

21 February 2020

CONSULTATION – OFCOM’S PROPOSED PLAN OF WORK 2020/21

I welcome the opportunity to respond to this Ofcom consultation on the proposed Plan of Work for the forthcoming year, 2020-2021. This response covers my own portfolio interests, specifically in relation to digital connectivity and responsibility for Scotland’s 96 inhabited islands.

As Ofcom will be aware, the Scottish Government’s ambition is for Scotland to become a truly digital nation; one that achieves its global potential and supports innovation and growth. High quality digital connectivity is a crucial component of this, and essential to enabling the people of Scotland to fully participate in a digital economy and capitalise on the benefits of accelerated technological changes. It is for this reason, despite legislative and regulatory powers regarding telecommunications being reserved to Westminster, the Scottish Government has committed significant levels of public investment to deliver programmes aimed at extending access to future-proofed digital infrastructure and services beyond the scope of commercial delivery.

A responsive regulatory framework that incentivises commercial investment at scale and pace, and supports publicly funded programmes aimed at extending commercial networks, is critical to drive a step change in the quality of digital infrastructure across Scotland, ensuring a key contribution to our climate change ambitions and meeting the needs of its citizens, now and in the future. The Infrastructure Commission for Scotland’s recommendation on regulatory reform, presented in their recent key findings report, serves to highlight the need for Ofcom to proactively consider new regulatory approaches. To this effect, I would be interested in jointly exploring the feasibility of this recommendation.

I am aware that, through the Wholesale Telecoms Fixed Access Review consultation, Ofcom is seeking to meet future requirements by setting regulation for fixed telecoms for the next five years, into 2026 and I will respond separately to that. While this a significant

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development, concluding the work of previous years to bring a regional dimension to telecoms regulation, Ofcom must be alert and responsive to emerging developments, particularly given the rapidly developing telecoms picture in both Scotland and the UK as a whole. I would welcome regular engagement between our officials on this, continuing the strong and collaborative relationship that the Scottish Government and Ofcom have enjoyed thus far.

This constructive engagement has been evidenced in our work around the design and implementation of the Universal Service Order (USO). Whilst the proposed plan of work highlights the imminent implementation of the USO, it remains crucial that collaboration continues, in order to anticipate and understand any interaction with the Reaching 100% (R100) programme, and to ensure seamless and effective alignment with the associated on-demand elements of delivery. In particular, I would ask that Ofcom hastens the planned sharing of premises level data of those currently anticipated to fall within the USO footprint in Scotland and those premises out-with the scope of the USO as a result of 4G home broadband delivery. I have committed to providing the public with clarity on planned deployment and voucher eligibility through our forthcoming online checker, and this data is vital in ensuring accurate and aligned public messaging across all deployment programmes in Scotland, to minimise consumer confusion. Similarly, I am keen to see continued consideration of USO funding being combined with that of our voucher scheme, ensuring that opportunities for a holistic approach are fully explored

Beyond the interaction with R100, and despite fixed wireless plans being considered commercial deployment and outwith the scope of the USO, it is paramount that Ofcom has sufficient oversight to ensure that those premises in receipt of 4G home broadband have access to sufficient and reliable service.

I welcome that Ofcom recognises there is a need to see increases in geographic mobile coverage and that significant 5G rollout and mobile investment is required to deliver the experience consumers expect in the mid to long-term. One of the main expected investments in mobile in this period is expected to take place as part of the Shared Rural Network (SRN) rollout. I consider that Ofcom should have a vital and active role in SRN in terms of monitoring MNOs' compliance of coverage obligations (and if necessary, penalisation for non-compliance) and in ensuring the transparency of rollout information from the outset – which includes clarity on the areas which will not ultimately benefit from the programme to enable assessment of the scale of the remaining problem.

Ofcom's continued focus on the facilitation of spectrum sharing is particularly pertinent to Scotland given its potential to deliver improved services and particularly as the effective and efficient sharing of spectrum is key to the success of one of the early workstreams being led by The Scotland 5G Centre.

I also welcome Ofcom's planned work in relation to the performance of mobile broadband services. This is a common issue raised with me and is just as important as coverage *per se*. The Scottish Futures Trust, working alongside my officials, have undertaken some substantive work in area in recent years and we would welcome an opportunity to discuss how our experience and approach could add value to Ofcom's planned work.

As technological innovation abounds, there is an ever increasing importance for strong, secure and resilient networks. I am pleased to note the ongoing Network Security &

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Resilience Programme. Resilience of the telecoms network, as a whole, is of particular significance to rural areas and the islands of Scotland where both fixed and mobile services are more limited.

As highlighted in the Connected Nations 2019 report, 20% of Scotland is without good 4G coverage from any operator, predominantly in rural areas. The Emergency Services Network project should go some way to increasing the mobile service availability in some of the less well served areas of Scotland, however the need for sufficient resilience provision - in the form of generator and battery backup, adequate parts supply and a sufficient compliment of engineers to affect repairs and upgrades - should be entrenched in all telecommunications improvement work going forward to ensure members of the public have accessible and reliable telecommunications links. To ensure this there needs to be a continued focus on mapping the vulnerabilities to these networks and the measures required to mitigate them.

Lastly, provision of good quality digital connectivity must be matched by provision of good customer service and fair prices. I welcome efforts to increase consumer fairness, and I look forward to seeing the progress made by providers on the Fairness for Customers Commitments. It is vital that providers ensure they are offering broadband, phone and TV packages that meet their customers' needs and have a fair approach to pricing, with costs that are clear and easy to understand. I am also keen to see Scottish-specific issues considered as part of this work.

I am pleased to see a number of actions included in the proposed workplan to further promote fairness, protect vulnerable consumers and improve the information available to consumers. It is vital that this results in tangible action, particularly for rural Scotland and consumers in vulnerable circumstances, and my officials will engage with Ofcom on the detail of the workplan as appropriate.

You may be aware that the Consumer Scotland Bill continues to make its way through Parliament, passing Stage 1 on 23 January. We continue to work on the operational detail of the body, and are confident it will develop a strong partnership with Ofcom to complement its work to improve outcomes for consumers in Scotland.

Delivering a step change in the quality, capacity and availability of digital infrastructure for the benefit of all requires a partnership approach. It is my belief that the Scottish Government and Ofcom ultimately share the same objectives in this regard, and I am very pleased at the level engagement in recent years, underpinning both our separate and aligned agendas. As is clear from the annual plan, much work remains to ensure the universal and ubiquitous access to future-proofed digital infrastructure across Scotland and it is incumbent upon us to continue to work together effectively to deliver realise this vision.

Kind regards



PAUL WHEELHOUSE

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