

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-JJ-2774-22

Llyr Gruffydd MS
Chair, Climate Change, Environment and Infrastructure Committee

27 September 2022

Dear Llyr

Thank you for your letter of 26 July providing a copy of the Climate Change, Environment, and Infrastructure Committee's report on Digital connectivity – broadband.

We are grateful for the committee's work and the constructive recommendations that have been provided. We enclose a detailed copy of our response to all 10 recommendations.

Broadband is a key utility and we'll continue to support all efforts to boost connections the length and breadth of Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive style.

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Vaughan.Gething@llyw.cymru
Correspondence.Vaughan.Gething@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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

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.

Financial Implications – None expected at this stage.

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.

Financial Implications: Current funding commitments are set out in the response.

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.

Financial Implications: None expected at this stage.

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 a number of occasions. Ofcom have put in place 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.

Financial Implications – None.

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.

Financial Implications: Additional funding will only be required if Ministers approve the extension of the 'Claim What's Yours' campaign to include promotion of social tariffs for broadband. The campaign would be targeted at people in receipt of benefits and also those who are digitally excluded, therefore a multi-channel campaign (TV, radio, social media, newsprint) is essential in order to reach the target audience. The success of the campaign could be measured initially by numbers reached and longer term by obtaining data from telecommunications companies and Ofcom of increased social tariff take-up figures.

Research published by Which? in August, analysing Ofcom data, found that the most common adjustment households made, due to affordability issues, was having to reduce spending on other essentials to afford telecoms services. An estimated 3.5 million UK households reduced their spending on other essential items, such as food

and clothes, in the last month to afford their connectivity services in April 2022, up from an estimated 2.2 million in February (a 59 per cent increase).

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.

Financial Implications – None expected at this stage.

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.

Financial Implications: None, the Digital Communities Wales contract extension has already been agreed from existing budget lines.

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.

Financial Implications – None.

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.

Financial Implications – None.

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.

Financial Implications – None expected at this stage.