

Deputy First Minister
and Cabinet Secretary for Infrastructure, Investment and Cities
Nicola Sturgeon MSP

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Maureen Watt MSP
Convener
Infrastructure and Capital Investment Committee
The Scottish Parliament
EDINBURGH
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10 July 2013

Dear Maureen,

I am delighted to inform you of the award of the Rest of Scotland *Step Change* next generation broadband contract to BT.

This is the second of the key infrastructure investment projects to be awarded this year following the signing of Highlands and Islands' contract in March. These two projects will deliver the initial key milestone in the Infrastructure Action Plan of ensuring that 85% of Scotland has access to next generation broadband by 2015. The roll-out will continue into 2017 where it is expected to deliver next generation broadband access to over 95% of Scotland. This future-proofed fibre-optic infrastructure will provide the foundation to delivering a world class digitally connected Scotland by 2020.

We have awarded this contract in collaboration with CoSLA and local authorities. Fourteen local authorities have contributed an additional £50.6m to address specific priorities in their areas. This is over above the £40m already allocated from the local government consequentials to support both projects. The total public investment in the Rest of Scotland project is expected to exceed £157m. BT's own investment will exceed £106m, bringing the total to over £264m.

We will continue to work closely with our local government investment partners to continue the collaborative approach in planning and managing the deployment of infrastructure.

I hope this is helpful in providing assurance to the Committee that the Scottish Government remains on course to deliver the commitments in the Infrastructure Action Plan. I will be happy to provide any further update that the Committee may require.

NICOLA STURGEON