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Rt Hon Meg Hillier MP  
Chair, Public Accounts Committee  
House of Commons  
London  
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18 March 2021

Dear Chair,

**Response to the Committee regarding 04 March Industrial Strategy Challenge  
Fund Public Account Committee hearing**

During the Public Accounts Committee Hearing on 04 March, I and colleagues committed to providing the Committee with written updates on four points. I am writing now to provide those updates.

Regarding the questions on OneWeb, I trust that the information provided below will answer Nick Smith's questions fully and clarify our previous responses.

I can confirm that, as of March 2021, the number of OneWeb staff based in the UK is 155. London is OneWeb's Global, Commercial and Corporate Headquarters, and both the Satellite Operations Centre and Network Operations Centre are based in White City. There has been a significant shift in the location of the OneWeb workforce – 55% of the company's employees are now based in the UK in comparison to 24% in March 2020. This trend is expected to continue. The company expects to have 300 employees in the UK by the end of the year which will represent over 60% of the company's global workforce.

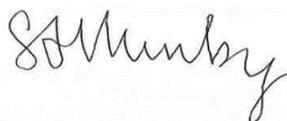
Recent data provided by ONS shows that approximately four percent of UK households are unable to access broadband through other means. The broadband provided by OneWeb's global network could provide a means by which these households can obtain internet connection in the future – though it should be noted that the company will make its own decisions regarding when and how it enters the consumer broadband market in the UK. The company does not plan to target the UK consumer broadband market this year. The commercial operation of OneWeb will be separate from Government's duties to ensure the transparent and effective operation

of markets. However, it should be noted that the provision of rural broadband for UK customers was not the rationale for the Government's investment in OneWeb.

The OneWeb investment is a key step forward for the Government's ambition for the UK to be a global pioneer in the research, development, manufacturing and exploitation of novel satellite technologies. The Government acquired OneWeb in a joint investment with Bharti Global. In January 2021 we announced additional investment had been secured from SoftBank Group Corp and Hughes Network Systems LLC. Government has established its core rights in a shareholder's agreement with Bharti, including our right to appoint three non-executive directors to the Board: these roles are currently filled by Jo Shanmugalingam and Hugo Robson from BEIS, and Tom Cooper from UK Government Investments. The Government also retains a special share in OneWeb which can be exercised to protect national security interests.

Regarding intellectual property (IP) rights, the Government's position is that knowledge assets, such as IP rights, should be owned by the party best placed to exploit them. In order to achieve value for money for the UK throughout public sector activities, full consideration is given to the attribution of any IP rights which will be generated as a result of the publicly funded activities. This should ideally be undertaken during the early stages of contract negotiations. The Government recognises that the negotiation of contracted terms should seek to realise the greatest benefits or returns for the UK, whether that is achieved through commercial exploitation by businesses, or through public sector management. There are also a number of other factors which need to be considered when determining the ownership of any resulting IP, such as costs, ensuring market competitiveness, encouraging innovative practice, or where retention of the IPRs may be unnecessary.

The Intellectual Property Office (IPO) is working to better understand the full value of the intangible assets held by the Government, and how to ensure that the Government receives a financial reward for its innovation and taxpayers are getting value for money going forward. In 2020 the Government undertook steps to ascertain current IP knowledge levels and educational needs across the public sector. It identified areas in which IP training for Public Sector officials would upskill those operating on the front line of innovative activity with the necessary tools and confidence to be able to identify and maximise the potential value from intangible assets. The IPO is currently developing a targeted and bespoke cross-government IP education offering to better equip public sector workers to understand how to manage and make best use of IP. This IP education offering will raise IP awareness and capability levels to better enable government officials to negotiate appropriate IP ownership assignment to the party who is best placed to maximise the potential of the intellectual property for the UK.



**Sarah Munby**