Gigabit In Scotland

Public Review Report (Revised)

Scottish Government
Riaghaltas na h-Alba

Gigabit In Scotland

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March 2024

1. Introduction And Background

In March 2021, the UK Government announced an ambition to deliver nationwide gigabit-capable broadband as soon as possible, recognising that there is a need for government intervention in the parts of the country that are not commercially viable. They have committed a total of £5bn to ensure that all areas of the UK can benefit. This will be spent through a package of coordinated and mutually supportive interventions, collectively known as Project Gigabit[1], with an initial intervention of £1.2bn targeting at least 85% gigabit coverage of the UK by 2025.

The Scottish Government issued a Public Review (**PR**)[2] to determine the eligible intervention area for investment of public funds into gigabit-capable broadband infrastructure on 23rd March 2023. The period of consultation closed on 24th April 2023, with the Public Review formally closing on 23rd June 2023.

The outcome of this PR will be used to inform eligibility for possible future procurements via Project Gigabit and support the development of other potential public interventions in Scotland. It may also be used to determine eligibility for the current UK-wide GigaHubs and Gigabit Voucher programmes.

2. Purpose Of This Public Review Report

Under the UK Government's Gigabit Infrastructure Subsidy Scheme[3] guidelines, public sector intervention in broadband infrastructure investment is limited to those areas where there is no current or planned (within the next 3 years) commercial deployments, to avoid distorting what might otherwise be/become a competitive market.

The Scottish Government carried out an Open Market Review (**OMR**)[4] of all current and planned infrastructure within the scope area between 21st February 2022 and 21st March 2022. The submitted data allowed us to produce a draft intervention area for the Public Review.

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[1] UK Government Project Gigabit Guidance
[2] Broadband Infrastructure in Scotland: Public Review
[3] Project Gigabit: UK Government Subsidy Advice
[4] Superfast and Gigabit Broadband Infrastructure - Open Market Review

The Public Review is now complete and this report sets out the responses to the consultation and the actions that the Scottish Government has taken as a direct result of those responses and subsequent data changes from suppliers.

This report was originally published[5] on 3rd November 2023 following the outcome of our Public Review. Further data submissions from infrastructure suppliers have been received and assessed as part of our regular rolling OMR update process, where suppliers provide coverage updates to the Scottish Government three times per year. As well as suppliers' plans, the Scottish Government also accounts for updates from existing intervention programmes, including the R100 Programme and UK Government programmes. Submissions received by 19th January 2024 will be taken account of ahead of the first planned interventions later this year. The revised outcome is included in this report.

3. Public Review Response

A total of 17 formal responses were submitted during the consultation period. None of the responses asked to be treated in confidence. The table in Appendix A summarises the responses and the actions that the Scottish Government has taken as a result.

The table has been extended to include the 12 further responses received from infrastructure suppliers as part of our rolling OMR process up to 19th January 2024.

4. Revised Intervention Area

As a result of the Public Review and including supplier data changes during the assessment phase and rolling OMR process, the Scottish Government has revised the Gigabit broadband map for Scotland. In line with the Gigabit Infrastructure Subsidy Scheme guidelines, the Scottish Government has classified premises as White, Grey, Under Review or Black. We will only subsidise build to premises which have been designated as White.

- **White** - indicates premises with no gigabit network infrastructure and none is likely to be developed within 3 years
- **Black** - indicates premises with two or more qualifying gigabit infrastructures from different suppliers being available, or will be deployed within the coming 3 years
- **Grey** - indicates premises with a single qualifying gigabit infrastructure from a single supplier is available, or is to be deployed within the coming 3 years
- **Under Review** - indicates premises where suppliers have reported current or planned commercial broadband coverage, but where claimed current gigabit coverage has not been verified, or, in respect of planned

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[5] Gigabit in Scotland - Public Review Report

build, where evaluators are confident that gigabit infrastructure will be delivered, but some risks to delivery remain, or there are some gaps in evidence.

For presentational purposes, postcodes have been used when mapping the proposed eligible areas for this Public Review (note we will only subsidise build to premises which have been designated as White - postcodes are not used to determine intervention areas for subsidy).

For the purpose of mapping only, postcodes have been classified as follows:

1. A postcode is **White** if any 'White' premises are present; else

2. A postcode is **Under Review** if any 'Under Review' premises are present; else

3. A postcode is **Black** if all premises in the postcode are classified 'Black'; else

4. A postcode is **Grey** if all premises are 'Grey' or there is a mixture of 'Grey' and 'Black' premises

The current Gigabit coverage map for Scotland can be found in Appendix B. An associated file is available for download alongside this document listing all postcodes with their Subsidy Control classification and premise breakdown. A list of eligible premises (White and Under Review) is available to suppliers upon request.

Premises that are classified as Under Review will be subject to continued monitoring and verification of supplier plans within the proposed delivery period by the Scottish Government and in the event that these commercial plans fall away, these premises will be reclassified as White and form part of the proposed intervention area and therefore eligible for intervention via this aid measure. Monitoring forms part of the rolling OMR process.

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

Postcode Classification (All Scotland)	Number of Postcodes	Number of Gigabit Black Premises	Number of Gigabit Grey Premises	Number of Gigabit Under Review Premises	Number of Gigabit White Premises
White	36,727	19,724	156,584	106,289	364,725
Under Review	37,180	71,831	293,135	447,507	
Grey	54,486	218,759	837,205		
Black	24,947	464,109			
Total	153,340	774,423	1,286,924	553,796	364,725

Note that this outcome reflects the whole of Scotland. The PR[6] document intimated that Highlands and Islands Enterprise (**HIE**) was carrying out a Project Gigabit procurement on behalf of the Inverness and Highland City Region Deal. HIE has since confirmed that it will not proceed with the procurement, therefore in line with the PR document, we have assessed all premises in Scotland.

In line with the Gigabit Infrastructure Subsidy Scheme, if commercial plans change and are notified to the Scottish Government, then affected premises can be reclassified accordingly.

For any potential procurements, the Scottish Government will make coverage information available at a premises level within the identified White postcode areas to bidders to ensure that bids can target those premises without Gigabit broadband coverage efficiently.

5. Next Steps

The Scottish Government has used this information to define the eligible Intervention Area for potential future procurements under the Gigabit Infrastructure Subsidy Scheme[7] and is in the process of finalising the design of procurement areas as a subset of the intervention area. These have been discussed with the market via a Pre-Procurement Market Engagement exercise. In line with the scheme, potential procurements are likely to include both "Local Contracts" using the existing Dynamic Purchasing System and "Regional Procurements" using the restricted procurement procedure.

A map showing the potential local (Type A) and regional (Type B) procurements can be found in Appendix C. The first procurement (Lot 1) is scheduled to launch in March this year and includes 11,394 properties

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[6] Broadband Infrastructure in Scotland: Public Review
[7] Detailed Overview of the Gigabit Infrastructure Subsidy Scheme

throughout the Scottish Borders and parts of East Lothian, Midlothian and South Lanarkshire. Further detail of the proposed Lot 1 procurement can be found in Appendix D.

The process required for the provision of gigabit broadband infrastructure under the scheme across all of Scotland is expected to take around 5 years with the first contracts awarded in the second half of 2024.

The UK Government plans further interventions beyond those described above as part of Project Gigabit.

6. Further Information

For further information on the project, please write to:

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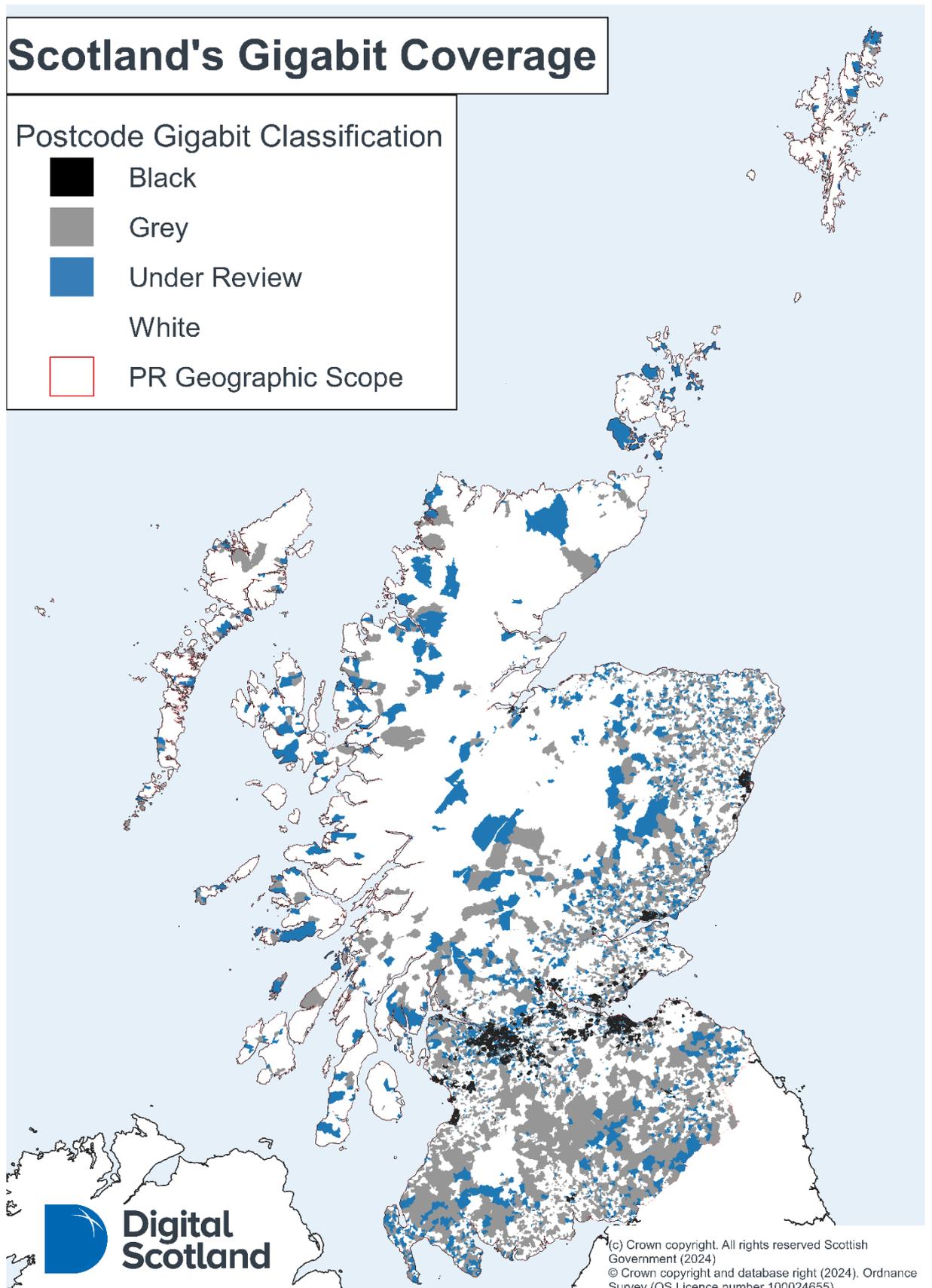5 Atlantic Quay, 150 Broomielaw
Glasgow G2 8LU

Or by email: gigabit@gov.scot

Appendix A – Public Consultation Response

Response	Responder	Comment	Resultant Action
1	Peter Yule, member of public	Lack of available fibre in Gorebridge, Midlothian	Advice provided – no change to intervention area
2	Richard Kirk, member of public	Lack of available fibre in Redhill, Moray	Advice provided – no change to intervention area
3	Axione	Updated coverage response	Response assessed and intervention area amended accordingly
4	Aberdeenshire Council	Report on availability across Aberdeen City and Shire. Request to prioritise North East.	Report noted – no change to intervention area
5	Openreach	Updated coverage response	Response assessed and intervention area amended accordingly
6	Netomnia	Updated coverage response	Response assessed and intervention area amended accordingly
7	GoFibre	Updated coverage response	Response assessed and intervention area amended accordingly
8	Lothian Broadband	Updated coverage response	Response assessed and intervention area amended accordingly
9	Glide	Updated coverage response	Response assessed and intervention area amended accordingly
10	Broadway Partners	Updated coverage response	Response assessed and intervention area amended accordingly
11	Hyperoptic	Updated coverage response	Response assessed and intervention area amended accordingly
12	City Fibre	Updated coverage response	Response assessed and intervention area amended accordingly
13	Cromarty Firth Wireless Networks Ltd	Updated coverage response	Response assessed and intervention area amended accordingly
14	Gigaloch	First time coverage response	Response assessed and intervention area amended accordingly
15	VMO2	Updated coverage response	Response assessed and intervention area amended accordingly

| 16	Nexfibre	First time coverage response	Response assessed and intervention area amended accordingly
17	Balquhidder	Updated coverage response	Response assessed and intervention area amended accordingly
18	Axione	Post PR Coverage Update	Response assessed and intervention area amended accordingly
19	Cityfibre	Post PR Coverage Update	Response assessed and intervention area amended accordingly
20	Cloudnet	Post PR Coverage Update	Response assessed and intervention area amended accordingly
21	Gigaloch	Post PR Coverage Update	Response assessed and intervention area amended accordingly
22	Gofibre	Post PR Coverage Update	Response assessed and intervention area amended accordingly
23	Hyperoptic	Post PR Coverage Update	Response assessed and intervention area amended accordingly
24	Lothian Broadband Networks (LBN)	Post PR Coverage Update	Response assessed and intervention area amended accordingly
25	Netomnia	Post PR Coverage Update	Response assessed and intervention area amended accordingly
26	Nexfibre	Post PR Coverage Update	Response assessed and intervention area amended accordingly
27	Open Fibre Networks (OFNL)	Post PR Coverage Update	Response assessed and intervention area amended accordingly
28	Openreach	Post PR Coverage Update	Response assessed and intervention area amended accordingly
29	Virgin Media O2	Post PR Coverage Update	Response assessed and intervention area amended accordingly

Appendix B - Gigabit Broadband Map

Scotland's Gigabit Coverage

Postcode Gigabit Classification

- Black
- Grey
- Under Review
- White
- PR Geographic Scope

Digital Scotland

Appendix C – Potential Gigabit Procurements

Procurement areas

Other UKG (BDUK & DSIT) interventions expected

Type A/B procurements

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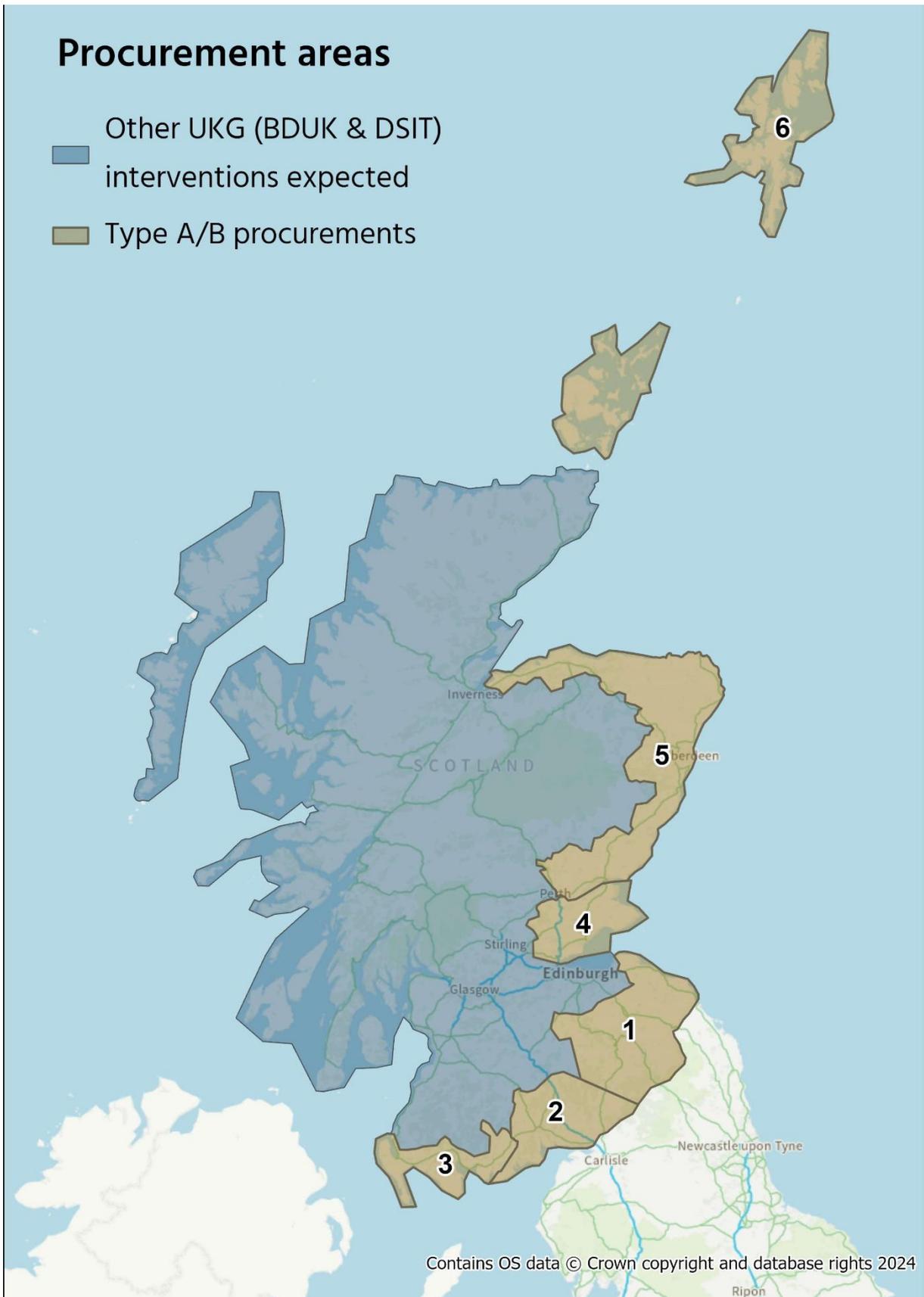
Appendix D – Lot 1 Procurement Details

The first procurement (Lot 1) is scheduled to launch in March this year and includes 11,394 properties throughout the Scottish Borders and parts of East Lothian, Midlothian and South Lanarkshire. The Lot 1 boundary plan shown below has been defined as being bounded by the Scottish national border in the South and the North Sea coast in the East/ North East. The Lot broadly follows the boundary with the Local Authority areas of Dumfries & Galloway and South Lanarkshire in the West with the exception of the moorlands between Broughton and Moffat where no premises exist. This creates a natural barrier in the west of the lot. The North of the Lot area is bounded by the natural barrier of the Pentland Hills and crosses through East Lothian to the coast dividing the Edinburgh commuter belt area (where commercial activity exists or is planned) with the more rural part of the Local Authority area.
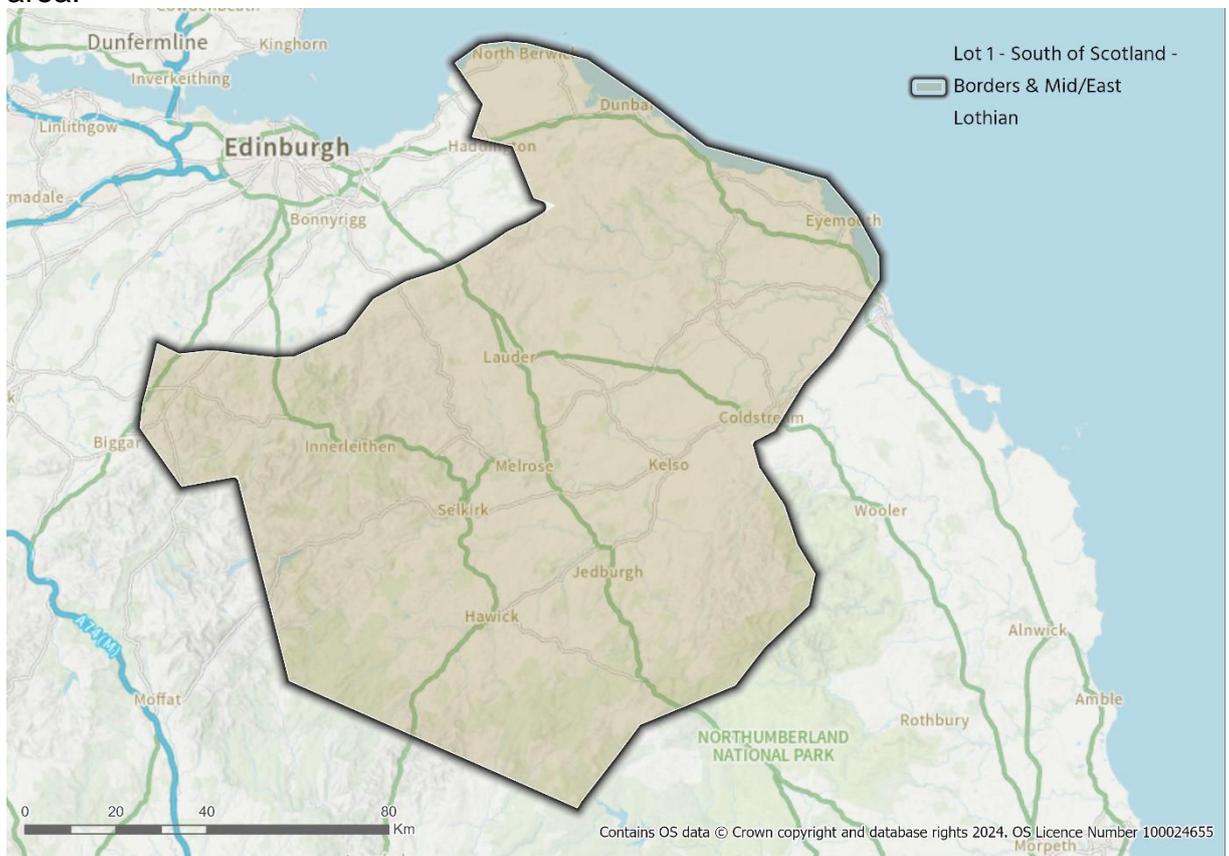

The Scottish Government has carried out market engagement to seek feedback from suppliers on the Scotland-wide intervention area and individual Lot design, including procurement type and market capacity to bid for potential procurements.

The total public funding investment has been based on the number of premises requiring subsidy. The Scottish Government will confirm a budget drawn from public funding for this area within the forthcoming tender documentation. Details of any restrictions on the use of public subsidy will be explained within the tender documentation.

Lot 1 will be a Type A Procurement with 11,394 in-scope premises for an anticipated subsidy amount of £26,296,482.

The in-scope premises for the procurement are shown below, with the sub-superfast (< 30 Mbps) premises shown in a different colour for transparency. Full details of eligible premises will be included within the tender documentation and are available to suppliers on request.
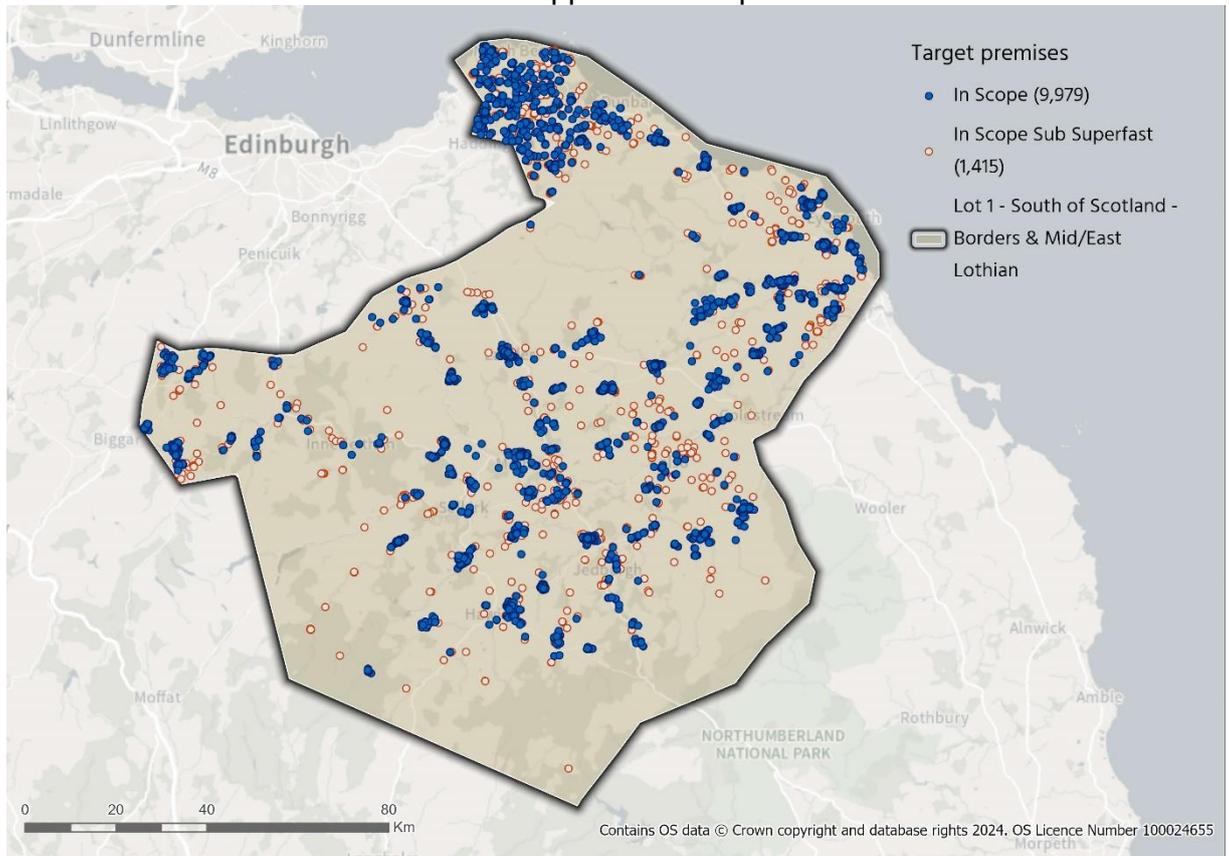
This procurement was designed utilising data from the PR conducted in Scotland referred to above and supplemented with information derived from the October 2023 rolling Open Market Review undertaken by the Scottish Government and subsequent supplier and programme updates received up to the 19th January 2024. Premises identified as no longer valid in our baseline Ordnance Survey data have also been removed. This ensures that we have used the most up to date information about suppliers' existing and planned commercial build with supplier submissions being used to inform eligibility across Project Gigabit in Scotland procurements.

The Scottish Government is confident that integrating these rolling OMR findings will ensure the best possible outcome for this procurement area, maximising both coverage and value for money accordingly. Our interventions will always flex to respond to both changes in the dynamic marketplace, and the appetite for our procurements.

The forthcoming procurement for Lot 1 will be carried out in accordance with the Public Contracts (Scotland) Regulations 2015[8]. Scottish Government procurement approaches are designed to address the scale of the individual procurements. The Lot 1 procurement will be conducted in a transparent and non-discriminatory manner. The Scottish Government reserves the right to amend or withdraw the procedure for the competitive sourcing process at any time. Any amendments will be done in line with the Procurement Regulations.

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[8] The Public Contracts (Scotland) Regulations 2015

Suppliers acknowledge and accept that by issuing this document, the Scottish Government shall not be bound to progress or conclude any related procurement activity.

Under no circumstances shall the Scottish Government incur any liability in respect of the information contained in this document or any supporting documentation.

Timescales

The following table summarises the indicative timescales for the Lot 1 procurement:

Activity	Date
Procurement start date	March 2024
Estimated contract award date	Autumn 2024