectivity and training to groups of excluded people across Scotland.

The FBC builds on the Strategic Outline Business Case (SOBC), which was approved by the Cabinet Secretary for Finance and Economy in March 2022. It follows standard His Majesty's Treasury (HMT) guidance and is aligned to both the Green Book and the "5 Cases" Model.

This FBC sets out a recommendation for the revised service delivery model, as highlighted in the executive summary, with further contextual detail provided throughout the document to assist in Ministerial decision making.

1.2 Background to Connecting Scotland

Connecting Scotland is one of the most ambitious and comprehensive national programmes aimed at tackling digital exclusion in the world, unmatched elsewhere in the UK. The programme delivers internet enabled devices, internet connections and provides training and support to individuals and communities who are digitally excluded.

Connecting Scotland offers a complete digital connectivity support service to other government policy areas. It works with teams to analyse available data, desired outcomes and the stakeholder landscape. Through this process, requirements are scoped out which are bespoke to each case. The route from conception through to delivery is streamlined as the team has incorporated access to suppliers and expertise for connectivity, kit and training. This provides a direct method of meeting Ministerial commitments around subjects such as tackling poverty, improving outcomes as set out in the National Performance Framework and the Digital Strategy for Scotland, increasing productivity, access to education and skills, access to services and building better communities.

1.3 Vision, mission and values of Connecting Scotland

Connecting Scotland's vision is a fairer, more equitable Scotland, enabled by digital access for all. Its mission is for Scotland to be among the most digitally inclusive nations in the world. The programme aims to ensure that everyone in Scotland has access to digital services by providing them with an opportunity to confidently access devices, connectivity, skills and support.

The programme's mission is to enable and empower individuals and communities to access the economic, cultural, social and democratic benefits of Scotland's digital society through being actively digitally included and digitally confident.

This mission will be achieved in collaboration with various partners providing digital services and wrap-around support in the public, private and third sectors. This will help make digital inclusion one of the solutions to alleviate poverty while maximising the potential for individuals and communities to flourish.

"The device is wonderful; I can do the things I need to so much more easily. I've been able to change providers to help save money at home. Look at the benefits that the kids are entitled to, and my kids are able to do the same activities their friends are doing online for school. They are happier and that helps. I don't feel so useless or powerless"

Quote from a client who received a device and support from the programme

1.4 The journey of Connecting Scotland

The Connecting Scotland programme built on the success of ten years of digital participation work, co-ordinated between Scottish Government and SCVO, it was initiated in March 2020 in response to the COVID-19 pandemic, which highlighted the needs of those at additional risk from the impacts of lockdown due to being digitally excluded. These risks included social isolation, inability to secure online deliveries thereby affecting their ability to 'stay at home', challenges in accessing health and social care and other public service support, and the increased risks around mental health and wellbeing more generally.

Originally targeting up to 9,000 individuals at a high clinical risk of COVID-19, the programme has continued to expand and provided packages of support to over 61,000 users by the end of 2022. The service model that has been used to achieve this, delivered in partnership with the Scottish Council for Voluntary Organisations (SCVO), consisted of three key elements: it provided individuals with a **device** (iPad or Chromebook); **connectivity** (two years of unlimited data); and **training and support**.

The success of Connecting Scotland was underpinned by close partnership work across the public, voluntary and private sectors, coming together to support the most vulnerable people in Scotland through unprecedented times. Thirty-two local authorities and over 1,000 organisations that work with digitally excluded individuals participated in the delivery of the programme across the country.

The programme was delivered through a series of phases as additional funding was made available. The table below sets out a summary of the phases delivered to date.

Phase	Date phase announced	Funds £	Target group	Target numbers	Delivered
1	May 20	5M	People at a high clinical risk of COVID-19	9,000	April – July 2020
2	Aug 20	15M	Young care leavers & families with children	23,000	August 2020 – April 2021
Winter Support	Nov 20	4.3M	Socially isolated / older and disabled people	5,000	December 2020 – March 2021
3	Jun 21	26.6M	Employability Digitally excluded / low-income households	23,000	June 2021 – September 2021 August – December 2021

In addition to these initial phases, 2611 internet-enabled devices and 2104 MiFi units have been delivered to displaced people from Ukraine as part of a fast-track support programme.

1.5 Impact of Connecting Scotland

Our own research shows the extent to which Connecting Scotland has positively impacted on people's lives and its effectiveness in combatting isolation and supporting people to shield through the Covid pandemic. Of those responding to our first impact survey of clients:

89% agree or strongly agree that getting access to the internet has helped them to cope with being at home due to COVID-19 restrictions

86% told us they were more able to stay in touch with family and friends

83% told us they were more able to find interests to stay mentally active

74% told us that their mental health has improved

86% told us that their digital skills had improved during their time with Connecting Scotland

In interviews, clients told us how they had benefitted from the devices, connectivity and training they had received from Connecting Scotland.

- "Now I can go on facetime and everything and see my daughter and grandkids. It's brilliant, it's changed my life. It's like day and night."

- "Without a doubt it's been one of the most life-changing things that has happened to me… it's pushed my boundaries, made me think outside the box a bit, given me so many more opportunities."

- "It's made a big difference to my life; I don't feel as out of touch as I did… I feel as though I should feel estranged because of my disability but I really don't."

Subsequent phases of Connecting Scotland targeting different at risk or vulnerable groups have helped people unlock the potential of the internet. This includes being able to access job opportunities, education, online transactions such as banking, online healthcare services. It also helps them to support their children to access online classrooms and to complete schoolwork. Further detail on the benefits realised from the programme to date and those identified for the new Connecting Scotland service can be found in the Socio-economic Case.

The following quote from the Blake Stephenson Independent Organisational Research into the Connecting Scotland Programme[1] summarises the success of the programme to date:

"Connecting Scotland is a unique and ground-breaking programme. It was set-up and implemented at the height of the pandemic in response to an immediate need for digital connectivity that is unprecedented. A programme of this nature has never been done before on this scale and the speed at which it was implemented, especially given the ongoing restrictions in place due to COVID-19, is impressive."

1.6 A digital society in Scotland

With Scotland's ambition to embrace being a digital society, there has been a shift towards digital first and a need to transform public services to cater for varying levels of capabilities, simplify online forms and enhance the online information readily available online. Services delivered face-to-face in local offices or on the telephone have a much higher associated cost to governments and the public purse than online services. The U.K. Digital Efficiency Report[2] estimates face-to-face visits at a cost of £8.62, phone calls at £2.83 per call and £0.15 per online transaction. The Good Things Foundation Report[3] summarises savings realised by digital inclusion as 20 times cheaper than by phone, 30 times cheaper than by post and as much as 50 times cheaper than by face-to-face meetings.

[1] Connecting Scotland - evaluation: qualitative research - implementation and early impact - gov.scot (www.gov.scot)
[2] Digital Efficiency Report
[3] Good Thing Foundation's - Economic Impact of Digital Exclusion in the UK

The Lloyds Bank UK Consumer Digital Index (2022)[4] noted that people earning less than £20,000 each year who have the highest digital engagement may make savings 3.6 more frequently and save 3.5 times more money on monthly utility bills in comparison with those with the least digital engagement. High quality healthcare services and educational services are also available online, further enhancing the life chances of those that can access them.

92% of businesses require or want a basic level of digital skills from employees (World Skills UK 2021).[5] Employers are willing to pay more to those individuals with essential digital skills as digital skills have been linked to increased productivity. The Lloyds Bank U.K. Consumer Digital Index (2022)[6] reports that manual workers with 'low' digital engagement earn £442 less per month than more digitally engaged peers in the same roles.

Fixing the digital divide is about more than supporting people who are 'offline' so they can go 'online'. A considerable number of people only use the internet in a 'limited' way – this often reflects a lack of affordable internet and/or digital skills and/or confidence and motivation. Using the latest data from Ofcom on adults' media use and attitudes,[7] Prof. Simeon Yates has repeated his analysis of different types of internet users – allowing comparison of 'extensive users' of the internet with 'limited users' and found that compared to extensive users, people who are limited users are:

- 4 times more likely to be from low-income households (social grades D and E)
- 8 times more likely to be over 65 years old
- 1.5 times more likely to be from Black, Asian and minority ethnic groups.[8]

The study estimates that in Scotland 32% of people are limited users.

Home internet access in Scotland has increased steadily over time, reaching an all-time high of 88% of households in 2019.[9] However, the data also shows us that cost and affordability remain significant barriers to digital inclusion. The term data poverty is used to describe the situation whereby individuals, households or communities cannot afford sufficient, private and secure mobile or broadband data to meet their essential needs. Data poverty and income poverty intersect. Home internet access for households with a net annual income of £10,000 or less was 65% in 2019, compared with almost all households (99%) with a net annual income of over £40,000. Location is important too – households in Scotland's most deprived areas were less likely to have home internet access than those in less deprived areas. 82%

[4] Lloyds Consumer Digital Index 2022 (lloydsbank.com)
[5] World Skills UK - Disconnected Report - Exploring the Digital Skills Gap
[6] UK Consumer Digital Index 2022 | Lloyds Bank
[7] Ofcom - Adults' Media Use and Attitudes report 2020/21
[8] Fixing the digital divide: facts and stats - Culture Hive
[9] Scottish Household Survey 2019: Annual report

of households in the 20% most deprived areas in Scotland had internet access at home compared with 96% of households in the 20% least deprived areas.[10]

The Nesta Data Poverty in Scotland & Wales report (2021)[11] highlights that individuals and families' need for data are often not adequately met, meaning that they may be connected but remain compromised. One in ten people with monthly mobile contracts regularly run out of data before the end of the month and larger households struggle to meet very high data needs. Adults living in more deprived neighbourhoods, those with disabilities, adults who feel less confident reading in English, adults who live with children and those in larger households are significantly more likely to experience data poverty.

1.7 Developments since the last Business Case

Several developments have taken place since the OBC (September 2020) and SOBC (March 2022) were completed. The Scottish Government announced some major policy decisions that affect Connecting Scotland. These, in addition to developments concerning available resource and budget, are outlined below.

1.7.1 The Digital Strategy for Scotland, March 2021

Connecting Scotland is one of the priority strategy actions from the Digital Strategy, with commitments to:

"Build upon our Connecting Scotland programme to go beyond the 55,000 people we will support with equipment and data packages by the end of 2021 and work collaboratively with all sectors of our economy to achieve world leading levels of digital inclusion. Together, we will provide training opportunities, support and materials to ensure that people have the skills, confidence and information literacy required to make the most of being online."

"Build on the Connecting Scotland programme to provide equipment and data packages and digital skills training to those in need."

1.7.2 SNP Manifesto, May 2021

The SNP Manifesto cited Connecting Scotland:

"Closing the Digital Divide

The Connecting Scotland programme was established initially to support 9,000 people who were at clinical risk from COVID-19 to get online by providing them with a device, data, training and support. Connecting Scotland will now support 60,000 people to get online by the end of this year backed by over £48 million.

[10] Scottish household survey 2019: annual report - gov.scot
[11] Nesta - What is Data Poverty

Over the next Parliament, we will go further and with £200 million of investment will support up to 300,000 households to get the devices, data and skills to Connect."

1.7.3 Programme for Government, October 2021

Scottish Government commitments covering the lifetime of the current parliament (2021-26), including its Programme for Government 2021-22, included the following commitment:

"Ensure a connected Scotland and tackle the digital divide, improving access to superfast and gigabit capable broadband and bringing 4G to rural and island communities, and extending the Connecting Scotland programme to get 300,000 households online by March 2026."

1.7.4 The National Strategy for Economic Transformation, March 2022

The Scottish Government unveiled its National Strategy for Economic Transformation in March 2022; this sets out a 10-year plan to develop "a nation of entrepreneurs and innovators who have embraced the opportunities of new technology, boosted productivity and focused resources on the innovations that will make the biggest differences, not just to our economy and our society here in Scotland but on an international basis".

There are no specific mentions of the Connecting Scotland programme, but the link between addressing digital exclusion and economic success is made throughout the document, including:

"This will reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities".

And

"Our Covid Recovery Strategy focuses on the efforts we require to tackle inequality and disadvantage. If our people are secure and have firm foundations then our communities, businesses, economy and society will be more resilient. Our third sector organisations have led the way in adopting innovative, person-centred, holistic services which wrap around families and individuals. The aims of the strategy are: address the systemic inequalities made worse by Covid; make progress towards a wellbeing economy; and accelerate inclusive person-centred public services."

1.7.5 Scotland's Fiscal Outlook: The Scottish Government's Medium-Term Financial Strategy, May 2022

The Medium-Term Fiscal Strategy provides context for the Scottish Budget and frames the Resource Spending Review and Capital Spending Outlook. The publication highlights the following risk around meeting child poverty targets considering the current financial climate:

"Inflation is already at a 40-year high and expected to climb further. Higher fuel and food costs driven by the situation in Ukraine will exacerbate the cost-of-living crisis and disproportionately affect lower income households, making the Scottish Government's child poverty targets harder to achieve.

Programmes will need to be targeted as far as possible to support low-income households and the Scottish Government will continue to do everything within our powers and fixed budgets to ensure our people, communities and businesses are supported as far as possible.

Meeting child poverty targets will also require investment and the Resource Spending Review provides the overall spending envelopes in which this will happen."

Transitioning government services and support to digital means can provide cost and efficiency savings, as highlighted in the above report. Without addressing the problem of digital exclusion, these will conflict with the Scottish Government's primary policy aim of generating inclusive economic growth, which makes programmes like Connecting Scotland an essential component of government policy.

1.8 Current fiscal climate and the cost-of-living crisis

The economic climate has been impacted by events throughout 2022. A combination of rising energy prices, high inflation and the ongoing effects of the COVID-19 pandemic have resulted in a cost-of-living crisis, with the target users of Connecting Scotland among those most acutely affected.

Resources are limited, not just for citizens, but for government departments, third sector organisations and businesses too. At the same time, programme costs have increased along with inflation, while the costs of operating digitally enabled devices for users have also increased.

The resultant situation makes the case for Connecting Scotland even stronger, despite the increased costs. As the cost of transport, accommodation, food and heating rise, groups facing digital exclusion face more barriers to accessing health care, education and services that are crucial to everyday living.

2. Executive Summary

2.1 Introduction

Connecting Scotland is a government funded programme, currently operating under governmental budget allocation. To make the service sustainable for the long term, the programme must adapt its mode of operation to one that is affordable in the current climate.

In line with Connecting Scotland's values and mission, putting users at the heart of everything must be the central theme for design and development of Connecting Scotland, including the business operating model. The output from recent user research sessions and findings from the initial phases of Connecting Scotland and feedback from stakeholders are factored into the Full Business Case to ensure that the model defined is appropriate for the needs of the people who will use the service.

Connecting Scotland is at a turning point. Despite financial constraints, the evidence from the programme demonstrates the far-reaching benefits and numerous tie-ins with government priorities from what has been achieved so far. It is therefore imperative that the direction chosen harnesses the opportunities presented by the current situation, while fully accounting for risk and outlining the potential drawbacks of each option.

There are significant capital costs identified with the Ministerial commitment to provide internet connectivity and skills to up to 300,000 households via Connecting Scotland. In addition to the additional "starter investment" identified of £200 million,[12] there may be additional costs should the programme also agree to replace a percentage of devices already provided, as well as agree to continue connectivity for a percentage of the original and subsequent cohorts that still cannot afford to fund their own.

The Connecting Scotland team is the first component of the new Digital Citizen Unit, with the Ethical Digital Nation team subsequently joining and further teams to follow. This presents opportunities to connect with other relevant policy areas and external partners during activities to establish the Unit within the digital landscape and set the programme's direction. A medium-term aim for Connecting Scotland is to operate as a central hub service within Scottish Government for digital inclusion, acting as a much-needed bridge between user and organisational needs in this space. This work expands outwards too, connecting funders, initiatives, organisations and individuals more in a concerted approach to tackling digital exclusion.

This executive summary details the recommended option for the future of the Connecting Scotland operating model, providing clarity on the rationale for these recommendations and how it will impact the legacy of the programme.

[12] Figure for costs identified in the Strategic Outline Business Case (SOBC)

2.2 The future of Connecting Scotland

Decisions must be made regarding the scope of service Connecting Scotland will provide in the future. This Full Business Case (FBC) will therefore consider opportunities to extract better value for money within the current model (for example, by tailoring the level of support to distinct groups rather than providing the full service as default). Importantly, the impact that the Connecting Scotland has had and can have in the future links directly to the National Performance Framework, and to the principles of making the people of Scotland happier, healthier and wealthier in a fairer and greener society.

Consideration has also been given to expanding even further the range of partners we work with to provide a more stratified service that's able to flex and meet sets of user needs more directly. This would mean further exploration of options – such as providing reconditioned devices; login to free Wi-Fi using access credentials; and promotion of a National Mobile Data Bank – as potential alternatives to the support levels that were offered previously. Operating in this manner will have the widest reach in terms of numbers, while reducing costs as much as possible.

There were several different decisions that could have been taken on the future of the Connecting Scotland programme. Connecting Scotland could have been handed over to another organisation to take forward, or continued under a different model, separate from Scottish Government. The models around these possible independent directions have not been considered for recommendation at this time due to cost and timescales for implementation. Significant work has been undertaken to understand what this will mean in terms of impact and risk, and should the financial situation change, these options can be revisited.

Whatever scope of service and operating model is chosen, the value of the service Connecting Scotland provides has been proven conclusively – not only to the individuals supported by the programme, but in the multiple ways that this digital inclusion work builds towards progress on a range of priority government outcomes. As the world becomes increasingly more digital, accelerated by the pandemic, Connecting Scotland's outcomes align with policy across a range of portfolios, including homelessness, poverty, health, social security, education and the economy. It is therefore vital that the programme continues, whatever form that might take, to maximise the numbers of people that can be supported to use digital services.

2.3 Options

After careful consideration, the Connecting Scotland team is recommending one option:

Option 2 - Systems and capacity building activities plus partnership programmes

This option is explained in greater detail for the Minister's consideration in section 4.2 of this FBC.

Furthermore, the following key groups have been identified as the primary targets under the new model:

- **The Six Priority Family Groups to tackle child poverty:** Those families on low income and young children with a specific need to address child poverty targets.
- **People who are unemployed or who need to enhance their skills sets:** People that are currently seeking employment, looking to upskill themselves to compete in a digital world or those that are seeking to complete education to a specific level.
- **People who are substantially above average users of public services:** People that currently do or would benefit from actively engaging in online public services, e.g., people with underlying health conditions (mental and physical), older individuals or those on low/fixed incomes.

The evidence for this selection is detailed in paragraph 3.2.2 below. Consideration was also given to closure of the programme, but this is not recommended, particularly given the evidence set out in this document. The recommended model allows vital work on digital inclusion to continue, although to a recognised lesser extent than first envisaged.

2.4 The five case model

This FBC utilises the five case model, the HM Treasury standard for business cases. This provides a management tool for decision makers and stakeholders providing:

- The basis for evidence-based and transparent decision making
- A framework for the delivery, management and performance monitoring of the common payment service within the Beta phase of development.

The five cases within the model are described below:

Case	Purpose
Strategic Case	Shows how a project is supported by a compelling case for change that provides a holistic fit with other parts of the Scottish Government and the Public Sector landscape in Scotland.
Economic Case	Provides the evidence that a project represents best public value. It does this by considering the potential options for change.
Commercial Case	Demonstrates that the proposed project is attractive to the marketplace, can be procured and is commercially viable.
Financial Case	Shows that the proposed spend is affordable.

Management Case	Demonstrates that what is required from all parties to deliver a project is achievable.

2.5 Business case details

Project Name	Connecting Scotland
Project Sponsor	Geoff Huggins, Director of Digital Directorate
Project Manager	Eilidh McLaughlin, Head of Digital Citizen Unit
Service description	Connecting Scotland is a government funded programme, currently operating using governmental budget allocation. This FBC sets out the range of costed options for continuation of the programme under current financial restrictions
Partner organisation(s)	Scottish Council for Voluntary Organisations (SCVO)
Project Reference	CS/FBC1

3. Strategic Case

3.1 Introduction

This strategic case will show the necessity of a programme such as Connecting Scotland in underpinning many of the key public sector transformation deliverables. Without having all of the population able to access online public services (like Denmark where 96% of the population access public digital services), there will always be a cohort of Scotland's people who are "left behind". This section will show the evidence for investing in Connecting Scotland, against the backdrop of the strategies mentioned above and the National Performance Framework. This section also outlines the benefits to the individual, society and the economy of having a digitally active population.

The use of digital tools has become a standard and essential part of our lives and shapes our human activities daily. Digital access and technological developments provide a sense of purpose and help us make our lives easy. There are now online options for most of our daily activities, such as shopping, booking travel, ordering food, banking, accessing entertainment media (music, movies, videos), paying bills and meeting friends and family. Many of these bring benefits such as cost and time savings, access to life opportunities and provide ways to enhance our in-person activities, but not everyone has equal access.

According to the United Nations, half of the world's population (3.7 billion) currently do not have access to the internet.

At the international level, the United Nations has set targets to ensure equitable access to digital connectivity. By 2030, everyone should have access to safe and affordable access to the internet, including digitally enabled services in line with the UN's Sustainable Development Goals.

On 9 March 2021, the European Commission presented a comprehensive framework for digital transformation in Europe.[13] The commission presented a roadmap to the EU's digital decade, based around four key areas:

- government
- infrastructure
- skills
- business

These four areas of life for EU digital citizenship are further embedded in key rights and principles of each citizen of Europe. These ideals not only provide and promote life opportunities for each citizen but also protect against any potential harms and risk while promoting social cohesion, participation and sustainability. Although

[13] EU Strategy for Digital Transformation by 2030 Europe's Digital Decade: digital targets for 2030 | European Commission (europa.eu)

Scotland is no longer a member of the EU, it is proposed that we should still aim to meet this standard.

The scope and scale of the digital world presents opportunities but there are also risks, discussed later in this paper. As governments around the world decide how to respond to this challenge, the repercussions for citizens affect the opportunities they will have throughout their lives.

3.2 Scottish Government approaches to the digital agenda

Connecting Scotland is aligned with the Scottish Government Digital Strategy for Scotland. It has ambitions to re-invigorate the Digital Participation Charter and introduce a Digital Minimum Living Standard to make Scotland become one of the most digitally inclusive countries in the world.

During the pandemic, the digital inequality gap widened in society due to the prolific use of digital services. As a response to this emergency, in 2020-2021 The Scottish Government made digital equality a key part of the Programme for Government (PfG), with Connecting Scotland at the heart of achieving this ambition[15.]

This year's Programme for Government (PfG) did not mention Connecting Scotland directly but it sets out wider governmental prioritisation for the year 2022-2023. It is aimed to tackle issues around the cost-of-living crisis; child poverty as part of Best Start, Bright Futures; climate-related emergencies; and supporting communities. One of the key aspects of the PfG is to ensure that Scotland is a global leader in terms of human rights and equality.

The National Performance Framework has an overarching ambition to provide equality and opportunity for everyone, including digital accessibility.

As a nation, we aim to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress

Connecting Scotland will contribute to the following national outcomes:

- **Education –** We are well educated, skilled and able to contribute to society
- **Poverty –** We tackle poverty by sharing opportunities, wealth and power more equally.
- **Economy –** We have a globally competitive, entrepreneurial, inclusive and sustainable economy.

- **Fair Work & Business –** We have thriving and innovative businesses, with quality jobs and fair work for everyone.

The National Performance Framework was included in the Bute House Agreement in August 2021[14] which emphasised building a green economic recovery from COVID-19 and provides a robust response to the climate related emergencies and creating a fairer country. This FBC has considered a sustainable approach to Connecting Scotland in line with those ambitions.

Furthermore, the Scottish Government published the Digital Strategy for Scotland in March 2021, titled 'A Changing Nation: How Scotland will Thrive in a Changing World',[15] putting forward a proactive framework to unlock digital potential across four spheres of our lives: people, places, economy and government. This framework provides an opportunity to reimagine our future and transform our lives in line with the digital and technological advancements of our day.

There is an ever-increasing need for collaboration across public-private sectors, third sector organisations and community networks, as demonstrated during COVID-19, to ensure that policy and practices are aligned to the needs of users to ensure social and economic value for everyone in Scotland. The success of this national approach is based on the digital accessibility of devices, connectivity and support to ensure the full participation of citizens in our digital nation.

Defining digital poverty and digital exclusion

The Digital Strategy for Scotland outlines the Scottish Government's ambition to tackle digital exclusion. Digital poverty is often described as having lack of access to IT hardware and Infrastructure, such as laptops, mobiles, devices and internet connectivity.

Digital exclusion can also result from having limited or non-existent levels of digital literacy which poses barriers to multiple digital opportunities in the digital world. This has a considerable impact on various groups who are in receipt of welfare funds and further impacts their life chances. In the UK, digital poverty and exclusion are growing problems exposed by the COVID-19 pandemic.

In Scotland there is a signification portion of households and individuals that do not have the essential skills or infrastructure required to engage in a digital society. Inability to engage means that people are unable to access public services online, are not offered the same opportunities to achieve the same level of education and contribute to the economy to the same extent as those with access and may be deprived of the opportunities to contribute to democracy.

[14] Bute House Agreement August 2021 Agreement with Scottish Green Party - gov.scot (www.gov.scot)
[15] Scottish Government Report on Digital Strategy published in March 2021 A changing nation: how Scotland will thrive in a digital world - gov.scot (www.gov.scot)

The 2017 Get Digital heatmap below, which highlights the likelihood of digital exclusion by region in the U.K., shows that of the 32 local authorities in Scotland, 19 have a high likelihood of digital exclusion. There are only 3 local authorities with low likelihood of digital exclusion in Scotland: Aberdeen, Edinburgh and Glasgow.

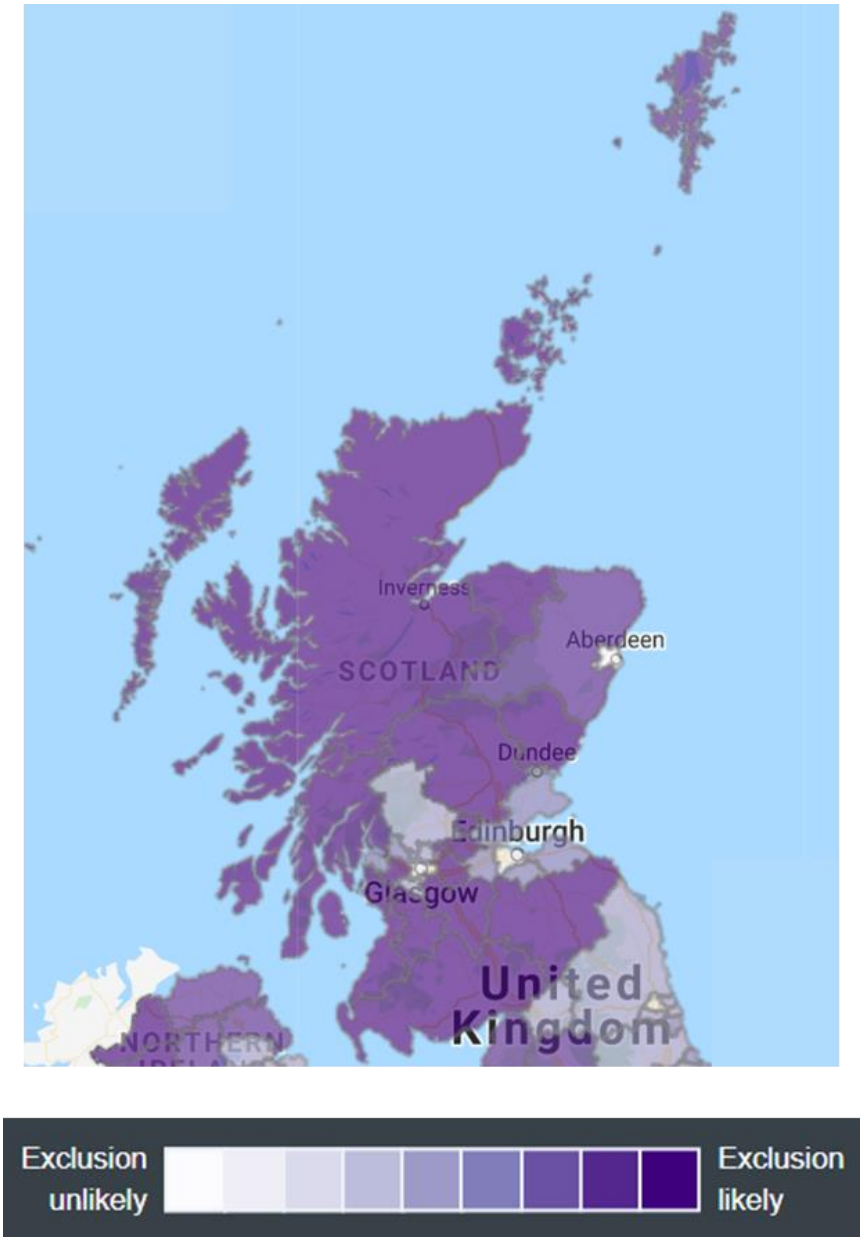

Figure 1: Digital Exclusion Heatmap

3.2.1 Factors affecting digital exclusion

Level of digital exclusion is determined by several factors including:

- **Infrastructure:** Percentage of households that have access to broadband speeds at 10 megabits per second or 4G mobile data
- **Offline:** Percentage of adults who have not been online within the past 3 months

- **Essential Digital Skills:** Percentage of adults who possess all five essential digital skills (managing information, communicating, transacting, problem solving, creating)
- **Essential Digital Skills Used:** Percentage of adults who have used all five essential digital skills in the past 3 months
- **Age:** Percentage of adults over 65
- **Education:** Percentage of adults who have no qualifications and/or no Level 1 qualifications
- **Income:** The average income of taxpayers in the region
- **Health:** The percentage of adults with long-term illness or disability

A combination of the above factors is used to determine the likelihood of digital exclusion across each of the local authorities, but the map does not identify actual areas of digital exclusion. Although the map indicates Aberdeen, Edinburgh and Glasgow have a lower likelihood of exclusion this should not be used as a reliable indication of digital exclusion for these areas.

Larger cities in Scotland have improved infrastructure which could lead to an overall lower rating on likelihood of digital exclusion. Target groups should be prioritised based on a combination of factors including the benefit to the economy, society and the individual.

While the factors above help to determine likelihood of digital exclusion across each of the local authorities, other factors have been considered to ascertain which target groups are likely to be impacted by exclusion:

- **Age:** Adults over 65 have frequently been cited as the most likely group to remain offline. Age U.K. has identified that while there has been an increase in internet use amongst the older population, a sizeable portion of over 75-year-old adults remain offline.[16] Despite the increase in uptake, the group that remain offline may do so as they do not understand the benefits of being online or have the confidence to do so safely. These link back to the key barriers of getting online being motivation and confidence. The Scottish Household Survey[17] identified that 23% of adults aged 60-74 and 62% of adults aged 75+ were not internet users.
- **Disability:** Illness and disability contribute to an individual lacking the five essential digital skills required to be fully included in a digital society. Those that have a long-term physical or mental health condition reported lower use of internet with 27% compared with 8% of those who do not have any such condition.[18]
- **Gender:** Gender as a stand-alone factor has not been shown to be a cause of exclusion for people. Only when combined with other factors such as age do the

[16] Age UK Digital Inclusion Evidence Review 2018
[17] Scottish Household Survey 2018
[18] Scottish Household Survey 2018

gaps in online activity become apparent. The ONS 2019 report on internet users in the U.K. identified that the proportion of men that had used the internet within the last three months was only slightly higher than women at 92% and 90% respectively.[19] The significant gap can be noted in adults aged 75 or older, with 53% of men and only 41% of women having used the internet within the last three months.

- **Ethnicity:** ONS has identified a downward trend in percentage of non-users from different ethnic groups between 2011 and 2018[20]. While the gap is closing further work would be required to understand if different ethnic groups face challenges in remaining digitally included.
- **English as a Second Language (ESL):** Lack of confidence and motivation are key contributing factors to those that have English as a second language in getting online, with English language skills required for participation in a digital society in Scotland. Good Things Foundation, supported by the Carnegie U.K. Trust, produced a report on supporting digital inclusion of adults with low English language skills[21] and the barriers that are faced. Use of the internet is required to navigate key services such as translation and is required for people that must engage with online public services. Improving both digital skills and English language skills in partnership will improve individuals' confidence to engage in a digital society and improve efficiencies by reducing time pressures on local authorities in face-to-face support. Good Things Digital Motivation report noted that “those who are not “very” confident about their literacy are 3.5 times more likely to be nonusers”.[22]
- **Qualification Level:** The Lloyd’s Digital Index indicates that those with a “university education are twice as likely to have the Foundation Skill than those that lack any formal qualifications”[23] with 42% of adults with no qualifications lacking the essential digital skills. Those that have left education prior to the age of 16 are less likely to have the skills required to engage in a digital society nor have the motivation or confidence to participate.
- **Income:** There is a direct correlation between household income and likelihood of accessing the internet which links back to affordability remaining one of the key barriers to individuals getting online. To close the digital divide for those on low income, devices and connectivity must be more affordable, with either subsidized monthly charges or free usage of data. Survey findings from the Scottish Household Survey[24] indicate that households with a total net income of over £40,000 saw only 2% of households that did not use the internet, compared with 19% of households with a total net income of £0-£6,000 and 31% of households with a total net income of £6,001-£10,000. Although the percentage of adults

[19] ONS 2019 Internet Users Report
[20] ONS Internet Usage Ethnic Groups
[21] Supporting digital inclusion of adults with low English language skills 2020
[22] Motivational barriers of non-users of the internet - Good Things Foundation
[23] LBG Digital Index
[24] Scottish Household Survey 2018

from low-income households that are online has increased significantly since 2007, 40% to 81% now online from the lowest income group, there remains a gap between those in the highest income group at 98%.

- **Housing Tenure:** Individuals in private rented homes are more likely to conduct basic online activities such as sending and receiving emails, searching for information and buying goods or services than those are in social housing. Private rented tenants that made personal use of the internet saw 91% use for emails, 84% for searching information and 79% for buying goods. Compare this to social housing adults at 80%, 77% and 68% respectively.[25] Furthermore, the research notes that the gap is not significant, one of the main barriers to those in social housing for engaging online is confidence in their ability to use the internet for any of the activities.
- **Household Composition:** Good Things Digital Motivation report noted that "each child in the house makes you 1.2 times less likely to be a non-user"[26] which indicates that children in the household enable internet usage. Households without children would be at a disadvantage without the support of digitally natives in the home to upskill.
- **Location:** The indication is that poverty is a higher factor in considering whether a household can access reliable broadband than location. Those in more rural areas are more likely to have limited access to the infrastructure required to remain online. Fixed line broadband is a more viable option for individuals in these locations due to the potential limitations of being unable to access fast mobile data. The Scottish Household Survey identified that those in rural access do not have a significant variance to home broadband access to those in urban areas, with 12%[27] of remote rural houses having no home internet access. The challenge in rural areas would be for those households that have no home fixed line broadband access and therefore must access mobile data with the appropriate 4G or fast mobile speeds available. The percentage of households without broadband access between rural and urban areas is comparable, between 10% at the lowest in accessible rural areas and 13% in large urban areas.

3.2.2 Identifying target groups for Connecting Scotland

Using the percentages available by local authority in the Get Digital Heatmap, the following potential groups who would benefit from the continued Connecting Scotland programme have been identified.

The target number has been calculated using the latest Council Areas Profile report, published 30 April 2020[28] . As the number of people in poverty includes children, the

[25] Scottish Household Survey 2018
[26] Motivational barriers of non-users of the internet - Good Things Foundation
[27] Scottish Household Survey 2018
[28] Council Areas Profile

target number for income has been calculated based on the proportion of people in persistent poverty[29] applied against the Council Areas Profile report.

- **Individuals that are offline:** The number of adults across Scotland that have not been online within the last 3 months — 480,369
- **Individuals without all 5 essential digital skills:** The number of adults across Scotland that do not have all 5 essential digital skills — 1,063,984
- **Individuals that have not used all 5 essential digital skills:** The number of adults across Scotland that have not used all 5 essential digital skills within the past 3 months — 2,612,298
- **Over 65:** The number of adults across Scotland aged 65+ — 1,026,114
- **Low level of education:** The number of adults that have no qualifications and/or no Level 1 qualifications — 2,248,937
- **Income:** The number of people living in persistent poverty — 706,953
- **Target group with illness or disability:** The number of adults across Scotland that have long-term illness or disability — 1,182,475

There is an assumption that there will be overlap across the groups, for example, those individuals aged over 65 and lacking essential digital skills, or those individuals' lacking education and on low income.

To determine the optimum target groups of individuals to achieve the highest return on investment a scale of “impact” versus “difficulty to address” has been defined.

Impact focuses on the impact to the individual, the economy and return on investment from funding. Difficulty to address identifies the level of intervention required and whether this would be received favourably.

[29] Persistent Poverty Scotland 2010-2018

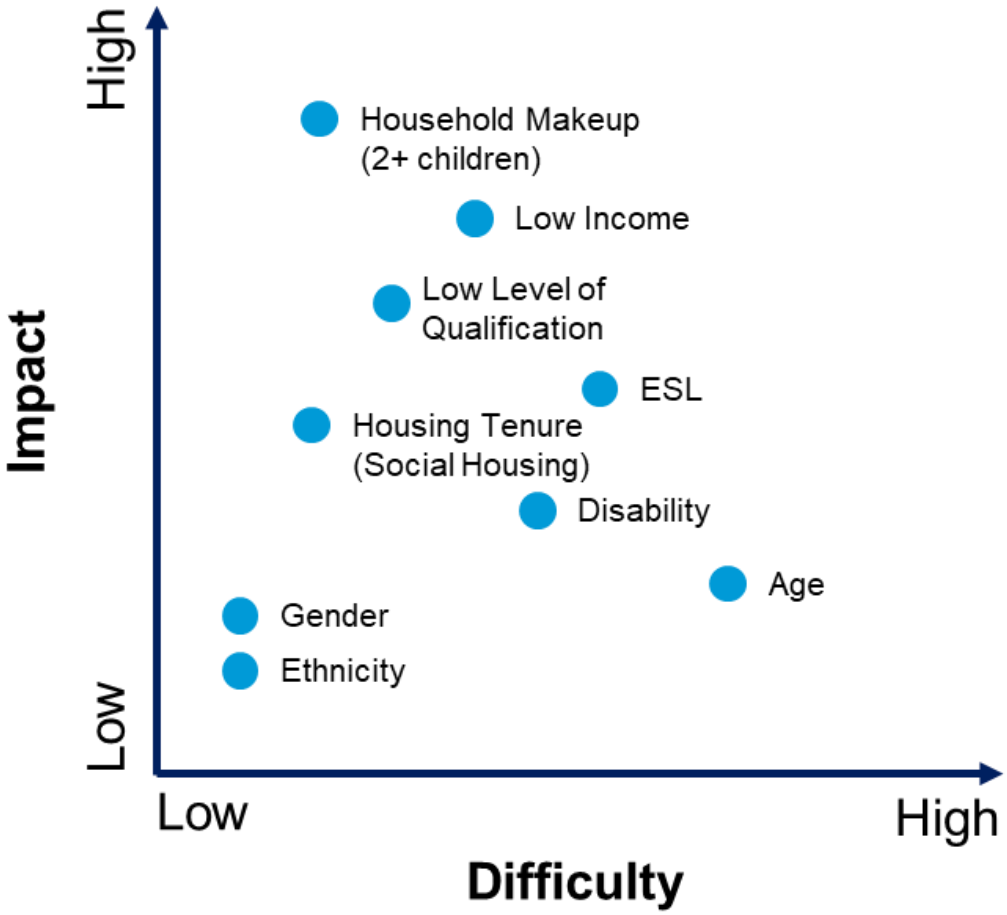

Figure 2: Impact versus difficulty to address

Form this evidence, gender and ethnicity do not appear to be a significant factor in a person's ability to engage in a digital society, therefore they have been excluded as specific groups to address at this time. Individuals from both groups may fall into one of the other categories and be accounted for in the target groups elsewhere. Women and ethnic minorities that are on low income have been included in the target group specifically for low income to distinguish from individuals in the gender and ethnicity groups that are not currently targeted.

Individuals with low levels of education and individuals with English as a Second Language can benefit from further education to upskill and improve confidence. Improving individuals' qualification levels will open access to a wider variety of employment opportunities and allow them to unlock their potential. These individuals have been grouped as people who are unemployed or who need to enhance their skill sets.

Those in social housing with lower income have been identified as having decreased access to the internet, however with each additional child in the house decreases the likelihood of users being offline. Providing families with access to digital technology

and connectivity allows children equal opportunities in education and parents to upskill themselves and apply to different job positions.

Those with long-term illness or disabilities or individuals over the age of 65 are identified as lacking the essential digital skills and motivation to engage online. This group of individuals may benefit most from ease of access to public services including online health services. Those in social housing would benefit from online access to public services and understanding of what benefits are available.

The return on investment would be increased efficiency for the government via a reduction in staff support time for individuals where that time could be more gainfully employed in addressing other needs. The target groups identify as people who are substantially above average users of public services.

As such, the following specific target groups have been identified:

- **Six Priority Family Groups to tackle child poverty:** Those families on low income and young children with a specific need to address child poverty targets.
- **People who are unemployed or who need to enhance their skills sets:** People that are currently seeking employment, looking to upskill themselves to compete in a digital world or those that are seeking to complete education to a specific level.
- **People who are substantially above average users of public services:** People that currently do or would benefit from actively engaging in online public services, e.g., people with underlying health conditions (mental and physical), older individuals or those on low/fixed incomes.

3.2.3 Digital Exclusion and Child Poverty

Age can be a barrier to digital exclusion, where children and young people are not immune to digital poverty and exclusion. Scottish Government poverty statistics from 2017-20 note that 1 in 4 children are living in poverty in Scotland.[30] Similarly, the effects of digital poverty upon children can carry negative impact on the future outcomes of children. Digital exclusion impacts parents which is why the Scottish Government's Best Start, Bright Futures has a particular focus on helping parents out of poverty through their new Parental Transitional Fund which has a focus on supporting carers and parents into the labour market and lifting the family out of digital poverty.

Research from 'Inspiring Scotland' reported[31] that pre-existing inequalities mean that children in Scotland are digitally excluded at a time when connectivity is more important and vital for their development, both socially and educationally than ever, and lack of suitable connectivity access is creating significant negative impact upon some of the most marginalised and isolated communities in Scotland.

[30] Scottish Government Poverty Data Poverty and Income Inequality in Scotland 2017-20 (data. Gov.scot)
[31] Inspiring Scotland Report on Digital Exclusion PowerPoint Presentation (inspiringscotland.org.uk)

There is an identified correlation between accessibility to digital services and children's attainment and future life prospects. There is a need to ensure that every child and adult in Scotland has equitable access to life opportunities – including the right to online access.

In 2021, the Scottish Government put forward an ambitious plan to tackle digital inequality and to ensure that every child has equal life opportunities in life. The Device for Every Child commitment[32] aims to tackle digital inequality for those who are at school by delivering 700,000 devices to school children. As set out above Connecting Scotland aims to provide digital connectivity through the Best Start Bright Futures programme.

Strategic Approach

Connecting Scotland aims to make digital inclusion possible for every citizen in Scotland by:

1. Bringing more people online through access to devices, connectivity, skills and identifying motivation.
2. Prioritising those with urgent needs and aligning the programme with government priorities such as tackling child poverty, education, employment and health and social care.
3. Ensuring getting online is affordable by increasing awareness of low-cost connectivity.
4. Removing barriers for organisations and charities who deliver digital inclusion services and bringing them under one alliance where resources, expertise and knowledge can be collectively shared.
5. Ensuring the programme is affordable and sustainable.

The strategic approach as set out above will be delivered through options as presented in the following chapter of Socio-economic section 4.3.2.

Strategic Policy Focus for Connecting Scotland

Given the current financial climate, Connecting Scotland will target limited resources strategically and think differently about how the programme is able to help the most people with the least amount of funding.

As set out in the sections above, digital exclusion is a complex problem and not just confined to one set of causes or one demographic, which means that active decisions must make maximum impact of the programme which is based on partnerships with other policy areas in SG.

[32] Scottish Government Digital Programme Device for Every Child Devices for 700,000 children - gov.scot (www.gov.scot)

Based on our understanding of digital exclusion and the cost-of-living crisis, we suggest the following order of prioritisation for a future programme. These areas are given equal weighting.

Policy Focus A: Those who are most at need in society: including families in poverty, victims of crimes and people who are homeless or suffering financial instability due to the cost-of-living crisis.

Rationale: We will prioritise helping those most in need given the constrained financial support available to the programme. Early and effective intervention will help reduce use of services overall.

Policy Focus B: Support for the child poverty delivery plan: This will align the Connecting Scotland programme to the Scottish Government's ambition to reduce child poverty.

Rationale: Child poverty reduction aligns with governmental priorities which increases life-chances for children leading to longer term generational benefits and the breaking of poverty cycles.

Policy Focus C: Providing support that aligns with other key policy areas: Our focus will remain on building partnerships with existing policy areas such as Health, Social Care, Education and Employment to embed digital inclusion across the Scottish Government.

Rationale: Digitisation and the need for digital skills and access is crucial in each of these areas as they all are looking to leverage digital to be able to create efficiencies and flexibility of access for users. Digital inclusion work will secure equitable access to these core services and sectors.

There is much intersectionality between groups who are digitally excluded and groups affected by the different policy initiatives outlined above. We do not take these to be mutually exclusive options but laying them out like this does allow us to set and prioritise what the new programme will aim to achieve.

3.3 The benefits of a digital inclusive society

If realised, the benefits of the Connecting Scotland programme will increase our resilience as a country, ensuring that the opportunities of Digital Citizenship are spread equally across society. It will support the economic and social wellbeing of our clients, drive up efficiencies in the delivery of digital public services and speed up public service reform.

It may also enhance society's ability to cope with any future pandemics or indeed any future similar large-scale challenge to society.

Full participation in a digital society enables benefits at many levels, for example:

- **Economy:** More digitally skilled individuals drive economic growth across all sectors.
- **Access to Public Services:** More people online means that all digital programmes across the Scottish public sector will be "supercharged", increasing the number of people they can reach and hence their effectiveness and value for money. Increased digital public service usage means better Management Information (MI) which data can lead to better and faster decisions for individual, policy development, services and for Ministers.
- **Digitally engaged Individuals:** People can explore the digital world to enjoy recreational activities and communicate with others. They can also learn new skills and access training that will enable them to combat inequality, especially supporting life chances and allowing people to improve their wellbeing, education and employment. Digital inclusion promotes a reduction in social isolation as it makes it easier for people to connect with others.
- **Digital Citizenship, Democracy and social cohesion:** The ability to stay in touch with local and global matters and participate in debate and decision making through online media means that policymakers benefit from the opinions of those who were previously underrepresented due to digital exclusion.

3.3.1 Three Pronged Benefits of Digital Inclusion: the individual, the economy and society

Enabling Digital Citizenship through reducing digital exclusion offers a multitude of benefits to the economy, society and the individual. However, to understand the benefits of reducing the digital divide we must first understand the cost implications of a **do-nothing approach.**

With Scotland's ambition to embrace a Digital Society, there has been a shift toward digital first and a need to transform public services to cater for varying levels of capabilities. This can be as easy as simplifying an online form or enhancing the information readily available online or extend to true digitalisation of the full-service journey. It is worth noting that manual services are expensive to deliver. Services delivered face-to-face in local offices or on the telephone have a much higher associated cost to the government than online services.

The U.K. Digital Efficiency Report estimates face-to-face visits at a cost of £8.62, phone calls at £2.83 per call and £0.15 per online transaction. CEBR summarises savings realised by digital inclusion as 20 times cheaper than by phone, 30 times cheaper than by post and as much as 50 times cheaper than by face-to-face meetings.

There has been a steadily increasing shift towards digital public service transformation. More recently the COVID-19 pandemic has seen increasing effort to lift the pace of transformation, for example the rapid scaling of NHS Near-Me online video consultation system.

Digital exclusion, linked to wider inequalities in society, is more likely to be faced by those on low incomes. In March 2020, only 51% of households earning 10,000 had home internet access, compared with 99% of households with income over £40,000. Even when poorer households had access to equipment and internet, they were then less likely to have the skills to use it. An OFCOM report from July 2021[46] shows that 6% of mobile customers struggle to afford internet connectivity, with 100,000 households unlikely to secure an internet service in the next 12 months due to cost.

There are many drivers for transformation: to meet the demands of digitally active citizens, to speed the delivery of services, and to improve efficiencies. In a do-nothing scenario, there is a missed opportunity to re-invest money saved from efficiency gains into initiatives contributing to Scotland's digital society. Funding which has been invested in initiatives to support and supercharge the Digital Strategy for Scotland cannot be maximised if a portion of society remain offline.

The returns on investment in digital inclusion are sizeable. The 2022 CEBR digital inclusion report on behalf of the Good Things foundation estimates the following returns on investment in digital skills.

- £9.48 return for every £1 invested
- £1.4 billion in efficiency savings for government
- £3.5 billion savings for individuals for online shopping
- £3.9 billion saved by individuals through use of online banking and online government services

An earlier BT report came to similar conclusions, stating that:
"Every £1 invested in supporting digital skills, £3 of social value is generated for various stakeholders including volunteers involved in the course, the state and the beneficiaries of the training. The types of value realised included improvements in wellbeing and economic savings."

As the cost-of-living crisis has followed on from the significant impacts of the COVID-19 pandemic, the pressure on those most vulnerable in society has further increased rather than diminished. It has also created new economic pressures, not just on those who are the most disadvantaged, but across a range of economic segments including people who my formerly may have felt they are 'getting by' or 'well off'. This is in turn is having a knock-on effect of making the internet and devices less affordable for people and creating a pressure towards greater digital exclusion despite the progress made in recent years.

The 2022 Lloyds Consumer index report reveals that 4% of people aged over 18 feel that they will have to give up personal internet to be able to pay their other bills. This translates to 170,000 adults in Scotland becoming newly digitally excluded because of the cost-of-living crisis.

Digital Inclusion should be recognised as a fundamental tool that everyone should have equitable access to. It enables people in need, be that at point of crisis, in long-term challenges and beyond, to identify and access support. It enables support that is more effective in specific situations and, vitally, it builds the confidence of people and enables them to feel a part of wider society.

Tackling digital exclusion and reducing the number of people across Scotland that lack the essential digital skills required to engage in a digital society can be grouped into three categories as below:

- Benefits to society.
- Benefits to economy.
- Benefits to the individual.

There is a combination of both tangible benefits, for example savings as a direct result of closing the digital divide, and intangible benefits such as people's feeling of engagement with society.

The programme recognises that there are also potential harms associated with online activities. These include the risk of bullying, harassment and exploitation, both for adults and children. Financial loss is possible due to hacking, identity theft, in game purchases or phishing frauds. There are also risks to wellbeing from unrealistic body image and lifestyle expectations arising from the way algorithms filter social media feeds and users present a sanitised view of their lives. For some, 'screen time' can compete with face-to-face interactions and time spent doing physical activities, leading to harm to mental and physical wellbeing.

Helping people to understand the risks and stay safe online will be part of digital skills training promoted and provided through Connecting Scotland initiatives. Help for people to able to stay online must be tailored to specific needs, for example, a young mum may need to understand how to critically assess health and parenting advice on the internet to avoid becoming overwhelmed and anxious from absorbing opinion and false advice. A parent may need to learn how to keep their children safe online and what software and/or settings can help with that. Where the programme plays a role in encouraging or motivating people to get online it needs to respect people's autonomy and their choice to say no to using the internet. Alongside encouragement and motivation, the programme must be upfront about what the risks of being online can be so an informed choice about this can be made. Older people, who may need the most encouragement, may also be the most vulnerable to frauds and phishing.

3.3.2 Benefits of digital inclusion

A summary of the key benefits of digital inclusion is presented in the following pages.

3.3.2.1 Promotion of inclusion

Benefits: Society / Individuals

Digital inclusion reduces social isolation[33]. Social isolation can be a significant problem for elderly people and vulnerable young people (e.g., single mums, care leavers). The cost-of-living crisis is adding to social isolation as people cut back on socialising with friends and trips to see family to save money. Loneliness and social isolation impact negatively on mental and physical health outcomes[34].

Reducing social isolation and loneliness can:

- improve mental and physical health
- foster less dependence on health and support services.
- support economic activity in the leisure sector

Digital inclusion can help foster democratic inclusion, particularly for marginalised groups and so help to improve the quality of Scotland's democracy[35]. Increased democratic participation has also been shown to have a positive effect on wellbeing[36].

In Connecting Scotland's own research with users, 84% of survey respondents reported that during Covid 19, their ability to stay in touch with others was better since receiving their device.

3.3.2.2 Improved wellbeing

Benefits: Society / Individuals

Digital inclusion helps people manage their wellbeing more effectively. This can result in improvements to wellbeing and productivity measures for society. Improved mental and physical health assists people to be economically active. Conversely, poor wellbeing due to stress and poverty hinders people from taking action to improve their situation.

Managing health online can be conducted through a variety of sources including access to applications for workout or meditation, access to NHS public services information, searching medical information via internet search, accessing online games to de-stress and interact with others.

The use of digital mental health resources, such as apps, online counselling and online mental health information are all an important means of amplifying the effectiveness of limited mental health resources.

[33] UK Consumer Digital Index (2020)
[34] The Costs of Social Isolation: Loneliness and COVID-19 (2020)
[35] Understanding the Complexity in Electronic Government: Implications from the Digital Divide literature (2009)
[36] The impact of democracy on well-being - Social Indicators Research (2009)

In Connecting Scotland's own research, 74% of survey respondents stated that their mental health and wellbeing had improved during Covid 19 since receiving their device.

A survey of Connecting Scotland's employability cohort listed poor mental health as the third most significant barrier to their getting a job. Connecting Scotland users reported being able to use mental health services remotely such as counselling by utilizing video calls.

3.3.2.3 Increased employment / access to employment

Benefits: Economy / Individuals

Digital inclusion is essential for people to find and apply for jobs.

- it enables access to modern job markets which now are almost entirely online
- it equips people with the digital skills needed for many better paid jobs
- it allows people to apply for jobs that entail remote working thus increasing the pool of jobs available for them to apply for
- it enables improved access to health, mental health and other services to alleviate some of the barriers that people in poverty face when getting a job

Improving people's ability to search and apply for jobs and upskill themselves to improve employability will support the target to move people out of persistent poverty.

Benefits to the economy arise from reductions in benefits payments and increases in taxation, and from productivity gains made by having a digitally skilled workforce and promoting innovation in Scotland's digital economy[37] [38]. There are also significant opportunities for digital inclusion to boost entrepreneurship and self-employment.

Connecting Scotland research shows that finding employment in a modern jobs market almost entirely relies on being connected, as job vacancies and application processes are nearly universally only accessed by digital means.

3.3.2.4 Greater uptake and more efficient use of services

Benefits: Economy / Individual

Accessing services digitally is 20 to 30 times cheaper than accessing them by paper or phone and as much as 50 times cheaper than by face to face meetings.

The cost-of-living crisis is likely to drive organisations to using digital options to make efficiencies over delivering services manually or face-to-face, creating further barriers for those who are digitally excluded to access or take full advantage of these

[37] Youth Unemployment Will Cost £6.9 billion in 2022 (youthemployment.org.uk)
[38] The economic impact of digital inclusion in the UK (goodthingsfoundation.org)

services Digital inclusion opens access to public services and especially benefits. Information about most benefits is only fully available online. Applications are made online and online interaction is essential for maintaining some benefits (e.g., Universal Credit). An important poverty reduction goal is to maximise people's income from benefits.

NHS services
Digital inclusion helps people to access NHS and care services in a more efficient way that can lead to savings and make more efficient use of staff time. This can be achieved by:

- more appointments and prescriptions booked online
- receiving alerts and reminders to avoid missed appointments
- using remote consultation services like NHS Near Me

Use of telecare services can help people stay in their homes longer reducing the cost of social care and avoid hospital admissions through prevention. The cost of the NHS, at around £18 billion per year, is the largest item of expenditure in Scotland's budget creating a large motivation to achieve efficiency savings in this area.

A survey of NHS Near Me, which can be accessed via devices, users showed that users found the service beneficial by improving access, reducing the need to travel and reducing the risk of infection. Overall, patients were satisfied with the call and felt that it had helped them to manage their condition.

Third sector support services
Digital inclusion allows support organisations to deliver their services more effectively and more efficiently. People who are digitally excluded miss being able to take full advantage of the support on offer.

Where clients are digitally excluded, support staff are using valuable time to complete application forms and to access other online services on their behalf, all of which could be done by the client themselves if they were digitally enabled.

3.3.2.5 Increased access to education
Benefits: Economy / Individual

Digital inclusion reduces the attainment gap for children who otherwise would not be online. Participating in education can help people out of poverty by improving their chances of gaining employment or improving their existing job to gain a higher salary. It can have intergenerational effects such as improving the life chances for children of learners[39].

[39] The Impact of Lifelong Learning on Poverty Reduction, IFLL report, National Institute of Adult Continuing Education (2008)

Overall, it is recognised that lack of digital access is a significant barrier to children's education and that disproportionally affects families in poverty and those otherwise marginalised, such as families within communities of gypsy travellers and displaced people[40].

Following the Covid-19 pandemic more components of further education courses are being delivered online[41]. Increasingly, digital exclusion is a barrier to being able to participate meaningfully in higher education, especially remotely.

The internet also provides access to many free online resources and MOOCs (Massive Online Open Courses) that are not available offline.

3.3.2.6 Making time savings

Benefits: Individual

Digital inclusion means that people can use online services to save time when undertaking daily essential tasks. People in poverty are often ‘time poor’ as well as being materially poor. This limits their ability to invest in longer term solutions that can help improve their situation.

The CEBR summarises savings realised by digital inclusion as 20 times cheaper than by phone, 30 times cheaper than by post and as much as 50 times cheaper than by face-to-face meetings.

3.3.2.7 Saving money by shopping and banking online

Benefits: Individual

Digital inclusion allows people to save money by finding the best deals online, use price comparison websites, take advantage of discounts by paying with direct debits[42].

Unwanted goods are often available cheaply in online second-hand markets such as eBay, or for free via local community Facebook pages and sites like Gumtree and Freegle.

People on lower incomes are subject to a ‘poverty premium’ – that is, having to pay relatively more for goods and services because of lacking resources and opportunities enjoyed by the better off. Access to ecommerce and a wider range of online goods and services is one way in which the poverty premium can be mitigated.

The CEBR estimate that using price comparison sites, online discounts and taking advantage of other benefits of shopping online, can result in up to £258.31 in yearly savings for individuals.

[40] Independent Children's Rights Impact Assessment on the Response to Covid-19 in Scotland (2020)
[41] Online education in the post-COVID era | Nature Electronics (2021)
[42] The economic impact of digital inclusion in the UK (2022)

3.3.2.8 Accessing information and advice

Benefits: Individual

Ready access to advice and information online underpins many of the benefits discussed in this chapter. For instance, securing suitable employment may be aided by accessing employability related advice available online (e.g., on writing a CV, interview technique, identifying ways of enhancing skills).

People may be able to save money by accessing financial advice from reliable sources, or by getting energy saving and efficiency advice (including information about subsidies and grants that may be available for home energy upgrades).

3.3.2.9 Entertainment and leisure

Benefits: Individual / Economy

Popular culture is increasingly, arguably primarily, an online experience, with streaming services, blogs and video sharing sites gradually displacing television and print media. Arguably, someone who has no, or limited, access to the internet is unable to fully engage with the culture of their society.

Access to online entertainment and leisure opportunities can be an important element in maintaining good mental health and can provide a means of personal expression.

Connecting Scotland research participants told us that the ability to easily find songs, videos and programmes online helped to keep them occupied and had a positive impact on their mood and wellbeing.

3.3.2.10 Environment

Benefits Society

Digital inclusion may play a key role in combatting climate change.

It can lead to:

- less need for journeys due to flexible working and remote appointments thus assisting with net zero targets.
- reduced use of consumables such as paper due to electronic transactions

A Connecting Scotland strategy around device repair and reuse as a means for digital inclusion would also contribute to the circular economy.

3.4 The Goals of Connecting Scotland

Digital Transformation across the public sector would be challenging without the work of Connecting Scotland.

During stakeholder engagement sessions organised by the Connecting Scotland team, our external partners identified a need to collaborate and connect with each

other. There is an expressed need to ensure that all efforts, resources and expertise from all partners and stakeholders are aligned both in the public, private and third sectors to ensure consistency and resilience within the digital ecosystem.

Connecting Scotland aims to bring all digital inclusion organisations under one alliance, where resources, expertise and knowledge is shared in a collective manner to build the digital capacities of our nation, rather than pursuing success independently, with limited impact on individuals and communities in Scotland. The Connecting Scotland team have been proactive in making links with the public, private and third sectors to ensure knowledge sharing and sustainable delivery are embedded in the future delivery of Connecting Scotland, which is person centred, greener and sustainable in years to come.

The vision of Connecting Scotland is a fairer, more equitable Scotland, enabled by digital access for all. This vision will be achieved by reducing the number of people that currently do not have the essential digital skills or confidence to participate in a digital society and providing devices and internet connectivity to those that are unable to afford it.

The Connecting Scotland programme will align to Scotland's aspirations as an Ethical Digital Nation which envisions a society that trusts digital goods and services to be ethical in their intention, development and delivery and where sustainability and respect for human rights can be demonstrated transparently throughout the value chain.

Connecting Scotland will continue to embed an ethical approach to this digital inclusion programme. Growing as an ethical digital nation and developing trust in the way digital technology is applied is a collective responsibility for everyone that should be shared across multiple sectors, the government, innovators, industry and the individual. This will support the action to raise public awareness and citizenship participation of securing trust in digital goods and services. Connecting Scotland will ensure that there is a knowledge exchange among the public, private sector and third sector on ethical issues to contribute to Scottish ambitions.

Digital goods and services must be produced and used in environmentally sustainable ways and respect the human rights of everyone in the value chain. Connecting Scotland is already engaging with third sector organisations which promotes the Scottish Government's net zero agenda. Adopting an ethical approach in this way will enable confident and creative digital citizens.

3.5 Risk and constraints

The risk to the people and wider society of doing nothing, or doing the minimum, in response to the digital divide, is far greater than any risk related to the implementation of the Connecting Scotland programme. Taking no action means that a portion of society remains digitally excluded and are unable to benefit from a Digital Scotland. Those that are digitally excluded from a digital society are unable to

contribute to the economy and realise individual and social benefits in the same way those that are digitally included can**.**

It is recognised that there is an overarching risk in that the direction of the programme must change to be sustainable longer term. This means a move away from the provision of “1 to 1” devices in the main, and a move towards a more systems-based approach where the problem is considered holistically. It is recognised that this is a risk in terms of political commitment, however the ambition is still there to achieve the goals in Programme for Government. The route to this may be more circuitous than first envisaged.

3.5.1 Financial Risk

One of the key risks to the programme is the lack of future funding. Funding requirements for the initiative consist of an upfront capital cost and ongoing expenditure associated with the provision of data, devices and training. Failure to obtain funding would not address digital inequality in the country which creates pressure on other public services as people are unable to use digital options, usually less expensive to run.

3.5.2 Financial estimations differ significantly from actual costs

While every effort has been made to source and corroborate figures, the costs used in the calculations are indicative only. There is a risk that financial estimations may differ significantly from actual costs based on the best and final offer provided by providers of data and devices.

3.5.3 Return on investment will not be immediately evident

Due to the time required to roll out devices and connectivity and upskill individuals in whatever model is adopted, the benefits identified in this business case will not be immediately evident and it may take several months or years to clearly articulate the benefit.

3.5.4 Speed of onboarding Digital Champions

Digital skills and support to learn these is a vital part of Connecting Scotland’s offering. Training of digital skills is dependent on having staff or volunteers within organisations with existing digital skills and availability to support the target group of individuals. These people can then be assigned as Digital Champions (DCs), with time allocated to help clients with basic digital skills such as setting up an email address or using a search engine. There is a risk that there is an inadequate number of staff or volunteers available to support the demand for Digital Champions or that organisations are unwilling to allocate the required amount of staff time for this task.

3.5.5 Ongoing shared vision and buy-in

Connecting Scotland began as a pandemic response. Despite ample evidence of the continuing need for the programme beyond COVID-19, there is a risk that

Connecting Scotland loses the connections and goodwill built up since 2020 if it fails to deliver further on addressing digital exclusion.

3.5.6 Identifying target individuals

There is a risk that individuals from the target groups will be difficult to identify and may miss receiving a device, connectivity and training. Local authorities and the third sector will be responsible for providing information to help identify target individuals in partnership with third sector organisations, for example local charities.

3.5.7 Misuse of resources

At present, some sections of society are unable to access the internet, through no fault of their own. If all barriers to connectivity are removed, this may make some problems worse – for example, inactivity could become more of an issue, online bullying could occur, or internet facilities could be misused for criminal purposes. Training and safeguards will be put in place to mitigate this risk, but it cannot be eradicated completely.

3.6 Dependencies and key stakeholders

Additional dependencies exist within other policy areas, such as Health and Social Care, Housing, Education and Employment. The trajectory and focus of the identified opportunities rest with the host policy areas, and as such, are dependent on the fiscal situations they are navigating. The host policy areas also have their own independent timescales and objectives which may impact and influence results and activities of Connecting Scotland. We will not be able to specify partnership programme explorations unless our objectives align with the host policy areas. This might impact the intended results for Connecting Scotland.

3.6.1 Key stakeholders

To deliver the vision of Digital Citizenship for all, the primary stakeholders are the people of Scotland.

To enable the vision through the Connecting Scotland programme, the following key stakeholders will provide input and/or support:

- **People of Scotland:** The target groups identified to provide devices and connectivity to close the digital divide will provide input and feedback into the benefits and success of the initiative. The people of Scotland that are already included will provide input into improvements of digital services to further enable a digital society.
- **Scottish Government:** The Scottish Government will be responsible for funding the initiative and aligning with existing policies and strategies to supercharge a digital society. SG will be responsible for improving the services available for individuals based on feedback received and easing access to digital services.
- **Local Authorities:** Providing support in identifying specific individuals and distributing devices and connectivity to the target groups within each of the 32

local authorities. Local Authorities will also play a pivotal role in ensuring join up of the current digital inclusion partners.

- **Third Sector:** The organisations that will provide insight and support into identifying specific individuals within the target groups that are most at risk of digital exclusion. Provision of essential digital skills training to target group individuals. The Third Sector will play a pivotal role in joining up the digital inclusion system, like that of Local Authorities.
- **Private Sector:** The support of business will be vital to the success of Connecting Scotland, with much of Scotland's economy dependent on the tech sector and several big-name firms having a base in the country.
- **NHS Scotland:** Identify improvements in services and areas that could be supported by digital inclusivity. Provide feedback on the adoption of digital services and use of online references to reduce the number of appointments that could have been resolved via self-service. Social prescribing is also increasing and will be aligned with Connecting Scotland principles.
- **Support:** Provision of support for devices, infrastructure and people throughout the engagement to be provided by either one or combination of Scottish Government, suppliers, local authorities and third sector organisations.
- **Data Infrastructure Providers:** Selected supplier responsible for providing connectivity to target groups via mobile data or fixed line broadband.
- **Device Providers:** Selected provider(s) supplying devices as identified through requirements by Scottish Government.

The programme is owned by the Digital Citizen Unit (DCU) in the Digital Directorate of the Scottish Government[43]. The Digital Directorate are responsible for:

- developing and implementing the Scottish Government's Digital Strategy for Scotland
- delivering broadband connectivity
- providing a foundation for the digital delivery of public services
- raising levels of digital participation amongst individuals and businesses
- transforming Scotland's digital economy.

The DCU will be responsible for provisioning of programmes and projects to achieve the outcomes detailed in this business case and closing the digital divide in Scotland.

3.7 Conclusion

As evidenced above, the Connecting Scotland Programme provides an opportunity to make digital inclusion a reality for everyone in Scotland. The existence and continuation of the Connecting Scotland programme is strategically important, given that so much government interaction with citizens requires people to have online

[43] https://www.gov.scot/about/how-government-is-run/directorates/digital/

access. Connecting Scotland helps bridge the gap between those who are digitally included and those who are not.

The importance of connectivity has been demonstrated consistently throughout the evaluation process for the earlier phases of the programme. Furthermore, this programme provides an opportunity to inspire everyone to think digitally in an ethical and sustainable way and support businesses, public sector and third sector organisations to make Scotland one of the most digitally active societies in the world. Strategically, it is considered that it would not be affordable to Scotland's ambition to not proceed with the Connecting Scotland programme. The options set out below identify how this can be achieved within current financial restraints.

4. Socio-economic case

4.1 Introduction

The purpose of the economic dimension of the business case is to present the proposals that deliver best public value to society, including wider social and environmental effects, the rationale for making these recommendations and to set out the options for a new delivery model for Connecting Scotland. As there is a significant consideration of this in societal terms, this section has been named the "Socio-economic" case.

4.2 Principles underlying delivery model development

The delivery model for Connecting Scotland must build on previous successes, while shifting away from a crisis-response model to one that focusses on creating sustainable digital inclusion in the longer term. This requires a focus that expands beyond Connecting Scotland to look at the efficacy and reach of work in this sphere already taking place by organisations and vendors across Scotland. This will provide a cost-effective and sustainable path towards delivering on Scottish Government digital inclusion ambitions.

Original Connecting Scotland

- A single model where kit is gifted to recipients
- Connection extended on an ongoing bases
- Cost of ongoing internet support prohibitive
- Inflexible in terms of device reuse where no longer needed
- Not economically sustainable for the programme
- Does not help foster sustainable inclusion for recipients

New Connecting Scotland

- A series of models where kit and connectivity benefit more than one recipient
- Find ways to support those organisations that already provide digital inclusion services
- Implement a longer term strategy to improve the digital inclusion landscape
- Make self-sufficiency for individuals easier to achieve

This can be delivered by building a service around the following principles:

- **establishing joint outcomes and connecting partners** to activate, support, connect and extend vital digital inclusion work already taking place in many organisations across Scotland

- **directing people to existing support** which will be an essential element of connecting partners, as outlined above. There are some quick wins possible here, for example, OFCOM estimate the only 3% of people eligible for social internet tariffs are taking them up. Full take-up could lead to multimillion pound savings for people in Scotland
- **increasing capacity and impact** by developing a portfolio of partnership programmes that will tell us how to combine digital inclusion support with social interventions to maximise the impact of government programmes and deliver societal, economic and individual benefits at scale
- **leveraging buying power and centrally sharing resources** to help lower the costs for organisations, vendors and Local Authorities already providing digital inclusion solutions across Scotland
- **adopting one-to-many solutions** so that any government spending has the maximum impact and benefits as many people as possible. An example of this is to provide place-based connectivity in community spaces that can be accessed by many people (which can include warm banks) or making devices available via device libraries so that device reuse is maximized
- **providing direct support for acute need** to support those struggling most or who are most vulnerable and to help mitigate some of the worst aspects of the cost-of-living crisis
- **a focus on sustainability for** individuals to have device, connectivity training and support options that are sustainable for them. To have a financially sustainable Connecting Scotland programme that can deliver help within a defined cost envelope. To have a sustainable digital inclusion ecosystem in Scotland where an appropriate level of support is available to all.

4.2.1 Fulfilment of key objectives

A key objective for Connecting Scotland is to build stronger connections between partner organisations and establish joint outcomes. Activities proposed under this umbrella will form the basis and foundation for most of the options proposed in this FBC. These activities will therefore be referred to as 'systems and capacity building activities' in the options analysis.

The Connecting Scotland Programme will utilise and engage available components of the wider digital inclusion landscape in a more effective and well-connected system. Systems and capacity building activities build upon and accelerate government sponsored work that is currently ongoing or has been undertaken in this area previously, such as the Digital Participation Charter and place-based work.

There are 5 identified components to this: connecting the person, connecting organisations, the Public Sector, the Scottish Government and the Digital Citizen Unit. Each has associated priorities and responsibilities which co-exist across the components, varying in stakeholder perspective.

4.2.2 Connecting People

This involves identifying the right support for individuals. A Connecting Scotland hub would signpost and direct people to the appropriate resource, enabling people to develop essential digital skills and the resultant benefits in terms of opportunities, confidence and education.

The key areas of focus within this component are:

- Use of and access to training and appropriate devices where suitable
- Connectivity that meets clients' needs in the most suitable ways
- Learning support for those providing Digital Inclusion processes
- Confidence of clients
- Co-design approaches to enhance and enable successful and focused delivery of embedded Digital Inclusion protocols and procedures
- Signposting and advertising relevant resources that already exist and joining people up to the right support for them.

4.2.3 Connecting Organisations

This involves activating, connecting and extending the digital inclusion third sector, public sector and private sector landscapes through a range of network and capacity building activities. Key to this is identifying areas of interplay and gaps that would benefit from assistance and providing shared learning opportunities and approaches and joining up suitable connections for mutual benefit. There is an additional element of enabling organisations to transform their approaches to be more digitally inclusive and more capable of supporting and championing digital inclusion. Developing capacity in Environmental, Sustainable and Governance (ESG) policies and frameworks, particularly in the third sector, will support organisations to strengthen and curate appropriate applications to private industry for fiscal or other support. Further, Connecting Scotland has a role in providing and guiding communications to appropriately reflect key information in accessible ways.

The key actions and areas of focus within this component are:

- Digital Participation Charter revision and re-launch
- Digital Inclusion Action Plan (co-produced with key partners)
- A Scottish Minimum Digital Living Standard
- ESG Brokerage Support and procurement playbooks
- Delivery of embedded Digital Inclusion protocols and procedures

4.2.4 Connecting the Public Sector

This would involve working with key delivery partners and across local government and health arenas. Key to this is mapping the digital inclusion public sector actions already ongoing (e.g., the highly positive work happening in Renfrewshire) and identifying and exemplifying gold standard practice. By mapping and joining this

landscape we will aim towards more continuity, scaling, learning and more consistent citizen experiences across Scotland.

The key actions and areas of focus within this component are:

- Mapping the Digital Inclusion Public Sector
- Creation of a Scottish Digital Inclusion Alliance

4.2.5 Connecting Scottish Government

This involves positioning and identifying Connecting Scotland as the central government hub for device/connectivity and support provisions. It will involve influencing and managing relationships across directorates and enabling joined up governance and funding to direct effective, consistent and user-centred approaches to digital inclusion. This is especially important to deliver the principle of increasing the **capacity and impact** of government programmes. It would build on existing partnerships (Child Poverty, Social Housing; Mental Health; Social Care) and expand to be the government's internal touch point for digital inclusion support.

The key actions and areas of focus within this component are:

- Delivery of embedded Digital Inclusion protocols and procedures
- Co-creation of design standards featuring Digital Inclusion information
- Developing communications and marketing that positively impact Digital Inclusion
- Creating a network of Digital Inclusion Champions inside Scottish Government
- Providing access to the best market pricing for Digital Inclusion actions

4.2.6 Connecting through Digital Inclusion Action Plan

This involves effectively and accessibly sharing the story of Digital Inclusion, sharing best practice and contributing towards the refinement of policy areas such as a Scottish Minimum Digital Living Standard (MDLS), the Digital Participation Charter, the Scottish Digital Inclusion Alliance and development of Digital Ethics across government. There is potential to develop a 'gold standard' recognition programme (through the Digital Participation Charter) for all organisations, businesses and individuals working across the nation to enable them to be easily recognised as reputable, reliable, and informed. This could work on a similar basis to 'Trusted Traders' and support public and business recognition of Digitally Inclusive actions being taken.

The key actions and areas of focus within this component are:

- Co-creation of the Digital Inclusion Action Plan and delivery of milestones at the right time
- Creation of the Scottish Digital Inclusion Alliance
- Revision of the Digital Participation Charter

Undertaking these activities would make existing support services much more visible to potential users, give users a more joined-up experience where different digital inclusion needs can be met at the same time and in the same place, and improve the capacity of the system overall to help more people.

4.3 Future service model options and recommendations

5 service model options for Connecting Scotland were analysed in terms of costs against potential to address digital inequality:

1. Closure of the Connecting Scotland programme
2. Systems and capacity building activities plus partnership programmes
3. Urgent needs support (includes 2)
4. Delivering digital inclusion to 300,000 over an extended timescale (includes 3)
5. Delivering digital inclusion to 54,000 over 3 years (includes 3)

4.3.1 Detailed outline of options

The tables below show a summary of each option, providing detail on the recommended decisions.

4.3.2 Option 1

Option 1	**Closure of Connecting Scotland Programme**
Overview	Transition towards end of support as programme shuts down formally**.**
Key details	Option 1 would see Connecting Scotland close at end Q1 2025. Until this time, it would focus on undertaking actions which consolidate and share relevant knowledge gathered to date from the previous model. It would likely carry negative impact on existing clients as access to connectivity continuation, device repair, helpline support and digital champion training would cease to be available. The focus of this model is the recording and sharing of knowledge.
Key features	Using current levels of available digital inclusion funding Create an offboarding strategy for existing Connecting Scotland clients Creating legacy materials No delivery of kit, connectivity or support. Externally funded partnership programmes with other directorates would go ahead, but there would be no programme to build on this work within SG
Citizens directly supported to get online	0
Cost	Core Staff £0.76M per year Total cost £0.76M per year
Risk	• Significant reputational risk • Scottish Government unable to set national direction for digital inclusion • No further impact on reducing rates of digital inclusion
Duration	2 Years (to end of 2024/25)
Connectivity models	None
One-to-many models included	Publicising Social Tariffs and other options to existing Connecting Scotland users
Systems and capacity building activities	None
Recommendation	Not recommended

4.3.3 Option 2

Option 2	Systems and capacity building activities plus partnership programmes
Overview	Provides the opportunity to explore in detail essential components required for long-term, sustainable Digital Inclusion approaches.
Key details	Focusses on creating and delivering a strategic plan for tackling digital inclusion across Scotland in partnership with third sector, government and industry. System and capacity building activities will assist these programmes to find sustainable sources of funding and a viable home within the wider landscape of support. This option also includes funding additional partnership programmes to provide direct support to citizens that will verify the potential of one-to-many support models and provides necessary rigorous groundwork to establish a future programme.
Key features	This option would combine learning (to refine one to many models) with delivery within partnership programmes. It would enable the evaluation of one-to-many models in different contexts and set the best approaches for delivery, distribution, reach, etc System and capacity building activities will assist partnership programmes to find sustainable sources of funding and a viable home within the wider landscape of support. Funding for the partnership aspect of this option can be on a sliding scale from supporting between 4000 and 16000 people online over 27 months
Citizens directly supported to get online	Between 4000 and 16000 depending on funding made available to this option
Cost	Core Staff £0.76M per year Grant to SCVO £308,000 (first year) Partnership programme costs (one to many models) £360,872 to bring 4000 (est.) people online

	£977,552 to bring 16000(est.) people online
Risk	Some level of reputational risk as this will not end digital exclusion. However, this option does provide grounding and rationale for the long-term future of the programme as well as an element of delivery capacity depending on funding level
Duration	2 years (to end of 2024/25)
Connectivity models	All can be tested thoroughly via partnership programmes
One-to-many models included	All can be tested thoroughly via partnership programmes
Systems and capacity building activities	All included
Recommendation	Recommended as an option

4.3.4 Option 3

Option 3	Urgent needs support (**includes 2**)
Overview	This option extends option 2 to include a greater component of delivery for those most at need or most vulnerable in society.
Key details	In addition to the work outlined in option 2, this option would engage with relevant associations and organisations and charities, with particular focus upon those who have urgent needs such as: acute financial need due to cost of living crisis, victims of domestic abuse, those experiencing homelessness and victims of trafficking.
Key features	This option differs from earlier models in that it includes an explicit element of direct support in addition to systems and capacity building activities and partnership programmes. This support will be targeted at those in acute need or humanitarian situations and be aligned with policy priorities (e.g., low-income households with children) Delivery may include elements of 1-to-1 support as the most appropriate way to meet acute need and be delivered like the original Connecting Scotland model until one-to-many models are proven and can be extended to these user groups. This model can be combined with model 2 and the balance between partnership programmes and direct delivery for urgent need can be adjusted depending on an assessment of priorities.
Citizens directly supported to get online	Up to 40000
Cost	Core Staff £0.76M per year Systems and capacity building activities £152k per year Cost of one-to-many model support: £2,210,912 **Total cost: £4,274,270 over lifetime of current parliament.**
Risk	Some level of reputational risk. However, this option does provide grounding and rationale for the long-term future of the programme as well as an elevated level of direct delivery with a focus on those most in need.

Duration	2 years (to end of 2024/25)
Connectivity models	All can be tested thoroughly via partnership programmes
One-to-many models included	All can be tested thoroughly via partnership programmes
Systems and capacity building activities	All included
Recommendation	Not recommended for financial year 2023/24 but could be reconsidered in future years

4.3.5 Option 4

Option 4	Delivering digital inclusion to 300,000 over an extended timescale
Overview	Allows for continuation of systems and capacity building activities and seeks to deliver to the scale set out in the manifesto, but over a longer time frame to account for the changed funding landscape.
Key details	Option 4 would see Connecting Scotland run under the Scottish Government for a maximum duration of 5 years and deliver internet access to 300,000 people during this timeframe. This would be achieved through one-to-many models with 300,000 people receiving support from the service without unlimited time access to devices or connectivity.
Key features	Partnership programmes in year 1 will establish CS as a centrally funded managed service over subsequent years. Lower costs are possible via a front-end programme like Option 2 which will identify highest value for money approaches to take forward. This option can work across the largest number of policy areas and so be able to enhance a wider range of key government initiatives with digital inclusion support e.g., in health, social care, employment, education.

Citizens directly supported to get online	up to 300,000
Cost	Total funding over 5 years (one-to-many models): £18,634,379
Risk	This option presents less reputational risk. The effectiveness of one-to-many approaches would have to be proven to deliver at scale for a relatively low cost (£18M)
Duration	5 years
Connectivity models	All can be tested thoroughly via partnership programmes
One-to-many models included	All can be tested thoroughly via partnership programmes
Systems and capacity building activities	All included
Recommended	Not recommended

4.3.6 Option 5

Option 5	Minimum funding model + Most of systems and capacity building activities
Overview	Allows continuation of systems and capacity building activities and seeks to deliver direct support at a level higher than options 2 and 3 up to 54,000 people.
Key details	Has a greater emphasis on increased levels of direct delivery than options 2 and 3
Key features	Allows for continuation of systems and capacity building. Includes a larger proportion of direct support. This option can work across a greater number of policy areas (than options 2 and 3) and so be able to enhance a wider range of key government initiatives with digital inclusion support e.g., in health, social care, employment, education.

Cost	**Total funding over 3 years (one-to-many models): £5,424,947**
Risk	Other than option 4, this option has the highest proportion of direct delivery. The effectiveness of one-to-many approaches would have to be proven to deliver at scale for a relatively low cost
Duration	3 years
Connectivity models	All can be tested thoroughly via proof-of-concepts
One-to-many models included	All can be tested thoroughly via proof-of-concepts
Systems and capacity building activities	Prioritised elements of systems and capacity building to be included
Recommendation	Not recommended

The following additional models were identified as unsuitable and are not being considered in further depth.

4.3.7 Option 6

High-cost urgent needs long-term programme

This option would involve a sole focus on crisis and humanitarian-related responses only each year.

This option was not investigated further for the following reasons:

- Duration of over 15 years would not align with the urgent needs of target users
- Giving away devices and connectivity as per the original programme but in the present financial climate, means this proposal would cost over £30 million more than previous estimate of £200 million
- This model fails to address or meet the needs of groups beyond those in extreme crisis situations
- The slow roll out means that there is a risk that the programme would need to adapt and change the responses for digital exclusion and digital poverty over time as needs change

- As this model retains the gifted model approach, suppliers will not engage. It does not demonstrate environmental sustainability.

4.3.8 Option 7

Connecting Scotland transforming into a separate entity over 5 years

This would involve 5 years of government funding, followed by Connecting Scotland transforming into a separate entity that can apply for Government funding and support which would reduce over time.

This option was not investigated further for the following reasons:

- Giving away devices and connectivity as per the original programme but in the present financial climate, this proposal would cost over £9 million more than the original estimate of £200 million, and would also require £41 million per year to maintain
- This model requires time and money to resolve legal, corporate and governance issues involved in setting up Connecting Scotland as a separate entity.
- As this model retains the gifted model approach suppliers will not engage
- There are no guarantees that suitable funding alternatives will be available
- In a situation where no suitable funding is identified and accessed, the Scottish Government would be responsible for funding the programme
- This is not recommended at the current time due to uncertainty over the potential for funding, high set-up costs and governance.

4.3.9 Option 8

Connecting Scotland on a 4-year tapered funding programme, working towards separate entity status throughout the proposed duration.

In this scenario, over the next 4 years Connecting Scotland would receive gradual reduction of access to Scottish Government funding while alternative funding routes are identified. Connecting Scotland would transform into a separate entity at the end of this period.

This option was not investigated further for the following reasons:

- Giving away devices and connectivity as per the original programme but in the present financial climate, this proposal relies on additional sources of funding in addition to support from the Scottish Government.
- Using a one-to-one approach would only enable support to be provided to 100,000 people
- This reduced total figure would only be reached if additional funding avenues were accessed and identified in a timely manner.

- This model requires time and money to resolve legal, corporate and governance issues involved in setting up Connecting Scotland as a separate entity as this model retains the gifted model approach suppliers will not engage.
- There are no guarantees that suitable funding alternatives will be available
- In a situation where no suitable funding is identified and accessed, the Scottish Government would be responsible for funding the programme
- This is not recommended at the current time due to uncertainty over the potential for funding, high set-up costs and governance.

4.3.10 Option 9

Connecting Scotland operating using an external funding model

Connecting Scotland would receive minimal government support for the next 3 years that would only cover the costs of SG staff. The process of setting up Connecting Scotland as a separate entity and identifying alternative sources of funding would begin immediately.

This option was not investigated further for the following reasons:

- This model will not meet the needs of the most vulnerable groups.
- This model is unable to meet user needs significant funding from the private sector
- This model requires time and money to resolve legal, corporate and governance issues involved in setting up Connecting Scotland as a separate entity

4.3.11 Option 10

Connecting Scotland taken over by SCVO

In this scenario, Connecting Scotland would cease to be managed by a central government team. SCVO would take over management, funding, governance and all aspects of delivery for the programme.

This option was not investigated further for the following reasons:

- It was not the preferred option of SCVO as a key delivery partner
- There would be no further provision of support or information to existing customers

4.4 Connectivity and procurement options for Connecting Scotland

This section details the different options for connectivity and procurement that can be used for Connecting Scotland. This, combined with the service model options

presented in the previous section, presents an overview of the diverse ways the programme can support clients.

The original Connecting Scotland model provided one-to-one support through the gift of devices, connectivity and training to people on a low income who were digitally excluded during the COVID-19 pandemic. While being a highly valued and impactful programme it also had several drawbacks and does not provide a sustainable model for improving digital inclusion during times of non-pandemic and over longer timescales. These drawbacks have been explained earlier in this document, but essentially, they hinge around the fiscal sustainability of the programme and the ability of end users to become digitally included in ways that are sustainable for them.

The proposal for the new programme is to instead adopt one-to-many models as solutions for digital inclusion that provide better value for money for government investment and enable support to be provided within a fixed cost base. While each of the models will support individuals with access to devices, connectivity and/or training, this will not always guarantee long term digital inclusion for the recipient. There will always be the risk that when their support ends people will face a cliff-edge and be digitally excluded once again. For this reason, each model needs to be accompanied by a 'pathway to sustainability' whereby individuals receiving support can achieve more long-term digital inclusion in a way that is sustainable for them.

The different models for connectivity are outlined below. Different solutions can be chosen according to the needs of each client or group. This allows the programme to deliver more flexibly and efficiently so the models are detailed below alongside benefits of each.

4.4.1 Hub Connectivity (fixed Wi-Fi connectivity at a site)

Like existing library provision, hub connectivity provides a place where citizens can access free high-quality Wi-Fi, digital skills support, devices and a 'front door' to a range of support services relating to welfare, personal finances, employability and so on. Installing Wi-Fi connectivity in strategic locations such as community centres and within areas of deprivation allows many people to get online within a fixed investment profile. Positioning hubs where place-based support is already being provided and poverty alleviation programmes are in place (run by Local Authorities or third sector organisations) means that digital inclusion support can be used to boost the effectiveness of other support on offer.

For example, helping someone to complete their universal credit claim can be coupled with the skills training so that they are able to manage their UC journal independently and less likely to lose benefits through failing to complete entries. Hub Connectivity could also be combined with community 'warm banks' to add an additional level of support for those most affected by the cost-of-living crisis.

Hubs will be places where, through encouragement and support, people gain digital skills and gain confidence in using the internet and their device and are able to achieve this more by themselves. Hubs will also provide a 'front door' for digital inclusion assistance, including information about social tariffs and local digital inclusion support, such as repair shops, availability of refurbished devices and other modes of accessing digital support. A 'bring your own device' facility will allow clients to get advice based on platform they will be using away from the hub.

4.4.2 Device Libraries

Arranged through Mobile Managed Device Service offered by suppliers (that help meet GDPR requirement by 'cleaning' a device when it is returned), library provision would allow individual devices to be used by many clients. Device libraries can meet several types of need, including gaining access to a machine while a personal device is being repaired; where a specialist device is needed for a fixed period, such as completing a college course; or where someone wants to build confidence and digital literacy before committing to purchasing a device themselves. Device libraries can be incorporated as part of other many-to-one models, such as being available within Hubs.

Loan of devices provides bridging support for someone to buy a device for themselves and by building confidence in diverse ways. Someone with a limited budget can build confidence in which device they need by having options they can try without any financial outlay. Support for digital skills would be built in in ways depending on the context where the device library is deployed.

4.4.3 Recycling devices within the system

Devices that have been loaned several times and that are beyond their warranty can be 'recycled' within the system either to be gifted to someone with an acute need or become an available device on the refurbished device market. This would optimise the lifespan of the devices delivered within the new Connecting Scotland Programme, ensure they are used to their maximum capacity and contribute to the programme's environmental benefits. This option improves an individual's ability to be online in a way that is sustainable for them by helping to increase the availability of low cost or free devices within the system.

4.4.4 Pools of connectivity and devices managed by organisations on behalf of the client base

This model is a way that the new Connecting Scotland can supply elements of direct support for clients, particularly where there is acute need. In contrast to the original Connecting Scotland 'gift' model, this model works on a many-to-one basis. Instead of applying for devices and connectivity in fixed application rounds (the original mode), organisations are given a pool of devices and connectivity that they can distribute on a basis which they choose. This has the advantage that decisions about who is supported are made by professionals who understand their users' needs best.

Allocation would be carried out through a portal supplied via Connecting Scotland and device delivery, collection and management would be handled by our supplier via a costed managed device service. This will ensure there will be a low overhead for participating organisations which will be crucial to ensure that running the system, whilst requiring staff time, does not become a drain on their resources. For each partner, an assessment of user needs, a detailed service design and a trial period will ensure a straightforward process for staff and clients. Use of the portal will also supply management data to support accountability and data to Scottish Government to assess impact of the scheme. When devices or connectivity are no longer needed by clients they will be returned to the pool and distributed to new clients as needed.

This model ensures a fixed annual cost for connectivity and device support and thus is considered better value for money than a gifting model. The duration of support will vary between clients, and it will be up to the supporting organisation to decide how it manages this. This approach is the one that will be deployed for the delivery packages proposed in the next section, which includes elements of direct support from the new Connecting Scotland programme. Victim Support Scotland and the Family Nurse Partnership will be our initial partners take part in a proof of concept. and followed by full delivery. They have been chosen on the basis that they can target support to those who have acute need and those within the priority family groups.

Given that clients will only receive support for a finite (if not fixed) duration then the sustainability for clients of this model is crucial. In many ways it forces us to address the sustainability problems of the original programme, where some users already face a ‘cliff edge’ as their connectivity runs out and their device breaks or becomes obsolete. Within this model it is crucial that the support package for clients includes help to transition to device and connectivity options that are sustainable for them and to ensure they have the skills and confidence to make this transition.

When developed, this package will link together several resources, such as information about affordable tariffs (which users find hard to navigate) and sources of refurbished devices (which users are often unaware of). It will benefit from the work undertaken in systems and capacity building activities to connect partners, both in the short term via better information and access to local resources, and in the longer term by engendering greater capacity and effectiveness within the system.

4.4.5 Promotion of social tariffs

Helping people to navigate a complicated broadband / connectivity market is one of the easiest ways Connecting Scotland can support people. A recent Ofcom report reveals that only 3% of those eligible for social tariffs take advantage of them and it is thought this is because they are not widely known about. Research from Connecting Scotland’s users shows that few are aware of social tariffs or some of

the cheaper mobile connectivity packages on the market while *Which* research shows up to two thirds of those eligible have never heard of social tariffs[44].

Based on Ofcom figures, it is estimated that there are around 340,000 recipients of Universal Credit who could benefit from a social broadband tariff, which could deliver upwards of £40M savings to people of Scotland. Systems and capacity building would include activities to promote uptake of appropriate tariffs across Scotland as well as influencing service providers to tune their offers to better meet the needs of recipients. We will look to influence even lower social tariffs and influence providers to market social tariffs more effectively to people who would benefit from them.

This is an option that improves an individual's ability to be online in a way that is sustainable for them by helping them to navigate the market to find appropriate options.

4.4.6 Social Housing Connectivity

Roughly 30% of the Scottish population live in Social Housing, 20% of whom will have lower digital skills than average. There is approximately a 15% gap in internet access across social housing and other tenures and 25% of social renters have children. Lack of connectivity to these households has a direct negative impact upon educational attainment. Thus, supporting social housing providers to supply low-cost connectivity packages and skills support for their tenants will be an important way of delivering cost-effective one-to-many support at scale across Scotland.

While there are a few housing associations that already provide this type of service, there are barriers for many that arise from the nature of the housing stock, lack of easily adaptable connectivity models and lack of capacity within the association to develop this type of programme. Our partners in health and social care have an incubator programme looking at how to develop this area, the outcomes of which can be picked up and implemented by the new Connecting Scotland programme.

This is a possibility that improves an individual's ability to be online in a way that is sustainable for them by supplying a low-cost connectivity possibility for their home.

4.4.7 Buying groups

Supplying centralised buying power and using government procurement frameworks could be a systems and capacity building activity that helps organisations providing digital inclusion support to buy devices and connectivity at a much lower cost than they are able to negotiate individually. All the organisations consulted in the development of this FBC indicate that price is a significant barrier to being able to increase the numbers of people they can support. This could be a significant way to bolster existing digital inclusion provision with a small amount of central investment and coordination. The commercial section of this FBC covers the existing

[44] Broadband social tariffs: awareness and concerns about the speeds offered are hampering take up - Which? Consumer Insight

relationships that can be used to develop this aspect of systems and capacity building activities.

4.4.8 Promoting discounts and supporting free services (e.g., device repair)

Provision of discounts or supplying certain services through Connecting Scotland, e.g., the repair of a broken device, could be a low cost and high impact way of supporting people on a low income to remain online. This type of intervention will be investigated as a sustainable long term support strategy for offboarding and for supporting organisations.

4.5 Critical Success Factors

To assess options using a consistent method, the team identified a set of critical success factors (CSF) closely related to those proposed by HM Treasury. This is a key part of the standard methodology employed for evaluating business case options and provides a useful framework to be able to score options against each other.

Critical Success Factors (CSFs), described below, were applied to each of the service model options in turn. Options were scored against each CSF within a range of -3 (where they didn't perform against the CSF) and +3 (where it was estimated that they responded fully to the CSF).

The CSFs are outlined below.

CSF1, Strategic fit and business needs:

- Does this option align with Scottish Government's digital strategy and digitally related policies?
- Does this option align with the Programme for Government?
- Does the option align with the National Performance Framework?
- Does this align with child poverty reduction targets?
- Does this align with poverty reduction policies?
- Does this support employability targets?
- Does this enhance equalities?
- Does this enhance fair access to equalities?
- Does this improve the uptake of digital services?

CSF2, Requirements fit / User Needs:

- Does the option meet identified user requirements as defined by the user needs emerging from the Connecting Scotland research?
- Does this provide access to a suitable device?
- Does this provide access to sufficient data allowance?
- Does this provide access to appropriate connectivity?
- Does this provide access to appropriate training and support?

- Does this allow for a benchmarked level of service?

CSF3, Potential Value for Money (VFM):

- Does this option provide ROI in terms of economy, efficiency and effectiveness?
- Does this help consolidate to a single spend for Government on digital inclusion?
- Does this help consolidate to a single spend for operational cost to the third and private?
- Does this offer procurement efficiencies through economies of scale?
- Does this enhance equality of life for people in Scotland?
- Does the future impact of this carry fiscal benefit for the people of Scotland? (Will it save them money in their pockets).

CSF4, Potential achievability:

- Is the scope of work to be delivered by this option sufficiently understood so that the Scottish Government can confidently deliver it?
- Can it be implemented to work with current third sector delivery models?
- Are the skills in the organization available to deliver and maintain the service or can they be found?
- What level of change is required to use this option at front line service delivery?
- Is the scope of work to be delivered by this option sufficiently understood so that the Scottish Government can confidently deliver a usable service within four years?

CSF5, Supplier capacity and capability (Devices and connectivity):

- Is the market able to support delivery of the preferred option?
- Are the selected contractual vehicles flexible enough to cope with the needs of the proposed option?
- Has the delivery of the option been proven previously on the marketplace?
- Is the delivery of the option awaiting Proof of concept to provide proof of impact and capabilities on the marketplace?
- Are the selected contractual vehicles flexible enough to cope with future service development?
- Are the skills in the organisation available to deliver and maintain the service or can they be found

CSF6, Supplier capacity and capability:

- Is the market able to support delivery of the preferred option?
- Are the selected contractual vehicles flexible enough to cope with the needs of the proposed option?
- Has the delivery of the option been proven previously on the marketplace?

- Are the selected contractual vehicles flexible enough to cope with future service development?
- Are the skills in the organisation available to deliver and maintain the service or can they be found?

CSF7, Potential Affordability:

- Does this option pay for itself in part or in full based on savings of the business case?
- Are sufficient funds available to deliver this option based on known implementation costs?
- Are contingency budgets available to cover for unknown budgetary requirements identified through optimism bias analysis?

CSF8, Extensibility and scalability:

- Does this option represent a financial risk for the Scottish Government, for instance in terms of delivery?
- Does this option represent a reputational risk in case of failure?
- Is this option scalable/sustainable?
- Does the option provide resilience for the service — (reducing single points of failure/ security risks e.g., data through systems processes and staff)
- Has the option been assessed or designed to be secure and is there a high associated level of risk?
- Does the option lock the Scottish Government into a supplier which will prove difficult to change?
- Does the option lock the Scottish Government into an architecture which they will not be able to change?
- Does this option enable public sector organisations to solve current operational problems?
- Does this option tackle inequalities?
- Does this option represent a reputational risk in case of failure?
- Is this option scalable/sustainable to respond to increasing or decreasing levels of digital exclusion in Scotland?
- Does this option simplify the operation of the service?

Each CSF was given the following weights based on their relative importance to achieve the best outcome for the citizens of Scotland:

- CSF1 - 13%
- CSF2 - 14%
- CSF3 - 12%
- CSF4 - 14%
- CSF5 - 10%
- CSF6 - 12%

- CSF7 - 10%
- CSF8 - 15%

Each of the categories was scored by a team member with the expertise in the category and checked by a different member of the team and agreement reached over any discrepancies. The outcome of the exercise with weighting applied is summarised in the table below. Option 2 scores most favourably across the balance of criteria.

CSF Ref	Description	Option 1	Option 2	Option 3	Option 4	Option 5
CSF1	Strategic and Business fit	-0.39	0.39	0.35	0.39	0.36
CSF2	Requirements fit/user needs	-0.42	0.14	0.28	0.28	0.28
CSF3	Potential value for money	-0.36	0.2	0.24	0.26	0.24
CSF4	Potential achievability	0.252	0.02	-0.08	-0.22	-0.25
CSF5	Supplier capability and capacity (Devices & Connectivity)	0	0.18	0.18	0.18	0.18
CSF6	Supplier capacity and capability (Skills training and additional support services)	0	0.26	0.26	0.26	0.26
CSF7	Potential affordability	0.26	0.2	-0.133	-0.3	-0.17
CSF8	Extensibility and Scalability	-0.1	0.125	0.125	0.025	0.025
	Total	**-0.66**	**1.53**	**1.22**	**0.87**	**0.96**

4.6 How the proposed service model options meet programme goals

The following section considers how the options outlined match the project goals stated in the strategic case and how each of the options will deliver the benefits of digital inclusion for individuals and for society.

Goals of the new Connecting Scotland programme:

- **Bring more people online.** Get people sustainably online though motivation, skills, and access to devices and connectivity
- **Prioritise those with urgent need and align with government priorities.** Ensure support for those in urgent need and align support for delivery government priorities (inc. child poverty, health, social care, employment and education)
- **Ensure that getting online is affordable.** Increase opportunity in terms of connectivity and how this can be affordable for all
- **Remove barriers organisations face delivering digital inclusion.** Bring all digital organisations under one alliance, where resources, expertise and knowledge is shared in a collective manner to build the digital capacities of our nation
- **Ensure the programme is affordable.** Explore, implement and promote affordable and sustainable options for Digital Inclusion

Outcomes delivered if these goals are met:

- People can access the benefits of being online to improve their wellbeing and their financial situation. Deliver the societal benefits of digital inclusion including Reducing inequality, reducing poverty, a more skilled workforce, higher levels of education, cheaper and more effective delivery of government services, lower unemployment and a healthier population.
- Reduction in inequality and poverty. Boost outcomes of government programmes - greater employment, more access to healthcare etc
- Reduction in inequality and poverty.
- Increase efficiency of DI provision across Scotland
- Maximise the delivery of the above outcomes
- Delivery of the above outcomes provides value for money. Using one-to-many approaches could lead to more affordable solutions. Systems and capacity building would make digital inclusion activities being delivered by existing organisations more efficient and effective at a low cost to SG.

How far the proposed options will go to meet these goals:

- Options 2, 3, 4 and 5 contribute directly to this goal by funding one-to-many initiatives to get people online.
- They will also bring people online via systems and capacity building work. Improved systems and capacity will provide sustainability for people to stay online
- The greater reach of Options 2, 3 and 4 in getting people online would mean that support could align with many government priorities.
- Option 2 would also meet this goal indirectly via systems building although it would offer less potential to align directly with government priorities and urgent need.
- Options 2, 3, 4 and 5 support people to get online. People will be able to get online via partnership programmes for free. With greater funding, a wider range of groups can be targeted to more broadly tackle inequalities
- Systems building would have a direct impact though intensive work with organisations and addressing the barriers they face (Options 2 to 5).
- Funding for partnership programmes will help us learn how organisations can be best supported and help make the system and capacity building work more effective.
- Options 2 to 5 will involve one-to-many models of support as cost effective alternatives to the gift model of the original programme.
- Systems and capacity building (included in all options) would make digital inclusion activities being delivered by existing organisations more efficient and effective at a low cost to SG.

4.7 Conclusion

From the critical success factor scoring and consideration of the current financial restrictions, options 2 is the recommended option. Option 2 offers full systems and capacity building activities that will maximise the effectiveness of existing digital inclusion work already taking place across the third sector, government and industries. Where other departments have funding in place, Connecting Scotland will help them to identify and procure solutions that provide best value for the public purse and to connect them up with organisations that can provide support and training for their clients. This option also expands the level of support available to departments that have no identified funding, to provide limited amounts of capital funding and advice on accessing grants and external funding sources.

Option 2 has a high value for money aspect, as full delivery of systems and capacity building activities will be a key investment in the digital inclusion landscape that activates, connects and extends existing provision. Investing in partnership programmes helps set the foundation for future-focussed programmes.

Connecting Scotland will have to work alongside other SG departments where digital inclusion aligns with their policy outcomes – including areas such as Health, Housing and Social Care. The team will use the research, contacts and experience from

running the programme during the pandemic to help other departments find the best solutions for their users. They will apply the principles of the Scottish Approach to Service Design alongside the output of research to ensure that solutions are designed according to user needs and that these are continuously updated.

Closure of the Connecting Scotland programme (option 1) is likely to have significant negative impacts on the digital inclusion landscape. With no support and no future or long-term co-ordination to enable digital inclusion, already disadvantaged people across Scotland will be further negatively impacted by the issues affecting digital accessibility. Closure of the programme would fail to build on the success of the original programme as those original recipients will have fewer opportunities to find options that are sustainable for them.

Option 2 scored highest critical success factor analysis (section 4.5), with Option 3 coming in second. The analysis balanced several criteria for successful delivery of a programme including aspects such as impact, viability, affordability. Options 3, 4 and 5 scored less well overall and particularly on affordability and achievability due to uncertainties associated with the larger ambition of these options.

However, options 3, 4 and 5 fared better with strategic and business fit as greater reach would mean better outcomes in relation to the National Performance Framework and policy objectives. Despite this greater reach, particularly of options 4 and 5, the capacity and systems building work which is built into all options should have a significant impact on digital inclusion rates over 3 to 5 years reducing the need direct intervention by programmes like Connecting Scotland in the longer term. This mitigates against options 3 and 4.

Options 3, 4 and 5 have been ruled out due to the current financial climate and the levels of funding required, although there is room to look at how options 4 and 5 are balanced and direct more resources in option 2 to urgent needs support. Discounting options 3, 4 and 5 means that none of the recommended options would meet the SNP manifesto commitment of delivering internet connectivity to 300,000 people by the end of the current Parliament. The reputational risk this involves must be balanced by a recognition of the changed circumstances in terms of funding and government priorities since this Manifesto commitment was made.

5. Commercial Case

5.1 Introduction

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured deal between the public sector and its service providers. The commercial case for the next phase of Connecting Scotland sets out to appraise the commercial arrangements and procurement solutions currently in place for the project**.** This will help gain an understanding of any changes that may be required within the commercial arrangements and procurement strategy for the next iteration of the initiative dependent on the delivery model approved.

5.2 Overview of the procurement strategy for 4G & 5G mobile connectivity and web based proprietary devices

The procurement process for the award of the National Frameworks for Web Based and Proprietary Devices was conducted by the Collaborative ICT Team at Scottish Procurement. The development of the procurement strategy followed a robust process in accordance with the best practice established in the Procurement Journey. The strategy was developed with input from the supplier market and endorsed by a User Intelligence Group, with representation from across the Scottish Public Sector. The procurement followed the 'Open' procedure; this was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 and sought to appoint a single supplier to deliver the Framework requirements. The contract was awarded to the most economically advantageous tender following a comprehensive tender exercise.

5.3 Overview of current contractual arrangements

The current Framework supplier of devices is XMA. All Scottish public sector organisations have access to this Framework and can place orders directly with XMA. Each call-off contract will be based on the Standard Terms of Supply (Schedule 5) of the Framework Agreement.

The current Framework provides access to a range of web-based and proprietary devices, with savings of up to 8.55% (depending on the category of device supplied) when compared with other frameworks. Devices are supplemented by a range of accessories and services. Since established on 30 November 2019, nearly 500,000 core devices have been supplied via this Framework. There were 63,603 devices supplied to Connecting Scotland.

The Framework secures a diverse range of products, which offers Scottish public sector organisations choice, at market leading prices. In addition, there is a range of competitively priced upgrades, accessories and services, which complement the core devices.

The Framework delivers significant cash savings and environmental benefits, including a reduction in carbon emissions through the inclusion of the latest environmental and energy efficiency certification. It satisfies demand for new and emerging requirements through a process of continuous improvement, throughout the life of the agreement.

The Framework provides one central point of ordering and contract management covering warranty, insurance, and general supply enquiries. The Framework addresses the Scottish Government's and Scottish public sector organisations' aspirations regarding ethical, social, economic, environmental and sustainability issues.

5.4 Charging mechanism in respect of XMA

The individual core elements of the Framework Agreement feature individual pricing methodologies: All three charging mechanisms will apply to Connecting Scotland

- Proprietary Devices – a minimum discount from list prices to be applied for the duration of the framework. (Apple & Microsoft Products)
- Web Based Devices – fixed price for the duration of the framework, subject to a Variation of Price clause based on movements in the £/US$ exchange rate. (HP Chromebook)
- Thin Client Devices – cost-plus, fixed for the duration of the framework.

The specific charging mechanism for web and proprietary devices is provided by XMA and is available on the Scottish Government procurement knowledge hub.

5.5 Connectivity contractual arrangements

The mobile voice and data services framework was awarded to Vodafone for a 3-year period (2 plus 1) in March 2020 and is due to be replaced in March 2023.

Scottish Government Terms and Conditions form the terms of the framework. A simplified order form was subsequently agreed with Vodafone for Framework public bodies to sign their call-off contracts; these contracts encompass the Standard Terms of Supply (Schedule 5). All Scottish public sector bodies can use the framework, except for the health sector who have their own arrangements in place.

The framework covers a wide range of mobile services, devices and accessories – it incorporates innovation and continuous improvement, including the provision of the latest generation of 5G connectivity and mobile data Internet of Things services.

The Connecting Scotland programme has benefitted through a reduced tariff providing unlimited data for users and free-of-charge MiFi connectivity devices provided by Vodafone; this resulted in significant savings for the programme.

There are single user social tariffs that are currently and widely advertised. These tariffs initially appear to be good value, but they are not unlimited data and are short

term duration. Connecting Scotland is currently exploring a method of maximising connectivity with Vodafone, by aggregating and balancing data usage. This could benefit users by maximising available data and help Connecting Scotland by maximising cost effectiveness.

5.6 Charging mechanism in respect of Vodafone

The framework prices agreed with Vodafone are firm for the duration of the framework and associated call-off contracts. For the future iteration of Connecting Scotland there may be a need to request a price for a special project for example hardware associated with providing connectivity in a community space. This will be carried out via the proper procurement framework procedure.

5.7 Commercial benefits of the existing arrangements

The incumbent suppliers have experience in delivering similar scale projects. The frameworks provide access to 4G & 5G mobile data connectivity and digital devices at market leading prices.

Vodafone is one of the four mobile telecommunications network operators licensed to operate in the United Kingdom. They have been at the forefront of the development of cellular mobile communications since their launch in January 1985 and are currently rolling out their latest high performance 5G mobile network technology. Connecting Scotland benefits from having access to these developments and has an excellent working relationship with Vodafone at a local and national level.

XMA are approved distributors of IT technology for Microsoft, HP, Google and Apple. Connecting Scotland benefits from the client support services XMA provides from their national operations centre along with the local support they deliver from their Scottish office.

Vodafone and XMA have a record of accomplishment of providing commercial benefits to Connecting Scotland across the previous phases when the primary focus was on a “one to one” user delivery model. The future iteration of Connecting Scotland will include elements that focus on a “one-to-many” user delivery model.

Vodafone can contribute future commercial benefit via the provision of 4G and 5G wireless technology for place-based connectivity and enhanced options for maximising the capacity and cost effectiveness of mobile data usage.

XMA can contribute future commercial benefit via their enhanced service model which streamlines and adds value to the delivery and support of devices. XMA via their relationships with Microsoft, Apple and HP/Google are already contributing commercial benefit in terms of digital skills training and device accessibility support.

5.8 Commercial risks of the existing arrangements

The national framework agreements for both 4G/5G mobile data connectivity and digital devices are due to expire during 2023: the agreement with Vodafone is due to expire at the end of March 2023 and the agreement with XMA at the end of November 2023. The current suppliers may or may not be successful in retaining their respective framework agreements. Should there be any changes to the current procurement arrangements, provision has been made by Scottish Government procurement to ensure Connecting Scotland can continue to obtain devices and connectivity.

There is an additional commercial risk if Connecting Scotland does not receive sufficient quantum of funding to participate within the existing models of procurement. If Connecting Scotland is unable to purchase enough goods or services, there is a risk that the programme may miss the favourable prices available on the Frameworks. If Connecting Scotland is no longer a purchaser, then there is the risk that the commercial relationships with suppliers would fundamentally change or even cease to exist.

5.9 Overview of contractual arrangements with service delivery partner - Scottish Council for Voluntary Organisations

Connecting Scotland has a service delivery partner: the Scottish Council for Voluntary Organisations (SCVO).

Before the pandemic, addressing digital exclusion was a key priority for the Scottish Government, as outlined in the 2017 publication Realising Scotland's Full Potential in a Digital World: a Digital Strategy for Scotland. Many targets had been met since publication of this strategy, including a coordinated partnership approach to addressing digital exclusion; introduction of a Digital Charter; and advances in broadband provision. Despite this progress, significant challenges to digital inclusion remained, especially to vulnerable groups such as older and disabled people and people in poverty.

As COVID-19 restrictions resulted in an accelerated move towards online provision of services, the impact of digital inequality became more pronounced, and the situation had to be dealt with as a matter of urgency. The Chief Design Officer of the Scottish Government published a Call to Action on 19 March 2020, inviting organisations and individuals to join forces to help tackle digital inequality. As leaders in the coordinated partnership approach already underway to tackle digital exclusion, SCVO took up the mantle immediately; sharing and answering the Call to Action and forming leading roles on the initial programme team set up to take forward this work, running the initial pilot projects. The output of this collaboration resulted in the formation of Connecting Scotland.

In the previous iteration of Connecting Scotland, SCVO were responsible for the purchase of connectivity and devices through the Framework suppliers, Vodafone

and XMA. They also arranged the onboarding of users and the distribution of devices plus technical support and device repairs from XMA. including internet connectivity (MiFi/SIM card) management with Vodafone. SCVO also co-ordinated the user training, Digital Champion and technical support services within their own network of social good partners and managed relationships with all 32 Local Authorities, including the assessment panels for each delivery phase. They also managed the Connecting Scotland website and associated communications to ensure that clients and organisations were aware of the levels of support available. They are currently under contract to provide these services till 31 December 2023.

5.10 Breakdown of costs associated with the services provided by Scottish Council for Voluntary Organisations

Financial year	Date of Issue	Organisation	Grant Title	Award Amount (£)	Grant Description
2020-2021	14/05/2020	Scottish Council for Voluntary Organisations (SCVO)	Connecting Scotland - Phase 1	(Capital) £3,000,000 (Resource) £1,000,000	Connecting Scotland project to reach clinically high and very high-risk people in the COVID-19 situation who are currently digitally excluded
2020-2021	12/10/2020	Scottish Council for Voluntary Organisations (SCVO)	Connecting Scotland - Phase 2	(Capital) £13,750,000 (Resource) £350,000	Connecting Scotland project to reach clinically high and very high-risk people in the COVID-19 situation who are currently digitally excluded
2021-2022	23/03/2021	Scottish Council for Voluntary Organisations (SCVO)	Connecting Scotland - Winter Support & Phase 3	Winter Support Package (Capital) £4,100,000 (Resource) £95,000 Phase 3 (Capital) £25,400,000 (Resource) £400,700	Connecting Scotland project to reach clinically high and very high-risk people in the COVID-19 situation who are currently digitally excluded

5.11 Procurement of services and products required to simplify future Connecting Scotland operations

Connecting Scotland has been conducting primary research across previous individual users and stakeholder groups. In relation to devices, this research has highlighted some additional products that may be considered for inclusion within the portfolio of the device hardware. The additional products meet accessibility and educational needs. For example, there is a consideration to meet the requirement to provide a digital device with the functionality and memory capability to operate within an education or learning role.

Connecting Scotland has held meetings with Microsoft to gain insight into their best possible options. The device Microsoft recommend for this purpose is the MS Surface AC which meets the required specification. Microsoft do not supply this device directly; it is supplied via their network of distributors. XMA is part of this distribution network and Connecting Scotland would be able to purchase this device from XMA as part of the existing procurement framework agreement.

Connecting Scotland met with Google to gain insight into the capability of their devices to meet the needs of disabled users and those with visual or hearing impairments. Google confirmed that a full suite of accessibility tools is embedded within the Chrome OS operating system, which is present in the HP Chromebook. This is the primary device supplied to most Connecting users and supplied by XMA.

In relation to connectivity, as well as maintaining the individual connections, Connecting Scotland has conducted a successful partnership programme trial of providing connectivity within community spaces, exploring the “one-to-many” approach. To provide internet connectivity with the required data throughput speed, functionality and reliability, the use of an enterprise grade 4G wireless internet router is required. This device differs from the existing portable 4G MiFi device used previously by Connecting Scotland, as it is a permanent installation, with the facility to use an externally mounted antenna and be connect to a wired or wireless connectivity network within the building. Vodafone have confirmed that they can supply this type of hardware as part of their existing product portfolio under existing frameworks.

5.12 Strategy for the technical support of devices

Connecting Scotland in its previous iteration provided over 60,000 connectivity and device assets to citizens in need across Scotland. An important element of the Connecting Scotland service for the users both now and in the future will be the technical support of the user device hardware. This was not considered in the first iteration of Connecting Scotland due to the nature of the pandemic response.

It is important that the user understands and is comfortable with the process for accessing support with their device, including reporting a problem or a fault. It is also important that this activity is carried out in the most environmentally friendly and

cost-effective way. As part of a future commercial strategy, Connecting Scotland should consider formulating and implementing a strategy for the effective technical support of devices for these reasons. Given the circumstances of those accessing the Connecting Scotland programme, having a device that is inactive due to fault or repair requirements negates all the possible benefits of having that device at all. Further due to the level of confidence of the user of the device, dealing with repairs and faults may be the cause of anxiety which again could negate progress in relation to digital inclusion.

To implement this strategy, there are two processes that should be considered which cater for the needs of the device and the client. According to the supplier, all the legacy devices deployed in the first iteration are now out of the manufacturer's warranty period, which is typically one year. The device warranty support covers component failure or electronic breakdown of the device. However, accidental damage and liquid ingress are excluded from this warranty and will be chargeable.

Currently, if a Connecting Scotland device is returned to SCVO under this category, the direction has been to replace it, where devices are still available. This arrangement was put in place due to the complexity of the initial process for returns and the length of time repairs took. This is not sustainable in financial or ecological terms, so the team are working with suppliers to streamline this process and make the programme more efficient. A process for in warranty technical support is outlined in this document along with a process for out of warranty repairs and accidental damage. It is recognised that this aspect of Connecting Scotland would only be feasible under more expensively costed operating models however, it is important to include this information for completeness.

5.12.1 In-warranty device repair

The Connecting Scotland programme procures devices from its single source supplier XMA, who also provide technical support solutions for the hardware. XMA are authorised by the hardware manufacturers Apple, HP/Google and Microsoft to carry out approved warranty repairs on their behalf.

XMA have costed Level 1 and Level 2 client and device support where a problem can be resolved over the telephone. Level 3 support is where a device requires a physical repair. Fault reporting and repair support for users of the Connecting Scotland programme is carried out via XMA. Under this support service, users will be provided with the service request procedure, all contact details (in printed and easy read form within their Connecting Scotland welcome pack), and on the Connecting Scotland web site (should internet access remain available on the device). In the future, should this approach be funded, this information could be etched on the rear panel of all newly shipped devices and will also be available from the Connecting Scotland user support contact or Digital Champion. Devices that require a physical repair by XMA will be collected by courier from the user and a replacement device delivered.

5.12.2 Out of warranty device repair and accidental damage

The Connecting Scotland programme will include users with devices that are no longer covered by the manufacturer's warranty. These devices may develop faults and require repair or may have suffered accidental damage. To address this problem on a local level, Connecting Scotland has been exploring a device support option in addition to the XMA device support process.

Connecting Scotland were approached by a local Scottish IT and electronics repair company to explore possible models. This company already provides repair services for the City of Edinburgh Council for devices in schools. They have walk-in centres in Glasgow and Edinburgh where they repair a wide range of digital devices. They also provide a device uplift and drop off service by courier. The company already undertakes out of warranty and accident damage repairs for a wide range of consumers. They are not contracted by the device manufacturers to carry out their warranty repairs; this is the province of XMA, but they can repair devices to the required standard out of warranty. There is a walk-in service or a courier service for users. The average cost of a device repair will be £100, and a screen protector to help prevent future damage will also be fitted. The Fast Track User Research programme currently being carried out by Connecting Scotland highlighted a requirement for and a willingness to engage with this type of service, for users with faulty and accident damaged equipment.

5.12.2.1 Overview of mobile connectivity from a commercial perspective

In order that Connecting Scotland can fulfil its obligations to its stakeholders and users, it must develop an understanding of the commercial landscape of mobile data connectivity.

The current mobile connectivity packages on offer from the four main UK mobile network operators are now focusing less on call minutes and text messaging and moving towards overall mobile data usage. In the context of Connecting Scotland this is likely to simplify the tariff structures that can be put in place, particularly if Connecting Scotland was ever required to provide mobile telephones to users.

The UK market is going through a phase of consolidation with varying levels of business alliances being set up between BT and EE and Virgin Media and O2. Connecting Scotland are currently supplied with mobile data connectivity by Vodafone, although it is possible to obtain connectivity from BT/EE if there was a situation where Vodafone could not provide adequate radio coverage and BT/EE could.

The UK Home Office is currently working on having the emergency services radio communications network upgraded. The project, known as the ESN, is being implemented by BT/EE. An obligation, as part of this project, is to offer commercial access to this network through what is called the Extended Area Service. The

following is an extract from the Emergency Services Network Overview (updated April 2022):

"The Extended Area Service (EAS) is a critical part of ESN and will ensure there is ESN coverage in some of the most rural and remote parts of Great Britain. A total of 292 4G sites are being built by the Home Office to supplement EE's ESN network and will maximise emergency service coverage in those areas. Wherever possible, mast structures will be designed to be easily upgraded. As part of the government's commitment to increase digital connectivity EAS masts will be available for other mobile operators to offer commercial services as part of the Shared Rural Network programme run by the Department for Digital, Culture, Media and Sport".

This may have a commercial and operational impact for Connecting Scotland as many of these radio masts will be in rural areas of Scotland. Connecting Scotland would be able to provide connectivity to users in these locations.

In commercial terms, mobile data is a commoditised product that is priced using a tariff structure akin to other utilities like electricity, gas and water. The mobile network operators are keen to have as many subscribers as possible on long term network services contracts. However, there is a move towards connectivity without a contract with retail suppliers like Voxi and GiffGaff, a variation on the "pay as you go" connectivity model. Anecdotal evidence from Connecting Scotland users and some stakeholders shows that this method of paying for connectivity is good value for money and easy to manage. This may be a useful commercial option should Connecting Scotland wish to harness any residual end of contract MiFi assets to provide a pool of rapid deployment connectivity should the need arise.

Voxi is owned by Vodafone, has its own social tariff and their sim cards are compatible with the Connecting Scotland MiFi units currently operating on the Vodafone network. This will also maximise the life of the hardware and defer any WEEE directive disposal costs. This option may also have the capability to augment the social tariffs provided via the mobile telecommunications industry sponsored National Data Bank which is administered by The Good Things Foundation.

5.12.2.2 Mobile connectivity from a technology perspective

Access to internet connectivity using the mobile telephone network is currently via the current fourth generation (4G) of digital cellular communication technology, operated in the UK by BT/EE, Virgin Media/O2, Three and Vodafone. These network operators will continue to utilise 4G, particularly in non-metropolitan areas and in rural communities. The network operators are currently introducing the fifth generation of digital cellular communications technology (5G) to provide enhanced connectivity for subscribers. It is already available in the metropolitan areas of Edinburgh, Glasgow, Dundee and Aberdeen.

These new deployments of 5G connectivity will deliver improved high-quality, resilient, high-data throughput speed and low latency mobile data performance. This technology is also available for use within private deployments. Private 5G networks are being installed in situations where high quality connectivity is required. A private system has recently been deployed in the maritime port in Belfast and in large industrial locations across the UK. Although the capital investment in these networks is likely to be high, to stimulate their adoption OFCOM have set the annual licence fee for private 5G networks at £950 for three years.

In the context of the future planning for Connecting Scotland, this technology could be harnessed to extend the existing connectivity from libraries and community venues out into the wider community. In essence, Connecting Scotland could provide free internet access in public spaces, possibly under a recognisable brand name.

Both 4G and 5G technologies will continue to meet the ongoing mobile connectivity needs of the users of Connecting Scotland.

There is a further option to integrate 5G mobile technology as part of the current "Last Mile" fixed line broadband delivery strategy. This hybrid approach – using both 5G and optical fibre – may reduce the roll out timescales of broadband. This will also enhance the performance of internet connectivity with the high data throughput speeds and low latency performance of 5G technology.

Connecting Scotland has adopted an integrated approach to working across the connectivity landscape. Central to this strategy will be periodic group sessions with key players across the public sector, academia, telecommunications industry and the third sector.

5.12.2.3 Fixed line broadband connectivity from a technology perspective

The technology currently underpinning fixed line broadband connectivity in Scotland is optical fibre with copper wire delivery for the "last mile" from the Openreach cabinet to the home. There have been recent proposals that 5G fixed wireless access be used to replace copper in some cases.

Presently, there is a lot of activity around upgrading the fixed line infrastructure and the installation of high-speed optical fibre (FTTH/P/B fibre to the home/premises/building), with organisations like CityFibre taking a prominent position in Scotland. BT/Openreach is also rolling out high speed fibre but is additionally upgrading their traditional/legacy networks with last mile copper delivery (FTTC fibre to the cabinet).

5.12.2.4 Strategy for managing the Connecting Scotland Connectivity Client Base: Connectivity support facilities

Connecting Scotland provides internet connectivity to users via 4G personal MiFi routers which are connected to the Vodafone Mobile Telecommunications Network. Each MiFi router is equipped with a SIM card (subscriber identity module). Each SIM card facilitates connection to the mobile network by pairing the SIM card number (IMSI) with the mobile identification number (MIN) on the corresponding mobile network. When a Connecting Scotland user is onboarded to the system, the connection process is currently carried by the Connecting Scotland delivery partner SCVO and Vodafone.

Vodafone has provided Connecting Scotland with a suite of online connection management tools, Vodafone Corporate Online, which is augmented by the support of a dedicated Vodafone service manager.

It is accepted industry best practice that organisations managing telecom connectivity have the facility to manage and monitor the activity of the connections on their client base. This does not mean that surveillance is used by the telecommunications service provider, as the information on who has the SIM is separate from the information on the SIM itself. The data is anonymised by Vodafone in line with best practice and regulations. These connectivity management tools will provide Connecting Scotland with up-to-date information on the data usage activity across the client base.

These connectivity management tools have not been used to their full capacity up to this point. In the future Connecting Scotland will also be able to access this facility directly to ensure that the connectivity is maximised both from the user’s perspective and to ensure best value for money for the programme.

5.12.3 Strategy for managing the Connecting Scotland Digital Support Work

An individual requires three elements to assist them in being digitally enabled: an internet-enabled device, connectivity and the skills and confidence to use these effectively. The individual also requires motivation to want to be digitally enabled. Evidence has shown that often the development of digital confidence and capacity relies on the goodwill of friends and relatives of the person learning. It is an established principle of effective digital inclusion that 'trusted relationships' and informal learning are central to building digital skills and confidence. This can be through friends and family, or trusted people providing support in the community where there are pre-existing relationships. The latter is known as 'embedded' digital support, where it is delivered alongside core support in the community and sits within the context of the learner's wider social needs. To this end, a proposal has been developed to respect and recognise these contributions while providing resource, training and support for those who require, (or would like) a more formal recognition of their actions.

5.12.4 Options for generating funding

Connecting Scotland is currently exploring options for generating funding.

In line with our strategic approaches for Connecting Scotland as set out in the strategic and socio-economic case, it may be possible for future iterations of Connecting Scotland to fulfil a facilitation role, supporting stakeholders and community organisations that are looking to generate funding and ongoing revenue in relation to their digital inclusion initiatives. For financial regulatory reasons, this will be restricted to helping stakeholder organisations gain a better understand of the funding landscape and what funding might be available by signposting them to sources of professional advice.

There are sources of funding from a local Scottish perspective and some alternative methods of funding that may be considered.

5.13 Conclusion

Connecting Scotland is well-placed to fulfil the commercial needs of stakeholders and clients. The team have access to the Scottish Government procurement framework, providing cost savings and environmental benefits. There are good relationships in place with suppliers which have brought further savings and put the programme in a good place in terms of taking advantage of newer technologies. Strong relationships with SCVO as delivery partner continue to bear fruit as the programme develops. The team are looking to the future by planning for the possibility of additional streams of income, including ESG.

The information held by the Connecting Scotland team in this area supports Options 2, where Connecting Scotland is a central hub for Scottish Government and part of a Digital Inclusion Alliance where this information can be shared easily and acted upon by individual organisation.

6. Financial Case

6.1 Introduction

The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and clients, as required. The challenge is to identify and resolve any potential funding gaps during the lifespan of the scheme.

The Financial Case focuses on the affordability of the Connecting Scotland programme, and the respective funding arrangements and implications. It presents the financial profile and the impact of the solution on budgets.

6.2 Appraising the Financial Case

The Financial Case has been developed in partnership with the Digital Directorate Finance Business Partner, who provides advice on behalf of the SG Chief Financial Officer. It follows guidelines from the Green Book in terms of the financial reports presented.

As a result of the work undertaken the financial case relies principally on the following statements:

- A cost statement, which presents capital and resource costs over a five-year period, in nominal values, including VAT where applicable.
- A benefit statement which surfaces, for clarity, cashable vs. non cashable benefits
- Cash expected value, surfacing the difference between budgetary requirements and cashable benefits, both in nominal terms and adjusted for inflation.
- A funding statement, where existing funding arrangements are summarised per funding organisation, and the associated funding gap, surfaced in an affordability statement. A Cost Benefit Analysis that sets out the ratio of benefit per amount spent for each of the connectivity or procurement options set out in the Socio-Economic case, where figures are available.

In developing this business case, we have been mindful of the fiscal context within which the programme is operating. The overall aim is to recommend an option which balances questions of affordability, whilst still maximising the reach and benefits offered by the programme.

The options are based around the programme goals outlined int the strategic case which are recapped here:

1. Bringing more people online through accessibility of devices, connectivity, skills and motivation.
2. Prioritising those with urgent needs and aligning the programme with government priorities such as tackling child poverty, education, employment and health and social care as well exploring potential opportunities for policy alignment.
3. Ensuring getting online is affordable by increasing opportunity in terms of low-cost connectivity and devices that can be accessed by more people.

4. Removing barriers for organisations and charities who deliver digital inclusion services and bringing them under one alliance where resources, expertise and knowledge is collectively shared to build the digital capacity of our nation.
5. Ensuring programme is affordable and sustainable by exploring, implementing and promoting sustainable options for digital inclusion.

Goal 4 above relates to the system and capacity building work which is included in options 2 through 5. This work will foster a sustainable digital inclusion ecosystem across Scotland which over time will lessen and eventually remove the need for direct intervention programmes such as Connecting Scotland.

6.2.1 The Cost Statement

The table below surfaces the revenue and capital costs associated with the preferred models. The statement includes VAT and inflation as far as possible. Cash input is required to fund:

- Programme Management & Oversight: The Scottish Government programme team required through each year of the programme. These costs have been calculated based on the average staff costs applicable in financial year 2021/22, uprated to allow for the pay award applied in November 2022, together with an allowance for pay progression. The total cost of the team is calculated at £765k per annum, comprising a headcount of 12 (10.5 FTE)
- Undertaking systems and capacity building activities: Including joining up relevant areas of government; forging pathways between government, stakeholders and clients; and providing an advisory/co-ordinating role across digital inclusion activities, including £308,000 worth of grants for partners to continue and enhance development of the Digital Participation Charter and support development of new initiatives (such as the Digital Inclusion Alliance)

This makes the basic cost of option 2 just over £1 million for the year, which allows for flexibility in the number and extent of partnership programmes it can support. The minimum is set at a level that would support a basic test of the 1-to-many models proposed. Funding above that level would support extension of partnerships to cover more of the identified priority areas (e.g., health) and could include a mix of partnerships and direct support for those in urgent need.

6.2.2 Cost of undertaking systems and capacity building activities table

The table below shows staff costs and costs for systems building activities across the 5 suggested options. Also shown is the ambition for the number of people who would be supported for each option. Subsequent tables indicate the cost of delivering these options using one-to-one and one-to-many approaches.

Option	1 - Closure of Connecting Scotland Programme	2 - Systems and capacity building activities plus partnership programmes	3 - Urgent needs support	4 - Delivering digital inclusion to 300,000 over an extended timescale	5 - 3-year delivery programme to reach 54,000 people
Programme years	27 months	27 months	27 months	5 years	3 years
Supported per year	0	2000 to 8000	20000	60000	18000
Total supported	0	4000 to 16000	40000	300000	54000
Staff costs	1720948	1720948	1720948	3824330	2294598
Total systems and capacity building cost across programme	0	342,409	342,409	760,910	456,546
Total of staff and systems building across the programme	**1,720,948**	**2,063,358**	**2,063,358**	**4,585,240**	**2,751,144**

The table below detail the costs associated with Programme Delivery based on one-to-one support model where recipients are gifted a device and 1 year of individual connectivity. One-to-many support models are also shown. These are models where a more diverse range of support is offered, including the promotion of social tariffs, device repair, and where those being supported with devices and data have those allocations are shared between recipients. This could be in the form of a device library, or via a pool of machines managed on behalf of clients by a support organisation in a partnership programme. The recommendation in the FBC is to take advantage of one-to-many solutions to provide greater value for money and reach more people with equivalent levels of funding.

The main risks of the one-to-many approaches relate to adopting untried service options, which means that our estimates of how many people will be supported will be more uncertain than for one-to-one models. People will be supported in diverse ways, for example, one may be helped with the repair of an existing device, another loaned a device for as long as they need it, a third may take advantage of hub-based connectivity in a community centre.

In practice, there does not have to be a firm distinction between these two approaches, and it may be desirable to offer a small amount of one-to-one support within a one-to-many framework for those most seriously in need. These figures include resource and technology related procurement of devices, connectivity, support etc, and requirements of SCVO or any other partner organisations:

- this includes £44 per person supported added to the costings for overall digital support costs according to the new Digital Champion models (this represents 4 hours of support per person costed at the living wage)
- £100 additional digital support costs for 10% of recipients to meet accessibility needs.
- £41 per device for the managed device service that provides the capability to run one-to-many solutions such as device libraries that make these services easier for partners to manage.
- as outlined above, option 2 can flexibly accommodate various levels of funding depending on the scope desired, government priorities and available funding. It is the range of appropriate funding that is shown for this option.

The estimates presented are based on assumptions made about how sharing models will work in practice. The number of people supported will vary depending on the types of models implemented and the degree of sharing that occurs.

While being more cost effective than one to one model where individuals are gifted devices and connectivity, for one-to-many models it is much harder to predict in advance how many people will eventually supported and harder to measure the support outcomes. Because forecasts of the reach of one-to-many models rely on estimates then there is potential for ‘optimism biases in these projections.

Option	1 Closure of Connecting Scotland Programme	2 Systems and capacity building activities plus partnership programmes	3 Urgent needs support	4 Delivering digital inclusion to 300,000 over an extended timescale	5 3-year delivery programme to reach 54,000 people
Total staff and systems and capacity building cost across programme	1720948 (staff cost only)	2,063,358	2,063,358	4,585,240	2,751,144
Cost of 1:1 model of support (connectivity limited to 1 year per person supported)	N/A	From 1,940,474 to 7,761,898	19,404,747	129,364,980	23,285,69
Cost of one-to-many model of support	N/A	From 360,872 to 977,552	2,210,912	18,634,379	5,424,947
Total	**1720948**	From **4,003,832** to **9,825,256**	**21,468,105**	**133,950,22**	**26,036,840**

Combined totals table

Option	1 Closure of Connecting Scotland Programme	2 Systems and capacity building activities plus partnership programmes	3 Urgent needs support	4 Delivering digital inclusion to 300,000 over an extended timescale	5 3-year delivery programme to reach 54,000 people
Total systems and capacity building cost across programme	1720948 (staff cost only)	2,063,358	2,063,358	4,585,240	2,751,144
Total (Systems and capacity building plus 1:1)	N/A	From 4,003,832 to 9,825,256	21,468,105	133,950,22	26,036,840
Total (Systems and capacity building plus (1: many)	**N/A**	**From 2,424,230 to 3,040,910**	**4,274,270**	**18,634,379**	**5,424,947**

Undertaking the systems and capacity building activities is key to laying a successful foundation for future work, and it is this that funding is required for. The cost of the staff resources is noted below and are a proportion of the budget allocation. Therefore, should the total allocation not be possible, then provided staff are funded, as much as possible of the systems and capacity building activities will still be undertaken (with appropriate prioritisation and review).

6.2.3 Benefit statement

A significant outcome for the programme is how, during a cost-of-living crisis, an investment in digital inclusion would have returns for the people of Scotland to enable them to establish a secure financial foundation. The following information is indicative of the magnitude of potential returns on investment to the Scottish economy, and more importantly, into the pockets of Scottish Citizens.

Outcome	Saving / Benefit	Potential	Source
Moving to a social tariff or a more affordable tariff	£144 per Household per year	We estimate that there are around 340,000 recipients of Universal Credit in Scotland who could benefit from a social broadband tariff, which could deliver upwards of **£40M savings** to people of Scotland.	Ofcom (2022) Universal Credit uptake figures from SG
Better pay by gaining a higher level of digital skills	£422 per year pay improvement estimated for people in a manual profession	10% of people lack the most basic digital skills. If 1/4 were upskilled and benefitted from a high paid job, this would deliver **£56 Million** in additional income to the people of Scotland.	Lloyd's consumer index (2022) National register of Scotland figures 2021 for Scottish population
Savings associated with online banking for those with the highest level of digital skills compared to the lowest	£659 saved per person per year	10% of people lack the most basic digital skills. If 1/4 were upskilled and benefitted from a using online banking, this would deliver **£87 Million** in savings to the people of Scotland.	Lloyds consumer index (2022) National register of Scotland figures 2021 for Scottish population
Savings associated with being able to shop online	£258.31 per person per year	10% of people lack the most basic digital skills. If 1/4 were upskilled and benefitted from online shopping, then this would deliver **£34.3M** savings to the people of Scotland.	Lloyds consumer index (2022) National register of Scotland figures 2021 for Scottish population

An important return for the programme would be a reduction in data and device poverty across Scotland which would unlock a range of benefits to society, the economy and individuals outlined in the Strategic Case in this FBC. This relates to non-financial benefits. These include improved employment and educational opportunities, improved wellbeing for citizens and significant reduction in transaction costs for governments services.

Different segments of the digitally excluded population will benefit in differing ways depending on their life situation and needs, making exact benefits tricky to calculate. However, taking the digitally excluded population as an index for these benefits not being realised, the scope the programme has for arresting and reducing digital exclusion is indicated by the table below.

Levels of digital poverty that the programme can target			Source
Number of Scottish adults affected by device poverty (unable to afford a suitable device) (Est.)	31000	Not having a suitable device hinders being able to attend a college course, apply for jobs, complete and submit homework. Connecting Scotland can get people the right device and reduce this level of inequality.	Calculated from Ofcom figures (2021)
The number of 18- to 25-year-olds who potentially don't have access to a laptop or desktop in Scotland (Est.)	84,456		Nominet research (2021)
Number of Scottish adults who do not have an internet connection at home (Est.)	266,344	Lacking internet connections at home hinder people from achieving the myriad of benefits available those online, which include improved finances and wellbeing. Connecting Scotland can get people online and reduce this level of inequality	Calculated from Ofcom figures (2021)
Percentage of Internet users who use a smartphone to go online	Risen from 10% in 2020 to 21% in 2022	Device poverty has risen for some segments of the population. The cost-of-living crises threatens to worsen digital inequality for the less well off. Connecting Scotland can help halt or reverse these trends	Ofcom figures (2020, 2022)
Number of Scottish adults who are considering giving up the internet to pay for other bills (Est.)	177,563		Lloyds digital consumer survey index (2022)

There are cash releasing benefits line is the potential increase in taxation attributable to those who transfer from being digitally excluded to included becoming employed, or those in employment maximising their income. The benefit does not release funds directly back to the Programme, or the Digital Directorate. Furthermore, the benefit is not a guaranteed saving – as, for example, the decommissioning of an obsolete computer system may be.

There may be further cash releasing benefits realised across the public sector as the cost of undertaking digital transactions with citizens is significantly less than face-to-face or by telephone. The non-cash releasing benefits are skewed heavily by benefits to the individual because of being digitally included, such as time savings (e.g., being able to avoid travelling to and queuing at banks) and transaction savings (e.g., being able to make savings online using price comparison websites, utility switching, and generally better deals being available).

That said, the CEBR in 2022 estimate a **£9.48 return on every £1 invested** in helping people to build their basic digital skills.

Cost-Benefit Analysis

The following table compares costs with potential benefits for one year. Benefits have been calculated using monetary values for savings or increases in salary for clients who are removed from digital exclusion, as set out in the section above. These figures were worked out using data from the Lloyds Consumer Digital Index (2022) and National Register of Scotland figures (2021) for the Scottish population. For existing clients, figures are extrapolated from the most recent user research (from Phase 2).

- digital skills could bring £422/year estimated pay improvement for people in a manual profession.
- access to online banking could lead to savings of £659/person/year.
- access to online shopping could lead to savings of £258.31/person/year.
- there are 340,000 UC claimants in Scotland who could save £144/household/year from going onto social tariffs.
- 28.7% of existing clients had plans in place for free connectivity after their support ended, so the figures below calculate potential savings for the remaining 71.3%

The following assumptions are used in this analysis:

- Digital Champion support to clients will provide sufficient levels of skills for clients to improve their salaries in line with the estimates above.

- Access to the internet will be used to its full potential in terms of making banking and shopping savings.
- Existing clients will go back to the situation they were in pre-internet access as soon as support ends unless they are able to obtain internet access from another source.

The numbers of clients supported is based on the amount of underspend identified within the programme in the financial year 2022-23. Although this figure may vary, the figure for the cost/benefit ratio will apply regardless of numbers.

Option	Number of clients supported	Costs	Benefits	Cost/benefit ratio
Support and training only	6000 (DC)	**£267,900**	6000 x £422 = **£2,532,000**	9.45
One-to-one support	6,000 (devices & connectivity & DC)	**£2,996,700**	6000 x (£422 + £659 + £253.31) = **£8,005,860**	2.67
Hub connectivity	50,000/year (device access & connectivity)	**£2,600,000**/year	50,000 x (£659 + £253.31) = **£45,615,500**	17.54
Device libraries	2,000 people year (device access & connectivity)	**£21,560**/year	2,000 x (£659 + £253.31) = **£1,824,620**	84.63
Marketing/comms	TBC depending on budget and target audience	TBC	Up to **£40 million** (340,000 UC claimants saving £144/ household/ year)	TBC

Digital Champion support on its own could make a significant difference to people if they can access the internet through other means, but this option is restricted by the number of available staff to undertake duties, rather than just budget. One-to-many models such as hub connectivity and device libraries are the most cost-effective methods, but Connecting Scotland does not currently have the ability to deploy support through these methods. Developing capacity and staff to implement and verify the effectiveness of these types of support should be a priority for the next phase of Connecting Scotland.

The prices quoted are for new equipment – although Connecting Scotland have negotiated favourable rates, costs would reduce significantly if refurbished kit were issued.

6.2.4 Funding requirement

Given the 'indirect' nature on the attributable benefits, it will be necessary for Scottish Government to fund the full capital and revenue cost amount as indicated in the Cost table above, dependent on the model chosen.

6.2.5 How could the initiative be funded?

The initiative will need to be funded fully through 'new' capital and revenue funding for Connecting Scotland remains a part of Scottish Government. In some discounted models, the possibility of creating a separate entity was explored. These were discounted due to the dual running costs of setting up an entity, plus ongoing support. Further such an entity would be competing for the limited funds in this area against other key partners if it was not funded through other sources such as ESG funding. There were no guarantees that ESG funding would be forthcoming.

All models have assumed that no changes would be made to the existing headcount. The number of staff required to deliver models one, two and three has been identified as follows.

Management – (To run and direct systems and capacity building activities* Programme Director (C2))

PMO workstream

- Programme Manager (C1)
- Project Delivery Manager (B2) – incorporating elements of event organisation.
- Admin (A4) – incorporating elements of comms development.

Strategy workstream (To engage both across government and externally)

- Senior Policy Lead (C1)
- Commercial Lead (C1) 0.5 WTE

Research and administration team

User research team *(Evaluating data and research conducted. Identifying benefits. Surveying landscape and key players yearly. Conducting relevant surveys and research as required.*

- Lead User Researcher (C1)
- Senior User Researcher (B3)
- Social Researcher (B2)

Service design team *(Mapping and planning processes – developing of service delivery options and experiences. Developing and facilitating workshops, etc).*

- Senior Service Designer (B3)
- Data Analyst (B2) 0.5 – critical for the ongoing evaluation of the programme.

Comms workstream

- Comms Manager (B2) this role will be subsumed to within policy as it is a critical component to enable effective partnerships and joint outcomes.

Estimated staffing costs

Role	FTE	Grade	DDAT (Digital, Data and Technology)	Starting Wage	Median Wage
Programme Director	1	C2		68540.00	98111.00
Programme Manager	1	C1		52355.00	79219.00
Senior Policy Lead	1	C1		52355.00	79219.00
Lead User Researcher	1	C1	5000	52355.00	79219.00
Senior User Researcher	1	B3	5000	41642.00	60221.00
Senior Service Designer	1	B3	5000	41642.00	60221.00
Comms Manager	1	B2		33120.00	46047.00
Project Delivery Manager	1	B2		33120.00	46047.00
Admin	1	A4		25713.00	33335.00
Commercial Lead	0.5	C1		26177.00	39609.00
Data Analyst	0.5	B2	2500	16560.00	23023.50
Social Researcher	0.5	B2		16560.00	23023.50

DDAT Total	**17500**		
TOTALS		**477639.00**	**684795.00**

Requirements to realise savings

To realise the savings identified, it is critical that the Connecting Scotland programme continues to reduce digital exclusion and provide a mechanism for people to be digitally active. The systems and capacity building activities identified support this aim but would not have the same impact without connections being provided. It is recognised that this is a risk/impact/cost balance. At this current time, cost considerations have been weighted significantly. Importantly, other than option 1, closure of the programme, all models have the benefit of being able to scale up to the next level as required. This would be managed within existing headcount as far as possible.

A further FBC may be required before the end of this part of the programme in 2025 to determine the future focus of Connecting Scotland at that time.

6.3 Conclusion

Across most of the models exists a core priority – the use of Connecting Scotland to establish stronger connections and agreed objectives between related organisations and working together more effectively. The activities driving this priority are highlighted throughout the document as systems and capacity building activities.

Systems and capacity building activities are an underlying principle and foundational action of Connecting Scotland options. This work would be undertaken by the current Connecting Scotland SG resource. The costs of this staff resource are outlined in this section. Although the benefits are hard to quantify, with several indirect benefits that will not be apparent for many years, the research presented in the Strategic and Socio-economic cases shows that the cost of doing nothing is too great and will have negative consequences for some of the most disadvantaged groups in society.

Digital inclusion is an important part of Scottish Government policy. This will require multiple organisations, charities, partnerships and enterprises working in tandem to ensure that no one who wants to be online and have reliable digital access and skills is ever left behind again.

Based on the financial information set out above, and with due regard to risk and impact, the model recommended for approval is model 2. Support through this model should be offered using a mixture of one-to-one and one-to-many models. The Cost-Benefit Analysis shows that one-to-many solutions such as digital hubs and device libraries can support a far greater number of clients with less cost, but the programme must ensure that a range of solutions is available to meet the needs of a diverse range of people.

7. Management case

7.1 Introduction

The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

Demonstrating that the preferred option can be successfully delivered requires evidencing that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

7.2 Approach for Connecting Scotland

The Management Case details arrangements for the programme of work necessary to take forward the proposed service delivery models. It sets out a delivery plan, milestones, project planning methodology, governance structures, staffing, risk management, communications and stakeholder management, benefits realisation and assurance mechanisms. It demonstrates that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme.

It describes the way in which the project team and governance arrangements have functioned to date and recommends how these should scale and change to accommodate the next stage of development over the next five years and beyond.

All these points present a clear, agreed understanding of what needs to be done, when and how, with measures in place to identify and manage any risks and benefits for the longer term.

Key decisions will be required to ascertain what the longer-term mechanisms will be for delivering the programme as an ongoing concern. Decisions regarding who is responsible for managing and delivering the programme will affect how governance and delivery models will need to evolve. The management case will therefore take an agnostic approach, able to flex accordingly according to the model chosen for Connecting Scotland.

7.3 Progress up to this point

For Phase One-Three of the Programme, procurement of devices and data was undertaken by SCVO, funded by Scottish Government via the Grant Funding mechanism. A Scottish Government programme team provided programme management and oversight, supported by several organisations on a voluntary basis.

For future delivery, the Programme team within Scottish Government and delivery team in SCVO may need to scale or adapt, depending on decisions taken about the mode of delivery, level of support provision and application routes.

7.4 Project team

The Resourcing approach undertaken in previous phases could be continued, i.e., the programme is delivered by SCVO with Scottish Government providing the funding, programme management and oversight. If a different operating model is chosen, other options will be explored as appropriate.

The size of the SG project team for the delivery of Connecting Scotland will be dependent on decisions around the operating model. Staffing requirements for options 2 and 3 are outlined below:

- Senior Reporting Officer (SRO)
- Reporting to the SRO, a Programme Director (C2) 1 WTE
- Four teams reporting to the Programme Director: programme management office (PMO), strategy, research and evaluation, and communications.
- PMO:
    - Programme Manager (C1) 1 WTE
    - Project Delivery Manager (B2) 1 WTE
    - Kick Starter Placement (A4) 1 WTE
- Strategy:
    - Policy lead (C1) 1 WTE
    - Commercial lead (C1) 0.5 WTE
- Research and evaluation:
    - User Research lead (C1) 1 WTE
    - Senior Research lead (C1) 0.8 WTE
    - Social Researcher (B3) 1 WTE
    - Data Analyst (B2) 0.5 WTE
    - Senior Service Designer (B3) 1 WTE
- Communications:
    - Communications manager (B2)

This forms the **core multidisciplinary team** with responsibility for overseeing the Connecting Scotland Programme, managing procurement, measuring programme benefits and reporting on progress to ministers.

At present, the Programme is supported in delivery by SCVO who manage the application and allocation process, CRM (Customer Relations Manager), skills and training delivery and ongoing support to recipients.

The SCVO delivery team for the delivery of Connecting Scotland has the following structure:

- Director of Development 0.8 FTE
- Head of Digital and Development 0.6 FTE
- Two teams reporting to Head of Digital and Development, Digital Participation and Service Delivery and Improvement
- Digital Participation:
    - Digital participation manager 0.5 FTE
    - Digital inclusion development officers 2.3 FTE
- Service Delivery and Improvement:
    - Service Delivery and Improvement Manager 1 FTE
    - CS – Administrator 0.75 FTE
    - CS – Administrator 1 FTE
    - CS – Helpdesk Adviser 1 FTE
    - CS – Helpdesk Advisor 1 FTE

Past funding for SCVO is detailed previously in this paper, under the Commercial Case - Breakdown of Costs associated with the services provided by Scottish Council for Voluntary Organisations

7.5 Timescales

The FBC will be completed by the end of Q4 2022/23, to allow Connecting Scotland to move to its next phase in late Spring 2023. Proof of concept projects, partner programmes and support to Ukrainian displaced people continued throughout 2022.

A full project plan for the next phase, including milestones and deliverables, will be produced once decisions have been made around funding and the operating model.

7.6 Change management

Connecting Scotland is already actively being managed through a period of change, with the development of this FBC a pivotal part of this process. The operating models outlined in the Socioeconomic Case all require different amounts of transition and measures will be built into project and communications plans as soon as a decision has been made on the future of Connecting Scotland.

In the interim, ongoing engagement with stakeholders is managing expectations and supporting relationships so that the programme team can act quickly to move things forward once they are able to do so.

If the launch of a new entity or model is not successful, contingency plans would involve closure of the Connecting Scotland service, as outlined in option 1 of the models section in the Socioeconomic Case.

7.7 Governance and Management of the Programme

- A **core multidisciplinary Programme Team** with skills in Programme Management, User-Centred Design, supplier management and specific subject matter expertise will run Connecting Scotland as part of the Digital Directorate's Digital Citizen Unit.
- A **Delivery Team will be provisioned by SCVO** to supply subject matter expertise and to manage the application process, allocation of equipment, communications activities, training and ongoing support for the programme.
- A **Programme Governance Board** with regular, focused sessions to provide strategic steer and to be an ultimate point of escalation will also continue to oversee the programme. Senior representatives from client organisations will be represented on the board.
- An **Advisory Board** – will meet as needed to provide advice and guidance to the management of the Connecting Scotland programme, and to ensure that available knowledge and insights in this area are incorporated into decision making.
- A **Strategy/Delivery Board** consisting of senior members of the programme and delivery teams will meet regularly to ensure progress remains on track and outcomes align with strategic objectives, the SG Digital Strategy for Scotland and the Connecting Scotland vision.
- The **Senior Responsible Owner** (SRO) will be the Head of the Digital Citizen Unit and accountable for successful delivery of the Connecting Scotland programme. Where risks or issues mean that decisions previously made by Ministers can no longer be delivered within the resources available, the SRO must escalate this to Ministers.
- The Minister for Small Business, Trade, and Innovation will have ultimate decision-making powers. The SRO will ratify decisions before they go to the Minister for approval.
- Commercial suppliers will be used to supply the means of connectivity or equipment as needed.
- Engagement with public sector organisations, users and citizens will continue to collect user insights.

7.7.1 Governance structure

The Programme has the following Governance Structure:

- Ministerial oversight
- Programme Governance Board, reporting to Ministers
- Additional Strategy/Delivery and Advisory boards that meet underneath and inform the Programme Governance Board
- Reporting to the boards are Agile workstreams for delivery of the Connecting Scotland service:
    - Service Delivery Model
    - Pilot Models
    - Commercial and research
    - Communications and Governance
    - Programme Benefits
    - Training and support

7.7.2 Governance principles

Our governance works under the following principles, based on the experience of other similar groups and examples of best practice across government:

- The default position of governance is to trust individuals and give decision-making authority to teams so they can focus on delivering.
- Successful governance is not just about having processes, but about how governance processes and tools are used to achieve desired outcomes.
- There should be a single political and official point of accountability for the Connecting Scotland Programme
- The terms of reference for all governance bodies are explicit and clear, avoiding overlap.
- Governance functions bring executive experience and technical expertise to hold the team to account.
- The number of governance boards is kept to a minimum.
- Governance boards should expect to review artefacts that are not always conventional papers, e.g., prototypes of live services.
- Frequency and a familiarity with detail are essential.

7.8 Project methodology

The Programme will run using agile methodology to reduce risk, ensure end products meet user needs and to allow staff to work flexibly, making best use of the expertise within the team. This methodology also aligns best with the governance principles outlined above, the Scottish Approach to Service Design and In the Service of Scotland.

7.9 Evaluating and measuring the benefits of the new programme

Effective benefits measurement and programme evaluation are crucial to ensure the sustainability of a future Connecting Scotland programme. Being able to continually track outcomes will ensure that Connecting Scotland delivers against policy goals, provides value for money and creates the evidence base needed for continuous improvement.

The main aims of the benefits measurement approach will be:

- to contribute to measurable outcomes for the policy goals that Connecting Scotland is enabling. Initially these will be improved outcomes for the 6 priority family groups.
- to provide evidence of a broad range of benefits realised for users, public sector services and the economy.
- to feedback who is being served by the programme relative to demographics of digital exclusion to find gaps in the programme's provision and target future provision
- to maximise the use of linked data from multiple sources from within the programme and correlate these with existing datasets (e.g., SIMD data) to generate insight to target the programme's resources most efficiently.
- to be tailored for different models of Connecting Scotland delivery
- to be proportional to scope and ambition of the programme and delivered in collaboration with other policy-specific research initiatives to avoid duplication of effort.

7.9.1 Benefits realisation

Benefits are realised by Connecting Scotland users over time as they gain confidence, acquire skills, access support, solve problems, engage with online services and achieve tangible improvement to their lives. This is encapsulated in the idea of a Connecting Scotland 'user journey' based on the stages of 'enabling', 'progressing' and 'realising' as shown below:

Step 1: Enabling

Short term outcomes that inform us that Connecting Scotland has reached target users who have received devices and internet connectivity, which are actively being used and the clients are linked to support.

We know:

- Who our users are.
- That they have received a device and are connected.
- That they can use the device.
- That they are supported.
- That they are linked into services and can access information.

Step 2: Progressing
Medium term outcomes that inform us that clients are gaining confidence, accessing support and training, solving problems and gaining skills.

We can show that users are:

- Gaining in digital confidence
- Gaining digital competencies
- Accessing information
- Accessing health/mental health services
- Access financial advice
- Learning how to be safe online
- Gaining awareness of benefits entitlement and the skills to apply
- Improving their employability
- Linking into community
- Linked into social networks.

Step 3: Realising
Long term outcomes which inform us that clients have gained additional income through benefits and employment, gained qualifications, and improved their household finances.

We can show that users have:

- Applied for and received a benefit.
- Applied for a job.
- Gained employment.
- Accessed childcare.
- Expanded their working hours.
- Accessed local authority school clothing grant.
- Attended a college course.
- Gained a qualification.

Framing our evaluation approach around the user journey has several advantages as it allows us to:

- see the dependencies between benefits and understand when a benefit will start to be realised.
- demonstrate impact for all users, including those whose journey progresses more slowly.
- share evaluation activities with policy teams who may already be measuring intervention end points (long term outcomes)
- develop a systematic way of prioritising which outcomes to measure which give the clearest picture of the cost-effectiveness of the programme and the impact for users and society.

7.9.2 Approach to measuring benefits

Our existing evaluation framework involves a sequence of welcome surveys, interviews and impact surveys delivered throughout a client's time with Connecting Scotland and is detailed below.

When devices are allocated:

- Baseline data is captured about our customers in terms of who they are and where they are from

Welcome survey when devices are received:

- Survey to understand the customers digital skill level when they join Connecting Scotland and what they want to achieve.

In-depth interviews around 6 months after device received:

- Interviews to understand what benefits customers are realising from being part of Connecting Scotland.

Impact survey 9 months after device received:

- Survey to learn what has changed for the customer because of the help that they have received from Connecting Scotland.

While providing valuable evidence of the effectiveness of the original programme, this approach also had several drawbacks, including:

- relatively low completion rates for surveys which lowered the robustness of the evidence for the effectiveness of the programme,
- difficulty tracking long term outcomes – i.e., what might have materially changed for users because of their involvement with the programme
- anonymous participation prevented direct linkage between baseline and impact surveys and so prevented direct comparison.

We continually reviewed and improved our research approach during phase three, adding in elements like a telephone top up survey to counter any systematic bias from using digital survey methods**.** We also conducted a retrospective on our research and evaluation activities to identify barriers to user participation. Based on these lessons, we recommend that that future benefits and evaluation approach should:

1. have the right foundation and drivers

- be founded on complete, accurate and timely client information
- be founded on comprehensive baseline user demographic data
- be driven by the prompt analysis of key baseline data and have findings continually feed into service improvement
- be driven by well-defined and agreed benefits measures set up prior to delivery, initially focussing on the 6 priority family groups

- show how users realise benefits from the Connecting Scotland programme so that we know the contribution the programme makes in relation to other factors
- base evaluation on a 'logic model' that describes how benefits are realised for each user group or set of outcomes supported by the programme (see figure below for a logic model underpinning child poverty drivers).

2. be able to quantify the improvement that connecting Scotland delivers

- have a measurable baseline for each benefit so that improvements can be assessed.
- have the right governance and data infrastructure in place to support the linkage and analysis of multiple datasets, and the ability to compare individual user progress over time
- have an interdisciplinary approach to the commissioning, design, execution and analysis of the research including meaningful access to data analysis, economic and statistical expertise

3. have a commitment to co-design

- involve current and potential Connecting Scotland users and partners in the design of its services, defining benefits and sense-making of its research data
- have the right skills and resources to carry out meaningful citizen and stakeholder engagement
- have the capacity to be innovative and responsive to emergent research challenges

4. maximise engagement in research

- align research and evaluation activities with a strong Connecting Scotland brand identity and comms strategy to motivate participation
- have research built more seamlessly into the service model and future Connecting Scotland touchpoints to increase opportunities and motivation for participation
- ensure service level agreements are in place with delivery partners that specify data quality targets and responsibilities for evaluation tasks
- provide multiple channels for clients to engage in research and evaluation to ensure robust and representative evidence
- capture users' preferences for participation and provide means to take part that are flexible, and which support a range of levels of engagement
- make it easy for support workers, carers and relatives to aid the user to take part in research and evaluation activities
- support engagement from digitally excluded, vulnerable and hard to reach groups by providing convenient, accessible and inclusive methods of participation

- have research and evaluation as part a key element of a Charter for the new Connecting Scotland programme as a responsibility on users and partners to engage with research where they can

5. build relationships

- disseminate findings about the programme's achievements and challenges amongst the community of stakeholders and users in Connecting Scotland as a way of fostering confidence in and engagement with the service

7.9.3 Example logic model for outcomes related to digital inclusion and Child Poverty

For programme options that include delivering a service to clients (options 3 through 5) via device pools or libraries and pools of connectivity in conjunction with access to digital skills then evaluation and benefits will be like the existing Connecting Scotland programme. The model below shows how Connecting Scotland's service (the inputs) can lead to positive outcomes for individuals. The outcomes identified can contribute to the 'drivers' of tackling child poverty; increased income from employment, increased income from social security and reduced cost of living, as well as improving aspects of health and wellbeing that can ultimately enhance people's prospects.

Inputs			
Digital Devices	Connectivity	Digital Skills Support	Resources: Time, money, people (inc. stakeholders & delivery partners)

Activities			
Communications	Eligibility, Applications, Referrals	Device distribution and Connectivity	Provision of digital skills support

Outputs				
Comms strategy (reach, channels, clarity)	Application/ targeting process	Device delivery service	Connectivity to a network	Sustainable support model: Digital champions, helpline, online resources

Outcomes (short term)						
People know about	Devices go to those with	Devices and support reach as many people	Right equipment delivered to the right	People can set up and use devices	People know about the digital	People understand the benefits of

CS and its aims	greatest need	as the service can support	person, on time		skills support offer	having devices and support

Outcomes (medium term)					
Regular use of device	Accessing information and advice online	Enhanced self-perceived wellbeing	Accessing services	Using device for school/ college/university work	Increased (or gained new) digital skills
Pursuing personal/ leisure interests online	Finding easier ways of doing day-to-day activities	Positive engagement with digital support (where needed)	Idiosyncratic online use	Searching for, and researching, jobs	Using Ecommerce and online banking

Outcomes (long term)						
People finding suitable employment	Increased uptake of benefits and financial help	Improved mental and physical health	More skills and qualifications	Strengthened social/ community connections	Quantifiable time savings	Quantifiable cost savings

7.9.4 Methods

For partnership programmes that deliver devices, connectivity and training, benefits measurement will be built around the core model of:

- understanding who our users are and what they want to achieve
- developing a 'logic model' that describes how outcomes (benefits) can be realised with Connecting Scotland support
- establishing a baseline measurement when users join the programme
- understanding users' experience of the programme
- measuring benefits achieved compared to the baseline after a pre-determined period or at periodic intervals.

Measurement can be undertaken in a range of ways which will be tailored to the user group and delivery context (see below). We will still use surveys and interviews as primary means measuring outcomes, but will supplement these with added approaches:

- **adding a longitudinal (cohort) study:** this would involve tracking a cohort of users in detail throughout their involvement in the programme. This enables a more fine-grained picture of how change occurs and how this is linked to Connecting Scotland support. It also enables a fine-grained measure of outcomes for a sub-sample of users that can be used to better quantify the overall impact.

- **building more data collection into service touchpoints:** contact with digital champions, with the helpline, with the website, or a visit to a connectivity hub are all opportunities to provide low effort means for users to engage in data collection on a key measure to boost the coverage provided by other research instruments, such as surveys

- **linking data from multiple sources to generate more insight:** this would involve combining management information, research data and external datasets (e.g., SIMD data) to understand, for e.g., how data use varies with demographics and how this matches up with reported usage in surveys. This will be a powerful way to track how the programme is meeting need, where the gaps and to be able to fine tune the programme.

Mixed Methods and Triangulation

Evaluative research will incorporate both quantitative and qualitative approaches to measuring and understanding impact. Quantitative measurement (primarily through user surveys) provides an aggregate overview of the outcomes and impacts for people supported by Connecting Scotland but does not readily show the mechanisms through which change occurs.

The qualitative methods outlined here – semi-structured interviews and the proposed longitudinal cohort study – will be used, in combination with the survey results, to gain vital insights into the specific factors that have helped the realisation of outcomes.

For example, if surveys show that people have successfully gained employment since receiving Connecting Scotland support, in-depth qualitative methods can help us to understand which features of support were important, the circumstances under which users were able to harness this support, as well as accounting for any external factors that might have contributed to the outcome. We can then formulate hypotheses as to how impact is achieved which can support future initiatives.

7.9.5 Measurement instruments

One important factor to bear in mind is that the intervention of bringing people online is an enabling intervention. Its role, mostly, is to maximise the effectiveness of other interventions rather than delivering benefits just by itself. For example, while supporting use of NHS Near Me through digital inclusion may help reduce treatment times and lead to better health outcomes, the quality of the diagnosis and treatment will have also been a significant contributor to achieving this benefit.

This is where qualitative research is crucial, not only to be able to understand the specific features of Connecting Scotland support that were most important, but also to gauge the ‘weight’ of their contribution to the overall outcome. At the same time,

because we are positioning Connecting Scotland as an intervention that 'supercharges' other government programmes (precisely because of its enabling effect), we need to tie in with the evaluation programmes for those interventions to avoid duplication of effort.

For this reason, we will use multi-level approach to evaluation:

Top layer: National measurement: rates of digital inclusion shown by national surveys, shifts in national wellbeing measures, E.g., via OFCOM statistics on broadband tariff uptake and the Scottish Household survey section on Internet use

Middle layer: Intervention level measurement. Integrate with evaluation strategies put in place for policy initiatives being supported by Connecting Scotland (e.g., the child poverty evaluation strategy)

Bottom layer: Data sets from management data and direct research with Connecting Scotland users.

7.9.6 Benefits measurement in the context of delivery models

The new Connecting Scotland programme is advocating a portfolio of delivery routes, partnership programmes each of which need a tailored evaluation strategy to meet their specific situation.

7.9.6.3 Direct delivery models:

Those models where we deliver devices and connectivity directly to recipients via the programme.

- these will be evaluated as per the core evaluation approach detailed above
- evaluation will be integrated with any policy / intervention focussed evaluation also being undertaken (e.g., as for the Child poverty delivery plan). This would include aligning Connecting Scotland outcomes with poverty drivers, but also having Connecting Scotland elements included in the Child Poverty evaluation protocol.
- Where ownership of delivery lies with a partner organisation, contractual arrangements will be put in place specifying the delivery of proper evaluation activities, either by themselves or in concert with the core evaluation team

7.9.6.4 Place based models:

Those models where connectivity, device access and support is available in a communal / public space, e.g., a support hub, community centre or venue:

- a transient user base in many of these settings will create an added challenge for measuring outcomes beyond key indicators of level and type of use and satisfaction

- we will use participant observation to understand the specifics of how hubs are being used and recruit hub users to take part in interviews
- we will recruit a cohort of hub users who would be willing to be approached after a time interval (e.g., after a few months) to understand how they are progressing on their digital journey and the specific contribution their use of Connecting Scotland facilities had on that journey.

7.9.6.5 Partnership programmes

Digital Health and Social Care teams are leading digital inclusion work in social housing and digital mental health. Connecting Scotland team is engaging with offices to understand on how to support these initiatives.

- there will be a need to understand the effectiveness of the partner programme in terms of potential outcomes, as well as assessing users' experiences of being involved to get the service model right if the partnership programme is to progress to a new stage (e.g., delivery). This means that an element of user research will be needed as well as an evaluation framework for outcomes.
- outcomes / benefits will be evaluated as per the core evaluation approach detailed above.
- we will standardise the non-specific elements of the evaluation across all partnership programmes to have comparable data and a consistent and efficient approach.

7.9.6.6 Systems and capacity building

Organisation / ecosystem level interventions to maximise the value of digital inclusion work already being undertaken across public, private and third sectors.

- new metrics will be needed to judge the 'health' of the digital inclusion ecosystem
- in its simplest form this could be a periodic survey to be completed by organisations and other entities with a digital inclusion remit
- measures of 'digital health' can be incorporated into a refreshed Digital Participation Charter
- specialist research can also be commissioned like the Blake Stephenson organisational research delivered for phases 1 and 2 of the original Connecting Scotland programme
- work towards a standardised way of managing and measuring digital inclusion at a Local Authority area level

7.9.6.7 Benefits realisation plan

The realisation plan will be aligned with the project delivery plan and will have the following details for each benefit:

- **Benefit description** – a description of the benefit and what it will deliver for individuals, organisations or society.
- **Baseline calculation/measurements:**

    - For organisational benefits – a calculation made of the current costs
    - For individual and societal benefits – a baseline measurement prior to the intervention
    - For all: details of the calculation or measurement and any assumptions made
- **Logic model** - a logic model showing how the intervention may lead to specific benefits.
- **Evidence of contribution** - qualitative evidence and data that shows that, and how, an intervention contributes to realising the benefit.
- **Predicted benefits** - predicted outcomes for the benefit measured.
- **Method to measure** - an evaluation plan for measuring this benefit.
- **Individuals, groups and organisations impacted** - what individuals, groups and which parts of SG and wider public sector are affected.
- **Roles impacts** - what roles are affected within organisations (where organisations are the benefit recipients).
- **Benefit owner** - who, in business terms, will own the realisation of the benefit. As noted above, because Connecting Scotland is an enabling intervention, benefits will be shared with other implementation and evaluation programmes. Ownership of benefits may land in different programmes.
- **Realisation Profile** - how long it will take for the benefit to be realised. This is a key consideration for digital inclusion work as for some groups skills and confidence building may take time

The evaluation of Connecting Scotland will cover impacts and measure success at four levels:

1. Service and Process – Ongoing evaluation of the service delivered and the experience of the end user.
2. Economic and Social Impact (Individuals/households) - impact on the end-users to become better connected and digitally confident.
3. Economic and Social Impact (society) – impact on local and national communities, the economy and the public sector and government.
4. National Performance Framework (NPF) - Evaluation of the outcomes and indicators in the NPF that this programme will address – as set out in the Strategic Case - Scottish Government Approaches to the Digital Agenda

These measures have been mapped against the benefits to ensure complete coverage.

7.10 Risk management

The programme will continue to use the Scottish Government risk management approach detailed in the Scottish Public Finance Manual. The project team has ensured that risk identification and management is an integral part of all team roles and have scheduled regular risk workshops to ensure the register remains current and risks and issues are managed effectively. At the point of recording risks,

ownership is assigned to a member of the programme team, the delivery team, a member of a supplier's team or a member of the governance model.

Along with risk ownership there will be the potential to assign an action owner to ensure ownership remains with the most appropriate person while risk elaboration/mitigation take place. The Programme Governance Board have risk review as a regular part of each meeting. All risk information is stored in a Microsoft Excel based risk register.

7.10.1 Key risk categories

Upon analysis and profiling of our risks, **5 key categories emerged.** These are summarised below.

7.10.1.1 Finance

The financial restrictions on government and elsewhere are already covered in this paper. The picture around finance is constantly evolving, creating additional risk for the programme as this creates uncertainty around planning and makes it more difficult to engage with partners as they are facing similar pressures.

7.10.1.2 Resourcing

The Resource Spending Review has meant additional restrictions on recruitment to the Scottish Government. The programme is currently under-resourced, and this has been the case for some time, leading to staff having to cover gaps which they may not have the level of time or expertise to undertake confidently.

7.10.1.3 Programme delivery

One of the impacts of the gaps in resourcing has been that delivery of the Connecting Scotland programme is now behind schedule. This FBC, originally due for delivery in August 2022, was extended to December 2022. The scope of the exercise has changed within that period, further impacting on confidence levels around delivery.

7.10.1.4 Benefits realisation

Ensuring a link between the resource and capital expenditure on the programme and the intended outcomes around health, education, alleviating poverty and other government priorities is one of the most crucial functions of Connecting Scotland. Although the programme has a wealth of evidence, data and stakeholder feedback, there are several risks recorded around how effectively the team are using data and engaging with policy colleagues to ensure that these are managed effectively, and the programme continues to undertake actions that are connected to desirable outcomes.

7.10.1.5 Data

A programme of this nature involves collecting a huge amount of data, both qualitative and quantitative. This data is controlled by SG but is collected and

processed jointly with external partners, so risks around this are recorded in addition to those around data gaps and the potential for misuse.

7.11 Monitoring and assurance

Milestones are agreed within the team and reported against to the Programme Governance Board, ensuring that project deliverables align with external requirements, stakeholder expectations and organisational needs. Grant payments to SCVO are conditional on the evidenced delivery of agreed milestones.

As the programme scales up, options for a Service Level Agreement will be considered for SCVO and other external partners, including costs, timescales and escalation points.

7.12 Timescales

Production of the FBC began in June 2022 and an initial draft was completed by the end of the year.

The work for the Connecting Scotland programme over the next 5 years is dependent on decisions made around the scope and operating model, but options for this are explored in more depth in a separate policy paper.

7.13 Conclusion

The management case shows that Connecting Scotland has been able to evolve from an emergency response into a sustainable entity that can flex according to the new financial and technological challenges faced in the present day. The foundations of the programme are based around Agile project management, strong governance, a robust approach to risk management and a multi-skilled team. These foundations have been used to build up a strong record of success, helping over 60,000 people out of digital exclusion and making Scotland an inspiration for other countries looking to reduce the digital divide, increase equality and join up government priorities.

8. Conclusion of this FBC

The Connecting Scotland programme has an enviable record of accomplishment of success in providing digital devices and connectivity to those in need. The initiative has also contributed to bridging the digital divide and helping citizens in Scotland be more digitally included. However, there is more work to be done. The next iteration of Connecting Scotland will take place at a time when access to funding is more challenging. The programme has adjusted its activities accordingly by moving some emphasis to lower cost client interventions and place-based connectivity. By retaining and developing the Connecting Scotland initiative, as part of the Scottish Government, when economic stability returns, Scotland once again will be at the forefront of digital inclusion.

8.10 Salient issues for consideration

Connecting Scotland has tangible, intangible and human assets it can harness to provide value as part of SG

8.1.1 Tangible Assets

- Connecting Scotland has a record of accomplishment of successfully providing devices and connectivity to those in need with approximately sixty thousand device and connectivity assets currently in the field.

- Many of the surplus or “end of need” assets can be cost effectively repurposed and rehomed to provide rapid deployment digital support for those in most need.

- Connecting Scotland currently has a free suite of connectivity management tools provided by Vodafone that can be used to assist with this activity.

8.1.2 Intangible Assets

- Connecting Scotland has built a strong reputation and brand identity across its client/user base and stakeholder organisations in Scotland. This is confirmed by evidence emerging from the Phase 3 user research and 2022 focus group research within its stakeholder groups. There is also positive brand awareness of Connecting Scotland across organisations engaged in digital inclusion activities across the wider United Kingdom. Connecting Scotland was highly regarded with organisations attending the Digital Leaders event this year. A delegate from a London based digital Inclusion organisation described CS as an exemplar for organisations working in this field. As a result, Connecting Scotland has established valuable relationships with many charitable and third sector organisations that can be further developed in the future.

- The primary means of digital connectivity for Connecting Scotland has been via 4G mobile data communications provided by Vodafone. Connecting Scotland has strengthened its relationship with Vodafone at board level through their UK Director of Business, who is responsible for their activity in digital inclusion. Vodafone have committed to placing some of their resources behind Connecting

Scotland to improve the way individuals in digital poverty in Scotland can be more efficiently supported.

- In addition to this strong relationship with Vodafone, Connecting Scotland has gained access to the wider mobile connectivity sector through its relationship at CEO level with Mobile UK, the trade body for the four mobile data communications network operators in the UK.
- In terms of future devices, Connecting Scotland has been working closely with its primary hardware supplier XMA plus Microsoft and Google to ensure that all devices used in the future meet the needs of the user, including accessibility for those users with physical, visual or hearing impairments.

8.1.3 Human Assets

- Connecting Scotland, as part of the digital citizen unit of SG, has been augmented by the addition of Ethical Digital Nation team. This expands its capability to provide expertise in terms of the ethics and best practice for digital inclusion.
- As part of the Scottish Government, Connecting Scotland has close links across a range of relevant organisations in the public, private and third sectors. There is a close partnership with SCVO, which means the programme benefits from their 10 years of experience in delivering and leading Digital Inclusion in Scotland and their reputation across the UK and beyond.
- Connecting Scotland is in an ideal position to take advantage of the Environmental, Social and Governance initiatives which are becoming an obligation for private sector and corporate enterprises. By harnessing its experience and wider resources, Connecting Scotland is well placed to assist charities and community organisations access this source of funding. By helping them become “social investor ready” these organisations and the people they support can benefit from this important source of funding.
- Connecting Scotland has also added expertise in terms of telecommunications technology experience and data analysis; this capability will help Connecting Scotland deliver better “one to one” and “one-to-many” digital connectivity to users in the future.
- The Connecting Scotland Programme has access to the wider resources of the Scottish Government and will contribute and be governed accordingly.

8.2 Recommendations

Based on the arguments set out in the Strategic, Socio-economic, Commercial, Financial and Management cases, this FBC recommends the following delivery option for consideration of the Programme Board and the Ministerial approval:

- Option 2 - Systems and capacity building activities plus partnership programmes

Option 2 represents best value for money, as full delivery of systems and capacity building activities will be a key investment in the digital inclusion landscape that activates, connects and extends existing provision. Further, the focus on investing in partner programmes and proofs of concepts help set the foundation for future-focussed programmes.

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