

Digital, Culture, Media and Sport Committee

Oral evidence: Broadband and the road to 5G, HC 153

Tuesday 20 October 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Phillip Davies; Alex Davies-Jones; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 72-161

Witness

I: Matt Warman MP, Parliamentary Under-Secretary of State (Minister for Digital Infrastructure), Department for Digital, Culture, Media and Sport.

Written evidence from witnesses:



Examination of witness

Witness: Matt Warman MP, Parliamentary Under-Secretary of State (Minister for Digital Infrastructure), Department for Digital, Culture, Media and Sport.

Q72 **Chair:** Good morning. Today we are joined by Matt Warman, Parliamentary Under-Secretary of State, Minister for Digital Infrastructure. Thank you very much for joining us today.

Matt Warman: Thank you.

Chair: I am going to go around the Committee to check whether there are any interests to declare. I have no interests to declare. Could anyone indicate if they have any interests. If not, we will kick off.

Minister Warman, the Future Telecoms Infrastructure Review stated that nationwide, gigabit-capable broadband will be in place by 2033. What are you doing new, not set out by that review, in order to deliver by 2025, eight years early?

Matt Warman: There are a number of things we are doing, but ultimately a huge chunk of it comes down to two things. The first is trying to make sure that we can set, with the regulator, market conditions that make it as attractive as it possibly can be for the commercial sector to deliver as much of the country as possible, because the vast majority of the broadband rollout and of the wireless rollout is going to be delivered commercially. That is a hugely important job for Government to do. That is why we have to make sure we are removing those legislative barriers, why we are doing things like looking at the Electronic Communications Code, looking at the planning regime, looking at street works, all of those things that industry tells us and has told your Committee that they would like to see addressed. That is an important part of it because that will allow industry to go as far as it possibly can across the country.

The other side of it is, of course—with building on the £1.7 billion that we have spent through the superfast programme and with the £5 billion that we have talked about a lot previously—making sure that we can then design a procurement that gets as much value for money out of that £5 billion and out of the remainder of the existing programmes. Bearing in mind where all of the existing competition is, bearing in mind some of this will come down to Openreach, a lot of it will come down to new and relatively new suppliers building in rural areas.

Q73 **Chair:** In your answer you mentioned “looking” about three times. We are a year into the target, virtually, so what are you actually doing? Has the Covid crisis, for instance, pardon the pun, reduced the bandwidth when it comes to Government in this area?

Matt Warman: It is important to be honest. The manifesto commitment that we made itself highlights that this is a difficult challenge. You do not often state in a manifesto that things are difficult. However, we have also seen the Covid crisis. We have also made a very important, and I think



right, decision on the involvement of high-risk vendors. These things make that target harder to reach—I should be honest about that—but we are absolutely committed to doing that. We are absolutely committed to ensuring that we remove every possible barrier, and that we set those market conditions as well as they can be.

If you want the practical answer as well, there are pieces of legislation, like the Telecoms Infrastructure Leasehold Property Bill that we have already started to put through Parliament. There are reforms that we have already committed to making on building regulations to make sure that there is new-build connectivity. There are reforms to the Electronic Communications Code that we have already committed to making.

If you look at the work that our voucher schemes are doing already, very often topped up by local councils or by other Governments, then you can see there is a very significant acceleration in the rollout already. We are going to hit a 52% at least gigabit-capable connectivity across the UK within the next year or so, but I am not diminishing the scale of this challenge.

Q74 Chair: Why is it that when I have spoken to virtually every stakeholder, often more than once in this industry, and I mention the 2025 target, frankly they smirk? They do not think it is achievable. Why is that the case? These are the people you are expecting to deliver this and they do not believe that it is achievable. Was this not just a very smart manifesto commitment that shrivels when it reaches the cold light of day?

Matt Warman: I think when those stakeholders have come to this Committee and talked about the 2025 target, they have not been smirking here. It is important to say that there is a huge amount of investment that is being put into the existing rollout, not just from Openreach but also from big players like CityFibre and Gigaclear. They are doing that because not only do they see the value in investing but they also are working with us to make sure that we hit that 2025 target.

However, as I say, I am not sitting here saying this is easy by any means. What I am saying is that we have to make sure that we have moved every barrier out of the way, that we have addressed every challenge and that we get the maximum value for money out of that £5 billion and the remainder of the superfast programme.

Q75 Chair: Your own language has changed, has it not, over time? From being an absolute, sure-fire thing that you were going strain every sinew, this was going happen, this was a very difficult ask but you were going to do it, now it has changed to “as soon as possible.” That is almost as bad as “aspiration” in terms of ministerial doublespeak.

Matt Warman: I don't think that is fair, but, as I keep coming back to, it is important that we are honest about the scale of the challenge. That is partly why we are looking at reforms to things like the Electronic Communications Code. It is relatively new. It is why we have talked



HOUSE OF COMMONS

about increasing mast heights for planning, it is why we have talked about significant changes to things like street works—really practical things that make the rollout easier for commercial organisations to deliver—and why we are trying to look at making sure we design the procurement for the £5 billion in a way that gets the maximum possible value out of it. I am absolutely confident that we are doing everything we can, working with industry, to remove all of those barriers. I am absolutely confident we are going to set the conditions that get us the furthest we possibly can—

Q76 **Chair:** Just to clarify, Minister, you are absolutely confident that 2025 will be reached—yes or no?

Matt Warman: I am absolutely confident that we will, as the Secretary of State said last week, strain every sinew to get there. I am absolutely confident that there are a whole host of measures that we are taking that are significantly speeding up the rollout that we have. You have already seen, for instance, a doubling of the amount of fibre provision just in the last 12 months and, as I say, we are going to get to more than 50% gigabit-capable within the next year or so.

Q77 **Chair:** That is the easy bit, is it not? That is the bit that is relatively within your control.

Matt Warman: This is a curve, not a straight line. Of course the very hardest bits of the country to do will take longer than some of the most commercially attractive parts that are already in the process of being done. As I say, it is important to be straight about that but I also think we are making a real difference. It will get us a significant acceleration in terms of that rollout. As the Secretary of State said, straining every sinew is what we need to do to get to that target.

Q78 **Chair:** My impression of it, in the conversations that I have had, is that effectively you can split this down into three parts, which is the one that is taken care of by normal competition, urban areas and so on, and then you have the very hard to reach, which obviously is where you have focused direct Government intervention in, which is understandable. Then there seems to be this other layer that is between two stools, so to speak, I would say 20%; often in parts of the country that have changed hands politically in recent times as well, in red-wall constituencies or semi-urban rural ones, large ones with large numbers of villages in, but not full rural as we would see it. What is the plan about those particular communities? I cannot see, frankly, anywhere near this target being achieved unless there is a specific plan for that 15% or 20% of communities.

Matt Warman: In a sense that is exactly the area that we are focusing on, because what we have to try to do, from a commercial viability point of view, is dovetail our interventions with the existing presence of companies in certain parts of the country. For instance, if I look at somewhere like Stoke, which is an example of that red-wall, blue-wall



seat, they have really extraordinary fibre connection going into Stoke. It is why you hear their constituency MPs talking about “silicon Stoke”. My role to a certain extent has to be to look at that and say, “Right, we have an intervention that is where. What are the things we can do to expand the halo to make sure that it goes as wide as it possibly can?” That is exactly the sort of place you are talking about.

Q79 Chair: It is not. No, Stoke is not the place I was talking about because it is largely an urban area. I know silicon Stoke and so on, and obviously we have places like Salisbury, which CityFibre has recognised as an area that needs to have the very fastest connections.

I am thinking more about a constituency such as Bishop Auckland, for example, which has 38 villages, is not defined as specifically rural, contains several towns and is very, very large. That would be one of the ones I am talking about. It would not be Dartmoor and it would not be, let’s be honest about it, central London, and it would not be Stoke even. There are lots of places and communities like that in the country and those are the ones I am talking about.

Matt Warman: I agree with you that those are some of the most challenging places. That is why we have to look at the kind of procurement that we are doing for the £5 billion that will help out areas like that, and ask what is the optimal size, in a place like Bishop Auckland, for us to be thinking about. I could tell you precisely what the connectivity is in Bishop Auckland right now but I do think it is a good example because a huge chunk of places like Bishop Auckland will be in our state intervention because there is not currently a sufficient commercial appetite to get it all done. That is why the design of the procurement is the most important thing.

You said a minute or so ago that we are a year into the target. We shall be coming out very soon with what the procurement looks like, what the timetable looks like, partly to give people some of the transparency that you are hinting that you would like, but also because it is the right thing to do to take the time designing the process, so that we get the maximum possible rollout in our interventions dovetailing with the maximum possible commercial rollout.

Q80 Chair: Are you wholly satisfied with Openreach’s performance? How do you ensure that the industry meets its responsibilities? Obviously it is not all just down to Government; you have partners here. What do you think of Openreach?

Matt Warman: There are lots of examples of Openreach doing really good things. Salisbury was one of your examples. There are lots of examples of Openreach pushing the technological envelope, and that is to be welcomed.

On the other hand, I do think, if you look at the action that Ofcom is taking at the moment over the USO and the implementation of the USO, there are clearly examples of where Openreach can do better. But if you



again look at the rate of acceleration that Openreach has seen in its own rollout, that is something that Government should be working with them to get the very maximum possible out of. There are good things and bad things and it is important to try to minimise the bad and build on the good when it comes to Openreach or any big provider.

Q81 Kevin Brennan: You said you are absolutely confident we are doing everything we can. I am confident I am doing everything I can to be the Olympic high-jump champion, but I am never going to reach that target. It is meaningless saying what you just said, is it not?

Matt Warman: There are two ways to respond to that question. I am not going to comment on your own training regime for the Olympics, but I do think that what Government have to do is take the approach that we are going to look at what are the barriers and do everything we can to get them out of the way.

Q82 Kevin Brennan: Your answer sounds like the terms and conditions of a mobile phone contract; it is meaningless guff, really. There is a specific target, which it is quite clear to me, from the questions the Chair asked you, that you are not going to reach. You are not being straight with the Committee about the fact that the Government are not going to reach that target. Be straight with the Committee and come clean. You are not going to reach that target by 2025, are you?

Matt Warman: I would come back to—

Kevin Brennan: You are not going to reach it, are you?

Matt Warman: I would come back to what the Secretary of State said, which is that we have to look at the roadmap to that target. We have to ask how we get there, what barriers are in the way and how we take those barriers away.

Q83 Kevin Brennan: I can look at the roadmap to Timbuctoo, it does not mean I am going to get there, does it? This is just meaningless drivel.

Matt Warman: What I would say is simply that if you want me to pretend I have a crystal ball, as people invited the Secretary of State to do, then I am not going to do that.

Kevin Brennan: I am not asking you to pretend that.

Matt Warman: What I am going to say is that we are absolutely committed to doing everything that is humanly possible, and that I am genuinely—

Q84 Kevin Brennan: We are all absolutely committed to do everything that is humanly possible. Nobody is doubting the fact that you are straining every sinew, that you are stretching your muscles, you are doing all of that, but the fact of the matter is, on a scale of one to 10—I am not asking you if you are absolutely confident you are doing all you can. I am going to accept that and you do not have to repeat it any more in front of the Committee. You are a very, very well-respected and knowledgeable



HOUSE OF COMMONS

Minister on this subject, so you should be able to give us an answer. On a scale of one to 10, how likely is it that the Government target as set out in the manifesto for 2025 will be reached?

Matt Warman: If I can take your compliment and build on it—

Kevin Brennan: You are not answering the question.

Matt Warman: The reason why I am not prepared to put a number on it is because of some of that—

Q85 **Kevin Brennan:** Is it more than seven?

Matt Warman: It is because of some of that experience and expertise, because I know how hard it is to get to this target. I make no apologies whatsoever for being ambitious. This is an ambitious Government.

Q86 **Kevin Brennan:** How hard is it? That is basically the question I am asking you. On a scale of one to 10, how hard is it for the Government to reach this target? Is it one, is it five, is it nine?

Matt Warman: I am not sure that your scale is terribly helpful, but I am being honest with you: it is a really challenging target to get to. That is why we are spending the money, it is why we are changing the law, it is why we are working with the companies to deliver absolutely best value for the money that they are putting in and that we are putting in.

Q87 **Kevin Brennan:** Anybody watching these proceedings will not believe, on the basis of those answers, that the Government are going to reach the target.

Matt Warman: I think it is really important that Government Ministers come to Committees and are honest. When you ask me what are we doing, the answer is we are doing everything we can.

Q88 **Kevin Brennan:** I did not ask you what you are doing; I asked you how likely it is that you will reach the target. We know what you are doing; you have told the Committee that. It is not that difficult a question: how likely is it? You said it is hard. How hard is it? Is it so hard that you are very unlikely to achieve it?

Matt Warman: No, I don't think it is but I think what we need to do is— for argument's sake, say, there is 80% plus of the country that can be delivered commercially. That leaves us, as the Chair said, with 20%-odd to really focus our efforts on, and some of that is a lot harder to do than others. Part of what we are doing is trying to make sure we get the maximum possible amount of that 20% covered.

Q89 **Kevin Brennan:** One of the other things you said in your manifesto was, "We remain committed to being world leader in 5G". I have heard that phrase before somewhere, "World leading in 5G with the majority of the population covered by 2027". That would be 35 million people. That would be the majority. Will 35 million people be covered by 5G in 2027?



HOUSE OF COMMONS

Matt Warman: I am very confident that we are going to exceed that 2027 target. We already have 5G in 100 towns and cities, we already have companies like NEC putting their global—

Kevin Brennan: That is great because that was a straight answer to the question. You said you were very confident.

Matt Warman: With respect, previously you asked me for a number.

Q90 **Kevin Brennan:** I am going to have one more go on the other one, on 2025. It is in the same sentence in your manifesto, by the way, this. You said you were very confident about the target you set for 2027. In your confidence scale, how confident are you about the target you have set, in the same part of your manifesto, for 2025?

Matt Warman: I come back to that manifesto commitment that you just talked about.

Kevin Brennan: Very confident, slightly confident?

Matt Warman: It is difficult and I am very confident that we are doing absolutely everything we can to meet it.

Q91 **Kevin Brennan:** A meaningless answer. It is pointless. Don't repeat a meaningless answer. Are you very confident, slightly confident or not confident at all?

Matt Warman: I am very confident that we are doing everything we can.

Kevin Brennan: That is not an answer. Sorry, Chair, it is pointless pursuing this line of questioning.

Q92 **Chair:** I want to return to the original question I asked you in relation to the Future Telecoms Infrastructure Review. I am looking at the outline of that review, which set a date of 2033. It said it would cost up to £5 billion, so there is no extra money there. I do not remember, in your answer, you outlining to me anything in addition that you are actually going to do that is not in the Future Telecoms Infrastructure Review. The money is the same; you are following the same plan. What are you doing that is different that is going to bring it forward by eight years?

Matt Warman: It is not the devil, but the devil is in the detail in the answer to your question. What are we going to be looking at when it comes to the detail of the reform of things like the Electronic Communications Code? What are we going to be doing when it comes to the detail of street-works reforms, what are we going to be doing when it comes to the detail of planning reforms for masts and that sort of thing, working with MHCLG?

Q93 **Chair:** I am sorry to cut across you in this; do excuse me. What you are saying there, effectively, is you are going to open up things a lot more than was envisaged under the Future Telecoms Infrastructure Review?



HOUSE OF COMMONS

Matt Warman: I am saying the scale of our ambition will be reflected in the actions that we take, yes, essentially.

Chair: But not in the money. It is still £5 billion.

Matt Warman: The £5 billion that we have talked about, that we are in the process of organising as we speak, is a significant and major new investment that goes beyond what we talked about before. That is important.

Q94 **Chair:** Just to pick you up on that, in the FTIR it states that you estimate just 10% of UK properties. Now you are looking at 20% but it is the same amount of money at £5 billion. You have the same roadmap with the same amount of money but with twice as many properties.

Matt Warman: That is only half the picture. What you also have is a significantly greater investor appetite than there was when those ideas were formulated. What you have is a significantly improved technology roadmap, both from Virgin Media and from BT and from others, that allows them to get their investments to go further. It allows us to get our investments to go further, and of course you also have 5G and fixed wireless and a whole host of other technologies that allow us to get to a greater number. I understand the point that you are making, but it is important to say there other things—

Q95 **Chair:** The Huawei decision has retarded the progress of 5G, by our own admission. That was the big point that the Government were saying to Members like me who were very concerned that that would damage the potential rollout over time of 5G. If that is the case, I do not quite see how you are able to bring this forward by eight years, apart from being very ambitious.

Matt Warman: I don't think the Huawei decision cancels out all the process that can be made in other areas by any means. Of course, there are steps that we are going to be taking to mitigate some of those challenges as a result of that. What are we doing? As I say, we are doing things from a legislative point of view, from a financial point of view, from a regulatory point of view. All of those things that we are doing are different in light of the 2025 target than they would have been, had we simply been aiming to hit 2033.

Q96 **Damian Hinds:** If we start with the toughest 20%, does that mean we start with the 99th percentile or the 80th percentile?

Matt Warman: The answer is we start with balance, but my fundamental principle underlying this is that the provision of better digital access is a fundamental part of the Government's levelling-up agenda. What we need to think about is who are the people who have the least connectivity and how do we get the maximum possible number of those connected.

I could bathe you in statistics about "two-thirds of the country has 100 megabits per second" and all of that. If you do not, then over the last few



HOUSE OF COMMONS

months you have not been able to educate your children and you have not been able to do all the things that have been more and more obvious. So there is a really important balance, but my starting point is that we should be focusing in the initial phase on people who do not have decent broadband.

Q97 **Damian Hinds:** I have a bit of an interest in this, being a constituency MP for a somewhat outside area in this sense. For the hardest 3% or 5%, the outside-in approach might end up making no difference.

Matt Warman: I would not put it like that. I would say if we got it wrong it would make no difference. There are a range of technologies that we need to look at and there are a range of ways of designing the procurement of that that we need to look at. There are some parts of the country where relatively large procurements will be a sensible way of doing it. There are others where looking at much smaller numbers of properties will allow individual operators to make a return that they need.

The other part of it is looking at other technologies. If you are someone who has next to no broadband at all, we can look at technologies that might give you 100, 200, 300, 400 megabits per second and ask if that is a sensible use of public money. Yes, we are aiming as high as we possibly can, but when it comes to those hardest areas, then if the cost is exponentially greater of using one technology over another, then we need to take a view. I don't want to pre-empt some of those decisions but it is important to say that there is a spectrum, and looking along that spectrum and deciding where the sensible point is will inevitably in some cases vary depending on the part of the country that you are in.

Q98 **Damian Hinds:** When do you expect to publish the 20%?

Matt Warman: I want to get more of this stuff out this year and I want to publish more of it in detail in the coming months of the new year, because I am really conscious that providing people with that clarity is a really important part of this. People do say, "If you could just tell me that it is happening in 18 months' time, I can take a view," rather than simply imagining that saying "some time in the next five years" is good enough, because I don't think it is.

Q99 **Damian Hinds:** I get why procurement takes a long time. It is frustrating quite often but we know all of the hoops you have to jump through these days and be legally sound and so on. Why does the identification of the 20% hardest areas take time?

Matt Warman: Identifying the hardest areas is not the difficult bit. In a sense there are various different organisations, Ofcom one of them, producing the kind of maps that you are talking about. What takes the time is asking what is the best possible size of area in a given part of the country to get the maximum value.

Q100 **Damian Hinds:** But why?



Matt Warman: Well, for instance, it would depend on which operators are already in that area or interested in going to that area, what are the potential technologies that are already there and what are the existing interventions that are already coming through with voucher schemes and so on. To reassure you if I can, I am as impatient as you are to get this stuff out there. That is why it will be coming forward as soon as we can.

Q101 **Damian Hinds:** What will the role of local authorities be? It sounds like it is going to be different from what has happened in the superfast programme. How do you plan working together?

Matt Warman: While you are right that we do plan this to be a centrally delivered programme, the expertise in the role of local authorities that they have built up over the superfast programme is really important, and we of course are not going to lose that expertise; because the kind of mapping exercise that I have just talked about absolutely relies on local men and women who have built up relationships with individual providers who have had conversations over years about coming to an area or not. So we will be working closely with local authorities. But the scale of these kinds of contracts and the complexity of doing that means that a central model will deliver a faster rollout than that local model.

Q102 **Damian Hinds:** There is obviously a strain here, isn't there, inherent, some would say a contradiction, on the one hand trying to get volume quickly and on the other hand doing the hardest, most expensive bits first. How will you resolve that conflict?

Matt Warman: As I say, it is a balance. It is not about asking simply how we get to the maximum number of properties, because if we were to take that approach we would see the digital divide widen in a way that was socially unacceptable. We would also see that we would come up with a procurement model, if that were our only goal, that would provide more subsidy, effectively, to procurements that could otherwise be done commercially. As I say, we have to take in a range of factors that does not leave behind people who otherwise, if we reached a certain point, would become really expensive to connect because we had not thought it through.

Q103 **Giles Watling:** Following on from what Damian Hinds was saying, we all understand that it is massively difficult, a major and ambitious undertaking and it is very difficult to reach those hardest-to-reach rural properties as we go on. We know that the more remote a location is, the more and more expensive it becomes. Is there a feeling, "Nah, forget it—we will do the lowest-hanging fruit first and then we can say, 'Look at what we have done'", rather than go for those more difficult targets?

Matt Warman: No, not at all. If you look at some of the interventions that we have made, we are literally doing them in the Shetland Islands, so we are not lacking in ambition when it comes to going to the hardest-to-reach places. However, as I said in the answer to the previous question, it is right to ask what is the right technology to do that and



what is the right balance between getting the maximum number of people connected versus making the maximum difference to those people's lives, because making that difference to their lives is what this is ultimately all about.

Q104 Giles Watling: It is also all about the expenditure, which gets greater and greater the more remote the property is.

Matt Warman: Potentially, but it is not a straight line, which is one of the complexities. If you look at the cost of providing a 4G or 5G or satellite connection to a very remote property if they happen to have that kind of coverage, it is relatively low. The question is: is that the best kind of connection we should be aiming at for them? The previous generation of satellite technologies clearly does not meet the kind of bar that we need. We think that in some ways the next generation is much more likely to, although it is premature to say how much of the country that might help you out with. Again, it is not simply the case that the way of providing someone with connectivity goes up and up just because they are more remote, because that would be to be dogmatic about the kind of technology we are using.

Q105 Giles Watling: So the Department is not sitting back waiting for the technology to be developed; you are working with what you know you have.

Matt Warman: No, we are absolutely not sitting back, but if you look at our own Test Beds and Trials Programme—and there will be more to come in a similar vein—that is £200 million of Government money that is going into developing the best kinds of ways of driving that connectivity further.

Q106 Giles Watling: Just to touch on local involvement, the Local Government Association responded to the National Audit Office broadband rollout report. It said, "The Government should use the upcoming spending review as an opportunity to empower councils to place a local digital champion in every local area to help facilitate delivery". Is that something you would want to engage with, and would you like to see that spending happen in that way?

Matt Warman: I absolutely want to see local digital champions. Where we see local digital champions in councils already, we can point to lots that have made a significant difference, both in terms of the attitude of the council to digital services generally—that might be putting masts on their own land, it might be their attitude to wayleaves in their own properties, it might be their attitude to simply how much they talk about the digital possibility. Sometimes that is a councillor, sometimes it is a council officer, sometimes it is a range of different options.

Yes, I think this is an important thing to consider. I would not make the completely direct connection between "this is something that we should be investing significant amounts of money in"—it is something where we should be making sure we get the maximum possible value for money in



HOUSE OF COMMONS

what we are doing already, to some extent. But I always welcome opportunities to bid into the spending review and I await the outcome with interest.

Q107 **Giles Watling:** I pick up from your answer that you are enthusiastic about it but that you would not want to spend the money.

Matt Warman: Not that we would not want to spend the money. There are ways of doing it that can be done inexpensively, there are ways of doing it where we need to make sure that we get the maximum possible value for it. Again it is not one of those answers where I want to say, "Here is the perfect model of a digital champion for every council up and down the country," because we all know that a digital champion in central London, or any large urban area that is already largely connected, might be much more talking about skills and use and uptake so that people can derive the benefits of the connectivity they already have. In other parts of the country it might be drumming up interest in community fibre partnerships with local parish councils, for instance. It is horses for courses and we need to be alive to that variation across the country.

Q108 **John Nicolson:** I would like to go back, if I may, to the strained sinews, Minister. Did you support the manifesto proposal in December guaranteeing full fibre and gigabit-capable broadband to every home across the UK by 2025?

Matt Warman: Yes, absolutely, and I come back to the conversations that we have had with the Chair and with Mr Brennan. I support the ambition and I support the honesty of saying that it is difficult. I am aware of your discussions with the Secretary of State here last week, of course. What is important to say is that you in Scotland are keenly aware, I am sure, of the challenges of delivering a broadband programme in the form of R100. I am not going to get into what could have been done better, but I think we both agree that we can learn lessons from programmes like R100 when it comes to going forward but I am not going to sit here and deny that some of those challenges are real. I think it is unrealistic to pretend that any of us can predict the precise details of a five-year rollout programme.

Q109 **John Nicolson:** Yes. Of course, the Scottish topography has not changed since December. It is still a mountainous country in lots of areas and still a difficult country to provide these requirements for. But we are talking about December. We are not talking about something you promised 10 years ago, we are talking about something you promised only back in December. You know your field very well, but none the less you promised something that in December you must have known was undeliverable.

Matt Warman: No, we promised something that we know is immensely challenging and we promised to do everything we possibly can about it.

Q110 **John Nicolson:** No. Please, Minister, do the Committee the courtesy—we are all politicians here and I am a journalist as well. We have heard every conceivable way of evading a question and to our shame some of us may



HOUSE OF COMMONS

even have used some of these sentence formulas. You have tried all this with my colleagues. Please don't do it any further.

We all accept that these are challenges; we all accept that. We all accept that you are straining your sinews, you are punching as hard as you can, you are trying your very best. We accept all that. Why did you promise something in December that you must have known was undeliverable—or are you telling us that something dramatic has happened between December and now that has completely blown up in your face, astonished you and made you rethink the promise that you made in December?

Matt Warman: To address the beginnings of your question, nothing changed in the topography of Scotland in between the Scottish Government making commitments and not meeting those commitments either. We all live in the same country.

Clearly, Covid has obviously been a significant global event between now and December, the commitment we have made on Huawei and 5G has clearly been a significant event.

Q111 **John Nicolson:** Why has Covid stopped you meeting your promise? *[Interruption.]* No, I have a limited amount of time, so can you please explain? That is interesting. You are giving us explanations now. In December you thought you would bring the Theresa May promise forward by eight years from 2033 to 2025. Now you are saying that one of the reasons you are unable to meet that promise is because of Covid. What is the link between Covid and you failing to meet your manifesto promise in December?

Matt Warman: I will have another go at finishing the sentence. Yes, there has been Covid, yes, there has been the decision on Huawei, but when we said in December that this is a difficult target to meet, it was difficult then, it is, yes, somewhat more difficult now. But I am not going to pretend that either Covid or Huawei are deal-breakers in our ambition. I come back to the point I made earlier. It is really important to be honest about those difficulties and it is really important to say what we are doing; but it is also important not to pretend that I have a crystal ball and that I can definitely put a date on every single stage of this process.

Q112 **John Nicolson:** That is the second appearance of the crystal ball, for those of us who are watching the political clichés. It was not a target or an ambition in your manifesto. You did not say it was a target or ambition; it was a pledge. You promised it. You did not say, "We will do our best," you did not say, "We will try very hard," you did not say, "We will strain every sinew," you did not say, "We will do our best to look into our crystal ball;" it was a pledge. You keep using the word "honest". It is not honest to make a pledge that you do not believe you can satisfy, unless you really did not understand that it was a pledge that you could not meet. I do not believe that of you, Minister, because everybody says you are really across your brief. So when you signed off on this in December, I think you and I both know that you knew that you were



never going to make it.

Matt Warman: What are the words in our manifesto? They are, “We intend to bring full-fibre and gigabit-capable broadband to every home. We know how difficult it will be”. I absolutely stand by every one of those words. The actions that we are taking are what we are using to try and deliver on that intention and we will leave no stone unturned, if you want another political cliché, to make sure that we do that. I do come back to this point: we have an intention, we are doing everything we possibly can to meet it and we will keep doing that.

John Nicolson: Yes, yes, yes.

Matt Warman: If your solution to this is that you would like us to be less ambitious, then absolutely not.

Q113 **John Nicolson:** No, no, no. Why do you not add, “I make no apology for”? That is another one that would fit in rather nicely there. Look back at this, Minister. Look back at this evidence and ask yourself whether people watching this Committee will find your answers credible or satisfying. But let’s park them there, because we have heard them.

The European Commission’s Digital Economy and Society Index of 2019 ranked the UK 27th out of 28 of EU countries for gigabit coverage. You have been in power for a decade. Why have we fallen so far behind?

Matt Warman: There are two answers to that. One is if you look at the rate that we are going up in terms of gigabit-connectivity and fibre-connectivity and all of those measures that I talked about earlier, then we are absolutely going in the right direction. The index that you mentioned does use a range of factors. Of course I want to be higher up that index but I am not measuring that ranking as the measure of success.

John Nicolson: I bet you are not. I bet you are not.

Matt Warman: What we want to do is get that penetration of broadband and gigabit-capable networks across as much of the country as we possibly can. That is what we are focused on. There are a whole host of different league tables that we could all compare. The important thing is to talk about what we are doing to get that broadband rollout as far across the country as it possibly can go, including in Scotland.

Q114 **John Nicolson:** It is good to know we are going in the right direction. I have never heard a politician say they are going in the wrong direction when they are in government. But let me return to the question. Why are we 27th out of 28? You have been in power for a decade or more. Why are we second-last?

Matt Warman: If you look at the measures of the British digital economy, then we are at the very top of the rankings rather than at the bottom. If you look at measures of pure connectivity—yes, as I say, we



HOUSE OF COMMONS

can all play games with league tables, but there are really, really positive examples.

Q115 **John Nicolson:** It is not a game. If you are a business and you really need this, nobody thinks this is a game. If you are living in an isolated part of the country and you need this to keep in contact or to run a rural business, it is definitely not a game.

Matt Warman: Let's look at the behaviour of businesses. Let's look at NEC putting its global innovation centre for 5G in the UK. Let's look at the digital economy and where Britain ranks in the world for that: at the top of the G7. If you look at what is actually going on in the real world, you see huge confidence in Britain as a place to invest specifically for digital businesses. If you look at people who have been working from home and educating their children from home in the course of the pandemic, you see networks that have served very broadly the needs that they have. Your league table is interesting but it is not an accurate measure with which to answer the question you are asking.

Q116 **John Nicolson:** I can understand why you find the European Commission's Digital Economy and Society Index embarrassing and inconvenient.

Let me move on. In 2010 you announced that you wanted to have the best broadband network in Europe. At that time Openreach was one of the few companies that could complete structural work for this, and it led to large amounts of public money being given to a single supplier. How in the future will you ensure that procurement becomes more competitive?

Matt Warman: You are absolutely right. One of the central ways in which we will look at whether the procurement is successful is the number of successful bidders and an increasing diversity. That is why, yes, our conversations with Openreach are hugely important, but so are our conversations with CityFibre, with Gigaclear, with the 20 or so people that are already registered suppliers for the UK broadband programme. Designing it in such a way that they are able to meaningfully compete for the maximum number of contracts and win the maximum number of contracts is really important. Ultimately, the single most important factor is getting the lot size, the size of the geography right in the right place. As you will know from R100, the design of those three lots was a crucial factor in how that played out.

So the single most important thing in promoting that competition is getting the design of the procurement, getting the design of the lots right. That is what we will be doing and that is what we will be talking about in the coming weeks and months as much as possible.

John Nicolson: I shall pause for the moment but I shall strain every sinew to ask you some questions later on and perhaps the Chair will look into his crystal ball and allow me to. Back to you, Chair.

Matt Warman: I am sure you will achieve your ambitions.



Q117 **Damian Green:** I am fascinated by the exegesis of the Conservative manifesto, which I keep by my bedside and read every night. What is interesting is that the commitment is to full fibre and gigabit-capable. They are not the same thing. I get the impression that the Government's target by 2025 is gigabit-capability. Is that right?

Matt Warman: Yes, and that is in the sense that we are technology-agnostic on this. When I talk to people—and when you talk to people, I suspect—about their connectivity, very few of them will say, “I insist on a fibre cable coming through this particular bit of wall.” What they want is the speed that they need to do what they want to do. What we are seeking, through the gigabit programme, is not just to provide them with the connectivity they need today, but to build well beyond what is currently there, so that we have networks that do not need imminent upgrade anytime soon.

Q118 **Damian Green:** I have heard people say that we are going to get fibre to the premises of every household, every business, in this country. That is not the target, then?

Matt Warman: No, it isn't and nor should it be. Huge numbers of places will get fibre to the premise and some of those installations will be in some of the most rural locations, but if you are someone that lives in a 5G area, 5G will almost certainly serve your needs and it would not be commercially sensible or the best use of public money to be putting fibre connections into all of those properties. So it is a mix and I think that is the right approach. But I am not using that as an excuse to aim lower, by any means. I think we have to look at the capabilities of various technologies, look at the geography and the economics, and ask what is the sensible balance. But of course you aim for the best in every possible opportunity. That is why some of the very hardest-to-reach places in the country do have fibre to the premise connections.

Q119 **Damian Green:** To achieve that target, clearly Openreach has to play a huge part, but also the various competitors that have emerged need to be encouraged and allowed to operate. In talking with a number of the competitors, I hear stories like they bid to build out an area, and obviously they have to use Openreach's ducts and poles so Openreach know what they are going to do, and then, mysteriously, Openreach starts building out in that area. Indeed, I have heard one story of somebody putting in a bid just to test the water—they had no intention of building out in what they thought was an uneconomic area, and mysteriously, shortly after, Openreach started building out in that area. It slightly feels as though people are playing a game of poker in which Openreach owns the pack of cards and so has an inherent advantage that will mean it will always win. Do you see the picture I have just painted as a realistic scenario?

Matt Warman: Anecdotally, we do hear about a larger number of those sorts of situations than I think anyone would like. That is ultimately an issue for Ofcom as much as it is for the Department. The single greatest



HOUSE OF COMMONS

weapon against this is transparency. We and Ofcom have encouraged, and the transposition of the European Electronic Communications Code encourages, greater transparency and that, I think, means that the regulator has greater visibility on where people are going to go and so those sudden, handbrake turns that you describe are easier to talk about and it is easier to say, "Hang on; what's the logic behind this?" Obviously this is a regulated market and if there is anticompetitive behaviour going on, that is something for the regulator to take very seriously.

Q120 Damian Green: I am sure you are absolutely right that this is a job for Ofcom, not for the Department directly, but the intersection between Ofcom and the Department is therefore clearly crucial to enable it to happen. I am just puzzled. You have talked this morning about the 20% of areas that will need the subsidy. Ofcom's Area 3, the areas where they are going to expect competition, is not the same. That seems a bit bizarre. Places like Sevenoaks that are in Ofcom Area 3, feel to me, and more to the point feel to people who are building out the networks, like places where you could quite easily build a commercially successful network. How are you going to fit together what you think needs subsidy and where Ofcom thinks they do not need to care about competition because there is never going to be any?

Matt Warman: I think you are right that the locations of places in Area 3 are the subject of some intense debate between the networks and Ofcom because obviously it is in their interests to get that right. But we will be, obviously, making our own judgments when it comes to designing that procurement. I don't want to use Sevenoaks as any one particular example but there are clearly places where companies have commercially come out and said, "This is on our list of places that we are going to in future," and if they are putting them on those commercial lists, clearly it would not be right for the Government to be subsidising that programme.

Q121 Damian Green: Do you see this as a threat to the outside-in programme, that if Ofcom gets its regulation wrong, you will either be wasting public money or leaving people without the service you aspire to?

Matt Warman: Yes, absolutely. The role of the regulator is absolutely crucial. That is why, for instance, I wrote to the regulator about how the USO was working. I think it is important, independent though Ofcom is, that we and the industry work as harmoniously as we possibly can but that we get the design right. Ofcom is rightly independent. That is obviously the right approach. But we do need to work with Ofcom to make sure that its interpretation of what is a commercial area is the same as the commercial world's.

Q122 Damian Green: One of the other operators has put it to me that Ofcom is basically asking the wrong question. Ofcom is worried about areas where there will be at least two operators, but the real question is where there will be no operators without the subsidy. Do you think that formulation is the sensible question to ask?



Matt Warman: It is a sensible question to ask but I think Ofcom's role is to maximise competition where it can exist. I think that is a sensible approach. Ofcom's role is also to make sure that market conditions allow commercial rollout in the maximum possible number of parts of the country. That is inevitably a balancing act. What we have to do is say that in those areas that have no commercial activity—parts of Bishop Auckland, to use the Chair's example—we inevitably have to ask, "What is the best possible design of procurement to get the maximum value for money?" so our schemes dovetail with the assessment of Ofcom and the assessment of the companies themselves.

Q123 **Damian Green:** A final question. In 2017, you set up a Barrier-Busting Taskforce. How many barriers has it busted?

Matt Warman: I don't have a tally of what have been precisely identified as barriers and what specifically have been busted but, for instance, I would regard aspects of the Electronic Communications Code as posing barriers that we need to address. That is why we are addressing them. In the Barrier-Busting Taskforce we talked specifically about street works and how we can work better with the Department for Transport so that we have the right standards for reinstatement and all that. We are not in the business of creating an endless list for the sake of it. The barriers that have been busted are on the one hand really significant stuff like street works and planning, that will require primary legislation. Some of it is really small stuff by comparison, such as why have we not been able to get permission for a mast on that particular piece of government land. To produce for you the list might not necessarily tell you the whole story.

Q124 **Damian Green:** As you say, planning, and some aspects of the way landlords behave, have clearly been identified as barriers. Is that primary legislation in the pipeline?

Matt Warman: We have said that we will be publishing a new consultation on the Electronic Communications Code this side of Christmas. That will lay out our thinking on where primary legislative changes would be required and that is what we will get to as soon as we possibly can. On planning, we are on a similar timeline, working with the Ministry of Housing, Communities and Local Government.

On street works, which is not primary legislation but is obviously highly regulated, we have already published with DfT new plans; that happened over the summer. Those things will, as you know, run on their own different timescales but we have already done some, we have already started to lay out our thinking on others, and we will go as fast as we can.

Q125 **Julie Elliott:** You have talked a lot about, and a lot of questions have been asked about, rural connectivity and the difficulties of getting people connected. I represent the city centre in Sunderland, a very built-up urban area, and although the local authority is doing fantastic work—we are a smart city—there are dark spots within the city centre where



connectivity is dreadful. What are the Government doing to address such areas?

Matt Warman: You are absolutely right that the urban notspot is often among the most challenging. While I am told that only 344 premises in Sunderland Central have less than 10 Mbps, that is 344 too many, especially in an area that is commercially viable. We are doing a number of things. Some of this comes back to, for instance, the street works kind of stuff that we have talked about. Very often it comes down to wayleaves within individual buildings, where maybe landlords have not responded, where maybe we have not had the kind of interaction that networks needed to get their kit into the places where it is needed. For instance, one of the things that we have said is, "Here is a model wayleave agreement that might work, that would remove some of those barriers. How do we make sure that that sort of thing works for Sunderland, just as well as it might work for another town or city?" So in some ways you are talking about the very hardest-to-reach areas. The good news is that those hardest-to-reach urban areas are very often those where really good 4G or 5G access is already available. Where we have had particular success, it has often been to say to people, "Yes, maybe the superfast speed is not what you want it to be, but here are other technologies."

Q126 **Julie Elliott:** Sometimes it is not even available in the middle of the city centre.

Matt Warman: Indeed. But in the middle of the city centre, 4G will get you, at the very least, tens of megabits and 5G will get you significantly more. I am not pretending that that is sufficient for every purpose, but in the very immediate term, it provides you with a solution and then obviously the gigabit programme will—

Q127 **Julie Elliott:** But 4G is not realistically an option to run businesses on, is it?

Matt Warman: Well, it does depend on the business but I don't dispute the premise of your question. Clearly, you would not recommend 4G as a first choice but my point is to say to someone who is in one of your 344 houses with less than 10 Mbps, 4G will certainly be a heck of a lot better and it is the right thing to do to point them to it.

Julie Elliott: I am talking about the business district in the middle of the city centre. I am not talking about individual houses.

Matt Warman: Obviously I am not familiar with precisely the area that you are talking about, but to give you an example—

Julie Elliott: No, and I wouldn't expect you to be. It is more the broad principle that within built-up cities, large cities, there are these issues within business districts. There are issues in business parks around the country. They have come up in evidence quite frequently over the years—areas that are not in the wild, not remote, not geographically challenged,



areas that are dark spots. In fact, even on the Westminster estate we have this problem. I am more interested, rather than in the specifics relating to Sunderland, in what Government are going to do to sort this out, because it is a problem. We have a problem across the estate.

Matt Warman: I am not brave enough to claim I could fix the wi-fi on the parliamentary estate, but I would say that, for instance, the Telecommunications Infrastructure (Leasehold Property) Bill does give us some tools that would allow us in future to address business parks specifically. Business parks and urban areas are particularly where we do have these notspots. They are very often plagued by absentee landlords or by a lack of the right kind of wayleave agreement. In some ways, it is a much more individual, much more complex problem. If the fibre cable literally goes past the front door but, for whatever reason, does not turn down that street or does not turn into that building, it is often not because it was not commercially viable; it is because the permissions weren't able to be obtained. That is the sort of thing that we need to work on. But I am absolutely aware that if we could connect every single urban notspot, then we would make a significant dent in our ambitions, and that is why we will not be forgetting about it.

Q128 **Julie Elliott:** In answer to a previous question, you talked about how well people did in educating their children at home during the crisis. I accept that many, many people did do well. However, there is a massive digital divide in this country and many families simply do not currently have the devices or data to be able to educate their children at home. The crisis has brought that into focus massively. You would accept that, wouldn't you?

Matt Warman: Yes, I would absolutely accept that. Partly that is why we have worked so closely with the Department for Education to provide connectivity and devices to vulnerable children and families. That is a DfE programme but it was devised very much using our relationship.

Q129 **Julie Elliott:** But it is only scratching the surface. It is welcome—I am not criticising it—but it is not solving the entire digital divide problem.

If we look, say, five years ahead, we expect that people will be paying more for their broadband. Would you agree with that?

Matt Warman: I would not necessarily agree with that, but I do think we should bear it in mind that Britain, by comparison with lots of other countries, currently has very low prices for connectivity. We are asking for a major investment programme. But what you have seen in the course—

Q130 **Julie Elliott:** If you are on a very low income, or on benefit levels, where probably you are digitally excluded for other reasons as well, if something costs £10, £20, £50 a month, that is often an inaccessible sum.

Matt Warman: That is quite right, but it is why, for instance, during the pandemic, and it will persist after the pandemic, telecoms operators introduced packages specifically for the most vulnerable consumers,



HOUSE OF COMMONS

specifically providing a service of exactly the sort that you are talking about, because this kind of connectivity is essential and we need to make sure it is accessible.

Q131 **Julie Elliott:** But hopefully, as we get through this crisis—hopefully one day we will move out of this crisis—broadband will still be an issue and some of these things will not be available then. How will Government ensure that vulnerable and digitally excluded people are not left behind or priced out of gigabit broadband?

Matt Warman: A lot of those measures that were introduced in the course of the pandemic will persist well beyond the pandemic. Some operators have committed to making them available permanently for people in specific income groups. I think we should welcome that and DCMS played a big role in making sure that they were developed.

What we also saw during the pandemic was a reasonable set of behaviours by the networks, which said that no one would be disconnected in extreme circumstances. I think that was the pragmatic, but also kind, thing for networks to do and we should build on that. We have seen some changes to packages available to vulnerable consumers and to those on the lowest incomes as well.

But the other side of this is the broader work that Government are doing on skills, and digital skills in particular, both so that people can get the most out of the existing connectivity and can derive the benefits of being online—people are at least £200 a year better off by being online—

Q132 **Julie Elliott:** I don't disagree with you on that. I chair the all-party parliamentary group on digital skills, so I am very well aware of the issues. However, all of those things can only be done if you are digitally connected and have the data in order to do things. Lower-income people, people on benefits, often do not have packages; they often don't have the income or the measures to enable them to be on packages, and have to pay as they go, which is probably the most expensive way to access broadband.

Malcolm Corbett from INCA has given evidence to the Committee. He said that there may be ways that the public sector can provide connections to the digitally excluded. Have Government given this any consideration? If so, what consideration have they given?

Matt Warman: We have done extensive work around using public libraries. Some schools have done very good work around opening up their buildings to allow people to get online. However, at the same time, I think we do need to make sure we build on those packages that were made available in the course of the pandemic, so that people can use their own devices wherever possible. That will be better, I think, from a Covid point of view and also better in the longer term generally. A lot of that has been delivered by DfE and I don't want to tread on the toes of that Department. DCMS has worked with the networks and the operators so that we could get the best possible deals for both consumers and for



HOUSE OF COMMONS

our colleagues in Government when it comes to rolling out those larger-scale programmes.

Q133 **Chair:** Do you expect broadband bills to rise as a result of these reforms—yes or no?

Matt Warman: I think what we are likely to see are modest rises that are in line with what we have seen historically. We will also see a balance between companies putting significant investment into their networks and wanting to see that reflected in bills. We have to bear in mind that we do live in a very competitive marketplace in lots of parts of the country and, for instance, that significant rise—the easy bit that you talked about in gigabit-capable networks—will largely be driven by an upgrade from Virgin. You will see increased competition between Virgin and other providers and that will be part of the ongoing UK story of having a very competitive landscape that keeps prices down. Government, of course, are very keen to see that, but we are also very keen to work with the networks to provide packages for people on lower incomes where necessary.

Q134 **Chair:** You are effectively telling this Committee that the prices will not rise any more than they have done in the past, because you said “historically”.

Matt Warman: I don’t anticipate a really significant deviation from historic trends.

Q135 **Chair:** “Significant”—that is slightly different from the answer you gave.

Matt Warman: I don’t want to get into a debate about statistical significance but I think—

Chair: It will matter to people as they open their bills.

Matt Warman: Absolutely. What I think we will see is a continuation of the immensely competitive marketplace that keeps prices down, and we will further see lots of people, for instance those living in urban areas, saying, “Do I need a fixed broadband connection? Maybe 5G is sufficient for my needs.” We are already seeing many cases of people—students being one example—who are mobile-only but are using that connectivity for everything that they need. If you look at the panoply of what people are spending their money on when it comes to connectivity, things are going to evolve, and I think that will have a mixed effect on prices, but I think the overall picture is in line with where we have been historically.

Q136 **Chair:** Sounds like prices are going up.

I am going to follow up on Damian Green’s question about landlords. Right now, we have the 2025 target, there is no extra money over what the Future Telecoms Infrastructure Review stated, and also we have 20%, not 10%, within the remit of that FTIR. You have effectively stated that you think the target will be achieved—this square will be circled, or the circle will be squared—by legislative measures, greater commercial



HOUSE OF COMMONS

competition and the commercial interest that you are currently seeing.

Legislatively, the Telecommunications Infrastructure (Leasehold Property) Bill does do something about unresponsive landlords, but where is the action on third-party land and equating broadband with other utilities in terms of right of entry?

Matt Warman: Third-party land is a complex issue that we did deal with in the course of the debate, both in the Commons and the Lords. We will need to watch and see when the Telecommunications Infrastructure (Leasehold Property) Bill comes into force whether there is a gap that will need to be addressed and the extent to which it does need to be addressed. I don't think it would be sensible to rule that out but what the TILP does is the most important bit, which is addressing the unresponsive-landlord bit. I would never suggest that we have solved 100% of every single problem in this particular regard, but we have made a very significant dent in it.

You look like you want to come back.

Q137 **Chair:** Yes. That does jar because you are saying, "Well, we haven't resolved 100%—" but stakeholders tell us it is only a small step and that they need that third-party land and they also need the right to entry. My concern, Minister, is that we are a year in. This Committee's record with your Department—for example on online harms, we have been waiting about two years. How long are we going to wait for this situation to be resolved and what are you going to do about it? Are you going to allow the crossing of third-party land and also the right to entry?

Matt Warman: TILP has not even come into force yet. It is important that we assess what effect it actually has. The industry does say that this is the biggest chunk. Third-party land is important and we will see where that takes us.

On the right of entry, it is important to say that broadband is different from water or electricity because there is no equivalent of a flood, say, an emergency—although I wish there were places where we were more flooded with broadband than we are—but the example of an emergency right of access in the other utilities is fundamentally different from broadband and I think it is important that we take a bespoke approach.

I would say, by the way, somewhat tangentially, that as we go into the future, more and more devices will rely on connectivity and this is something that we will very much need to keep under review. If you think of those examples of pendants that older, vulnerable people might wear round their necks, which are currently not usually based on the internet but increasingly are and will be, if we are looking at that kind of really essential and widespread use of the internet, then it will be important that we keep in mind what the powers of entry might be; but for now, I think it is a statement of the obvious to say that broadband is different from the other utilities.



HOUSE OF COMMONS

Q138 **Chair:** I understand that it is differen; I am not suggesting opening doors with crowbars in order to install broadband. However, the providers say to us that the 2025 figure is unachievable. They talk about 2027 or 2028 as potentially achievable. One of the things that they ask for is that right of entry and the third-party land access, and yet you are not willing to do it. The problem is, you have said, that there is no extra money and you are doubling where that money has to be spread around, but at the same time you are not taking legislative action in order to do what is necessary.

Matt Warman: There is an important balance to strike here. We are taking legislative action, demonstrably so. We are talking about a piece of legislation.

What we are not doing is infringing on those really important property rights that allow people to say, "This is my front door and you cannot come any further without a very specific set of circumstances." There are circumstances where Parliament has decided that you can go beyond that and you are right to say that, in the case of a landlord who is unresponsive in relation to the installation of broadband, taking a crowbar to the front door would be an excessive step.

Q139 **Chair:** Yes, I get that. But the point is that in order to achieve the target, you will have to take measures. Personally, I do not agree with the right of entry for broadband at all; it cuts across all my views about property rights, and I am minded in the same way about third-party land. However, in order to achieve the 2025 target, considering that you are not giving any extra money, and you have doubled the number of properties that it will apply to, you will have to do radical things and you are not willing to do them. That is the point. Does that not, ergo, mean that the 2025 figure is unachievable?

Matt Warman: I challenge your premise that we are not—effectively we are putting a significant extra amount of money into this over a period of time that is genuinely ambitious. However, we are very much prepared to look at ambitious technologies and approaches. But as you just said, that cannot be used as an excuse to trample all over property rights that we have established over hundreds and hundreds of years. We are ambitious but we are not going to take crowbars to people's homes and I think that is the right thing.

Chair: You are not saltpetre men, I think is the historical reference.

Q140 **Clive Efford:** Minister, do we have a workforce of engineers with the necessary skills to deliver a nationwide gigabit infrastructure by 2025?

Matt Warman: Labour supply is a really important factor. It is very much on that barrier-busting list. We have had very productive conversations with BT and the Department for Work and Pensions about increasing training. We have had similar conversations with other providers. As we ramp up the rate of installation, labour supply is a very important part of the conversation. So do we have what we need today



HOUSE OF COMMONS

for the rate that we are going at? Yes, we do. Do we need to keep an eye on making sure we are able to maintain that rate of acceleration so that we can get to where we need to get to? Yes, we absolutely do.

I would say—and I do so with no joy whatsoever—that it is a fact, deeply regrettably, that one of the consequences of Covid will be more people looking for work. One of the things the telecoms sector is very keen to do, and we are very keen to work with them to do, is to convey the message that if you are someone who is considering a new career, or needs a change of career, then telecoms in some cases can be a really lucrative and sustainable career, and in other cases can be a really good example for people who do not have the skills that are needed for the higher levels of telecoms. We need to make sure it is on the radar of jobcentres up and down the country for people who are also looking for it.

Q141 **Clive Efford:** Is it the Government's view that we train the existing domestic workforce, then, or do we import skilled workers from overseas?

Matt Warman: Historically, large numbers of the existing rollout have been done by people from around the EU. Obviously that will persist to a certain extent but, as I say, we do have ongoing conversations about how we maximise the number of people we are training who are already in this country. This is a moving picture in the wake of the economic changes that are coming through Covid. As I say, no one should take any joy in that but it does change the pressures on the telecoms industry when it comes to this rollout.

Q142 **Clive Efford:** Have you, or anyone in your Department, had discussions with the Immigration Minister or immigration officials about immigration policy to allow suitably qualified engineers into the country?

Matt Warman: We have talked previously about the role of highly qualified people coming into this country on visas and so on. The high-skilled ones have usually been above the threshold that is required. While it is not something we are ignoring by any means, people in the high-skill category usually meet those thresholds. The challenge historically—and, as I say, it is a changing picture now—has been around the unskilled and less skilled bits of the rollout.

Q143 **Clive Efford:** My question was about those people below the threshold. Have you had those discussions with your counterparts in Immigration?

Matt Warman: We talk to the Home Office about the needs of DCMS sectors all the time, of course. However, it is not my current view that the rollout of broadband is going to be inhibited by a lack of labour supply from the EU.

Q144 **Clive Efford:** Have you been making the case to the Treasury for extension of the business rates exemption for new fibre broadband beyond 2022?



HOUSE OF COMMONS

Matt Warman: The industry has been making its case very loudly on the business rates position. Personally I understand the arguments they make. I am sympathetic to their case that says, “We would like to be able to provide certainty to our boards” when it comes to the case for investment. Those are all perfectly rational arguments, but ultimately these are matters for the Treasury. We are committed to reforming business rates more broadly. It would be a bit daft to try to tinker around the edges while we also have a broader commitment to fix what is a broken system.

Q145 **Clive Efford:** The industry says it is a disincentive to deliver on the 2025 target. Are you straining every sinew to ensure that the Treasury understands the implications of it?

Matt Warman: We are certainly straining every sinew to make sure the Treasury understands the case that is made by industry. Ultimately, however, when it comes to business rates it is a financial matter. There are other ways of mitigating some of those challenges around, for instance, the design of procurements that make sure we meet the needs of industry as best we can. I go back to the fact that ultimately business rates are a matter for the Treasury. We should make sure that they are in the best possible position to understand the arguments, but this is something where there is a fundamental review going on anyway.

Q146 **Clive Efford:** Yes, but I will labour the point a bit. If this is a major barrier to you delivering on your 2025 target then surely it is in your interests to impress upon the Treasury the need to remove this deadline of 2022 if it is going to become a problem. For instance, couldn’t the rate relief exemption be extended—similar to Scotland’s, to 2029 for argument’s sake—for all bits of infrastructure and kit that are installed prior to 2025, but on the basis that they do deliver on some of your priorities, such as delivering those hard-to-reach areas or deprived areas?

Matt Warman: From my perspective there are barriers that are specific to broadband, whether that is street works, whether that is planning and that sort of category. The business rates issue fundamentally is a pure investment decision; it is purely a financial matter. I take the view that we should make sure the Treasury is in the best possible position to understand what those considerations are. We need to both make that case and work with the networks to ask, “What are the best ways we can do the things that are within our control as a Department to get the maximum possible rollout?”

Q147 **Clive Efford:** In a nutshell, then, you are not making the case for extension to the exemption beyond 2022 as the industry is requesting?

Matt Warman: I would not characterise it quite like that. What I would say is that we respect that this is firmly within the purview of the Treasury, we are keenly aware there is a review of business rates generally going on anyway, and we have to work within the framework



HOUSE OF COMMONS

we are in at the moment. I do not think it would be sensible for me to be thinking about designing a procurement for the future that imagines a different set of decisions from the Treasury than those we have at the moment. It is more about not working in hypotheticals than it is anything else.

Q148 Clive Efford: You have set up a Connectivity Taskforce to advise on consumer take-up. What is the taskforce charged with doing and when do you expect it to report? You have a tight deadline of 2025 and take-up is a big issue. What is this taskforce doing?

Matt Warman: You are right. The taskforce, which we have called GigaTAG, is working with the independent FSB, CBI and Which? We are looking at an interim report pretty soon and then a full report in the new year on how we best create that virtuous circle of maximum demand that therefore facilitates maximum investment. Commercial areas, as you know, are partly based on geography, partly based on the expense of installing the connection and also based on the expected level of uptake. That is why I think it is good we go into this with an open mind—the CBI, the FSB and Which? are genuinely independent organisations—and ask them what are the things Government could be doing, or industry itself could be doing, to drive up demand so that you get the maximum investor appetite. I do not want to prejudge what they will come back saying, but some of it is about the Electronic Communications Code and the stuff we have said about it, and some of it is much more about the skills angle and making sure there is demand there across the spectrum. I am keen for it to report back. I think it will be interesting work and it will be part of us making sure we get the maximum possible level of value for money.

Q149 Clive Efford: Is marketing a gigabit-capable broadband a matter for the private sector, or will the Government be spending money on advertising and is that appropriate?

Matt Warman: It is not the Government's role to do the marketing of large commercial organisations that are going to make a significant return on this. It is the Government's role, for instance, to promote schemes like Community Fibre Partnerships, which is something I have done myself, which sees relatively remote communities get connected. It absolutely is Government's role to promote things like the Gigabit Voucher Scheme so that people can help themselves.

This is ultimately a partnership with industry because, as I say, we do want to see them roll out the maximum possible extent, and part of that equation is seeing them get the maximum possible investment that comes from seeing high levels of demand. There is a version of this that is a genuinely virtuous circle, and that is what we are working with the GigaTAG group to deliver.

Q150 Clive Efford: May I ask you about the confusion in consumer minds about broadband speeds? We have received evidence indicating that



some operators deliberately misinform and say it is full fibre when it is not. What do you do to protect the consumers in those circumstances?

Matt Warman: We have had Ofcom and the Advertising Standards Authority looking at this in the past. We should not imagine, I don't think, that what we have in terms of advertising now is as good as it should be. If I talk to my constituents about gigabit-capable networks it does not exactly trip off the tongue. We need to work with industry to make sure that people are honest about the products they are selling and that they communicate in a way that is clear and emphasises that there is a difference between, for instance, fibre to the premise and fibre to the cabinet. However, ultimately there is a huge range of diversity of views within the industry on what the best way of doing this would be. Clearly, some of that is based on people wanting to take very broad brushes to a range of connection speeds and others would like to be very narrowly defined on what they might call a fibre connection, for instance. I think we can do better than where we are now, and the ASA and Ofcom, working with Government and the industry, should be taking a look at that.

Q151 **Clive Efford:** If you do not mind me saying so, that sounds like, "We know it is going on but we are not going to do much about it." If people are misinforming the public and creating this environment where people do not have confidence in what they are being told about broadband speeds, it is entirely counterproductive to what you are trying to achieve in terms of incentivising people to enter the market because there is more demand. Do you not think you need to be acting with a little bit more urgency if companies out there are deliberately misleading consumers?

Matt Warman: I do agree with you that it is a problem and it is one that needs to be addressed. I do think, however, it is challenging when there is not an obvious solution out there. The reason we arrived at the compromise that we currently have—this was before my time but I completely understand why it emerged—is because there is no silver bullet on this stuff. There is no, "Let us call it this and the public will understand it intuitively."

There is a separate category of offender, if you like, where people are genuinely claiming that one bit of connectivity is there when it is not. That is a very different and a much, much smaller problem and we should not confuse the two.

Q152 **Clive Efford:** If you looked at schemes such as in Italy, for instance, there is a red light system, where if it is copper it is red, if it is copper and fibre it is amber and then green if it is fibre. You were talking earlier on about making this system simple and easy to understand. Is that not a simple system to understand, which we should introduce here? If companies are saying it is fibre they must be accountable for delivering fibre connection.



Matt Warman: There is a lot to recommend the Italian system, for instance. However, I would also ask, “What colour is a 5G connection? Is that green or amber? What colour in the future would a low-earth orbit satellite be?” These are attractively simple, I absolutely get that. We can do better than where we are and I would like to be better than where we are. But let’s not fool ourselves into thinking that it is really straightforward and we can just adopt one system from somewhere else, because I do not think anyone has cracked it perfectly. Nevertheless I am fundamentally sympathetic to the point you are making.

Q153 **Chair:** I was struck by your agnosticism when it comes to mobile and fibre, which is a bit of a departure for the Department more generally from the manifesto. How closely do the broadband and mobile infrastructure teams work at DCMS, and what overlap is envisaged between the Shared Rural Network and Gigabit Broadband Programme?

Matt Warman: To answer your first question, more closely than ever before, and I am constantly pushing for us to think in those agnostic terms. When it comes to how can the SRN facilitate a greater rollout of 5G—we are in the very early days of the SRN. We will be talking a little bit more about the geographic coverage in the coming months. What we need to make sure is that the masts that are built specifically for this programme, which is primarily via the Home Office, are as attractive as they possibly can be in terms of their location and in terms of their commercial viability—all of that—for future networks such as 5G and the pushing out of existing 4G networks. They are currently separate projects but the Venn diagram will have to overlap increasingly.

Q154 **Chair:** As part of the £5 billion for the gigabit network, is there any sort of ring-fencing of money for mobile backhaul, which is basically the tech infrastructure for masts?

Matt Warman: I do not want to prejudge the design of that procurement, which we will be talking about as much as possible in the coming weeks, but obviously you are right that in an area where a wireless solution is part of pushing the network as far as it can go then there is no point in building a mast if there is not connectivity to that mast. We have to be alive to that. I wouldn’t see your idea of ring-fencing some of it for mobile backhaul overall necessarily as the solution, but clearly in some projects that will be a really essential part.

Q155 **Chair:** Yes, because obviously the original idea was fibre and then, over time, it developed into fibre/mobile/5G. That eats into the £5 billion, though, because in order to get the mobile working properly you are going to need the fibre to connect up to the masts. Have you thought about how much that is going to cost out of this £5 billion?

Matt Warman: What we are thinking about is how we best use wireless networks to stretch the fibre spine as far as it can go. Obviously there is a balance with that. You could stretch it quite a long way if you were content with, at the very edges, speeds being very slow. That is the



HOUSE OF COMMONS

balance we have to strike. There is no point in saying to someone, "You have a wireless connection now, you did not use to have it but it is only 10 meg." We have to be appropriately ambitious but we also have to be thinking how far we stretch the network.

Q156 **Chair:** You are not going to say how much money that is going to cost?

Matt Warman: When we talk about the procurements then we will obviously be talking about the balance between what the connectivity speeds need to be at those very edge cases, so we will be. It is an important question, but it is not something where I would suspect you would have a blanket rule across the whole country.

Chair: It is not going to take a huge chunk of the money?

Matt Warman: No.

Q157 **Chair:** Damian mentioned the Barrier-Busting Taskforce before and then we have had GigaTAG and digital champions. It is only one step away from "quiet batpeople", is it not, in "The Thick of It". Is there going to be any extra resource for these digital champions or are councils going to be expected to pick up the bill?

Matt Warman: There are already examples of, for instance, local enterprise partnerships putting money in. Digital champions are something that are an important part of—

Chair: There is no extra money?

Matt Warman: They are an important part of this and I do not want to prejudge the spending review. I repeat the answer that I gave earlier: if you want digital evangelists out there banging the drum then there are lots and lots of ways of doing it and lots of ways that we are already working with councils. At the other side of it, I suppose if you want to think of it as new money, part of the £5 billion is about BDUK putting more people out there in the regions where they are responsible for the rollout, and a degree of that is about digital championing.

Q158 **Chair:** Will my council be expected to pay for a digital champion?

Matt Warman: As I say, I do not want to prejudge the circumstances for Solihull but what I would like to see is Solihull in a position, subject to the SR, where it has the resources to provide the kind of advocacy it needs.

Q159 **Chair:** Yes, but you will hopefully get more money?

Matt Warman: You are trying to get me to prejudge the spending review and I understand why, but what—

Q160 **Chair:** I am not asking you to predetermine it. Basically you are telling everyone to have a digital champion but there is no resource for it at the moment. What I am suggesting is that therefore our councils are going to have to pay for this out of their budgets right now, which, as we know, are incredibly stretched. Are you confident that you can get extra



HOUSE OF COMMONS

resource for these digital champions?

Matt Warman: Some councils are already choosing to pay for it, and that is their decision. I am confident there is going to be resource for the kind of advocacy that we need. Whether we end up badging them as digital champions, or whether Solihull badges itself as a digital champion, would obviously be a matter for them.

Chair: Digital evangelists, of course, is another new one. I compliment you on saying “Solihull” and not “Solly-hull” by the way, which is absolutely spot-on.

Matt Warman: It is entirely intuitive.

Q161 **Chair:** Finally, to return to the 2025 target, are you aware of the American management phrase “stretch goal”? The idea of it is that effectively you set a probably unachievable target but its statement is meant to galvanise—to give people that target to focus their minds. Is the 2025 target a stretch goal?

Matt Warman: No responsible manager would set a stretch goal that was completely unachievable.

Chair: Probably unachievable.

Matt Warman: It is right that we are ambitious. If you want to characterise it as a stretch goal then that is fine by me, but it is a stretch goal that we are more than capable of meeting.

Chair: Thank you. That concludes our session.