

Welsh Government response to the Climate Change, Environment & Infrastructure Committee report on Digital Infrastructure – Broadband

Update February 2023

Recommendation 1

The Committee recommends that: The UK Government must develop public initiatives that ensure that the 1% who cannot currently access decent broadband can do so. The Welsh Government should engage with the UK Government on the development of new public initiatives to ensure they meet the particular needs of Wales. The Welsh Government should report back on progress within the next 6 months.

Response: Accept

Officials already engage with their counter parts in the Department for Digital, Culture, Media and Sport (DCMS) on connecting very hard to reach premises across a range of fora including bilateral meetings and regular meetings with other devolved administration colleagues, and the UK Government on digital infrastructure issues. We also routinely respond to calls for evidence, for example, the recent DCMS call for evidence on connecting very hard to reach premises, for which there will be a further chance to provide a formal response to an anticipated consultation on this issue later this year.

Update:

We continue to engage with the UK Government across a range of fora on interventions to deliver fast and reliable broadband in Wales. This includes working with the UK Government to identify which premises do not have access to fast and reliable broadband through the Open Market Review and Public Review processes as part of the development of Project Gigabit in Wales. Officials have also undertaken a series of engagement meetings with the industry as part of the process to develop the project.

Officials also engage their counterparts in the Department for Digital, Culture, Media and Sport (DCMS) on the development of the UK intervention to tackle hard and very hard to reach premises, most recently in connection with trial sites in Wales where satellite technologies will be tested. An anticipated consultation by the UK Government on very hard to reach premises has not yet materialised.

We also continue to press for changes to the Gigabit Broadband Voucher Scheme to meet the needs of Wales which has led the UK Government to increase the value of vouchers to reflect the cost of delivery in more challenging areas to deliver like rural Wales.

Officials are in the process of developing and assessing options to deliver a new Welsh Government scheme aimed at providing fast and reliable broadband in the hardest to reach areas of Wales, even though this is not a devolved responsibility.

Recommendation 2

The Committee recommends that: The Welsh Government has stated its long-term ambition to see around 30% of Welsh workers working from home or near home. The Welsh Government should clarify whether it is satisfied that the current level of access to broadband in Wales is compatible with its ambition.

Response: Accept

According to the latest Ofcom statistics there is over 95% coverage of superfast broadband to premises in Wales. While we are satisfied that this will enable most people in Wales to work from home, we recognise that there are still premises in Wales that cannot get access to usable broadband. Ofcom estimate that the total number of premises without at least 10 megabits per second download speed is around 15,000.

While this is a non-devolved remit where responsibility for addressing the problem rests firmly with the UK Government, we have consistently stepped in to address those premises without a usable broadband connection. We currently have several relevant interventions including our £56 million full fibre roll out with Openreach which is targeting around 40,000 premises, the Access Broadband Cymru scheme and the £20 million Local Broadband Fund.

Update:

No further update.

Recommendation 3

The Committee recommends that: The Welsh Government should continue to fund projects that improve connectivity where improving levels of digital connectivity contribute to wider policy goals, such as its net-zero ambition.

Response: Accept

Our focus has been to increase coverage for all residents, businesses and the public and third sectors. Digital connectivity underpins a wide variety of policy ambitions and contributes to several of the Well-Being of Future Generations Act goals including a healthier Wales, a Wales of cohesive communities and a prosperous Wales.

Update:

No further update.

Recommendation 4

The Committee recommends that: The Welsh Government should seek reassurances from Ofcom that concerns are being addressed about the migration to

Voice over Internet Protocol. The Welsh Government should report back to this Committee on progress within the next 6 months.

Response: Accept

We are concerned about the potential impact of the migration to Voice over Internet Protocol particularly in relation to the impact of power cuts on the ability to make emergency calls or the proper functioning of life and limb services that rely on the public switched telephone network, including alert pendants and other alarms. Officials represent the Welsh Government on the cross Whitehall group of officials on the PSTN switch off and have raised concerns around the impact of power cuts at this forum.

We have also discussed our concerns with Ofcom on several occasions. Ofcom has established standards aimed at addressing continuity of services during power cuts. Officials will continue to make representations and seek reassurances that the switch to VoIP will not jeopardise the delivery of essential public services.

Officials have worked with industry representatives to host a number of seminars for officials and public sector bodies in Wales to raise awareness of the switch off and to highlight to them the potential impact both on public services and the sectors they represent or work with.

Earlier this year the Deputy Minister for Climate Change wrote to the Chief Executives of both local authorities and health boards in Wales to raise awareness of the issues and to highlight an awareness seminar being undertaken by Ofcom.

Update:

Ofcom in their proposed plan of work 2023/24 state that commitment to work with the industry to ensure that the planned transitions are done in a way that supports and protects customers. In the response to the consultation on the plan of work the Welsh Government has sought clarification on the detail of this commitment and assurances that Ofcom will exercise all available regulatory levers to ensure that the telecommunications industry cannot and does not proceed until the safety concerns and safety mitigations around loss of power are fully addressed.

The consultation response also suggests that Ofcom should undertake an appraisal of the risks from the planned industry migrations to identify gaps in preparedness, and to share this analysis with interested bodies including the Welsh Government.

Officials continue to represent the concerns of the Welsh Government at a range of forums including the cross Whitehall group on the PSTN switch off, the most recent meeting being held in January. Officials also represented the Welsh Government at a recent round table meeting organised by the Communications Consumer Panel focused on the impact of the switch over to VoIP was discussed.

Officials will continue to meet with Ofcom to discuss in detail concerns about preparedness for the move to VoIP.

Recommendation 5

The Committee recommends that: The Welsh Government should hold discussions with the UK Government, Ofcom, and providers to explore opportunities to increase sign-up to the social tariff. The Welsh Government should report back to this Committee on progress within the next 6 months.

Response: Accept

Officials in the Digital Inclusion Unit reporting to the Minister for Social Justice are exploring ways to raise awareness of social tariffs and considering if the parameters of these tariffs go far enough.

One option officials are exploring, dependant on additional funding, is to include awareness of social tariffs as part of the '[Claim what's yours](#)' campaign. Through this campaign resources could be developed working with key partner organisations, including our procured programme, Digital Communities Wales, Ofcom, Department for Work and Pensions and Older Peoples Commissioner, to disseminate key messages. Any additional work on the 'Claim what's yours' campaign to raise awareness of social tariffs, would need to target traditional advertising e.g. radio and television, given the target audience.

It was pleasing to note in a recent summit held in June 2022, chaired by the UK Government Digital Secretary Nadine Dorries, that several of the UK's biggest broadband and mobile operators agreed to a series of measures regarding social tariffs. These include allowing customers struggling with bills to move to cheaper packages without charge or penalty, agreeing manageable payment plans, and options to improve existing low cost offers.

The recent announcement by UK Government of a new system to simplify access to cheaper broadband is welcome, as this will allow people receiving certain benefits to ask broadband firms to check their eligibility for social tariffs. The system, to be managed by the Department of Work and Pensions (DWP), went live on 22 August and Welsh Government Digital Inclusion officials will contact colleagues in the Department for Digital, Culture, Media & Sport (DCMS) UK government to understand how the system will be monitored for success.

Update:

Officials have been working with DCMS (prior to the UK Government changes announced 7/2/23) to ensure resources being developed to raise awareness of social tariffs were shared through stakeholders across Wales. DCMS officials attended the Welsh Government Digital Inclusion Skills & Programme board meeting in November 2022 which included a roundtable discussion on social tariffs with internal and external stakeholders. This has also included ensuring the resources developed by DCMS are produced bilingually, which as of 20 February had been confirmed and shared with our stakeholders for raising awareness.

Officials are also in contact with Ofcom and current data on the uptake of social tariffs at UK level is due to be published in April/May 2023. This will help officials

understand if work done to raise awareness during winter 2022 has had an impact on the November 2022 reported uptake figure of 3.2% of UK households eligible.

On 29 November 2022, UK Government held a summit to coincide with the launch of the social tariff campaign to discuss identified the barriers for those not currently taking up social tariffs. UK Digital Minister, Julia Lopez, urged telecoms companies to consider the impact price rises may have on struggling households. Mobile and broadband firms meet with ministers to look at further support to help people facing cost of living difficulties - GOV.UK (www.gov.uk)

In addition, officials are aware that due to the current inflation rates, telecoms providers in March/April 2023 are due to increase prices for broadband and mobile contracts by as much as 17.3%. There is a need to understand the impact this will have on households already struggling due to the cost of living and whether there is an increase in those choosing to disconnect.

Recommendation 6

The Committee recommends that: The Welsh Government should undertake a piece of work to consider the impact of the cost-of-living crisis on its Digital Strategy. It should report back on the conclusions within the next 6 months.

Response: Accept

The Digital Strategy for Wales sets a clear vision and ambition for digital in Wales across 6 mission areas: digital services, inclusion, skills, economy, connectivity and data.

We recognise that the cost-of-living crisis will have many and far-reaching impacts on individuals, families, communities and businesses in Wales. Welsh Government digital and data officials will consider and report back on potential impacts across the Digital Strategy for Wales mission areas, as they deliver the actions in the refreshed [Delivery Plan](#) published in July.

The next meeting of the Ministerial Digital Policy and Delivery Group, which reviews delivery progress against the strategy, will be focused on their findings and assess how the cost-of-living crisis impacts each Mission area and the strategy as a whole. We will share the findings of this review with the Committee.

Update:

Officials have produced a report on the impact of the cost of living crisis on the Digital Strategy for Wales. This has been published on the [Welsh Government website](#).

Recommendation 7

The Committee recommends that: The Welsh Government should explain how its Digital Strategy will remove barriers for groups who are disproportionately affected by a lack of digital connectivity.

Response: Accept

The Digital Strategy for Wales, through mission two, makes clear our aim to 'equip people with the motivation, access, skills and confidence to engage with an increasingly digital world, based on their needs.

Through our '[Digital Communities Wales: Digital Confidence, Health and Well-being \(DCW\)](#)' procured programme, with an annual budget of £2million (funded jointly by social justice and health), we work with organisations from all sectors that can help reach digitally excluded people. DCW was designed to provide training and support to front line staff, volunteers and organisations to engage with and develop the basic digital skills of end users (citizens) to access and engage with services. A key part of this work is to alleviate some of the barriers recognised with digital exclusion such as motivation, digital skills, affordability and access both in terms of device and connectivity. While DCW is not resourced to directly provide devices and connectivity to citizens, it can provide loan devices to organisations best placed to do so. The contract commenced on 1 July 2019 and has been extended for a further three years to 30 June 2025.

In addition, DCW are working closely with the Good Things Foundation (a UK charity) on a [National Databank](#) initiative, which aims to provide free data for community groups to distribute across the UK, including the most digitally deprived areas.

Update:

No further update.

Recommendation 8

The Committee recommends that: The Welsh Government should hold discussions with the UK Government about raising the amounts available for individuals and businesses in rural Wales under the Gigabit Voucher Scheme.

Response: Accept:

The Deputy Minister for Climate Change wrote to his then counterpart in DCMS Julia Lopez MP to raise the underfunding of Gigabit vouchers particularly in areas where digital connectivity is difficult and expensive to deploy. In her response, Julia Lopez MP highlighted that BDUK will be undertaking a review of the scheme over the summer and that the funding limit will be one of the issues to be considered as part of this work.

Update:

The UK Government announced on 2 December 2022 that they were going to increase the standard maximum voucher values for residents and businesses from £1,500 and £3,500 respectively to £4,500 for both audiences to come into effect on 5 December 2023 for new projects.

Recommendation 9

The Committee recommends that: The Welsh Government should hold discussions with the UK Government about the level of the cap on installations under the Universal Service Obligation with the aim of ensuring that it reflects significant increases in costs and the ongoing cost-of living crisis.

Response: Accept

We have repeatedly made representations to the UK Government and Ofcom dating back to the earliest design consultation for the UK Universal Service Obligation that the introduction of a cost cap would disadvantage the very premises in remote and hard to reach areas that the USO was meant to address, and that the value of the cap at £3,400 was appropriate to benefit those premises. These concerns have been borne out during the operation of the scheme, with costs being quoted to residents and businesses running into tens of thousands of pounds. We will continue to push for a review of the cost cap.

Update:

Ofcom plays a key role in monitoring the USO. In our response to the Ofcom consultation on its annual work plan for 2023-24 we have stated that we remain concerned that the Universal Service Obligation (USO) will not deliver connectivity to the hardest to reach homes and businesses in Wales. In particular, the premises cost cap still does not reflect the reality of providing a sustainable broadband solution in the most rural areas of Wales. There are still too many premises that fall outside of the scope of the USO. Ofcom and the UK Government need to come together to address this as a matter of urgency. To this end we requested a corresponding commitment in the work plan.

Recommendation 10

The Welsh Government should set out its position on legislating to require full fibre connectivity for all new-build housing developments. The Welsh Government should also explore how it can ensure that developers are not able to restrict homeowners from being able to access other providers.

Response: Accept

Officials are already developing detailed proposals to mandate the provision of gigabit capable broadband to all new build developments in Wales through amendments to Building Regulations. As the proposals are still in development, we cannot provide any more detail at the moment. The proposals will be subject to a public consultation, which is estimated to be published around the turn of the year.

Update:

A consultation on proposals to change building regulations to require all new dwellings to have a gigabit capable connection was launched on 3 February 2023.