

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau	Economy, Infrastructure and Skills Committee
Blaenoriaethau ar gyfer Pwyllgor yr Economi, Seilwaith a Sgiliau	Priorities for the Economy, Infrastructure and Skills Committee
EIS 20 BT Cymru / Wales	EIS 20 BT Cymru / Wales

Lead Committee Clerk
Economy, Infrastructure and Skills Committee
Third Floor
Ty Hywel
Cardiff Bay
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31 August, 2016

Dear Russell George AM,

Priorities for the Fifth Assembly – Call for Evidence

Thank you for including BT Wales in your consideration of priorities for the Economy, Infrastructure & Skills Committee. Throughout the Fourth Assembly BT Wales worked closely with a number of Committees as they conducted inquiries into sectors of interest, and we look forward to continuing that relationship in the years ahead.

We are proud to be recognised as an Anchor Company by the Welsh Government and operate in a sector which is thriving and is seeing significant growth in Wales, the UK and across the world. The telecommunications industry is one of continual change and BT Wales is barely recognisable as the company it was several years ago. From being primarily a UK lines and calls business we have become the enabler of ground breaking technologies through our investment in fibre for the corporate market, SMEs and consumers. Furthermore, our own investment in innovation continues to go from strength to strength with our revolutionary G.Fast (ultrafast broadband) trial in Swansea. Over the next three years BT has committed to investing £6bn into the UK's telecommunications network to further expand coverage and improve services.

Currently we are working in partnership with the Welsh Government to deliver the Superfast Cymru Programme. Jointly funded by BT Group; the Welsh Government; the UK Government; and the European Regional Development Fund, the programme will help deliver the Welsh Government's ambition to provide superfast broadband to 96% of premises across Wales when combined with other commercially available networks.

We remain on schedule to deliver this programme on time (including the additional 42,000 premises added to the Programme in 2015). As of the end of August 2016 the Programme has ensured that 88.9% of the country now receives superfast speeds in excess of 24 Mbps. This means Wales has a more extensive superfast network than any other devolved nation in the UK, and we are aiming for a target higher than that of England. Further to this we are already ahead of nations such as Germany, France, Italy and Spain. In parts of Wales such as Blaenau Gwent – where the superfast network is in excess of 97.5% - coverage rivals that of Japan and South Korea. In short the Superfast Cymru Programme is delivering one of the most extensive superfast broadband networks anywhere in the world. Furthermore, it is doing so while delivering good value for money to the tax payer.

As the Programme comes to its conclusion it is appropriate for the Committee to consider where Wales goes from here. While we would be happy to support this by highlighting our aforementioned G.Fast ultrafast technology, we would also stress the importance on maximising the potential of the superfast services already delivered. Take-up of superfast services in Wales remains at little more than 20%. This means that around four out of five people with access to the service are not taking advantage of it. In our view the Committee should consider ways of improving take-up to ensure the Welsh economy is making the most of the tools available and encourage future investment.

In doing so, it is worth reiterating that Superfast Cymru is not going to reach all of Wales. This was never its intention. Political ambition exists to extend superfast broadband to everyone in Wales. BT

Wales feels that existing Welsh Government programmes have the potential to achieve this – through a combination of the fixed line fibre of Superfast Cymru and alternative solutions such as the Satellite connections offered through Access Broadband Cymru in areas where fixed lines are not feasible and/or value for public money. Outside of existing Welsh Government programmes, BT Wales offers Community Fibre Partnerships to connect areas not covered by existing schemes. Within such partnerships BT Wales will ‘never say no’ to a community and work with them to design and co-fund a solution.

Should government wish to be involved further in the last remaining areas, BT would certainly consider co-investing once again. Given this, as the Committee considers the development of future infrastructure, our view is that it should focus on extending and improving coverage, rather than duplicating the existing network in areas where significant capacity remains unutilized by companies and consumers. In doing so, we suggest the Committee takes a ‘whole Wales’ approach which reflects the technological challenges presented by our nation’s geography. As previously highlighted, fixed line fibre connections may not be the best solution for every premise in Wales. This is especially true when public funds are being used to co-fund projects. Our estimates show that a number of premises which fall outside the scope of Superfast Cymru would each cost many thousands and even tens of thousands of pounds to connect via a fixed line.

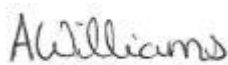
Should the Committee choose to explore this, a key component will be the planning system in terms of how it impacts the long term sustainability of the telecommunications network. Taking Building Regulations as an example, it is often the case that new developments are excluded from rollout plans because regulations don’t encompass broadband connectivity in the same way they provide for water, electricity and phone lines. In an increasingly digital dependant age it would be beneficial for this to be considered for change. BT, working with the House Builders Federation, have announced that all new housing developments over 100 plots will receive broadband infrastructure free of charge. For smaller plots, BT would co-fund the infrastructure along with the developer.

A second example is that of telecommunications masts. As discussed, mobile broadband could provide a good solution in remote areas. But such areas tend to also have the weakest mobile network. The Committee could investigate the existing network and consider strategic ways in which greater coverage could be achieved.

Finally, we are extremely proud of our apprenticeship programme throughout Wales. Our planned intake for 2016/17 is 71. We currently offer three levels (Advanced, Higher, and Degree) of apprenticeship across eight programme areas: Customer Service; Engineering; Finance; Information Technology; Logistics & Facilities Management; Resourcing & Service Management; Security; and Vehicle Management. We firmly believe that apprenticeships are vital in supporting the careers of the next generation of Welsh business leaders. As the Committee continues its work in this area, we would be delighted to lend our support in any way we can.

If you or your Committee colleagues wish to discuss any of the items contained within this submission further, please do not hesitate to contact me.

Kind Regards,



Alwen Williams, Director BT Cymru/Wales