Since 2013, in partnership with the Scottish Government, Highland & Islands Enterprise (HIE), UK Government and through our own commercial connections, we have opened up superfast broadband to more than 1.8 million properties and businesses in Scotland.

Combined with commercial roll-out, we are making a significant contribution to deliver fibre broadband to 95% of premises in Scotland by the end of 2017/18, as part of the Digital Scotland Superfast Broadband (DSSB) programme. But now we need to think about the future and our next steps.

We need to focus on how Scotland will become a world-class digital nation and BT can play a key role in fulfilling that vision. BT Scotland believes that Scotland can fulfil that vision by:

1. Maintaining a stable regulatory environment that can continue the investment journey in fibre broadband.
2. Completing the open-access fibre network and connecting as much of Scotland as possible to superfast broadband.
3. Improving the skilled exploitation of ICT to drive Scotland's productivity across all sectors of the economy.
4. Supporting Scotland's small businesses to exploit enhanced digital connectivity to drive economic growth.
5. Tackling digital exclusion and improving digital literacy, supporting people to get online to take full advantage of online services.

According to Ofcom, household spend on residential fixed broadband services decreased from £57.03 in 2000 to £14.74 in 2014. That's a 71% fall at 2014 equivalent prices.

BT is the contractor to the Digital Scotland rollout which has passed more than 394,000 premises since it started in 2014. It means the project is more than half way to its target of making the technology available to 750,000 properties by the end of March 2018.

According to Ofcom, 85% of premises in Scotland can receive next generation access broadband services, a 22 percentage point increase from June 2014. By the end of March 2018, 95% will have access to fibre services.

The Tech Partnership (formerly e-skills UK) predict the number of people employed in ICT and digital technology roles is forecast to increase by 15% to 84,000 by 2020. And there could be as many as 11,000 job opportunities each year.
To achieve maximum fibre broadband coverage, the Scottish Government should continue to invest in the existing fibre network.

The Scottish Government’s rural broadband programme is targeted with covering 95% of the country with fibre broadband. The Digital Scotland rollout will deliver fibre broadband to 750,000 properties by the end of March 2018. Combined with BT’s commercial rollout, over 1.8m Scottish homes and businesses can now access fibre broadband (September 2015). Scotland’s islands can now benefit from fibre backhaul for the first time thanks to the largest deployment of subsea cables as part of the HIE project.

BT has committed itself to helping government deliver a new universal minimum broadband speed of 5-10 Mbps across the UK, subject to the right regulatory support. We are also trialing ultra-fast ‘G-fast’ services which will see 500mbps services over the existing network by the next decade (deployment to start in 2016/17).

Inevitably the next policy challenge will be what can be done for the ‘final 5%’. BT’s view is that the existing fibre network and public sector investment should be maximised to ensure the 5% becomes 3% or 2%. This can be achieved by maximising take-up of the new service allowing a level of funding to be reinvested into the network. £18m has already been offered to extend coverage. BT is also developing innovative technologies which will include satellite solutions to reach the most remote properties to ensure everyone can enjoy reliable superfast speeds.

Now that we have the infrastructure, a future Scottish Government should focus on digital utilisation and exploitation.

A survey by HIE into Digital Scotland found 27% of all businesses across the Highlands and Islands stated that digital technology is essential to the future growth and competitiveness of their business. The research also highlights that 56% of all businesses in the region reported digital skills gaps.

BT’s talent strategy has at its heart the firm belief apprenticeships are a mainstay in helping maintain and develop a highly skilled workforce. Evidence of this came with news BT is to create 1000 new apprenticeships and graduate jobs in 2015/16. The new recruits will work in a wide range of specialisms, including software development, IT, engineering and digital technology. In all, 700 apprenticeship and 300 graduate jobs are being created across the UK, with Dundee, Edinburgh, Glasgow and Aberdeen among the Scottish locations that are benefiting.

A report by the Federation of Small Businesses said that by targeting skills investment towards digital skills could provide significant economic benefits for small businesses and the wider economy.
Exploitation of digital technology should underpin Scotland’s economic strategy.

### ISSUE
There needs to be greater collaboration between the private and public sectors to understand what more can be done to fully utilise digital’s contribution to the Scottish economy.

### CHALLENGES FOR NEXT GOVERNMENT
- Working with industry to establish a public-private leadership board to identify and drive smart utilisation of digital infrastructure and technologies to increase productivity across all sectors of the economy and public services.
- Continue to support Enterprise Areas in Scotland and expand them to cover digital industries contributing to other key economic success factors such as low carbon, manufacturing and life sciences.
- Continue to focus on workplace innovation and how the utilisation of digital skills can boost labour productivity and the efficiency use of resources in both the private and public sectors.

Digital is transforming the way people engage with public services.

### ISSUE
Public Sector ICT transformation must keep up and drive wider public sector reform. New government initiatives, such as the transformation of health and social care, will require thought leadership and collaboration from the ICT sector to succeed.

### CHALLENGES FOR NEXT GOVERNMENT
- The need for greater public service reform is widely agreed in order to increase public sector efficiency and make savings.
- Promote greater collaboration between private and public sectors.
- Improve access to health services via digital channels so that everyone can enjoy access to digital health and social care services by 2020.

Since John McClelland’s review of ICT infrastructure was completed in 2011 we have seen changes in the way ICT is adopted by public authorities and enhanced public access to online services. Much focus has been spent on the development of a single point of digital access for public services and developing joined-up approaches to buying technology where it supports public service delivery. However, more can be done to promote collaboration between the private and public sectors, improve ICT skills and encourage sustainability, innovation and growth.
Digital technology has brought incredible benefits across society, in areas such as health, education, entertainment and retail, but evidence demonstrates that there are groups which are excluded from those benefits. A combination of skills, confidence, cost and motivation contribute to large groups of Scotland and the UK being offline.

Digital inclusion is about addressing this and helping people become capable of using and benefiting from the internet. The value of being online to a new user is £1,064 per annum. This value comes from having more confidence, making financial savings online, new job seeking skills and a reduction in social isolation. Though broadband take-up is increasing in Scotland, digital inclusion remains a big challenge for Scotland and the rest of the UK. This is particularly acute in the social housing sector, where internet access levels are at their lowest.

In Scotland, approximately 250,000 homes in social housing in Scotland are digitally excluded. Whilst the Scottish average percentage of social housing tenants accessing the internet is 68 per cent, this compares to 78 per cent having access to the internet across Scotland.

### CHALLENGES FOR NEXT GOVERNMENT
- Continue to support schemes for people on low incomes or who are unemployed, elderly or disabled to have access to the internet.
- The Scottish Government should continue to support schemes tasked with improving access for housing association tenants, building on the work of Glasgow Housing Association.

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