

**Margot James MP** 

Minister for Digital and the Creative Industries 4th Floor 100 Parliament Street London SW1A 2BQ

www.gov.uk/dcms enquiries@culture.gov.uk

TO2018/10519/DC 20<sup>th</sup> August 2018

## Dear Colleague

I am writing to update you on the progress towards delivering digital infrastructure across the UK. I took up office as Minister for Digital and Creative Industries as the Superfast Broadband Programme passed the significant 95% superfast coverage milestone at the end of 2017. This was a momentous achievement. Passing 95% coverage means over 4.5 million premises now are able to access superfast broadband.

Since the new year, a further 81,000 UK premises are now able to access superfast broadband due to work over the winter on parts of these ongoing contracts. The programme continues, with contracts and plans that will enable superfast coverage to at least 340,000 more premises, of which the 81,000 was just the beginning.

Great progress has been made. You can check your own constituencies' superfast broadband improvement on <a href="Think Broadband">Think Broadband</a> and <a href="today I have published the full evaluation of the Superfast Broadband Programme">The evaluation assess the success of the UK government's Superfast Broadband Programme</a>. As <a href="announced in January 2018">announced in January 2018</a>, initial analysis on enabling Superfast broadband speeds to more than 4.5 million premises has already generated a boost of at least £8.9 billion in additional turnover for businesses in programme areas, and contributed to the creation of 49,000 local jobs.

I recognise there is much more to do to maintain our position as a leading digital economy. As part of this my department is also working towards the next generation of digital infrastructure, supported by the National Productivity Investment Fund. This fund supports two areas of work:

- Local Full Fibre Networks Programme
- 5G Testbeds and Trials Programme

## **Full Fibre Connections**

Full fibre connections are the next generation of broadband - they are faster, more reliable, and cheaper to operate than traditional copper wires. I am committed to a vision of a full fibre Britain, and the department is working hard to stimulate fibre delivery across the country. The Chancellor recently announced a full fibre target of 15m premises to be passed by 2025 and a nationwide network by 2033. As part of this commitment, on the supply side 13 successful bidders accounted for £95m of funding from the department's £200m Local Full Fibre Networks Challenge Fund and these were announced in the Chancellor's Spring



Statement in March 2018. Then on the demand side Broadband Delivery UK (BDUK) are delivering on the manifesto commitment of a business voucher scheme with the launch of our £67m Gigabit Broadband Voucher Scheme in March 2018 which provides grants of up to £3,000 to eligible businesses and the local communities around them towards the connection cost of a gigabit capable broadband service. More information on the scheme can be found on https://gigabitvoucher.culture.gov.uk/

## 5G Testbeds and Trials Programme

I am also pleased to inform you that through the 5G Testbeds and Trials Programme we are on track to deliver the targets outlined in our <u>5G Strategy</u>. In March 2018, my department selected six projects from across the UK to test 5G technology across a number of sectors, including health, agriculture and transport. The next step will be the selection of a large-scale testbed in a major UK-city, which seeks to improve the quality of life and support local economic development through 5G connectivity. This will be followed by another rural focused large-scale testbed project. 5G will introduce technologies which operate and communicate in innovative ways and which have not been deployed at scale before.

In addition to its delivery programmes, we are also working hard on seeking a number of policy solutions.

# Barrier Busting Taskforce

The taskforce works across central government and engages with local government, industry, regulators, and trade and representative bodies. Their work is focused on planning (including new builds and wayleaves), street works and supporting mobile deployment. The street works toolkit will be launched in Summer 2018 and will showcase examples of good practice and aim to improve collaboration and standards between local authorities and operators. Consultations on legislative options for new build connectivity and wayleaves will be published in Autumn 2018, alongside the wayleaves toolkit.

As well as looking at these near-term barriers to deployment, my department is looking long term to ensure these ambitious targets are met, to do this the department announced the Future Telecoms Infrastructure Review. The Review has been looking at creating the right conditions to maximise commercial investment to rollout full fibre and 5G as well as building on the Government's existing work to improve the business case for future infrastructure investment.

# Universal Service Obligation (USO)

To meet commitments on connectivity, this government, in conjunction with Ofcom, are bringing in the USO which will ensure that, by 2020, everyone across the UK will have a legal right to request high speed broadband of at least 10 Mbits/second, from a Universal Service Provider(s), up to a reasonable cost threshold of £3,400. The vast majority of the country - 95% and rising - can already receive superfast broadband so the USO is designed as a safety net for those who cannot access 10 Mbits/second (which allows multiple users to simultaneously use the internet, including web browsing, video streaming, video calling and gaming).

The telecoms regulator, Ofcom, is now responsible for implementing the USO, following its

design being set out in secondary legislation in March 2018. In June 2018, Ofcom published a consultation, which explains how they will designate the Universal Service Provider(s). A further consultation is due in the autumn, including on the design of an industry cost-sharing fund that will compensate the 'Provider' for any net costs incurred. Implementation of the USO will take up to 2 years, and the USO will be in place by 2020 in line with the Conservative manifesto commitment (although Ofcom are aiming to implement the USO earlier if possible in late 2019).

#### Take Up

For colleagues who have constituents who struggle with a slow connection (below 2Mbits/second) please promote the Better Broadband Scheme to them. The Scheme can support access to satellite broadband, 4G or wireless connections (where available), and can also support community fibre broadband projects such as the BT Community Fibre Partnerships scheme. Further details are at http://basicbroadbandchecker.culture.gov.uk/

In addition, we can help by encouraging higher take-up of superfast broadband. In areas covered by the government-funded Superfast Broadband Programme, more money is made available for additional local investment if take-up goes above pre-agreed target levels. BDUK currently expect £440 million of funding to be returned from suppliers for reinvestment which will help provide additional coverage. By encouraging superfast take up amongst your constituents you support this local reinvestment programme.

After recess I will be looking to host a drop-in surgery for MPs to discuss broadband issues that you have encountered in your constituency. If you are interested in attending, please contact <a href="mailto:minister.digital@culture.gov.uk">minister.digital@culture.gov.uk</a>. I am absolutely determined, whilst in this role, to do all I can to improve connectivity across the country, especially in rural areas. Access to high quality broadband and mobile connectivity is now an essential utility. Please continue to raise concerns and ideas with me as we work together to build a connected Britain that is fit for the future.

Yours ever

**MARGOT JAMES MP** 

Minister for Digital and the Creative Industries