

## News release

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### Broadband roll-out making good progress but challenges remain

**The Scottish Government and Highlands and Islands Enterprise (HIE) are making good progress in widening access to high-speed broadband, but extending coverage to rural areas remains a challenge.**

The Scottish Government wants everyone in Scotland to be able to access the internet at any time and on any device, by 2020. To help achieve this, BT was appointed to extend Scotland's existing fibre broadband network in 2013 at a cost of £412 million. Audit Scotland is monitoring the progress of both the roll-out and the Scottish Government's digital infrastructure vision.

In an update report published today, Audit Scotland says that 2.2 million out of 2.6 million premises across Scotland had access to fibre broadband (86 per cent) by March 2016 – 1 per cent more than the Scottish Government's original target. More than 500,000 of these gained access through the contracts.

Assuming BT continues to meet its contractual targets, the Scottish Government can expect to meet its 95 per cent coverage target by December 2017. But work has so far focused on easier to reach areas, and the remainder of the roll-out will be more challenging. While 26 of Scotland's 32 council areas have met contractual targets for fibre broadband coverage, the areas that remain are rural or remote, and are likely to need more complicated and costly engineering solutions. Premises in rural areas also currently receive lower average speeds.

The Scottish Government has much to do if its ambition for world class digital infrastructure is still to be achieved by 2020. This includes defining clearly what world class means and setting out plans for how it will be achieved. The Scottish Government must also decide how it plans to spend a further £42million available for extending broadband coverage outside of the contracts.

Caroline Gardner, Auditor General for Scotland said: "Fast, reliable internet access is increasingly essential for everyday life, so it's encouraging to see good progress being made in rolling out fibre broadband.

"However, there is a lot still to be done by the Scottish Government if it is to achieve its vision of a world class digital infrastructure, particularly in improving download speeds in rural areas. It's important that it continues to monitor the cost and progress of broadband rollout so that these communities aren't excluded".

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## Notes to editors

1. This update is Audit Scotland's second piece of work on the progress of broadband roll-out in Scotland. As this is a progress update and not an audit of the completed project, it has been presented in a different way to our usual reports. This was done to avoid repetition of information already provided in our 2015 report. There are links to our 2015 report where further detail may be helpful. Our first report, [Superfast broadband for Scotland: A progress report](#), was published in February 2015.

2. In 2013, the Scottish Government and Highlands and Islands Enterprise (HIE) separately contracted BT to extend the existing fibre network across the country. Alongside commercial coverage, the contracts are intended to provide access to fibre broadband to 85 per cent of premises by March 2016, and 95 per cent of premises by December 2017. 'Premises' refers to both homes and businesses.

3. The contracts cost £412 million in total: £146 million for the Highlands and Islands, which covers the three island councils, Highland and Moray Councils and parts of North Ayrshire and Argyll and Bute; and £266 million for the Rest of Scotland. The Scottish public sector as a whole is expected to contribute funding of £165m. The balance will be provided by the UK government, the EU and BT.

4. The contracts are expected to provide 75 per cent fibre broadband coverage in all council areas by December 2017 except Comhairle nan Eilean Siar, where the target is 70 per cent due to the area's remoteness and terrain. The six council areas yet to reach the contractual target for fibre broadband coverage in March 2016 were: Argyll & Bute (57.5 per cent), Highland (71.3 per cent), Orkney Islands (53.8 per cent), Perth & Kinross (70.9 per cent), Shetland Islands (49.5 per cent), Western Isles (37.5 per cent).

5. There are also contractual terms relating to download speeds. Although the Scottish Government's ambition is to provide speeds of 40-80 Mb/s to 85-95 per cent of Scotland, BT's contractual requirement is to build infrastructure that would deliver modelled speeds of more than 24Mb/s to at least 77 per cent of premises. In March 2016, the Scottish Government reported that 87 per cent of premises provided with access through the contracts should receive modelled speeds over 24Mb/s.

6. In November 2015, the UK government announced that it would introduce a universal service obligation to ensure all premises can receive a minimum of 10Mb/s from their broadband provider. Ofcom has reported that currently 14 per cent of premises in Scotland, with access through both the public sector's intervention and commercial coverage, cannot receive 10 Mb/s. Most of these premises are in rural areas, where this figure rises to 57 per cent of premises.

7. Scotland's digital environment and how public bodies are adapting to it is a feature of Audit Scotland's [rolling programme of work](#) for the next five years.

8. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

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