

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Blaenoriaethau ar gyfer y Chweched Senedd / Priorities for the Sixth Senedd
PR16
Ymateb gan Grŵp BT / Evidence from BT Group



BT Group welcomes the opportunity to respond to the Climate Change, Environment, and Infrastructure Committee consultation on the priorities for the Sixth Senedd and outline key priority areas for the Committee to consider as the forward work planning commences.

We are proud of our work to keep people connected and have always seen the value and necessity in developing access for people living and working in all parts of Wales. The pandemic has changed the landscape of every sector in Wales and beyond, calling for a sudden reliance on skills and devices to access basic services and keep connected with family, work, and education. This increased reliance on connectivity brings to the fore several opportunities for Welsh Government.

BT plays a critical role in supporting both the economy and society across Wales. We are here to connect for the good of our customers, colleagues, and the country. Our people and networks underpin nearly every part of our lives across the nation. We contribute almost £1bn (£971m) total GVA impact to the Welsh economy (directly and indirectly) and employ one in every four employees working in the IT and communications sectors.

We have a profound sense of purpose that we are here to deliver not just connectivity, but the benefits it brings to people. That's why, ahead of the Senedd election in May, BT Group published ideas for the next Welsh Government in the BT Connects for Good in Wales paper, which emphasised the importance of addressing the barriers in place of connectivity and digital skills, as well as the digital divide highlighted by the pandemic. Last year, we also published the Smart Rural report, which evidenced the value in utilising digital skills and connectivity to unlock rural Wales' full potential.

What do you think about the Minister and Deputy Minister's priorities for the next 12-18 months, and which of these should the Committee be focusing on over the next year or so?

Driving a green recovery with digital skills

BT would like to support the Welsh Government commitment for a green recovery that leaves no one behind, as signatories to its Climate Change Pledge. We see the creation of the Climate Change Ministry as an important development in supporting Wales to meet its net-zero targets. We believe the Ministry will be right to focus on climate change policy, environment, energy, planning, transport, and connectivity.

We believe that a truly sustainable Wales must be underpinned by successful utilisation of connectivity, which is why we believe the Committee should encourage the Welsh Government to explore ways of supporting digital skills, as we ease out of lockdown restrictions and into the re-opening of businesses and transport links.

Before the pandemic, Wales was already heading towards an increased reliance on technology in the workplace. The impact of the pandemic has meant that this reliance on technology has increased in the home too, with people using technology to keep in touch with family, access education and health resources at unprecedented rates.

Because of this increased reliance on technology, we believe a green recovery is not possible without addressing the digital divide and upskilling the nation. We have worked to increase digital skills through the Skills for Tomorrow and Work Ready Programme schemes, as well as practical support for small businesses. However, we believe that tackling digital inclusion across all communities must be a priority of the Welsh Government if Wales is to compete in a new digital economy. Research by the Office for National Statistics found that Wales has the lowest proportion of people with all five basic digital skills, and the highest proportion of those with none.

BT has called on the Welsh Government to support small businesses and job seekers to develop the digital skills they need through targeted initiatives to thrive in the current challenging economic environment. In our view, the Committee should explore what more can be done to support the development of digital skills in Wales, as connectivity is poised to help businesses and those living in Wales cut emissions with flexible working, making the economy work for people in a sustainable and inclusive way.¹

Connecting Wales to a green future

We believe an important aspect of meeting Wales' carbon targets and building a sustainable Wales is future-proofing Wales' digital connectivity through full fibre roll-out and mobile coverage, which underpins the development of digital skills. We hope the work of the Committee will recognise the long-term value of fully connecting Wales to achieving net zero and take steps to support this process, continuing the work from previous terms.

The pandemic has advanced our reliance on digital connectivity in an unprecedented manner. Never have people needed so quickly to rely on digital connectivity to access basic services, work, and education. Even beyond the pandemic, the Welsh Government has set an aim for 30% of the Welsh workforce to work remotely, highlighting the need to accelerate the roll-out of ultrafast fibre broadband to all parts of the country.

Supporting the full fibre roll out in Wales is more than economically essential, it will also allow more workers, students, and families to miss the commute and do more from home, reducing vehicle emissions and shrinking our carbon footprint.

To support the roll out of full fibre, BT is spending £15bn to reach 25 million homes in the UK by the 2026. At the same time, BT has called on Welsh Government to address the barriers in place of the full fibre roll out in Wales to accelerate the roll-out and is pleased to see the establishment of a barrier busting task force to look at this. Should the Committee choose to explore this issue, our calls include reforms to permits and planning rules for laying fibre and mobile sites covering wayleaves and access to land, changes to business rates and support for the successful deployment of workforce to support the roll out.

In terms of mobile connectivity, 4G mobile coverage continues to grow in Wales, with EE now covering 83% of the nation, more than any other network. We're committed to improving the digital infrastructure of Wales, which includes continuing to extend coverage to increasingly rural areas and growing our 5G networks. Through EE, we plan to offer 5G anywhere in the UK by 2028 and will be

¹ <https://gov.wales/review-digital-innovation-final-report>

supporting coverage in rural areas via additional road, air, and space solutions to offer high speed connectivity on the go. To support us in this, we have called on the Welsh Government to recognise the importance of mobile coverage and a holistic approach across governments to support the early use of the Extended Area Service part of the Emergency Services Network, as has been the case in Scotland.

Any other subject you think should be prioritised over the next 12-18 months and why

Innovation - smart cities and rural communities

We believe the Committee should emphasise the need for innovation as we look to the Welsh Government's Covid-19 recovery. In the context of the Covid-19 crisis, Wales is well positioned to build back more resilient, inclusive, and green. We believe that technology and innovation will play a crucial role towards achieving this goal and they both should be at the forefront of new Welsh Government policies.

This includes reimagining smart cities and towns through environmental monitoring and traffic optimisation sensors that integrate into street furniture, and smart building energy management technology to cover both social housing and public estate footprint, thereby enabling the increased use of the IoT network.

Innovation is not just meant for urban areas. Our Smart Rural report, which provided a greater insight into the impact of the use of digital infrastructure by the agriculture and tourism sectors in rural Wales, highlighted the positive impact digital innovation can have in rural areas as well, providing significant opportunities to improve their productivity and reach new markets.

To support the development of smart places and a green recovery, we have called for support for remote working through the development of shared working spaces or hubs in local communities. We believe a truly green and economic recovery is not possible without collaboration with the public and private sector, which is why we've called for an action plan for improving rural communities and businesses' use of digital infrastructure and to recognise the needs they have for assistance from the business support system in Wales.

Small businesses in Wales account for 99% of all Welsh businesses, providing up to 62% of total private sector employment. Policies designed to protect these businesses and support their recovery will be vital for the economic recovery and the development of smart cities and rural communities. As the pandemic has hastened the need for digital embedding in business, we have called on the Welsh Government to back policies to support digital transformation and skills by small and medium-sized enterprises