

Response to the DCMS Committee *Broadband and the road to 5G* report

1. *Sticking to unachievable targets benefits no-one, and it was inevitable that the Government would have to abandon its unrealistic manifesto pledge to deliver nationwide gigabit connectivity by 2025. Ministers should be ready to respond openly, in answering questions from members of a select committee, accepting that a target will not be met when they already possess sufficient information to know that it is not going to be achieved. We welcome the fact it has finally listened to concerns, rethought the target and taken a more realistic outlook. However, the time it has taken to do so will have delayed industry, local bodies and consumers receiving the information they need to plan or build a robust investment case. Moreover, given that the previous target had been staunchly defended to us makes us question how much of a say DCMS had in the decision to scrap it, and the extent to which both the new target and its likely implications have been fully considered in consultation with industry. (Paragraph 27)*
2. *It would not be acceptable having abandoned one unrealistic target, for the Government to fail to meet a second, less ambitious, target through lack of effective planning or inadequate investment. The Government should outline, in its response to this Report if not before, how it settled on the new gigabit-capable broadband target of 85% coverage by 2025, a full assessment of how likely it considers it to be met, and the detail of how it plans to deliver it. The Government should also clearly state its target date by which it expects the remaining 15% of premises to be served with gigabit-capable broadband. (Paragraph 32)*

The Government wants to become a world leader in connectivity and increase the UK's productivity and competitiveness. We have therefore set ambitious targets for gigabit-capable broadband, and a clear strategy for delivering them through the Future Telecoms Infrastructure Review, Statement of Strategic Priorities, and the record proposed investment in the £5 billion UK Gigabit Programme.

The Government's strategy to promote network competition and commercial investment has already had significant impact and has galvanised commercial build in the market. An unprecedented number of firms are now looking to deploy gigabit-capable broadband in the UK, backed by large institutional investors from the UK and abroad. The UK broadband market is at its most competitive since BT's privatisation in 1984. The result is already being felt by UK consumers on the ground with over one in three UK premises having access to gigabit-capable broadband, up from 10% when compared to Ofcom's Connected Nations 2019 report.

By the end of 2021, we expect that more than half of the country will be connected to gigabit-capable networks. We are on track to ramp up to an annual full fibre build rate of over four million premises or more, comparable to the highest build rates seen in Europe.

By 2025, the Government is targeting a minimum of 85% gigabit-capable coverage but will seek to accelerate rollout further to get as close to 100% as possible. This target is based on extensive engagement with industry over the past year, as well as current industry rates of deployment and how these may increase up to 2025.

The Government set out in its National Infrastructure Strategy that it will continue to implement an ambitious programme of work to incentivise commercial investment in gigabit-capable broadband and remove barriers to rollout. This includes the following measures, which will support industry to deliver gigabit coverage in the most commercial 80% of the UK by 2025:

- We have introduced legislation to make it easier for broadband providers to connect blocks of flats through the Telecommunications Infrastructure (Leasehold Property) Bill. This Bill is in the final stages of its passage through Parliament.
- We have consulted on how to ensure that all new build developments have gigabit-capable broadband and have committed to amending Build Regulations to deliver this reform. This builds on existing voluntary commitments from operators to work with housing developers.
- We are consulting on reforms to the Electronic Communications Code, the legal framework underpinning operator rights to install and keep electronic communications apparatus on public and private land.
- We will be consulting on further reforms to the streetworks regime to make it easier for operators to access roads for broadband deployment. This consultation will build on the existing action that we have already taken, with the new digital Street Manager service, which went live in Summer 2019, and the new Specification for the Reinstatement of Openings in Highways, which allows more innovative reinstatement techniques including microtrenching.
- Subject to a further technical consultation, we will be taking forward reforms to support better mobile coverage, including allowing the deployment of taller and wider masts, and building-based masts located nearer to highways.
- We will continue to maintain and develop our Digital Connectivity Portal, which provides guidance for local authorities and network providers on improving connectivity in local areas.

The Government will also continue to work with stakeholders to identify further barriers to deployment and take urgent action to address key issues as they emerge.

Both the Secretary of State and the Minister for Digital Infrastructure were clear in their recent appearances before the Committee that delivering nationwide gigabit-capable coverage by 2025 was challenging, particularly for the hardest to reach 20% of premises in the country. That is why we have already been funding gigabit-capable network rollout in harder to reach areas through our existing

Superfast, Local Full Fibre Networks and Rural Connectivity programmes, at the same time that we have been developing our new £5 billion UK Gigabit Programme. Since 2018, the Government has delivered gigabit-capable broadband to over half a million homes and businesses in these areas.

It is also why we are working to continue to deliver gigabit connectivity to harder to reach premises at the same time that operators are ramping up build in the more commercial areas of the country and why we have committed a record £5 billion of capital funding to support deployment in these areas. Our current estimate is that the Government's UK Gigabit Programme will spend a minimum of £1.2 billion by March 2025 and deliver gigabit-capable connectivity to at least 5 percentage points of the final 20%, but we will continue to work with industry to accelerate delivery of gigabit-capable broadband to as much of the remaining 15 percentage points as possible.

Through this programme, the Government will seek to prioritise delivery to those premises that do not have access to superfast broadband, wherever possible. Many of the premises that are not viable for commercial gigabit rollout will have already benefited from the Government's Superfast Broadband programme, which has delivered superfast connectivity to over 5 million premises, and helped to ensure that more than 96% of UK premises have access to these speeds, which is one of the highest rates across Europe.

The Government will continue to work with industry to accelerate our £5 billion programme, building on the consultation that DCMS published in December 2020.

- 3. The Government's technology-agnostic approach to securing a nationwide gigabit capable network makes sense in the context of delivering faster connections to as many premises as possible as quickly as possible. However, the Government must not let it come with a trade-off in performance or longevity: any technologies used to deliver gigabit connectivity must be future-proof. Moreover, fibre will be a significant component of other gigabit-capable technologies, such as 5G, and therefore the challenges of rolling out a truly nationwide full-fibre network must not be underestimated. (Paragraph 40)*

The Government agrees that technologies used to deliver gigabit connectivity should be future proof but is strongly committed to a technology neutral approach because this approach enables greater innovation. For example, a wireless solution may be more efficient when connecting an isolated or remote premise.

- 4. It is difficult to see how £5 billion will be enough to meet the Government's aim of delivering gigabit broadband to the hardest-to-reach 20% of premises. Investment in digital infrastructure is too important to be compromised. It is therefore disappointing that over the next four years, the Government will make*

available only 25% of the £5 billion it had committed to support the roll-out of gigabit-capable broadband to the hardest-to-reach premises. This will undermine the ambition for such premises to receive better connectivity at the same time as other parts of the UK. (Paragraph 49)

- 5. The Government should outline in its response to this Report, if not before, how the remaining £3.8 billion has been ringfenced and when it expects to make it available for delivering gigabit-capable broadband to the hardest-to-reach properties. (Paragraph 50)*

The Government remains committed to the 'Outside In' approach that we outlined in the Future Telecoms Infrastructure Review. This is why we are not waiting until commercial delivery is complete before starting to build in the hardest to reach areas under the UK Gigabit Programme. Our programme will also look to prioritise premises without an existing superfast connection, wherever possible.

Budget 2020 committed the Government to investing a record £5 billion to deliver gigabit-capable broadband to the hardest to reach premises in the UK, through the UK Gigabit Programme. This record investment was reiterated in the National Infrastructure Strategy published in November 2020.

The Spending Review 2020 confirmed that the Government will spend at least £1.2 billion of the £5 billion in the period from April 2021 to March 2025. This spending profile takes into account extensive engagement by the Government with suppliers in the telecoms industry, and what gigabit connectivity the Government believes that the industry will be able to deliver in these hard to reach areas by March 2025 at this stage. However, the Government will accelerate this investment if suppliers can increase build in these areas alongside their commercial build plans.

On 22 December, the Government published a consultation, Planning for Gigabit Delivery in 2021, on the Government's proposed intervention approach, along with procurement maps and timescales for 2021. After this consultation has finished, a procurement pipeline will be published in Spring 2021 and updated regularly.

As well as these supply side market interventions, the Government is also intending to extend its successful Gigabit Broadband Voucher Scheme from April 2021. The scheme allows people in rural areas to request a gigabit-capable connection with the Government subsidising the installation costs. This would help broadband suppliers respond to increasing consumer demand for gigabit-capable broadband while the new procurements get up and running.

The Government also intends to continue its programme to connect public and community buildings - such as council houses, schools, libraries and GP surgeries -

so they act as full fibre 'hubs' off which industry can build their networks and connect surrounding homes and businesses.

6. *There are technical reasons why 5G will not be the silver bullet for delivering gigabit connectivity to rural areas but this will be exacerbated if the roll-out of 5G follows the same commercially-driven pattern as previous generations of mobile technology. Even if roll-out in urban areas means the majority of the population is able to access 5G by 2027, which is by no means assured given the restrictions on the use of Huawei equipment, Government must do more to ensure that rural areas do not get left behind. (Paragraph 59)*
7. *The Government should complete a formal review of progress towards its targets for gigabit-capable broadband and 5G by the end of 2022 and report back to us on progress. (Paragraph 60)*

The Government remains focused on the UK becoming a world leader in 5G mobile technology, and for consumers and businesses across the UK to see the benefits of 5G as fast as possible.

The Secretary of State was clear in his statement to the House of Commons on 14 July 2020 that the position on Huawei will have implications for rollout. This is a necessary cost to ensure the security of our 5G networks and protect our national security.

To support the sector in overcoming the challenges this may present, it is important that the Government works to ensure that the planning system continues to support the deployment of mobile infrastructure. Following an in-principle consultation in 2019, we are working with the Ministry for Housing, Communities and Local Government to develop the technical consultation on planning reforms to permitted development rights, to support the rollout of 5G infrastructure and extend mobile coverage, particularly in rural areas. We plan to publish the technical consultation in the Spring.

Looking to the future, there is more we can do to deliver lasting and meaningful change in the 5G supply chain and pave the way for a vibrant, innovative and dynamic market. That is why we have published our [Diversification Strategy](#) which sets out our long-term vision for a healthy supply market, characterised by the principles of openness, flexibility and diversity. As a first step toward delivering our long-term vision, the Government has committed an initial investment of £250 million, to kick off work to deliver our key priorities.

To accelerate network deployment, the Government has also published a [public consultation](#) on whether further reforms are required to the Electronic Communications Code, which regulates agreements between landowners and mobile network operators for the installation and maintenance of network apparatus.

Stakeholders are being asked if changes are needed to support faster and more efficient deployment and upgrading of the UK's digital networks.

In March 2017, the Department launched the 5G Testbeds and Trials Programme to support our 5G ambitions. The Government is investing £200 million in the programme, to accelerate the adoption of 5G, maximise the productivity, economic and social benefits from 5G, and help UK businesses create innovative products and services using 5G. This nationally coordinated programme of 5G testbed facilities and application trials is supporting a wide range of projects. There are currently 27 live projects, which test deployment models of new wireless infrastructure and 5G technologies in different sectors of the economy. Our interventions support industry, academia and local authorities to realise the benefits of high speed networks and create new commercial opportunities.

All four mobile network operators have now launched their 5G networks. There has been a significant increase in the number of places that benefit from 5G as the number of base stations providing 5G services has risen tenfold to around 3,000 across the UK according to Ofcom. Examples of this include the village of Inchinnan in Renfrewshire, the coastal resort of Llandudno in Conwy, the city of Lisburn in the Belfast Metropolitan Area and the town of St Blazey in Cornwall.

We are confident that through these actions we will achieve our ambition that the majority of the UK will have access to a 5G signal by 2027. We will continue to keep the Committee updated on progress with this.

In relation to its targets for gigabit-capable broadband and 5G, the Government is monitoring progress on a regular basis and will consider the timing of any formal review, noting the Committee's recommendation. The Government is content to report back to the Committee on progress during the next two years and beyond.

8. Ensuring there is sufficient demand for gigabit-capable broadband must not be an afterthought and based on consumer behaviours and take-up of existing technologies, cannot be assumed to be a given. We are concerned that the Government has not given enough priority to this policy area to date and does not fully recognise the potential role that Government could play now. We await the findings of GigaTAG's work and urge DCMS to act promptly on their recommendations. (Paragraph 78)

The Government recognised the importance of demand for gigabit-capable networks in its Future Telecoms Infrastructure Review, published in July 2018, and its Statement of Strategic Priorities (SSP), which was designated in October 2019. Ofcom has to have regard to the SSP when it is exercising its regulatory functions.

The SSP set out the key role of the industry in stimulating demand and take-up of services on new gigabit-capable networks, as the owner of the UK's broadband networks and the provider of broadband services to consumers. For example, the SSP set out Government's expectation that Internet Service Providers will provide suitable 'entry level' products for consumers at prices similar to those provided on existing networks, including voice only services for those who want them, to aid the migration of consumers to these new networks.

The SSP also set out the important role that Ofcom has to play, including in ensuring industry readiness for gigabit switchover. Ofcom will need to protect consumers, safeguard competition and ensure that switching processes are easy, reliable and transparent, including where consumers switch between different networks.

The Government recognises that it can play an important supportive role in stimulating demand for gigabit-capable networks, including by addressing the difficulties that consumers experience in navigating the communications market. This is why the Government is working with the Gigabit Take-Up Advisory Group (GigaTAG), being led by the CBI, the Federation of Small Businesses and Which?. GigaTAG published its [interim progress report in December 2020](#). The Government looks forward to receiving their final report, expected in May, with recommendations for industry, Ofcom and the Government. The Government will carefully consider GigaTAG's recommendations.

Since the SSP was published, Ofcom has taken a variety of actions that we expect to help to stimulate demand for gigabit-capable broadband. For example, Ofcom has put in place new rules that require communication providers to send a notification to their customers when nearing the end of their contract. In October 2020, Ofcom also published a statement outlining new rights for telecoms consumers. These rights seek to improve the information available to them and which will make switching easier. These include new gaining-provider led-switching (GPL) provisions when consumers are switching between different broadband networks. Ofcom has recently published a consultation with proposals for implementing a 'One Touch Switch' system.

The Government also consulted on its Smart Data initiative in June 2019 and published its response in September 2020, stating its desire to extend the Government's powers to mandate firms' participation in a smart data - or Open Communications - initiative in telecoms. Open Communications has the potential to increase consumer awareness and switching through better information and new and innovative third party services. In August 2020, Ofcom published a consultation examining the case for a smart data initiative in the sector. This set out Ofcom's initial thinking to understand the potential uses and benefits, how it could best work for people and businesses and the associated costs.

9. *Getting the design of the gigabit programme right is absolutely essential, especially as its budget for the next four years will be only 25% of what was expected. Some parts of the country will still get left behind when it comes to the roll-out of gigabit-capable broadband, the consequences of which have been magnified during the COVID-19 outbreak. Ensuring people can work remotely, wherever they live, will spread the economic benefits of digital connectivity to the whole country. (Paragraph 88)*
10. *The Government should outline in its response to this Report, if not before, what the Spending Review and 85% target mean for its 'outside-in' ambition and its strategy for delivering to those semi-urban areas unlikely to benefit from commercial rollout. Given the centrality of the principle of levelling-up to the Government and its National Infrastructure Strategy, we recommend it continues to prioritise those with worst connectivity. (Paragraph 89)*

Over 96% of UK premises have access to superfast broadband, which is one of the highest rates in Europe. Over five million UK premises with access to superfast broadband have it as a result of the Government's Superfast Programme. The current broadband network has performed well during the Covid-19 pandemic, as Ofcom set out in their latest UK Home Broadband Performance report. However, the Government recognises that demand for higher capacity and more reliable broadband is growing. This is why we are working to deliver nationwide gigabit-capable broadband as soon as possible, why we have committed £5 billion to delivering gigabit-capable broadband to the least commercial 20% of UK premises, and why we are starting subsidised build in these areas at the same time that the industry is ramping up delivery to more commercial areas.

In the period to 2025, the Government is targeting a minimum of 85% gigabit-capable coverage, including at least five percentage points of coverage in the hardest to reach areas of the country. However, we will work with industry to accelerate delivery in these areas, and get as close to 100% as possible. The Government's planned procurements for gigabit connectivity will also seek to prioritise delivery to premises without an existing superfast connection. We have already been delivering gigabit connectivity in these harder to reach areas through our Superfast, Local Full Fibre Networks and Rural Connectivity Programmes. Since 2018, we have delivered gigabit-capable broadband to over half a million homes and businesses. Furthermore, between September and December 2020, we approved £640 million of new Superfast contracts across the UK which will provide improved connectivity to a further 248,000 premises, the bulk of which will be gigabit capable.

Following the consultation on the UK Gigabit Programme's delivery strategy published in 2020, we will be publishing a pipeline of areas for initial deployment through the £5 billion UK Gigabit Programme in Spring 2021.

11. The roll-out of gigabit-capable networks will put considerable strain on local authorities, which are already facing considerable pressures on their budgets. The Government must retain the expertise gained through the superfast programme and ensure local authorities are resourced sufficiently to support the roll-out of gigabit capable connectivity at pace. (Paragraph 92)

The Government agrees that local authorities are important for the delivery of nationwide gigabit capable broadband.

The Barrier Busting Task Force within DCMS is actively advising local authorities across the UK, including through its Digital Connectivity Portal on the DCMS website. The team works with industry, local authorities and landowners to identify and remove barriers to deployment, including those that require changes to the law.

In relation to its £5 billion UK Gigabit Programme, the Department is working closely with the Local Government Association, through the ADEPT group of local authorities, to agree the delivery model, specific roles and resource requirements. The Department has also been meeting with senior officials in each of the existing local authority partners to confirm alignment between the programme and their own strategic objectives. The Department will monitor the situation in light of ongoing financial pressures.

The Department's delivery team for the £5 billion programme includes a proactive field team based in the regions. Each local authority has a named resource from the Department who works with them to continually look at options for increasing broadband coverage. This includes the Department's whole portfolio of interventions or programmes - Superfast, Local Full Fibre Networks, Rural Gigabit Connectivity, Gigabit Broadband Voucher Scheme - and will also include the UK Gigabit Programme.

An [independent review](#) of the Superfast Broadband Programme was recently published which found it had created £2.7 billion in economic benefits since starting in 2012. This included a surge in the value of homes sold in programme areas between 2012 and 2019 by up to £3,500.

12. We are not convinced that the technology-agnostic approach to delivering gigabit-capable broadband extends much beyond ministerial pronouncements. The Government needs to take a more joined-up approach to fixed and mobile telecoms policy, especially when it comes to interventions for the hardest-to-reach properties. In its response to this Report, if not before, DCMS should clearly outline what technology-neutrality will mean in the gigabit programme and how it will be delivered. (Paragraph 95)

The Department's interventions are designed to be technology neutral, and this is reflected in the terms and conditions published to the market for each intervention. Similarly, in the case of the new UK Gigabit Programme, suppliers will be assessed by their ability to deliver gigabit download speeds, as well as upload speeds and minimum speeds sustained during busy periods, in a way that can be met using wired and wireless technologies alike.

There are currently three suppliers operating wireless solutions under Superfast contracts. The Gigabit Broadband Voucher Scheme has already supported successful projects around the UK through a technology-agnostic approach using 5G or Millimetre Wave gigabit radio solutions. The 5G Trials and Testbeds programme are also testing the use of innovative wireless solutions with its Rural connected Communities Programme which seeks to test both mmWave links and 5G small cells to provide mobile and fixed wireless access in rural areas. The Department is also engaged with suppliers and vendors of emerging Fixed Wireless Access and non-terrestrial technologies, including satellite services, to assess what contribution they might make to future delivery of gigabit-capable networks and other policy objectives. The Department reviews its policies frequently to ensure it delivers the best connectivity possible with the funding provided.

13. We are concerned that Ofcom has significant catching up to do for its regulatory regime to deliver the Government's goals and protect consumers. The regulatory framework proposed in the Wholesale Fixed Telecoms Market Review has the potential to undermine the Government's £5 billion subsidy for hard-to-reach areas and does not accurately reflect the competitive landscape for fixed telecoms. Consideration will also have to be given to the potential impact of the Government's new target and spending plans. We expect Ofcom to address these issues in its final statement on the Wholesale Fixed Telecoms Market Review 2021–26 and to write to us explicitly outlining how it has done so. (Paragraph 109)

The Government set out the importance of regulation that promotes competition and investment in new gigabit-capable networks wherever possible in our 2018 Future Telecoms Infrastructure Review and Statement of Strategic Priorities. However, these documents also recognise that it would be necessary for the Government and potentially the regulator to intervene in areas of the country where competition and commercial investment is less likely. Since the publication of these documents, the Government has engaged closely with Ofcom on the interaction between our £5 billion UK Gigabit Programme and their regulatory proposals, particularly in relation to its proposed Area 3. We are confident that our publicly subsidised intervention and Ofcom's regulations will work effectively together to maximise nationwide gigabit capable coverage by 2025.

14. Judging by the legislative measures to date, the scale of the Government's efforts to tackle the most serious barriers to roll-out does not match the scale of its ambition for gigabit connectivity. Despite the challenges of the 2025 target, the Government intends to "wait and see" about complex problems such as third-party access instead of addressing them as a matter of priority. We recommend that the Government reforms the wayleave regime for telecommunications infrastructure in the next Parliamentary session to address unresponsive and/or uncooperative landlords in urban and rural settings, including third-party land. (Paragraph 118)

Rights for telecommunications infrastructure to be installed on public and private land are regulated by the Electronic Communications Code. The Code's purpose is to facilitate the deployment, maintenance and upgrading of the UK's digital networks at pace. However, where this activity interferes with individual property rights, an appropriate balance must be maintained between those individual rights and the wider public interest. The Code aims to achieve that balance. Any changes in the rights available to telecommunications operators can only be introduced through changes to primary legislation.

Following extensive stakeholder engagement, substantial reforms to the Code were introduced in 2017. The purpose of those reforms was to make it cheaper and easier for telecoms apparatus to be installed, maintained and upgraded. The extent of these changes meant it was important that sufficient time was allowed for all stakeholders to adapt to the new legislative framework before further interventions were considered.

DCMS has engaged extensively with industry stakeholders and site provider representatives to understand the impact of the 2017 reforms and to identify remaining barriers. Government has demonstrated its willingness to legislate where necessary to tackle those barriers. For example, operators provided clear evidence of challenges connecting multi-dwelling units (blocks of flats) due to unresponsive landowners. This led to the Government bringing forward the Telecommunications Infrastructure (Leasehold Property) Bill, which will directly tackle these issues, and will shortly receive Royal Assent.

Government is currently consulting on whether further changes to the Code are needed to support delivery of its coverage and connectivity ambitions. We will carefully evaluate all responses and evidence submitted through that consultation, including any evidence demonstrating that additional measures to tackle non-responsive or uncooperative landlords, including owners of third party land, are necessary and would be in the wider public interest.

Furthermore, through the work of DCMS's Barrier Busting taskforce, we continue to engage with streetworks authorities across the UK to facilitate the use of innovative

permitting and deployment techniques, such as the flexi-permit streetworks trial in Sheffield and micro-trenching, in order to significantly increase the productivity of telecoms workers.

15. Again, the Government's 'wait and see' approach to ensuring sufficient numbers of engineers does not reflect the scale of the infrastructure and industry challenge to meet its targets for rolling out nationwide full fibre. The Minister's assertion that the UK has enough engineers for its current need contradicts what we have been told by industry and is scant reassurance when build rates need to increase four-fold to reach 85% of the country by 2025. We encourage the Government to introduce time-limited visa solutions that enable engineers from the EU to address the industry's labour needs until such time that these can be met by the domestic workforce. (Paragraph 122)

The nationwide rollout of gigabit connectivity in the UK is expected to create thousands of new high-quality engineering jobs. Alongside the direct benefits that increased connectivity brings, the Government believes this is a once in a lifetime opportunity to provide training and employment for British workers as we Build Back Better from the COVID-19 pandemic. As a result of the Government's gigabit ambitions, over 19,000 new jobs have been announced in the last year alone by CityFibre, Openreach and Virgin Media.

The Government will continue to incentivise the training and employment of workers in Britain through interventions such as the Chancellor's Plan for Jobs, the Apprenticeship Levy and the recently announced £21m expansion of Technical Skills Bootcamps. This opportunity is particularly important given the impact of Covid-19 on the UK labour market.

16. Industry's calls for regulatory and business rate reform, as well as removing barriers to roll-out, will not come as any surprise to Ministers; however, these long-standing policy recommendations demonstrate a gap between the Government's ambition and the action it has taken to date. Even getting to 85% gigabit-capable coverage by 2025 will require a rapid rise in build rates and for industry to roll-out just as fast as under previous targets. Urgent action to address these barriers that stand in the way of them doing so is therefore as important as ever. (Paragraph 126)

The Government is delivering a highly ambitious programme to remove barriers to the deployment of gigabit-capable broadband, as set out earlier in this response. The work carried out to date has already had a galvanising effect on industry with gigabit-capable broadband now available to one in three premises (38% according to the latest figures from Think Broadband), compared to 10% in Ofcom's Connected Nations 2019 report. By the end of 2021, we expect that more than half of the country will be connected to gigabit-capable networks. Furthermore, we are on track

to ramp up to an annual full fibre build rate of over four million premises, which is comparable to the highest build rates in other European countries.

In relation to business rates specifically, the Government is providing five years business rates relief for all new full fibre broadband built from April 2017. In addition, the Treasury is currently conducting a fundamental review of business rates. The Department has encouraged the telecoms industry to provide evidence to the review.