



Digital Britain: access, inclusion and participation in communications markets in Scotland

Report of a joint Communications Consumer Panel and Consumer Focus Scotland event held in Glasgow on 11th November 2009

Background

On June 16 2009, the UK Government published *Digital Britain*. This report set out the UK Government's vision for the future of digital communications across the United Kingdom. The report includes:

- a commitment to delivering 2mbps broadband for all by 2012;
- proposals for the roll-out of next generation broadband to at least 90 per cent of the United Kingdom by 2017;
- a proposed campaign to increase digital participation and help people attain the confidence and skills to make use of the benefits broadband can bring;
- proposals to broaden the delivery of online public services; and
- a recommendation to give Ofcom new duties, including a duty to provide a bi-annual report on the state of the UK's communications infrastructure.

Though these recommendations have the potential to play a significant role in tackling digital exclusion in Scotland, what remains unclear is exactly how the report's recommendations will be delivered in Scotland, given that some of the key policy areas are devolved and also that delivery of some reserved policies will be dependent on devolved institutions.

The Communications Consumer Panel and Consumer Focus Scotland decided to hold a joint seminar on 11th November, to examine what the *Digital Britain* report means for Scotland and to consider what needs to be done to ensure that the potential benefits for Scottish citizens and consumers are fully realised. Three questions were central to the discussions:

- Do citizens and consumers in Scotland have specific needs and, if so, what can be done to make sure those needs are met?
- How well do current delivery plans in Scotland meet these needs and what needs to change?
- Are there specific issues surrounding the implementation of the UK Government's digital communications proposals in Scotland where policy responsibility for areas such as enterprise, rural development, public services and digital inclusion are devolved but areas such as telecommunications and fiscal policy are reserved to Westminster? How might this impact on consumers?

The meeting was chaired by Fiona Ballantyne (Member for Scotland, Communications Consumer Panel) and featured presentations by Trisha MacAuley (Interim Senior Director, Consumer Focus Scotland); Peter Peacock MSP (Highlands and Islands), a roundtable discussion, and a response from Dominic Morris CBE, Strategic Director, Digital Britain, BIS/Culture. Representatives from the Scottish Government and the Scotland Office were also among those taking part in the meeting.

The Discussions

Implications of Digital Britain for people in Scotland

Scotland is a different place to the rest of the UK. Delivering communications in many parts of rural Scotland is more complicated and costly where populations are sparse, distances are long and the terrain challenging. Overall, Scotland lags behind the rest of the United Kingdom in terms of both access to, and take-up of, broadband.

A two-tier service has come to exist in Scotland – of those who have access to fast broadband services and those who do not. Access to fast, reliable broadband is a critical social inclusion issue. Increasing access and can help to improve social mobility, financial choice and educational attainment. Conversely, those who have no or limited access are being left behind, losing out on choice of the best deals, for instance in banking and energy, and are increasingly being excluded in democratic engagement.

The *Digital Britain* target for the roll-out of next generation broadband to at least 90 per cent of the United Kingdom by 2017 is an important and welcome development. However, by setting the target at 90 per cent across the UK there remains the strong possibility that large swathes of rural Scotland will remain excluded in the roll-out of these services. Setting regional or local targets for next generation broadband roll-out, to sit alongside the national target, could therefore be beneficial and would help to ensure that those living in rural areas are not left out.

Participants discussed the key question of who is going to pay for the next-generation broadband network, and whether public intervention is justified in supporting those areas where there is no market.

The meeting heard strong representation for public intervention to help deliver broadband services in areas that the market will not serve, and to reach those who are excluded by their economic or social situation. There were also calls for Scotland to be inventive in its choice of a mix of technologies and the need for communities to embrace opportunities to develop schemes themselves rather than waiting for others to do it for them. Likewise there was a recognition of the need to upgrade existing services as well as to deliver broadband where it is currently not available.

The UK Government has proposed a 50p per month levy on fixed telephone lines. This will raise an estimated £175m per year to support private investment in high-speed broadband to communities and businesses in those parts of Scotland and the UK that the market is unlikely to reach. The levy would not be imposed on mobile phone users. The Strategic Director for *Digital Britain*

suggested to the meeting that the current economic climate made it unlikely that there could be sufficient sustained funding to deliver the necessary investment without a scheme such as the proposed levy.

The delivery of Digital Britain in Scotland

The picture that emerged at the seminar was that of a complex policy framework for the delivery of *Digital Britain* in Scotland. This complex picture has the potential to create disadvantages for Scottish consumers:

- there is overlap between the UK and Scottish Governments in a number of relevant policy areas, and it is not always clear which government (or department within government) is taking responsibility for leading a particular area of work;
- although different parts of the Scottish Government are in regular contact with different parts of the UK Government about various parts of the *Digital Britain* agenda there is no overall strategy for the delivery of *Digital Britain* in Scotland and there is no Digital Scotland Strategy;
- there are therefore concerns that this might lead to duplication, confusion, and consumers in Scotland missing out;
- it was also questioned whether Scotland might not get access to UK-wide resources that are to be allocated under *Digital Britain* because it is undertaking its own activities in some of these areas, within the devolved policy context.

There is therefore a need for clarity of roles if *Digital Britain* is to be delivered effectively in Scotland, to ensure that Scottish consumers do not lose out. A strong Scottish voice is also required in any discussion on the delivery of *Digital Britain* at UK level. And Scottish Government initiatives on communications infrastructure, online public services and media literacy need to be dovetailed with UK Government proposals.

The Department for Business Innovation and Skills, the Department for Culture Media and Sport, and the Scotland Office all have an important role to play. However Scottish Ministers must play a lead role in developing a Digital Strategy for Scotland. The timing for this is very urgent in the light of the fact that the implementation of Digital Britain has already begun and against the background of the forthcoming general election by May 2010. There is also a need for key stakeholders to continue to work together to encourage the UK and Scottish Governments to work together to ensure that *Digital Britain* becomes a reality in Scotland.

Next Steps

A summarised report of the meeting and accompanying letter will be sent to the Minister for Enterprise, Energy and Tourism Jim Mather MSP to underline the importance of engagement with the UK Government and Scottish stakeholders, and to argue the urgent need for the development of a Digital Strategy for Scotland and a joined up approach to delivering Digital Britain in the devolved context.

Quotes

"We are at a tipping point in relation to the online world. It is moving from conferring advantage on those who are in it to conferring active disadvantage on those who are without." (from the Digital Britain report)

"The digital economy is a great thing. It benefits the social economy by eliminating distance, clearly something the Highlands and Islands could really benefit from."

"Consumers require clear and accurate information on technology and what is available in order that they can be effective and help themselves."

"Westminster's door is open; but not open enough. We are willing to engage, so please talk to us. A proactive view is needed."

"My business is disadvantaged as it is in the part of our island which does not have the exchange upgraded for broadband so I cannot offer the same services as competitors."

"I work from home and depend on a good broadband connection. Were a stable, fast, reliable broadband service available, I would immediately return to my home island of Barra in order to work from there, a move which my employer has already approved in principle, subject to the quality of the broadband connection."

Those who Attended

Fiona Ballantyne, Member for Scotland, Communications Consumer Panel

Anna Bradley, Chair, Communications Consumer Panel

Kyla Brand, OFT Representative in Scotland

Fergie Collier, General Manager, Openreach Scotland

John Henderson, Deputy Director, Scotland Office

Emily Keaney, Policy Advisor, Communications Consumer Panel

Claire Mack, External Relations Manager, Ofcom Scotland

Stuart MacKinnon, FSB Scotland

Mairi Macleod, Member, Advisory Committee Scotland, Ofcom

Trisha MacAuley, Interim Senior Director, Consumer Focus Scotland

Dominic Morris CBE, Strategic Director, Digital Britain, BIS/Culture

Andrew Muir, Director of Farrpoint Ltd and Member, Advisory Committee Scotland

Vicki Nash, Director, Ofcom Scotland

Sarah O'Neill, Head of Policy, Consumer Focus Scotland

Peter Peacock, MSP for Highlands and Islands

Andrea Rutherford, Senior Development Manager for Transport & Telecoms, Highlands and Islands Enterprise

Douglas White, Senior Policy Advocate, Consumer Focus Scotland

Richard Wilkins, Broadcasting Policy and Media Literacy, Scottish Government

Scribes/ report:

- Niamh Hegarty, Assistant Director Morhamburn
- Andrew Ritchie, Senior Consultant, Morhamburn