

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith / Climate Change, Environment and Infrastructure Committee

Cysylltedd digidol yng Nghymru / Digital connectivity in Wales

DC02

Ymateb / Evidence from Ogi

Purpose

The purpose of this paper is to provide the Senedd's Climate Change, Environment and Infrastructure Committee an overview of digital connectivity across Wales – with a focus on Ogi's experience in traditionally 'underserved' south Wales communities. It includes:

- [An introduction to Ogi](#)
- [An overview of Wales's ultrafast fibre rollout](#)
- [A summary of the benefits of full fibre](#)
- [Challenges and opportunities](#)

About Ogi

Ogi is a Wales-based full fibre broadband and IT services company. In October 2020, the company (then trading as Spectrum Internet and NetSupport UK) secured cornerstone investment from leading European infrastructure investors, Infracapital, to deliver an initial £200m plan to bring improved connectivity to 150k south Wales homes and businesses.

Today, Ogi is rolling out ultrafast connectivity to 'underserved' communities – building simultaneously in Pembrokeshire, the Vale of Glamorgan and Monmouthshire – expanding to at least three other LAs this year. With an ambitious plan to scale-up quickly - to 500k premises, via a potential £0.5b+ capital investment - by the middle of the decade.

As well as launching its ambitious infrastructure build, since 2020 the company has also: relaunched as 'Ogi' to signify a commitment to Wales; grown from 20 to 120 staff; employed hundreds through the supply-chain; and opened offices in St Clears, Tongwynlais, Cardiff and Newport.

On top of its local roll-out, Ogi is putting in place high-capacity, strategic, long-haul full fibre networks to cater for the wider digital demands of the Welsh economy, including the delivery of an innovative WG concession to install fibre along the South Wales Trunk Road Network – re-purposing public assets for sustainable, wide-ranging socio-economic benefit.

Overview of Wales's ultrafast fibre rollout

Wales has benefited significantly from the Superfast Cymru programme; with around 94% of premises now able to access a fibre to the cabinet connection of at least 30Mbps. However, full fibre ultrafast broadband (known as fibre to the premises) is the next generation technology we need to service the myriad of applications we are increasingly reliant on. It brings fibre optic connectivity capable of growing in capacity with demand, directly to homes and businesses. Ogi's speed packages for home customers range from 150Mbps-900Mbps – or twenty times the Superfast average - and is 10-Gigabit capable at this point, with much more scope for growth.

[Ofcom's 2021 Connected Nations report¹](#), stated that: full-fibre broadband is available to 27% of premises (0.4m) in Wales - an increase of 8% from 2020 – representing the highest year-on-year increase in full fibre coverage to date. This tallies with coverage levels across the UK;

¹ [Ofcom's annual 'Connected Nations' report.](#)

however Northern Ireland is already at 71%² and European countries have achieved coverage levels as high as 88% (Spain) and 94% (Latvia) of premises³.

Whilst it is of course essential to ensure that ‘white area’ premises with extremely limited broadband speeds receive the connections they need, Ogi believes that it is important to also roll-out full fibre across Wales at pace – to ensure Wales in general does not lag behind in the future, and to bring much needed competition – at infrastructure level – to home and business markets.

Benefits of full fibre

Full fibre brings wide-ranging socio-economic benefits, which align with the goals of the Wellbeing of Future Generations (Wales) Act. The [Centre for Economic and Business Research](#)⁴ predicts better connectivity and full fibre broadband could generate a UK-wide gross value-added (GVA) impact of £25bn – boosting productivity by £59bn by 2025.

By bringing improved connectivity to ‘underserved’ areas, full fibre provides a real opportunity for young people to stay in their community. It’s estimated that full fibre will also enable up to 500,000 people to move from urban areas post-Covid, helping to stimulate rural economic growth. Better connectivity also supports WG’s aspiration for 30% of us to work from home too. The knock-on environmental benefit of this is an estimated reduction of 700,000 tonnes of carbon per annum⁵.

Ogi is ambitious about helping to transform Wales’s digital landscape and is keen to play a strategic role as a partner to the public sector. Some areas of challenge / opportunity include:

Policy focus: The Digital Strategy provides an opportunity to ensure that WG’s focus is both on addressing poor coverage ‘white areas’; whilst also accelerating the roll-out of full fibre and to as many communities as possible. This isn’t a contradiction; we need to do both for a more prosperous Wales. Indeed, wider policy challenges cannot be met without improved connectivity that will enable people to live and work closer to home; see high streets to thrive; and Wales achieve its net zero ambitions.

Awareness: A major challenge is building awareness of the importance of updating our digital infrastructure – and inspiring people to harness its potential for smarter living. We would welcome an opportunity to develop a confident narrative about the benefits of a digitally connected Wales.

Partnerships: It is no coincidence that Ogi’s rollouts focus on areas where the public sector is embracing the potential of digital. Pembrokeshire’s Digital Broadband Delivery Programme Team⁶ are vital links between providers, contractors and the communities where investment is being made, while the WG has also led the way with the South Wales Trunk Road Concession. There’s scope to capitalise on other public assets in the future. Companies like Ogi would welcome more opportunities for innovative public/private collaborations of this kind.

Commercial Remit: Ogi’s initial focus is on commercially viable builds; and as such it is well placed to plug crucial ‘gaps’ in publicly funded programmes. However, it’s crucial that the current Open Market Review to identify areas of future intervention respects the commercial plans of private companies, to prevent duplication, and enable the market to play its part too.

Fair competition: There is a lot of work to be done to improve Wales’s digital infrastructure and make it future proof; and altnets and new operators like Ogi have a key role to play in

² [Openreach full fibre rollout hits 75% mark in Northern Ireland](#) [ThinkBroadband – broadband news, Wednesday February 16, 2022]

³ [European fibre rollout closes in on major milestone](#), ING 10 November 2021

⁴ [UK full-fibre broadband could deliver £25bn boost to productivity](#), Computer Weekly, April 2021

⁵ [Ultrafast Full Fibre Broadband: a platform for growth Cebr report for Openreach 2021](#)

⁶ [Digital Pembrokeshire Information Pages](#)

helping to accelerate this process over the coming years. In order to do so, it's vital to ensure a level playing field with the incumbent providers so that we are able to compete, when appropriate, for public procurement projects where they align with our own business aspirations.