



Department for  
Digital, Culture,  
Media & Sport

Matt Warman MP  
Parliamentary Under Secretary of State for  
Digital Infrastructure  
4th Floor  
100 Parliament Street  
London SW1A 2BQ

E: [enquiries@dcms.gov.uk](mailto:enquiries@dcms.gov.uk)

[www.gov.uk/dcms](http://www.gov.uk/dcms)

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Rt Hon Philip Dunne MP  
[philip.dunne.mp@parliament.uk](mailto:philip.dunne.mp@parliament.uk)

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Dear Philip,

Thank you for your correspondence of 25 January, regarding the delivery of broadband in hard to reach rural areas. I am replying as the Minister responsible for this policy area. Please accept my apologies for the delay in you receiving a response.

I would like to thank you again for allowing me to speak to the APPG for Rural Services in November and to update you on developments since then.

Since I spoke to you, the government has responded to the DCMS Select Committee report on *Broadband and the Road to 5G*. Our response answers many of the issues you raised in your letter, which is why I have included a copy for you to share with your members.

However, you also raise some more specific points, which I have answered below.

#### UK Gigabit Programme

The government has already been taking action to deliver gigabit capable broadband in harder to reach areas through our existing Superfast, Local Full Fibre Networks and Rural Connectivity programmes. Since 2018, the government has delivered gigabit-capable broadband to over half a million homes and businesses in these areas. We are proposing to continue this 'Outside-In' approach of delivering 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, as part of this, prioritising delivery to those premises that do not have access to superfast broadband, wherever possible, through our £5 billion programme.

In the period to 2025, the government is targeting at least five percentage points of coverage in the hardest to reach areas of the country, as part of our target to deliver a minimum of 85% gigabit-capable coverage. This target is based on extensive engagement with industry, as well as current industry rates of deployment and how these may increase up to 2025. However, we are working with industry to accelerate delivery in harder to reach areas, and get as close to 100% as possible. To do this, DCMS published a consultation on its £5 billion programme in December, as you noted in your letter.

The response to that consultation was excellent and we received numerous responses from local authorities and suppliers on our initial proposals. We will be publishing further information on the programme shortly, including further details on the procurements we will be using to achieve nationwide coverage and how they will be structured to maximise pace of deployment and form contiguous areas to avoid leaving premises behind. I hope that this will provide you and the APPG with the further clarity that you are seeking but I would be more than happy to appear before your group after this publication and answer any questions you may have.

Alongside our £5 billion programme, we are also continuing to explore methods for increasing capacity in the sector. This includes incentivising the training and employment of telecoms 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.



Furthermore, through the work of DCMS's Barrier Busting taskforce, we are tackling the main barriers to broadband deployment and increasing capacity within the industry by making broadband deployment easier. For example, 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. Further detail on our Barrier Busting work is provided in our response to the DCMS Select Committee.

#### Broadband Universal Service Obligation (USO)

You also raised the broadband Universal Service Obligation (USO) in your letter. You will be aware from my previous engagements with the APPG that I am in regular communication with both Ofcom and BT to help facilitate a suitable resolution that is in the best interests of consumers.

Since I last wrote to the group, Ofcom has completed its initial information gathering process and will proceed to the provisional decision phase of its investigation into BT's compliance with its obligations as a broadband universal service provider. Additional evidence will now be gathered and they expect to be able to provide an update by the end of March. In addition, from the information that you have received from BT, you are aware that BT are looking at developing a cost-sharing mechanism to help eligible neighbours to share excess costs above the Reasonable Cost Threshold of £3,400 per premise more easily. As I'm sure you can understand, given the nature of the investigation, and Ofcom's role as the independent regulator, it would not be right for me to comment further on these matters.

However, since going live in March, over 4,000 premises in the most rural and remote areas of the county are set to receive an improved connection as a result of the USO. In addition, since the government first legislated for the USO in 2017, 4G and 5G mobile coverage has increased significantly and the number of premises who cannot get at least USO level speeds has reduced substantially as a result. This is very positive for these premises but it does mean that those that remain in scope of the USO are more likely to be the hardest to reach and potentially the most expensive premises to connect. However, the remaining cost of connecting these premises will continue to fall as other infrastructure is deployed nearby. This effect has already been witnessed on other programmes and we are actively considering what more the government can do to support these areas, including through the £5 billion UK Gigabit Programme.

Finally, I welcome, and wanted to flag to you and the wider group, that more detailed information was released by Ofcom in December 2020 on the locations (by postcode) of potentially eligible USO premises. I hope that this will further aid communities who are eligible for the broadband USO and wish to apply.

Thank you again for your letter. As you can see, we are working closely with industry through engagement, legislation and investment to extend and accelerate both the commercial and publicly subsidised rollout of gigabit-capable broadband across the United Kingdom. I am grateful for the concern you show into delivering broadband in rural areas and I would be happy to return to speak to the APPG for Rural Services in the future as our gigabit strategy progresses.

I am copying this letter to Julian Knight, the Chair of the DCMS Committee.

With best wishes,



Matt Warman MP  
**Parliamentary Under Secretary of State for Digital Infrastructure**