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Welsh Affairs Committee

Digital Inclusion in Wales

Thirteenth Report of Session 2008–09

Report, together with formal minutes, oral and written evidence

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The Welsh Affairs Committee

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Summary

Our inquiry examined issues relating to digital inclusion in Wales, and the actions being taken to promote greater digital and social inclusion. During our inquiry we considered aspects of the Government’s *Digital Inclusion Action Plan*, which was published in October 2008, and the Interim and Final Reports of the Digital Britain team which were published in January and June 2008.

We found no evidence that digital exclusion is significantly greater or different in nature in Wales compared to the rest of the UK, although there are clearly factors which are of particular relevance. For example, we were disappointed to note that no account had been taken with regard to the needs of Welsh language speakers in the *Digital Inclusion Action Plan* and recommend that the UK Government and the Welsh Assembly Government give careful consideration to the Welsh Language Board’s recommendations with regard to the needs of Welsh language speakers.

Digital inclusion has to involve tackling a number of disparate issues. People may be excluded from the digital age because:

- They lack the skills and understanding to gain access to the internet or to use electronic communications and may not understand what would be opened up by having that access. This may also come down to a lack of ambition and confidence with a particular impact on elderly people and on people in deprived areas;
- They cannot afford the equipment and the training necessary to gain access to the internet, or can only do so intermittently;
- They lack access to broadband, because it is not available in their local area – something that is often highlighted in regard to rural areas but can apply to urban areas too.

Each of these factors can present an obstacle to digital inclusion for the most disadvantaged in society, and although they are interrelated, each needs to be addressed in different ways. The publication of the Government’s *Digital Inclusion Action Plan* is a welcome step, but it remains very general in approach and considerable work will be needed in Wales to deliver on its ambitions.

The National Assembly for Wales, which has direct responsibility for education and social inclusion generally, has an important role in increasing digital inclusion. But others, including commercial providers and central government, share responsibility for what must be an integrated and joined up approach. We particularly welcome the more recent publication of the *Digital Britain Final Report* which demonstrates great ambitions across the whole field of the digital media, and recognises the difficulties and challenges which we face. Some of those challenges are particularly acute in Wales, and there is a need for the findings of Digital Britain to be focused into a plan for ‘Digital Wales in a Digital Britain’. We call on the Secretary of State for Wales to ensure that the next stage of Digital Britain fully reflects the needs of Wales, that Welsh MPs are fully informed about the stages of implementation and that there is a joined up approach, which involves the Welsh
Digital Inclusion in Wales

Assembly and the private and third sectors.

One aspect of digital inclusion is to achieve easy and high quality access to technology and the Internet. The eradication of broadband ‘notspots’ in Wales must continue to receive priority attention. We welcome the Government’s proposals to introduce a universal service commitment for broadband and to provide public funding for this service. There will be particular challenges for Wales because of its topography and areas of low population density but solutions must be found so that people living in every part of Wales can benefit from the same high level of coverage as the rest of the UK. We also support the proposal to create an independent Next Generation Fund to subsidise next generation network development in less commercially economic areas and urge the Secretary of State for Wales to ensure that the UK Government and Welsh Assembly Government work together on the necessary planning for the implementation of these networks at the earliest opportunity.

The lack of appropriate skills is a barrier to digital inclusion. Media literacy is a term which has been used to describe a wide range of technical and social skills for people with very different abilities and aspirations. We welcome the proposals in the Digital Britain Report to re-focus this work, and in particular the recognition that this must involve continued joint working with the devolved nations.

Witnesses told us that the existing provision of IT training is inadequate for business’s needs and we recommend that the Welsh Assembly Government includes specific targets for IT education and training in its digital inclusion plan for Wales.

We also look forward to seeing the role for the higher education sector in Wales being articulated more specifically in the Welsh Assembly Government’s plans for digital inclusion in Wales and urge the UK Government to ensure that Welsh higher education institutions are fully involved in any new research opportunities arising from the Digital Britain initiative.

In Wales, there are many initiatives in place for addressing the risks to young people when using technology, but no clear overall programme or one-stop shop where young people and parents can go for advice. We recommend that the UK Council for Child Internet Safety works with the Welsh Assembly Government to provide a coherent public awareness and education programme for young people in Wales.

Wales is at the forefront of the UK in establishing a joined up approach to tackling internet related crimes, and the work of the Wales e-Crime Forum has been praised as a model of good practice. The partnership working between the Welsh Assembly, the police and the business community is to be commended. We welcome the comprehensive approach set out in chapter 7 of the Digital Britain Final Report, and note the need to develop easy access for the public. Tackling the problem of internet related crime is not just about police action but about making Britain the safest place to do business online. Wales is well placed to be in the forefront of this development, and this work should be promoted as part of the economic development strategy in Wales.

The digital inclusion agenda involves a complex mix of reserved and devolved matters. Ministers from the Welsh Assembly Government and the UK Government have assured us
that there are good communications and effective coordination between them. However, the lack of mention of Welsh language in the Government’s Digital Inclusion Action Plan demonstrates how key matters can get overlooked in such a cross-departmental agenda. The vast range of issues covered in the Digital Britain Report makes it an extremely significant document of great importance to the people of Wales. We therefore call on the Secretary of State for Wales to ensure that bodies in Wales, across all sectors, as well as the Welsh Assembly and Welsh MPs are fully engaged with consequent developments and are part of a joined up approach.
1 Introduction

Background

1. There is an emerging body of evidence that those who suffer social exclusion are also likely to be excluded from the information society, and that this exclusion acts as a further barrier to their equal integration into society. The former Minister for Digital Inclusion, Rt Hon Paul Murphy MP, has stated that “While the majority of people in the UK are active participants in the digital revolution, these benefits are not distributed equally to all groups and communities” and that “Inequality in the use and application of digital technologies is a new driver of social exclusion in the 21st century”.

2. The Broadband Stakeholder Group describes digital inclusion as “one of the central challenges facing every developed society across the world” and “an important concern for policymakers seeking to ensure fairness and equality across society”.

3. In 2008, the Prime Minister appointed the first Minister for Digital Inclusion, the Rt Hon Paul Murphy MP, and a Cabinet Committee on Digital Inclusion. The Government’s Digital Inclusion Action Plan was published by the Department of Communities and Local Government in October 2008. The aim of the Plan was “to provide a framework for achieving greater digital inclusion and for championing the best use of technology to tackle ongoing social inequalities”. It included some immediate actions and some proposals for consultation. The consultation closed on 19 January 2009. We considered aspects of the Digital Inclusion Action Plan throughout our inquiry.

4. When the implications of the unequal spread of digital technologies on socio-demographic and economic relationships first became clear, digital inclusion discussions focussed mostly on equality of access to technology. The Government’s strategy was to spread public access to the internet through libraries and schools in order to ensure that anyone who wished to could access the internet, and the aim was to achieve this by 2005.

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2 Ev 98
3 Beyond the digital divide. Rethinking digital inclusion for the 21st century, www.futurelab.org.uk, p.16
4 The Digital Inclusion Action Plan
5 E-Envoy (2004) UK Online Annual Report
This approach has been relatively successful. Nevertheless, it became clear that equal access meant more than proximity to internet access.

5. Research shows that home access and broadband access have more potential to get people engaged with the services and opportunities that are offered online than publicly available connections. It also indicates that even when high quality access is equally distributed there is inequality across different socio-economic groups in terms of actual engagement with technologies. One barrier to engagement is the opportunity to acquire the necessary technical, critical, creative and social skills. Currently the debate is shifting away from skills and focusing on the extent to which people are able to make effective use of technology. The concern is that a narrow use of technology will reinforce existing inequalities such that those who are economically disadvantaged engage with technology in ways which are not useful to alleviate their economic position, or that those who are socially isolated do not engage with those aspects of technologies that might lift them out of their isolation.

6. Digital inclusion therefore is not only a matter of providing people with access to technology, it is also about ensuring that people are able to use technology in a way which will enhance their lives and help them overcome other disadvantages. The Digital Inclusion Action Plan defines digital inclusion as “The best use of digital technology, either directly or indirectly, to improve the lives and life chances of all citizens and the places in which they live.” It includes a review of who is missing out on the benefits of digital technology and the reasons why, and identifies potential barriers to engagement as follows: lack of physical access to different technologies (including mobile phones, fixed-line telephones, digital television, PC ownership and internet connection); lack of awareness, confidence or motivation; lack of skills; and lack of support. In Chapters 3 and 4 of this Report we consider physical access to different technology networks in Wales and in Chapter 5 we examine the skills for using technology. Issues relating to awareness, confidence, motivation and support are considered in Chapter 6 (which deals with the risks associated with using technology) and Chapter 2 (which considers steps being taken to increase digital inclusion in Wales).

7. The Digital Britain Interim Report was published jointly by the Department for Business, Enterprise and Regulatory Reform (DBERR) and the Department for Culture, Media and Sport (DCMS) in January 2009 and the final report on 16 June 2009. Whereas the focus of the Digital Inclusion Action Plan is on measures to ensure that all citizens, especially those disadvantaged in some way, can fully benefit from the use of digital technologies, the Digital Britain work examines ways to stimulate and develop the UK’s digital economy so as to ensure that it can build on innovation, respond effectively to changing consumer demand and compete in international markets. Lord Carter, the Minister for Communications, Technology and Broadcasting, notes that the aim of the Digital Britain work is to “bring focus and stimulus” to the digital economy sector, and

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6 Libraries in the digital age, Department of Culture, Media and Sport, 2008
9 The Internet in Britain: 2007, Dutton, W. &Helsper, E., 2007, Oxford Internet Institute, University of Oxford
10 The Digital Inclusion Action Plan
create a programme for the digital economy which “can drive the upgrading of our digital networks, significantly enhance our national competitive position in these critical markets, secure competition for choice and quality in content, connect with the interests of the rising, digital generation and improve access, affordability and inclusion for all”. Nevertheless, the Digital Britain work includes issues of key importance for achieving digital inclusion. Of particular interest to us were the proposals for universal connectivity which we discuss in Chapter 3 and for media literacy and education which we consider in Chapter 5.

8. Digital inclusion is not an issue which can be delivered by any single Government Department or agency; progress can only be made if there is effective participation from many different organisations and if these contributions are effectively coordinated. Good coordination between the UK Government and the Welsh Assembly Government is also essential, given that many, but not all, of the most relevant policy areas are devolved.

**Our inquiry**

9. In November 2008, we announced our inquiry into Digital Inclusion in Wales. During the course of this inquiry we held six oral evidence sessions at Westminster and received written evidence from a range of individuals and organisations. In May, we visited the Technium Centre for Advanced Software Technology at Bangor University and held a further oral evidence session there. In June we visited Estonia and Sweden and met a number of organisations and government representatives to learn how digital inclusion was being addressed in those countries. We are grateful to everyone who provided oral and written evidence to our inquiry and to those who assisted with our visits to Bangor University and to the Baltic states. We would also like to thank our specialist adviser, Dr Ellen Helsper, Research Fellow at the Oxford Internet Institute, University of Oxford, who has provided us with expert guidance and advice throughout the inquiry. 


12 Dr Ellen Helsper confirmed that she had no relevant interests to declare, financial or otherwise, in the area of this inquiry. Her appointment is recorded in the Formal Minutes of the Committee for 14 October 2008.
2 The extent of digital exclusion in Wales

Access to technology in Wales

10. For some people, low income can be a barrier to accessing technology.\textsuperscript{13} Some of the digital inclusion projects in Wales have provided free or subsidised access to technology to disadvantaged groups. For example, BT has provided computers and broadband connections at the homes of families caring for looked after children.\textsuperscript{14} The Open University in Wales has consulted with students and enquirers who had experienced difficulties in accessing ICT for study, as part of a project on widening participation and e-learning. As a result of this research, it recommended the provision of cheaper or subsidised basic IT hardware for target users and a better provision of ICT support and increased free wireless provision for target groups.\textsuperscript{15} It also recommended that the Welsh Assembly Government should extend its free laptop for schoolchildren pilot to include families and communities for educational and economic reasons.

Barriers to take-up of technology in Wales

11. Although broadband is potentially available to over 99% of the population in Wales, the actual take-up of services is much lower. The Broadband Stakeholder Group stated that as at June 2008, “broadband penetration in Wales stood at 55% of households, which made it amongst the worst performing UK nations and regions” but that “although relative performance may be worse than other UK nations, Welsh performance on the whole is still above the EU average of 48% of households”.\textsuperscript{16} Dr Ben Anderson, Essex University, explained the factors which influence the take-up of internet services:

In general, irrespective of region or country, high income and educational levels as well as the number of children and high employment status are all significant predictors of having household internet access. More recently income, as with mobile telephony, has become less important as has age. However low employment status and other indicators of deprivation such as social renting remain strong indicators of low internet uptake.\textsuperscript{17}

The Welsh Assembly Government identified age and social deprivation as relevant factors stating that “There is a strong body of evidence that the market is failing to engage particular sectors of the population including older people; those in the more deprived communities; people from the lower social classes, or vulnerable and marginalised groups.”\textsuperscript{18}

\textsuperscript{13} Accessing the internet at home, Ofcom, June 2008
\textsuperscript{14} Ev 110
\textsuperscript{15} Ev 219
\textsuperscript{16} Ev 98
\textsuperscript{17} Ev 88
\textsuperscript{18} Ev 260
12. Dr Neil Selwyn, London Institute of Education, described a research study which had compared six communities in Wales with six communities in England and examined why people did or did not use technology. He explained that the results indicated that there was a “very complex set of factors that influence people’s engagement with technology and that there were not necessarily differences between England and Wales, [but] there were differences between the communities”. Dr Selwyn added that:

We found the usual variables which are associated with social inclusion such as class, economic background and age were all very, very important. In terms of Wales in particular I would say geography; topography in terms of the coverage of wireless and wired connections; and rurality as well, and the fact we have got isolated rural communities … and also of course language in particular areas. The relevance of content to people was very, very important. … Obviously for first language speakers you need to have Welsh language content.19

Dr Selwyn explained that digital inclusion was not always the same as social inclusion, and that some digitally excluded people, such as older people, might have high level educational background, be highly literate, and/or have a high income and still be digitally excluded.20

13. The Broadband Stakeholder Group pointed out that the reasons why people chose not to use technology were “complex and diverse”: in some cases people would simply not see the value or relevance of broadband to their lives and in others social exclusion factors would be contributing causes.21 It suggested that demographics and geography were the most pertinent issues for Wales:

The reasons for digital exclusion are varied, but are exacerbated within Wales by its more rural geography, which impacts citizens’ ability to access digital services, and its lower income per capita. However, by the same measure Wales has much to gain by addressing digital inclusion.22

Ofcom found that 42% of adults without internet access at home saw little need to use technology (many of these were older people) and 30% could not afford it. Ofcom termed these groups the self-excluded and the financially excluded. BT suggested that specific targeting of areas in Wales, such as the South Wales valleys, with low broadband take-up could be the most effective means of increasing digital inclusion, and stated that it as working with the Bevan Foundation to develop a research project “pinpointing reasons behind low broadband take-up in these South Wales valley communities”.23 Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government agreed that “Broadly speaking the issues that matter are pretty much the same in Wales as they are in the rest of the UK”24.

19 Q 4
20 Qq 23 and 24
21 Ev 98
22 Ev 98
23 Ev 110
24 Q 271
14. In terms of confidence and IT skills, the UK Government drew our attention to the Ofcom Nations and Regions Report 2008, which indicated that non-users in Wales “were slightly more likely to be demotivated, seeing no need to use the internet”. The 2007 Oxford Internet Survey indicated that Wales was doing comparatively well in terms of how internet users rated their skills and their breadth of use of the internet. However, people in Wales had a lower take-up of different devices in their homes (cable TV, digital cameras, MP3 players and mobile phones) compared to England and Scotland. The UK Government stated that Welsh non-internet users “tend to have greater barriers to use than their peers in other regions – being more likely to cite lack of skills, costs, poor access and lack of motivation as reasons for not using the internet”.

15. We are encouraged to note that the proportion of households with internet access in Wales is good compared to other European nations. There is no evidence that digital exclusion is significantly greater or different in nature in Wales compared to the rest of UK, but there are clearly factors which are of particular relevance. People living in hilly or sparsely populated areas are more likely to encounter a problem with access to broadband and mobile networks, and older people and those on lower incomes are less likely to choose to use the internet and other digital technology. In addition, there is some evidence that the take-up of other devices in the home, such as digital cameras and mobile phones, is lower in Wales than in the other UK nations. Further research is needed to understand the specific reasons for low take-up in particular communities in Wales and how best to overcome these and we recommend that this is undertaken by the Welsh Assembly Government.

**Welsh language**

16. There is no mention in the Digital Inclusion Action Plan of the needs of Welsh language speakers. We heard from the Welsh Language Board that there a number of UK digital services which are not available in the Welsh language. The Welsh Language Board stated that “In Wales, high standard service provision is considered dependent on offering services in both Welsh and English, in accordance with the 1993 Welsh Language Act. The principle that both languages should be treated on the basis of equality when providing public services was established by that Act and that principle is relevant to all discussions about the development of digital technology.” The Welsh Language Board told us that:

Unfortunately, the standard of Welsh language digital service provision is inconsistent. It may be argued that past failures to give the Welsh language appropriate consideration when planning and providing digital services has led to the social exclusion of Welsh speakers – the very effect digital inclusion is meant to prevent.
It provided examples of public services where this had occurred, including both UK-wide and devolved services\(^29\) and stated:

> We ask that all tiers of government in Wales, and in particular, UK Government departments, ensure that the Welsh language is taken into account from the outset when planning, designing and providing digital services so that they can be offered in accordance with the principles of the Welsh Language Act 1993.\(^30\)

17. The Minister for Digital Inclusion, Rt Hon Paul Murphy MP accepted that there were UK-wide services which affected Welsh people:

> Of course the responsibility for the Welsh language in so far as it affects devolved services, clearly, is one which Leighton Andrews would have made reference to and which needs attention from the Welsh Assembly Government perspective, but of course there are UK services that are applicable obviously to Welsh people.\(^31\)

Leighton Andrews stated that “the action plan … focuses rather more on issues concerned with the activities of government departments in England, and perhaps therefore there has been something of an oversight on the Welsh language side”.\(^32\)

18. **We were disappointed to note that no account had been taken with regard to the needs of Welsh language speakers in the Digital Inclusion Action Plan.** We recommend that both the UK Government and the Welsh Assembly Government give careful consideration to the needs of Welsh language speakers and to the recommendations made by the Welsh Language Board with regard to the role of the digital inclusion champion and the implementation of the action plan.

### Digital inclusion projects in Wales

19. In the course of our inquiry, we heard about some of the wide range of digital inclusion projects running in Wales and throughout the UK. Many of these involve commercial organisations working collaboratively with government.\(^33\) The Welsh Assembly Government provided an overview of some of its many digital inclusion projects. These include a number of initiatives to develop access to ICT facilities in education institutions; to provide easier access to online public services; and to increase the availability of facilities and increased uptake of services by hard to reach groups. Its Communities@One programme ran between January 2006 and March 2009, with the support of European funding, and aimed to help people use technology in the communities that needed it most in Wales. The project provided support to community groups and voluntary sector organisations, enabling them to engage with technologies in ways that were relevant to their lives. It included a grant fund to help community and voluntary groups access the

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\(^{29}\) Ev 271

\(^{30}\) Ev 271

\(^{31}\) Q 473

\(^{32}\) Q 273

\(^{33}\) Ev 110, Ev 94, Ev 254, Ev 224
technologies that would benefit community members. Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government, told us that:

We have had in place for some years our Communities@One digital inclusion programme which has spent £10.7 million over the last four years and has funded a series of community brokers around Wales who themselves have been … digital inclusion champions in their communities and have been working with community groups and others to develop initiatives to encourage people to take up the use of the internet, the use of computers, the use of other digital technologies.

The Communities 2.0 programme started in April 2009. The Deputy Minister for Regeneration told us that it would be “a nearly £20 million programme over the next five years, again seeking to engage people at a local level in activities to promote the use of internet, broadband and so on”. 35

20. The Deputy Minister for Regeneration told us that Wales had benefited from some “very successful and indeed award-winning projects”. The Communities@One programme was short-listed as a finalist in the European e-Inclusion awards, a European Commission initiative to recognise the achievements of projects which have overcome disadvantages of living in remote areas. Dr Gail Bradbrook, Citizens Online told us that “Wales has done really well, particularly through Communities@One in doing that work form a community development perspective”. 38 However, she also pointed out that it was difficult to make wider sense of the remaining extent of digital exclusion in Wales:

Some of the data from ONS and the Oxford Internet Institute says that Wales is doing the best in the UK and at times I believe Wales should be shouting from the rafters about the great successes they have had in the last two years, probably on the back of programmes like Communities@One, and then you look at Ofcom data it seems to be saying that Wales is behind. As well as that you have a higher proportion of C2DEs in Wales, which would suggest you have a bigger hill to climb, so if you are doing so well you should be extra pleased. 39

21. There is a wide range of digital inclusion projects already running in Wales, with good cooperation from commercial and other organisations. The Assembly Government’s digital inclusion programme has been recognised as a model of good practice. A successor programme is now underway, with the support of European project funding. In the longer term there will be a need to collect more accurate data about the extent of remaining exclusion in Wales and to make sustainable plans to address whichever issues remain outstanding.
3 Access to broadband and mobile networks

22. Digital inclusion cannot be achieved without easy and high quality access to technology and the internet. Research indicates that people who can use technology from a number of different access points are better able to integrate it into their daily lives. Ofcom described Wales as having “significant digital infrastructure and access issues” and commented that “In some areas of Wales, consumers and citizens might … experience multiple deprivation of communications services, for example, a lack of mobile coverage, slow or unavailable broadband connections and a lack of digital television and digital radio coverage.”\(^{40}\) In this Chapter, we focus on access to digital networks in Wales, including broadband, mobile, television and radio.

Broadband

Availability

23. Access to broadband enables people to benefit from better internet reliability, speeds and range of applications than was previously available via dial-up connections. The Broadband Stakeholder Group suggested that “Broadband take-up and usage has become a central tenet of creating a digitally inclusive society”\(^ {41}\) and Ofcom that broadband was rapidly becoming “an essential utility for modern life in Wales”.\(^ {42}\) There are two major access networks for broadband in Wales: BT’s copper telephone network (which is used by a range of commercial suppliers to provide broadband to customers) and Virgin Media’s cable television network. BT estimates that 99.6% of premises are connected to its network and are able to obtain broadband speeds of up to 512 Kb/s. However, in practice, many customers do not receive the speeds advertised by providers and many also encounter problems with the reliability of their service. In addition, there are still a number of ‘notspots’ in Wales where a broadband service is not available at all. Ofcom told us that most, but not all of these were in rural areas\(^ {43}\) and pointed out that the additional cost of providing a service to such areas “can be quite substantial”.\(^ {44}\) The Broadband Stakeholder Group agreed that provision of broadband in rural areas was a key factor for Wales:

… the rural-urban divide is a common theme within broadband access debates due to the technical characteristics of broadband, which mean that the service deteriorates with the length of line – the longer the line, the worse the possible service. In rural areas, on average longer lines are used to serve homes from the exchanges. Those homes with very long line lengths will often not be able to receive a broadband service at all – and these ‘notspots’ are more likely to be found in rural

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\(^{40}\) Ev 158

\(^{41}\) Ev 98

\(^{42}\) Ev 158

\(^{43}\) Q 31

\(^{44}\) Q 30
areas. For Wales, this is a particular problem, given its greater proportion of rural homes than is found in other UK nations and regions.  

24. Lack of broadband presents real problems to people in Wales, and compromises their work and leisure opportunities. Emeritus Professor Peter Cobbold described his home area as the “rural broadband blackspot of Derwen in Denbighshire” with only “28k dial-up and a mobile signal only capable of supporting speech not data”, and only available when standing in the porch. He explained that his neighbours who had similarly restricted services included teenagers with homework which required broadband access, several small businesses (in tourism, IT and farming) and two medical doctors who were unable to access online triage systems. He added that “One professional home-worker is disadvantaged to the point of having to spend £250 per month on satellite broadband.”

Professor Cobbold stated that implementing point-to-point wireless broadband networks would provide cost effective, up to 8Mb/s solutions for remote rural properties throughout Wales and suggested that innovative alternatives to fixed line access should be found for communities such as his.

25. The Welsh Assembly Government told us that it recognised the importance of ensuring widespread access to affordable, secure access to broadband, and that it had established its Regional Innovative Broadband Support (RIBS) project with BT Openreach to find solutions for those areas in Wales which still could not receive a basic broadband service. Ann Beynon, Director BT Wales told us that there were around 60 not-spots which still needed to be addressed and cautioned that “… getting 100% is almost impossible – there will always be somebody left, but let us try and get that to be as few people as possible”. Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government confirmed that there was a budget available and that the Welsh Assembly Government was committed to bringing a basic level of broadband to everybody as far as possible. The then Secretary of State for Wales and Minister for Digital Inclusion, Rt Hon Paul Murphy MP assured us that he regarded the eradication of notspots as an important issue and he would continue to press his colleagues to address the issues of notspots.

26. Lack of broadband access presents real problems to people in Wales and compromises their work and leisure opportunities. Broadband access is no longer a merely a desirable service, it has become an essential utility and a basic prerequisite for access to many services. Digital inclusion will only be achieved when the broadband ‘notspots’ are eradicated. We are encouraged to hear that the Welsh Assembly Government and BT Openreach have an active programme and funding in place to
resolve the problem of ‘notspots’. This issue must continue to receive priority attention.

**Proposals for a broadband Universal Service Commitment**

27. The Digital Britain Interim Report noted that whilst UK broadband take-up was high compared to most other major economies, “the full benefits of the digital economy and enhanced delivery of public services require practical universality and take-up”, in particular by those “on lower incomes, older people or those remote from the physical distribution points for public service and other currently excluded communities and groups”. It included a proposal to introduce a Universal Service Commitment for broadband to be effective by 2012.

28. Witnesses broadly welcomed this.\(^{53}\) Most of our witnesses also supported a 2Mb/s target speed. Ofcom stated that “If you look at it from the point of view … of individual cases of people who either do not have access to broadband at all or have intermittent access at very, very low speeds then, to them 2Mbps is something that they certainly think would be worth having.” BT commented that “Two megabits is not a bad service to be getting; you can get TV and broadband on that”.\(^{54}\) Virgin Media suggested that 2Mb/s might be too ambitious a target if some of the costs were to be borne by industry and argued that the effect of this would be to pass those costs back to the consumer and so potentially lead to a reduced uptake among disadvantaged groups.\(^{55}\) Rob Humphries, Director of the Open University in Wales, pointed out that a minimum universal 2Mb/s should not be the sole goal; education services could quickly require higher speeds, otherwise “what is capable of being achieved in terms of education materials may be in excess of what the infrastructure is able to deliver”.\(^{56}\)

29. Lord Carter, Minister for Communications, Technology and Broadcasting, acknowledged that there had been some criticism that the 2Mb/s target was unambitious, but added that:

… I must say I find those people … who find our commitment to a universal service commitment of up to 2Mb by 2012 as lacking ambition almost always know almost nothing about the subject. As it stands at the moment, there is no country in the world that has a commitment to do that other than us at that level. There is no country in the world that has laid out a process for a timetable or a funding commitment to do it. There is no other country in the world that is putting together a technical process with solutions to deliver it. We have never said that 2Mb is the ceiling of our ambition because that would clearly be ludicrous.\(^{57}\)

The Digital Britain Interim Report included a preliminary consideration of a funding model for the universal service, based on a mixture of public and commercial investment.

\(^{53}\) Q 34, Ev 121

\(^{54}\) Q 66

\(^{55}\) Q 105

\(^{56}\) Q 343

\(^{57}\) Q 426
Witnesses pointed out that public funding was likely to be necessary for the least commercially attractive areas, such as rural Wales.\textsuperscript{58} Lord Carter acknowledged that the costs of providing a universal service might be higher in Wales but could not provide reassurance that Wales would receive a proportionately higher level of public funding:

The network engineers would say to you that because of the topography of Wales, and indeed other parts of the country, including some parts of Scotland and indeed south west England, the sheer physics of physical or even mobile networks … are more expensive on a per capita basis, but we are not yet at the point of divvying up the pot….\textsuperscript{59}

30. The hilly terrain of Wales, and the large areas of rural, low density population mean that alternatives to fixed line networks are likely to be necessary in some parts of the country. Chris Smedly, Chief Executive Officer, Geo Networks Ltd, suggested that a mobile or wireless solution might be needed in some areas.\textsuperscript{60} Lord Carter confirmed that a multi-platform approach did not prevent common standards from being applied:

I think in the way in which we design the tender process for the universal service contract we are going to have to make sure it is regionalised and localised to take into account local issues but has some common standards so that we do not end up with so many solutions that we look back in three or four years and think that we have just built cost into the system.\textsuperscript{61}

He also acknowledged that even with a universal service commitment there were always likely to be some individual instances where the costs of providing broadband were prohibitively high:

It would be a foolish individual, let alone a politician, who would guarantee that every single household and every single dwelling will get a guaranteed 2 Mb because there will be somebody living in some place somewhere where the cost of service delivery will be hundreds of thousands of pounds because of where they live, but do we have the confidence that we will get pretty close to it? Yes, we do.\textsuperscript{62}

The Digital Britain Final Report confirmed the Government’s commitment to provide a universal 2Mb/s service by 2012, to be delivered by a mix of technologies, and announced that it would be funded from £200m from direct public funding, enhanced by five other sources of funding.

31. \textbf{We support the Government’s proposals to introduce a universal service commitment for broadband and to provide public funding for this service. The provision of reliable and high quality broadband access for all is an essential part of achieving digital inclusion. There will be particular challenges in Wales because of its hilly topography and areas of low population density. Innovative solutions may have to
be found for some areas, and public funding provided for the less commercially attractive areas. Both of these must be provided so that the population of Wales benefits from the same high level of coverage as the rest of the UK.

32. The Welsh Assembly Government has already invested in improved broadband services but telecommunications is a reserved matter and we look to the UK Government to provide the support necessary to achieve a universal service in Wales.

**Next generation access networks**

33. Many organisations and individuals already have access to much faster broadband speeds than 2Mb/s via next generation access networks. Next generation access or superfast broadband does not refer to an exact bandwidth, but to a range of improved characteristics including speed, consistency and reliability of service. According to Ofcom research published in January 2008, UK consumers currently receive an actual average broadband speed of 3.6Mb/s (compared to an average maximum possible speed of 4.3Mb/s across the UK). 63 Next generation access offers speeds around ten or more times faster than this. In addition, the broadband access generally offered in the UK is asymmetric, meaning that the bandwidth for downloads is far greater than for uploads, and the bandwidth is shared between several users, meaning that the actual speed experienced may fall at peak times. Next generation access infrastructure is usually based on optical fibre (offering symmetric speeds of 100Mb/s or more) or a mixture of optical fibre and coaxial cables.

34. The Digital Inclusion Action Plan notes that next generation access creates “the potential for the delivery of new innovative services, which may generate economic and social benefit to the UK” 64 However, BT was cautious about the likely future demand for superfast broadband 65 and Virgin commented that “the jury is still out on the demand for next generation broadband”. 66 Next generation access developments are already underway. BT has begun a £1.5 billion programme to roll out superfast broadband throughout the UK by 2012, with top speeds of up to 100 Mb/s and with the potential for speeds of more than 1000 Mb/s in the future. 67 Many people in parts of south Wales already have access to broadband speeds of 10 or 20 Mb/s via Virgin’s cable network 68 and Virgin has plans to roll out a 50Mb/s service in 2009 and to provide 200Mb/s by 2012. The Welsh Assembly Government launched its FibreSpeed project in November 2008. This is a joint venture between the Assembly Government and Geo Networks Ltd, with funding from European Development Funds, to build a fibre optic backbone network linking 14 business parks in North Wales. 69
35. There is a tension between the desire to encourage commercial operators to invest in developing networks linking business and urban sites, with the incentive of achieving high rates of return, and the desire to achieve universal coverage so as to support the digital inclusion agenda.

36. The Government has been keen to encourage commercial operators to invest in new networks, and has been conscious of the danger that any commitment to provide public funding in the future for such networks could discourage commercial investment. This has an impact on the regulatory environment and on the planning of networks in uneconomic areas. The Digital Britain Interim Report considered this issue and noted that “In some countries, regulators and governments have developed NGA strategies based on ‘regulatory forbearance’. This means encouraging investment by allowing operators to construct monopoly access networks, with no regulation to allow their competitors access to their network.”\(^70\) A different approach is likely to be necessary for any areas requiring public funding, such as with the FibreSpeed project, which has been developed on an open access basis. BT told us that competitors would be able to access its network, stating that “One of the key things to do with superfast broadband will be that other service providers will have access to that network, so the rollout of it will depend upon other communications providers working with BT”\(^71\) and that “What we are trying to do is make sure that whatever fibre we lay will absolutely be accessible to whoever wants to buy that fibre through the open market in purchasing that fibre”\(^72\).

37. The Caio Review, commissioned by the Government in February 2008 to examine the barriers to investment in next generation access networks in the UK, concluded that the short term case for major government intervention was limited,\(^73\) but some of our witnesses argued that public funding would be necessary in uneconomic areas. The Broadband Stakeholder Group suggested that although superfast broadband was costly to implement, it could offer substantial benefits to the economy, and especially to rural economies.\(^74\) However, it commented that it was likely that “some form of public sector intervention will be required” in rural and other uneconomic areas to provide superfast broadband, and that the deployment of networks would take some years:

The appropriate timing and exact nature of these interventions will vary from location to location, but what is certain is that policymakers need to begin thinking creatively now about how to address this issue. Given the civil works required to deploy networks, deployment can take a number of years. Waiting to address this issue until commercial deployment has been completed could mean waiting for many years, during which time we could see the development of a new and more serious digital divide than the one that currently exists.\(^75\)

\(^{70}\) The Digital Britain Interim Report
\(^{71}\) Q 50
\(^{72}\) Q 68
\(^{74}\) Ev 98
\(^{75}\) Ev 98
The Broadband Stakeholder Group suggested that Wales could play an influential role in developing models for the future:

… the size of the challenge facing Wales in the long-term, to create a fully inclusive digital society, will be greater than that facing the UK as a whole. … This creates both a challenge and an opportunity for Welsh policymakers. While the size of the challenge is significant, Wales could provide a useful test-bed for establishing approaches to public sector intervention in next generation broadband.  

38. Other witnesses agreed with these views, and the Open University in Wales suggested that there was a role for Government in ensuring that superfast broadband reached Wales’s most disadvantaged communities, pointing out that “If only parts of society and the business community are able to access online learning and the subsequent multiplier skills and economic benefits, then the end result can only be greater inequality, a less competitive economy and lower levels of prosperity.” Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government told us that he was “very confident that introducing the universal service commitment can act as a hook to bring next generation services throughout Wales”. The Digital Britain Final Report noted that the Government accepted that there would be benefits in introducing next generation networks to most of the UK population and that some form of intervention would be necessary to ensure that they were made available in the less commercially economic parts of the country. It announced the creation of an independent Next Generation Fund, based on a supplement of 50 pence per month on all fixed copper lines, to subsidise the deployment of networks in those areas.

76 Ev 98
77 Ev 139, Ev 124
78 Ev 219
79 Q 290
During our visit to Stockholm, we heard how the Swedish Government was tackling the issue of broadband provision in rural areas. A major network investment programme had been rolled out between 2001 and 2007 which had concentrated on rural, sparsely populated areas where there was no market provision. Procurement had required that the networks were operator neutral. The Government had only a very low universal service obligation, but recognised that this was necessary to provide greater capacity and accessibility for e-government services. We also met representatives of the Swedish Urban Network Association, a non-profit organisation which was established in 1995 to bring together owners of city nets (coordinators of internet provision in a city or town) and internet service providers. They explained how provision in very sparsely populated and remote areas had been achieved through cooperation between local residents and city nets. The basic model was that the nearest city net had provided a node in the village and local residents had paid for the extension from the node to their home. In some cases, residents had dug the extension themselves and there had been subsidies for very isolated homes. The main challenge in the city was integration between the different service providers. All networks were required to be open access under competition laws but the incumbent providers, who tended to be the largest organisations in the market, wanted to retain their monopolies and had a disproportionate influence on the market. Cable TV provision was a particular problem as there were often lengthy contractual agreements between incumbent providers and building landlords, leaving residents with no choice of provider.

39. A number of next generation or superfast broadband services are already available in parts of Wales and further network developments are underway or being planned, predominantly in the most commercially attractive and densely populated areas. The extent to which new applications will become available as a result of these much faster communications and how and by whom they will be used, is not yet known, but there is an emerging consensus that access to next generation broadband will be a key factor in future economic growth.

40. The costs of implementing next generation networks for all are considerable. We support the Digital Britain proposal to create an independent Next Generation Fund to subsidise network development in less commercially economic areas so as to ensure that disadvantaged and rural communities can share the economic benefits. There is a long lead time in building these networks and we urge the UK Government and Welsh Assembly Government to start work together on the necessary planning at the earliest opportunity.

41. In September 2008, Ofcom published a consultation paper about the issues relating to the delivery of super-fast broadband in the UK. This paper acknowledged that private sector investment alone was unlikely to deliver national coverage of super-fast broadband, and that there might be a case for public sector intervention. It recommended that, during the current period of uncertainty about the future demand for, and benefits of next generation access, the public sector should adopt a partnership approach with the private sector. The FibreSpeed project in North Wales is an example of this approach, with the investment and risks being shared between the public and private sector. The FibreSpeed

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80 Ofcom, Delivering super-fast broadband in the UK. Setting the right policy framework, September 2008
network is focussed on businesses and the advantage for individual consumers is still to be determined.

42. We believe that when public money is used to fund projects such as FibreSpeed, it is paramount that the network is designed to operate on an open access basis and that this open access is seen to work in practice for both businesses and consumers. We recommend that the outcomes of the FibreSpeed project are carefully evaluated and published by the Welsh Assembly Government at the earliest possible opportunity so that the potential benefits and drawbacks of joint investment can be better understood, and used to inform future public investment in next generation networks. We intend to monitor this issue in the coming months, and in the meantime would welcome evidence about any barriers impeding the provision of open access and successful examples where open access has been achieved in the wider community beyond the hubs on the spine.

Mobile

43. The use of mobile technologies has grown dramatically in recent years. Ofcom notes that “mobile has become nearly ubiquitous; 84% of people aged 8 or over use, or have access to mobile services” and that “the mobile sector is now larger by revenue than the fixed and broadband sectors combined”. At the end of 2007, there were 73.5 million active mobile subscriptions representing around 1.25 connections per head of population.82 For some users, mobile handsets are the preferred platform for accessing web and digital content and for this reason, mobile technology could have a key role to play in promoting greater digital inclusion. Vodafone explained that “Because mobile phones and mobile devices are widely used in society, citizens could potentially feel more confident accessing services via a mobile phone rather than via a laptop or PC” and Ofcom pointed out that mobiles are “more of a personal device …with a greater flexibility”.

44. As well as voice and text services (2G), mobile broadband (3G) is now a key service. The Mobile Operators Association told us that mobile broadband “should be considered as a vital part of the overall solution to digital inclusion in Wales” and that it was “a viable alternative to more traditional fixed networks, especially in urban areas.” It explained that “Access is provided through a mobile broadband USB modem – providing a wire free way to connect to the internet at home, in the office and on the move.” According to the 2007 Oxford Internet Survey, Wales had a lower percentage of households with a mobile phone than England or Scotland (81% compared to 89% and 85%). Mobile coverage is relatively poor in Wales compared to the rest of the UK. Ofcom told us that geographic 2G mobile coverage in Wales is poorer than in England and that there are sizeable areas of mid-Wales where coverage from 2G services is only available from one or two mobile networks. This is also the case in the Scottish Highlands and Islands and the west of

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81 Mobile citizens, mobile consumers, Ofcom, September 2008
82 The Digital Britain Interim Report
83 Ev 254
84 Q 45
85 Ev 154
86 Ev 154
Northern Ireland. Ofcom notes that many of these areas have poor coverage because of “topographies that limit the range of cellular masts”. Wales also has relatively poor 3G coverage. According to Ofcom data, 68% of the population of Wales live in a postcode district with at least 75% coverage from one or more 3G networks (compared to 95% in England) and only 39% of postcode districts in Wales had 75% 3G area coverage from one or more mobile networks (compared to 89% in England).

45. The Mobile Operators Association identified a number of factors which influenced mobile coverage in Wales. These included “license requirements, population density, topography and availability of potential mobile base station sites as well as the ability of the operators (or their planning agents) to obtain planning permission to build new sites.” T-Mobile stated that “Due to environmental and financial considerations there will be areas where it is not commercially viable to build sites if there is not a market to pay for the investment or sustain the operational costs.” Vodafone suggested that public money or incentives might be available to support the provision of technology to these geographically hard to reach areas.

46. The Digital Britain Interim Report outlined a Wireless Spectrum Modernisation Programme to “unlock this exciting mobile broadband future.” The five elements of the programme were the realignment of existing operator spectrum holdings; making more radio spectrum available for next generation mobile services; providing greater investment certainty for existing 3G operators; greater network sharing between operators; and commitments by mobile operators to push out their coverage of mobile broadband. Ofcom commented that this Programme would benefit mobile users in Wales, stating that “our maps show that there is very little 3G availability currently in Wales; and that will be vastly improved if an agreement could be reached with the mobile operators.”

47. Lord Carter, Minister for Communications, Technology and Broadcasting, told us that he was “confident that action by the market, regulator and government will continue to improve the services that are provided in Wales in the period up to 2012”. He acknowledged that “there were still some significant mobile coverage issues in Wales that would need to be addressed” and explained that the ambition was to “get as close to universal coverage on 3G as we are on 2G”. The Digital Britain Final Report noted that significant progress had been made with regard to 3G mobile services and that the Government’s aim was to achieve a 99% coverage for mobile broadband.
48. Mobile handsets are widely available, easy to use and portable, and for some people they are the preferred technology for gaining access to the internet. Mobile technology clearly has a key role to play in promoting greater digital inclusion. However, mobile coverage in Wales is much poorer than in England and there are a number of UK-wide issues which need to be resolved in order to increase mobile 3G coverage around the UK. These are being addressed by the Digital Britain team and we look to the UK Government to ensure that progress continues to be made. We also urge the UK Government to recognise that mobile coverage is significantly poorer in Wales than in England, identify what particular measures could facilitate improved coverage for Wales and take action to implement these measures so as to enable the people of Wales to participate in the benefits of mobile technology to the same extent as other UK citizens.
4 Broadcasting networks

Television

**Digital switchover**

49. The switchover to digital television is releasing valuable spectrum which can be used by other applications, and it offers people greater choice of content and services than analogue television. Virgin Media television packages offer between 45 and 165 TV channels and on demand videos and television services such as the BBC’s iPlayer. Sky HD was the first High Definition service in the UK, and HD services are now available from other digital providers. Digital television is often offered in packages with broadband and telephone services. Jon James, Director of Broadband, Virgin Media described how some internet facilities could be accessed via its TV services:

> We have a number of web services on there already … They are navigable through a familiar TV remote control and they are simplified to … give access to services without having to go through the more complex and perhaps unfamiliar interface of a PC. … So we do already make available a number of government services through our interactive TV interface. … We think there is scope to take the increasing richness of government services and migrate those to our TV service.

50. The digital television switchover programme in the UK is already underway and will be completed in 2012.99 The switchover in Wales will make it the first of the UK’s nations or regions to be fully converted from analogue to digital television.100 Ofcom told us that it expected the digital terrestrial television coverage to be increased from 63% of households in Wales to 98% by the time the digital switchover programme is completed in spring 2010. This would provide at least 17 digital television channels to viewers in Wales rather then the four or five provided by the existing analogue services. Digital terrestrial television would also carry high definition services, although viewers would need a high definition ready television and a new set top box. Ofcom added that alternative ways to receive digital television were via digital satellite, including the new BBC/ITC Freesat service which was available across the whole of Wales; and via Virgin Media’s cable network, which only reached around 23% of households in Wales, all of the them in south east Wales.101

51. Digital UK is responsible for managing the switchover, which takes place in stages across Wales between August 2009 and March 2010.102 It told us that “Digital switchover in Wales is on track and on time” but acknowledged that there was still a challenge to ensure that all television users were ready for the switchover:

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98 Q 101
99 The Digital Britain Interim Report
100 Ev 124
101 Ev 158
102 Ev 124


. . . Digital UK and our key partner, the Switchover Help Scheme realise that there is still much to do. From UK figures, we know that older people, particularly those aged 75 and over who are eligible for the Government’s Help Scheme, show markedly lower levels of conversion to digital TV (71% v 81% across the remaining switchover regions) and understanding of what they have to do to get ready (53% v 72% across the remaining regions). 103

Wilf White, Director of Policy for the Digital Switchover Help Scheme told us that the aim was “to ensure that no one over 75 or who is severely disabled or in a care home loses out at switchover. We want to make sure that everyone in those categories has had the offer of help, and, if they have asked for help, has had digital equipment so that they keep receiving digital TV through switchover.”104

52. Digital television offers people greater choice of content and services than analogue television. It can provide access to online services, and as a familiar and well established platform it has a role to play in promoting greater digital inclusion. The digital switchover is underway in Wales. There will be useful lessons to learn from the experience of the Switchover Help Scheme in terms of how best to access hard to reach and disadvantaged groups and how to encourage them to engage with digital technology.

Content provision

53. The growth of the digital economy has greatly increased the amount and variety of content available, but a consequence of the increased number of sources of digital content is that the current funding arrangements for public service content are no longer sustainable. Content users and advertisers now have much greater choice than before, and the advertising income for public service broadcasters is reducing. The provision of impartial content is a matter of cultural, social and democratic importance to the people of Wales. Skillset, the Sector Skills Council for the Creative Media Industries pointed out that “A decline in Welsh public service content on digital platforms could limit the extent of Welsh people’s digital inclusion and participation; it could have a detrimental effect on their sense of citizenship and lead to lack of engagement with Welsh culture.”105 The Welsh Assembly Government commented that “There is a widely recognised existing media deficit in Wales whereby Wales continues to be only weakly represented on network TV and radio, while the public in Wales struggle to find news coverage of decision affecting services to them that are made in Wales.”106 In January 2009, Ofcom identified one of its four top priorities for public service broadcasting as “To plan now to ensure the supply of a choice of high quality news alongside the BBC in the devolved nations and English regions”.107

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103 Ev 158
104 Q 163
105 Ev 222
106 Ev 260
107 Public Service Broadcasting Review, Putting Viewers First, 21 January 2009, Ofcom
54. The Digital Britain Final Report accepted that the market would not provide plurality in the provision of essential public service content and that it was important for civic society and democracy for people to have a range of sources of accurate and trustworthy news at all levels, including nationally. It announced a Government consultation into “the idea of a Contained Contestable Element of the Licence Fee used by or channelled through other organisations, primarily news”. We discussed these issues more fully in our Report on English Language Broadcasting in Wales, where we also expressed our deep concern about the current and future status of English language television broadcasting in Wales, particularly in the provision of news.

55. The switch to digital services has introduced new competition for public service broadcasters which means that some programme making is no longer financially viable. Given the reduced public service commitment for ITV Wales, the continued provision of a choice of English language cultural and news television programmes in Wales is now uncertain. Until a new source of funding is identified to support an alternative provider, English speaking people in Wales could soon be reliant on the BBC as the single news broadcaster in Wales. We urge the Government to conduct its Licence Fee consultation swiftly, and to identify sources of funding to support the provision of a range of television content for the people of Wales.

Radio

56. The Digital Britain Interim Report notes that:

Radio is an important part of the national discourse and, particularly, an important voice in local democracy. The Government accepts the argument advanced in the Digital Radio Working Group (DRWG) report that radio needs and should continue to have its own dedicated digital platform. The public benefits from having a dedicated medium which offers high quality news, intelligent speech services and local information, as well as music which caters to a variety of tastes, are substantial.

The BBC described some of the benefits of digital compared to analogue radio services:

DAB radio offers audiences a number of significant benefits over analogue radio, including a wider choice of stations, improved sound quality, ease of tuning, an Electronic Service Guide, and live text services. Furthermore, the new generation of hybrid DAB/IP radios offers even more exciting ways for radio to engage audiences in the digital age, including enhanced interactivity and access to content on demand. The BBC believes strongly that digital radio adoption is therefore critical for radio to continue to play its central role in the social and cultural life of Wales and the UK.

57. Digital radio is broadcast on a variety of platforms in the UK: combined with digital television; online via a computer; and through portable devices such as internet radios. However, Ofcom told us that “the main portable platform for digital radio is Digital Audio
Broadcasting (DAB), which is the platform generally regarded by the radio industry as being the main replacement for analogue radio in the UK”. Ofcom pointed out that the Digital Radio Working Group had recommended that “the UK Government should make a clear statement on the future of digital radio and agree a set of criteria and timetable for migration to digital”, but that before migration, the BBC’s nation services would “have to match the current coverage levels on FM”.

58. In our Report, *Globalisation and its impact on Wales*, we identified a problem with universal access to digital radio services in Wales. We expressed concern that DAB access to BBC Radio Wales and BBC Radio Cymru was not universal throughout Wales. Due to legislative requirements, the UK BBC multiplex does not carry services specifically for Wales. Instead, at that time, the BBC’s Welsh radio programmes were carried via two local commercial multiplexes which covered only South Wales, amounting to around 56% of the Welsh population. In its written submission for our Digital Inclusion in Wales inquiry, Ofcom told us that the coverage of BBC Radio Wales and BBC Radio Cymru was still limited to south and east Wales, but that in order to extend the reach of the BBC’s services for Wales, it had “awarded local multiplex licenses covering most of the rest of Wales”. Mr Rhodri Talfan Davies, Head of Strategy and Communications, BBC Cymru Wales told us that “The reality is that there is an enormous challenge because of the geography of Wales and particularly because of the cost of providing multiplexes in some of those less populous areas”.

59. Lord Carter told us that he had been considering the implications of making a firm commitment to DAB technology, and that it could be "a very important part of the digital inclusion agenda". He explained that if it were deemed necessary to have a free-to-air platform just for radio then the Government would need to ensure that it had universal reach, and added that:

We have had extensive discussions with the BBC about access to their services on both the FM and the DAB platforms, and those will definitely be questions we will
have to address clearly before we made any commitment to any form of move from one platform to the other.\footnote{Q 438}

The proposal in the Digital Britain Final Report is that all national broadcast radio stations are DAB-only from the end of 2015.

\footnote{Globalisation and its impact on Wales, Second Report of Session 2008-09, HC 184.}

60. In our Report, \textit{Globalisation and its impact on Wales}, we identified a problem with universal access to digital radio services in Wales. We expressed concern that DAB access to BBC Radio Wales and BBC Radio Cymru was not universal throughout Wales.\footnote{Q 438} Whilst some steps have been taken to address this problem, progress is slow. If DAB radio is to become an important part of the digital inclusion agenda and if all national broadcast radio stations are to be DAB-only from the end of 2015, the Government must first ensure that DAB has universal reach throughout Wales.
5 Skills to use technology

61. The lack of appropriate skills is a barrier to digital inclusion. The need to ensure that people have the opportunities to acquire the new skills required in the digital age is recognised both in the Digital Inclusion Action Plan and the Digital Britain Interim Report. The Digital Inclusion Action Plan describes advanced media literacy skills as “imperative”121 and lists ‘Learning and Skills’ as one of the policy areas “most relevant to socially and digitally excluded groups and communities”.122 The Digital Britain Interim Report comments that “We will only reap the benefits of becoming a digital nation if we ensure that everyone has access to the right education, skills and digital media literacy programmes to ensure that being digital is within the grasp of everyone.” In this Chapter we consider the media literacy, skills and education issues relevant to digital inclusion. The skills to manage the risks of using technology are an important aspect of this which we consider separately in Chapter 6.

Media literacy

62. Ofcom has a responsibility for the promotion of media literacy under the Communications Act 2003, and has defined it as “the ability to access, understand and create communications in a variety of contexts”.123 The BBC also has statutory responsibilities with regard to media literacy: under the terms of its Royal Charter, it must have regard for “the need to promote media literacy” and has a requirement to “deliver to the public the benefit of emerging communications technologies and services”.124 The Digital Britain Interim Report noted that some aspects of media literacy were being addressed in the Digital Inclusion Action Plan, and that there was “a wide range of organisations, both private and public, that are doing some excellent work promoting what is currently called media literacy.”125 One of its recommendations was that Ofcom, working with the BBC and others, should assess its current responsibilities and produce a National Media Literacy Plan.126 This recommendation has been put into effect, and the Report of the Digital Britain Media Literacy Working Group was published in March 2009.127 The working group pointed out that there was no single, agreed definition of media literacy, but provided the following description:

Media literacy is a set of inter-related competencies that enable people to operate the technology, search and navigate to find what they are looking for, to understand that material, to have an opinion about it, and where necessary, to respond to it. These competencies can be learned and developed throughout a person’s life, and are relevant to young and old alike. People can become media literate through informal

121 The Digital Inclusion Action Plan
122 The Digital Inclusion Action Plan
123 Ev 158
124 http://www.bbc.co.uk/info/policies/charter/
125 The Digital Britain Interim Report
126 The Digital Britain Interim Report
media education as consumers of a range of media, or by more formal learning through media studies and similar courses.\textsuperscript{128}

63. The term ‘media literacy’ appears to mean different things to different people. Rob Humphries, Director of the Open University in Wales, described media literacy as “something of an elastic concept”.\textsuperscript{129} Other terms are sometimes used to denote similar or related issues without clear definitions being provided to explain what is meant in each case. For example, the Digital Inclusion Action Plan refers to ‘IT training’, ‘media literacy training’ and ‘digital literacy’ when identifying future challenges in the policy area of ‘learning and skills’.\textsuperscript{130} Antony Walker, Chief Executive, Broadband Stakeholder Group explained that whilst basic media literacy skills were now required by most people, the priorities varied according to different policy agendas:

One of the confusing things about media literacy is that it spans so many societal targets or societal objectives. Clearly for businesses having an informed and skilled workforce coming through is extremely important, so all of those educational aspects, making sure that all young people develop the media literacy skills that they need in the workplace is extremely important. The other extreme to that is the social exclusion agenda where you are trying to do quite different things and you are trying to bring people back and engage them in society. That is a lot less business-led, so again there are a range of different objectives that you are trying to reach and the way in which you seek to exploit and use and engage people through digital technology will vary depending on what group you are engaging with. So it is not one model fits all, it really is not.\textsuperscript{131}

Vodafone pointed out that media literacy education was not just a one-off exercise for non-users; everyone needed to keep learning in order to keep pace with new technology developments:

We also think the point about promoting digital inclusion goes wider than just the hard to reach groups with ongoing education and training being needed for all user groups to help people keep up with the pace of change with online and mobile technologies.\textsuperscript{132}

64. Ofcom established the Wales Media Literacy Network in March 2007 in order to bring together a range of interested organisations in Wales.\textsuperscript{133} It stated that “No single organisation in isolation can effectively promote media literacy and there are many organisations that have a key role to play”. It added that its approach had been to “provide leadership, set the agenda, work in partnership with and act as a catalyst for action and in
some instances provide funding for stakeholders who are best placed to provide on the ground support for people.”

65. The Digital Britain Media Literacy Working Group report describes media literacy work to-date as “fragmented” and lacking in “strategic or operational coordination” and states that “as a result resources may not reach those in most need or achieve the desired outcome of a digitally engaged and capable Digital Britain”. The Group recommended that Government should set the priorities and intended outcomes in a more strategic and coordinated way and that a consortium of stakeholders be formed to work with Government to encourage people to become more digitally engaged. Lord Carter told us that Ofcom “do good work on analysing the issues and giving us a level of knowledge independently of the problems”. He likened its role to that of the Financial Services Authority’s responsibility for promoting financial literacy:

… we need to embed digital literacy through the system. I think Ofcom can do a very good job, certainly on consumer protection measures, in the way the FSA is equally obliged to do [for financial literacy] as a way of bringing parties together. If digital literacy is going to be a sine qua non of the sort of society we are going to live in, it is going to have to be something that multiple parties will be responsible for.

The Digital Britain Final Report comments that there are a number of organisations and initiatives aiming to address media literacy, but that the approach is very fragmented, involves a large amount of resource and lacks a higher strategic vision. It proposed a move away from media literacy as a discrete subject, and instead a focus on Digital Participation, which it defined as “Increasing the reach, breadth and depth of digital technology use across all sections of society, to maximise digital participation and the economic and social benefits it can bring.” It proposed that Ofcom should lead the drive for greater digital participation, committed £12m funding over three years for it and outlined an initial programme of work. The Report recommends that Ofcom should consider how best to continue to work with the devolved Nations on these issues.

66. Media literacy is a confusing term which has been used to describe a wide range of technical and social skills for people with very different abilities and aspirations. Technology is constantly changing and developing and acquiring media literacy skills is not a one-off exercise but a continuing process. The role of Ofcom has been to promote and encourage media literacy initiatives, but there has been no clear programme of how these will be implemented, and no overall strategy to ensure that everyone has the opportunity to acquire the skills that they need. We welcome the proposals in Digital Britain to re-focus this work, and in particular the recognition that this must involve continued joint working with the devolved Nations.

134 Ev 158
137 Q 443
138 Q 444
139 The Digital Britain Final Report
Skills for work

67. BT pointed out that technology is changing the nature of the economy and the way we do business and is increasing the demand for employees with higher level skills. It stated that “Businesses will increasingly outsource activities across the world – this means skilled, financial and intellectual jobs. The UK needs to develop high-value skilled jobs and people to avoid the whole value chain being outsourced.” Existing employees also need to acquire new skills: the Federation of Small Businesses reported a shortage of IT skills among the existing workforce, particularly amongst those aged over 25. CBI Wales agreed and described the lack of IT skills as “a great barrier for business competitiveness.”

68. However, the Federation of Small Businesses emphasised that media literacy and IT skills cannot be considered separately from, or seen as a replacement for other basic, essential skills for work:

Many businesses continually struggle to recruit staff with adequate literacy, numeracy, communication and customer services skills. Schools, colleges and universities must ensure that all learners are equipped with these skills so that they can enter, and progress through the labour market.

Dr Neil Selwyn, London Institute of Education, agreed:

Digital literacy is one of the buzz words both in policy and in academia and it works on two levels: obviously there are literacies which are directly relevant to using a piece of technology – mobile phone or computer – but they are fundamentally underpinned by working literacy, the ability to read, write and be numerate. The strategies in education for example have ICT as a third plank: reading, writing and technology. The danger is that we focus on people’s inability to use technology just as a technical skill, and we forget the working literacy behind it.

69. The Media Literacy Working Group report noted that “Education is a devolved responsibility making it difficult to have a uniform approach to the provision of media literacy in education across the UK.” Skillset, the Sector Skills Council for the Creative Media Industries, recommended that media literacy should become an integral part of education in schools and explained that “There is already much being done in schools in Wales that might be termed media literacy education but it is not necessarily known as such”. The Welsh Assembly Government paper Transforming Education and Training in Wales, published in September 2008, makes it a key priority to secure a workforce that is sufficiently skilled to access future high level employment opportunities. In order to achieve this, the Welsh Assembly Government states that it is seeking ways more fully to
integrate the work of schools, Further Education Institutions, Higher Education Institutions and other post-16 education providers with regard to the delivery of education and training. The Welsh Assembly Government already has a number of initiatives in place\textsuperscript{147} and other organisations are working with the Assembly Government and schools.\textsuperscript{148} The Welsh Assembly Government explained that its main focus since devolution had been on developing access to ICT facilities in education institutions, where all learners could benefit.\textsuperscript{149} Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government, told us that media literacy was an area which spanned a number of government responsibilities and there had been a lot of IT skills work done within the education system in Wales.\textsuperscript{150}

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On our visit to Estonia, we met a number of organisations which were working together to promote greater internet use and computer literacy. We were told that these initiatives had benefited from a strong starting position in Estonia, both in terms of the base level of education, particularly in science, of the Estonian people, and a relatively young IT infrastructure system. The Tiger Leap Foundation had been launched in 1997 with the aim of getting internet into every school, and had achieved this in 2001. It was now focusing on integrating internet skills into the curriculum which was proving more challenging. The Look@World Foundation received funding from the EU and the private sector, particularly from banks and telecoms organisations, and had provided training to 100,000 people (10% of the Estonian population). One of its projects had aimed to decrease digital exclusion by promoting internet use at home and had provided four hours of basic training to individuals, with follow-up sessions at drop-in centres. The project had shown the importance of creating a support network and of tailoring the training to the specific interests of attendees and the technology applications that they wished to use. The Ministry of Economic Affairs and Communication pointed out the importance of programmes for unemployed people and on being flexible enough to make sure that skills were matched to changing business needs. Under the government programme, small and medium sized enterprises received training vouchers for retraining existing employees and there was a separate programme for higher education.
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70. Witnesses have told us that the existing provision of IT training is inadequate for business’s needs. Young people need to acquire IT skills, as well as other basic communication and social skills. People already in employment need ways of updating their skills and people out of work need ways of acquiring IT skills to improve their chances of finding work. Businesses need to have access to training which will develop their employees’ skills so that they can contribute to economic growth in Wales. We recommend that the Welsh Assembly Government includes specific targets for IT education and training in its digital inclusion action plan and that it uses these to monitor progress made with regard to business needs.

\textsuperscript{147} Ev 260
\textsuperscript{148} Ev 224
\textsuperscript{149} Ev 260
\textsuperscript{150} Q 272
Higher education and digital inclusion

71. Neither the Government’s Digital Inclusion Action Plan, nor the Welsh Assembly Government’s description of its digital inclusion work make reference to the contribution which the higher education sector could play in raising digital skills levels and promoting greater digital inclusion. Higher Education Wales has emphasised the contribution which the sector can make towards workforce development, stating that:

Universities are working closely with local businesses to develop the skills of their workforce. More than 50,000 learner days of Continuous Professional Development and work-based learning are delivered annually by Welsh HEIs through a wide variety of mechanisms, often in collaboration, to ensure that businesses benefit from the best advice available. Examples of such joint activities include the Aberystwyth-Bangor Skills Centre and the joint Knowledge Economy Alliance between Aberystwyth University, Bangor University and Swansea University.

72. We received evidence from three higher education institutions in Wales (Bangor University, The Open University in Wales and The University of Wales, Newport) which described some of the ways in which the sector is already contributing. Mr David Learmont, Director of Information and Library Services, Bangor University, commented that there was “very little explicit reference” to higher education in the Digital Inclusion Action Plan, stating that “implicitly there is a powerful connection with HE, but not explicitly”. Professor Sian Hope, Deputy Pro Vice Chancellor, Bangor University, added that:

What I do think is missing is about the access to research and how people can access research in universities as well as education, and the skills element of what universities do is one very important aspect. Digital inclusion is about communicating the results of research, just as much as it is about communicating the results of skills and transferring knowledge in that way.

Professor Hope suggested that “I think we can play a higher role in linking collaboratively with FE and the Open University. We need to look at a more joined-up approach, and it behoves higher education institutions to collaborate more.” She stated that “One specific thing we are doing that is very practical is that we are helping Swansea University on a digital economy Wales development where we look at what people want and how we can engage digitally with the outcomes of this research, and can we use the internet to allow the digital economy to grow as a result of sharing this information?” Bangor University explained that it provided media literacy training for those of its students who needed it.

\[151\] Ev 260
\[152\] Higher Education Wales, Leading the Economic Recovery in Wales, May 2009
\[153\] Q 373
\[154\] Q 375
\[155\] Q 373
\[156\] Q 376
\[157\] Q 381
\[158\] Q 395
and pointed out the need to be flexible and to respond to new developments in technology.\textsuperscript{159}

73. The Open University in Wales welcomed the recognition in the Digital Inclusion Action Plan that inequality in the use and application of digital technologies could be a new driver of social exclusion, and pointed out that “This is especially a risk with regard to high level skills and the ability of the most disadvantaged to access learning opportunities and to go on to work and grow the economy at both local and national levels.”\textsuperscript{160} The Open University in Wales also noted out that “ICT can do much to assist in improving the basic skills level of the Welsh workforce, but … it can do as much, if not more, to deliver a high-skill adaptable workforce for a high skill adaptable economy.”\textsuperscript{161} Rob Humphries, Director of the Open University in Wales, told us that the University would welcome the opportunity to contribute to the digital inclusion agenda.\textsuperscript{162} The Open University suggested that there was “huge potential in widening participation in higher education through online learning” and that it could make a significant contribution to opening up access and providing higher education to hard to reach groups\textsuperscript{163} and explained that it had developed a media literacy module to help students acquire the media skills they needed to participate in online learning.\textsuperscript{164}

74. The University of Wales, Newport described how it is helping to improve workforce skills. It is based on two main campuses and it also plays a leading role with the Community University of the Valleys. \textsuperscript{49\%} of its students are aged over 30; over 60\% study part-time; and 61\% of these part-time students are studying on ‘bite-size’ courses. It stated that “This profile coupled with the University’s strong professional and vocational portfolio means it is a strong contributor to improving skills and expertise in the workplace.”\textsuperscript{165} In its written submission, the University of Wales, Newport described some of its activities which are contributing to the promotion of digital inclusion in Wales. Some of these are focused at widening participation in higher education, such as its Centre for Life Long Learning the University which it states “has a successful track record in delivering outreach work to excluded communities.” In addition, it is planning to develop, with other partners, a Learning Campus on the site of the former Corus steelworks in Ebbw Vale which will “stimulate learning interest amongst disadvantaged groups within the region through the provision of innovative, supportive and seamless educational opportunities for young people and adults not in employment and education”. It states that “For any region to be successful in the knowledge economy it needs to be able to call on the full range of skills, from relatively basic skills to advanced professional ones” and suggested that the Learning Campus would contribute to a skilled workforce, continuing professional development and research and development.\textsuperscript{166}
75. In September 2008, the University of Wales, Newport established an Institute of Advanced Broadcasting as a partnership between academia, industry and the public sector, with the four key research themes of New Content; New Distribution Channels; New Users; and New Digital Economies. Much of the work described within these themes is of direct relevance to the digital inclusion agenda, including for example research and development to enable internet TV services to be available on multiple platforms and devices; research to examine the ways in which digital technologies can be used to reduce a range of communication barriers (such as different disabilities and those with English as an additional language); and work to develop an evaluation framework to monitor and evaluate the impact of particular projects and activities.

76. The Digital Britain Final Report acknowledges the crucial role of higher education, both in terms of research and teaching, in building a successful digital economy. It refers to a number of higher education initiatives including the Digital Economy Programme, which will in its first three years invest £120m in new research and training, and the Technology Strategy Board budget of £30m for Digital Britain-related innovation.

77. The higher education sector has a crucial contribution to make to the digital inclusion agenda, in terms teaching, research and innovation. We are pleased to see this recognised in the Digital Britain Report and look forward to seeing the role for the higher education sector in Wales being articulated more specifically in the Welsh Assembly Government’s plans for digital inclusion in Wales.

78. The higher education sector in Wales has historically received a smaller share of UK research funds than would be expected from its relative size and merit. In our report on Cross-border Provision of Higher Education, we noted that research investment brings significant economic benefits to the surrounding localities and pointed out the importance of building centres of excellence in Wales in order to encourage such investment. We urge the UK Government to ensure that Welsh higher education institutions are fully involved in any new research opportunities arising from the Digital Britain initiative.
6 Risks associated with using technology

The risks to children and young people

79. The widespread introduction of digital technologies can expose people to new risks. Common risks include financial losses (including credit card fraud or online gambling) and social losses (such as intrusions of privacy and bullying). The risks associated with using digital technologies range from clearly illegal activities (for example online child abuse) through to simple negative experiences (including exposure to undesirable content). Professor Sonia Livingstone, Professor of Social Psychology in the Department of Media and Communications at the London School of Economics is director of an international research network, EU Kids Online, which has collated data from over 400 empirical studies in the 21 countries participating in the programme. She told us that “much of the available evidence does not offer firm conclusions about the risk to harm to children from the internet but it is indicative, showing that there is likely to be some harm, particularly to ‘vulnerable’ children”169 such as those with insufficient parental supervision, who were unhappy at school or unsupported by friends and those with mental health issues.170

The Byron Review

80. A number of initiatives are already in place to address concerns about the safety of children and young people using technology. For example, we heard evidence about projects being supported by Vodafone171, BT172 and T-Mobile173. However, until recently there was little overall coordination or strategy for these initiatives. In September 2007, the Government commissioned Dr Tanya Byron to lead a review (‘The Byron Review’) of the risks children face from exposure to harmful or inappropriate material on the internet or in video games. In the report “Safer Children in a Digital World” published in March 2008, Dr Byron set out a number of recommendations to improve children’s safety. In June 2008, a cross-government action plan was published, setting out how government, its partners, industry and the voluntary sector would work together. The creation of the UK Council for Child Internet Safety (UKCCIS) was a key recommendation of the review. UKCCIS has an Executive Board of 21 members which includes representatives from industry, the third sector, law enforcement, government departments, the devolved administrations and other stakeholders. A representative from the Welsh Assembly Government Department for Children, Education, Lifelong Learning and Skills sits on the Executive Board. Ofcom stated that the creation of UKCCIS was a positive step:

The opportunity for UKCCIS now to take that to the next level and to see some significant implementation monitoring and development I think is a great step forward. I think it is exactly the way to go. It is an example of Government regulator, industry and stakeholders coming together in an attempt to do the right
thing in what is a very challenging environment, where all the issues around the internet come to bear. I am very encouraged by that.174

81. Some of the challenges identified in the Byron Review were the generational divide which means that parents do not always feel able to help their children use technology safely; new media constantly presenting new opportunities and new threats; whilst children are often confident with regard to using technology, they are still developing critical evaluation skills and need the help of adults to make wise decisions; and children needed to be empowered to manage the risks they encounter, rather than being prevented from fully exploiting the benefits of using technology. The Review recommended that several complementary approaches be taken:

In relation to the internet we need a shared culture of responsibility with families, industry, government and others in the public and third sectors all playing their part to reduce the availability of potentially harmful material, restrict access to it by children and to increase children’s resilience.

I propose that we seek to achieve gains in these three areas by having a national strategy for child internet safety which involves better self-regulation and better provision of information and education for children and families.175

82. Our witnesses supported this broad assessment. The Family Online Safety Institute, an international, non-profit membership organisation dedicated to working to develop a safer internet, commented on the implications of the generational divide, pointing out that whilst adults might focus on issues such as identity fraud and virus protection, children were more likely to be exposed to the risks of accessing inappropriate content, cyber bullying, predation and gaming addiction.176 Wise Kids, a non-profit organisation promoting safe internet use for young people in Wales commented on the rapid development of new technology and the range of devices available to young people:

Young people and adults today can access the internet in a variety of ways: not only in their homes and schools, but via mobile phones, personal digital assistants, gaming devices like the X-BoxLive, Nintendo DS, Game Boy Advanced PSP, Sony PS3 etc. These devices can access the internet either via a wireless connection, using 3G mobile broadband, or via fixed line internet access.177

Professor Sonia Livingstone suggested that every child should have an “up-to-date briefing on issues from illegal content, to copyright issues, to how they should treat their personal information and what to do if someone bullies them” and that “whoever advises children at school on sex, bullying parenting and so on would include the internet as one source of risk associated with each of those different areas”.178

174 Q 235
175 The Byron Review
176 Ev 134
177 Ev 277
178 Q 216
**Different approaches to reducing risks**

83. Several witnesses commented on the tendency for the risks to be exaggerated and cautioned against adopting an over-protective approach which inhibited young people from exploiting to the full the benefits of technology. Witnesses also commented on some of the advantages and limitations of different approaches to reducing risks for young people using technology. These included the use of filtering and monitoring software; parental supervision; regulation; education; and the provision of information and advice.

**Software tools**

84. Filtering and monitoring software can be used by parents and schools to restrict and control the content which young people are able to access. Professor Sonia Livingstone stated that “88% of UK parents claim to have safety software installed – an improvement over recent years, putting the UK at the top of the EU for use of safety software” but that “among those who don’t have it, 1 in 5 say they don’t know how to install it”. The Family Safety Online Institute told us that “…tools and guidance are in place for parents to help better bridge the current digital generation gap. Educating parents to embrace these tools is vital if harm is to be avoided and risks greatly reduced. However industry must strive to make these tools easier to use and provide the guidance to enable parents to make the correct decisions.” Witnesses also agreed that filtering software could only ever provide part of the solution. The Family Online Safety Institute and Ofcom both explained that filtering software could only screen received content, and not user-generated content such as that created on social networking websites or via mobile phones. Ofcom explained that “The challenge here is that filtering … does not really meet all the needs that are currently being addressed by how children use it. I think that is the challenge – that it has gone well beyond that.”

**Parental supervision**

85. Whilst acknowledging the essential contribution of parents, Professor Livingstone pointed out that research indicated “serious reservations” about relying entirely on them to mediate their children’s internet use and safety. She described three approaches to parental management of child internet use; imposing rules and restrictions; using technical tools (filtering and monitoring); and social approaches (watching, sharing, talking about the internet with their children). She suggested that rules and restrictions did not only reduce risks, but also opportunities, and added that many parents in any event dislike using authoritarian approaches. Furthermore, technical tools could be difficult for parents to install and use, did not work well for all types of content and could be worked around by those determined to do so. Social solutions relied on parental surveillance and trust and

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179 Ev 134, Ev 277, Ev 222
180 Ev 150
181 Ev 134
182 Ev 134
183 Q 202
184 Ev 150
only worked if the parents were responsible: those children who were most vulnerable and in need of parental support might be the ones who were least likely to have parents who would help them online.185

**Regulation**

86. Witnesses pointed out some of the limitations of regulation,186 but agreed that there was a role for it to play along with other strategies, particularly if it were focused on co- or self-regulation rather than direct regulation. Ofcom stated that traditionally direct regulatory structures had been largely ineffective for the internet and that “successful consumer protection on the internet has generally involved a much higher degree of co- and self-regulation than has been the case for other media”.187 The Family Online Safety Institute stated that “… industry self-regulation with reasonable government oversight and support is the key to a better internet. In conjunction with fully resourced law enforcement, tech-savvy teachers, and empowered parents the digital divide will recede over time.188 Professor Sonia Livingstone also saw merits in further industry self-regulation:

> I think there is more attention now to the self-regulatory mechanisms, whereby industry monitors usually reactively but sometimes proactively to change the environment in relation to content hosting, search provisions, so that if you type in “I want to kill myself” you get advice on suicide rather than how to do it. It is a significant intervention to make that kind of change. I think that we could probably do a lot of that. If teenagers type in “drugs” they will get “Talk to FRANK” rather than “this is where to buy it”.

**Education**

87. Education was seen as an essential part of the overall approach. Wise Kids told us that it delivers training programmes and consultancy to young people and a range of organisations in Wales so that they can better understand internet technologies and use them innovatively, effectively and safely. It supported the view that more education is needed for young people, their parents, and other adults working with children and stated that “it is imperative that our young and old alike be given the necessary information and skills so that they are able to maximise online opportunities, whilst maintaining their personal security”.190 Professor Sonia Livingstone explained that the sort of education required for young people related as much to the development of social and critical thinking skills, as to IT skills.191 The Family Online Safety Institute stated that “Children must be taught how to make wise choices online and when digital citizenship, critical
thinking and media literacy are an acknowledged part of a broader personal safety message for this new digital generation, we will be much nearer a lasting solution to the harms and risks.\textsuperscript{192}

\textit{Information and advice}

88. Witnesses considered that children and parents needed to have access to a reliable and consistent source of information and advice, but that at present the services available were somewhat fragmented. Professor Sonia Livingstone told us that:

In the process of the Byron review there were repeated calls for a one-stop shop and that is now under the remit of the Council for Child Internet Safety … The one-stop shop remains a goal that currently we do not deliver, so parents will simply say, “I don’t know where to turn”.\textsuperscript{193}

Ofcom explained that it did not act as a single source of information, but rather as a signpost for other services:

If parents come to Ofcom either through the phone line or online then we direct them to a range of existing provisions … who are providing advice and guidance to parents. Ofcom does not duplicate all that information on its website but acts as a signpost to the appropriate organisation which is on the ground delivering that support and providing that information.\textsuperscript{194}

\textit{The Digital Inclusion Action Plan}

89. Some of our witnesses suggested that the Digital Inclusion Action Plan did not take sufficient account of the risks of introducing technology to vulnerable new users. Professor Sonia Livingstone stated that:

There is a heavy reliance in the plan on the role of parents and on teaching children, improving their media literacy … I think what worries me there is often there are parents who will respond very positively to that requirement to be responsible and there are children who are very willing to learn; but it may not be the vulnerable children who have either the responsible parents or the capacity to learn those new skills. I think the key thing is the balance between what is required in terms of the Government’s frameworks and what responsibility we place on young people.\textsuperscript{195}

She also questioned whether sufficient resources would be made available to implement the plan:

I think there may be a future issue of resourcing. It is an ambitious plan and mobilises a lot of people. It is not my understanding there is a lot of money that can
be spent on making all that come about at the moment. There is a debate about how to implement and how much priority to give particularly vulnerable groups. 196

90. The Minister for Digital Inclusion stated that “the Government recognises that the application of technologies will bring associated risks; there is no question about that. We need to take action not just at a local level in this case but at a European and international level as well, in order to ensure that those risks are minimised.” 197 However he also appeared to suggest that there had been a conscious approach taken in the development of the digital inclusion action plan to play down the risks of technology so as not to discourage new users, stating that “The important thing about the Digital Inclusion Programme is that if you are trying to tempt, encourage and persuade people to go online, then you have to take away the obstacles”. 198 He also appeared to place emphasis on the responsibility of Government agencies to ensure that the internet became a safe environment:

That, again, is a role for Communities@One, UK Online, Citizens Online, local authorities and those who are trying to persuade people that it is in their best interests to become engaged in new technology, and at the same time to be able to warn them how to deal with these risks without frightening them off, but is quite a difficult line really. If they think they are going to have all sorts of problems, then you have lost. In other words, it has to be made clear how safe it can be, whilst the Government itself has to ensure that it keeps up the pressure so they can ensure that it is a safe thing to do to go on the internet. 199

91. Lord Carter indicated that he saw a role both for regulation and for education:

I am, by instinct, more of a co- and self-regulator for those sort of things, for the simple reason that when you codify these things in statute they end up being inflexible and these markets are changing at such a pace that you need to have structures that are inherently fluid; but that does not mean that it should be a licence for people to do what they like. …I think you have to simultaneously do work on increasing people’s knowledge and skills because ultimately that is the best protection. The smarter and more informed the user, the better everyone is.200

92. There are many initiatives in place for addressing the risks to young people when using technology. However there is no single consistent programme or one stop shop and it is not clear who is responsible and where parents should go for advice. There is a danger that the proliferation of different initiatives will confuse rather than inform those who are looking for help. Much good work has come out of the Byron review, including the establishment of UKCCIS. We recommend that UKCCIS works with all levels of government to consider the implementation of UK safety initiatives in Wales,

196 Q 236
197 Q 478
198 Q 478
199 Q 479
200 Q 441
and the relationship of these with existing devolved services, with a view to providing a coherent public awareness and education programme for young people in Wales.

**The risks to businesses and the economy of Wales**

93. The use of technology can present new risks to businesses as well as to individuals. The Federation of Small Businesses stated that “Fraud and online crime is on the rise and is a growing concern for small businesses particularly in the current economic climate. In volume terms, instances of low level crime against a business such as vandalism or criminal damage are more frequent, however, the issue with fraud and online crime is that one event can be highly disruptive and even force a business to close.”

Online, or e-crime is a term used to describe a range of crimes involving computer activity rather than identifying a particular type of illegal activity. E-Crime Wales describes e-crime as “criminal activity where a computer or computer network is the source, tool, target, or place of a crime” which “encompasses a whole raft of ‘traditional’ crimes - such as fraud, theft, blackmail, forgery and embezzlement.”

94. Detective Chief Superintendent Corcoran, Divisional Commander, E-Crime Wales, told us that small businesses were particularly vulnerable to e-crime because “they do not have the level of investment to make in either technology, advice, support or security advice … whereas the larger scale bigger employers do employ the technical ability and the support that they need to make them more secure.” He stated that the most common e-crimes affecting small businesses in Wales were “phishing emails, card-not-present fraud [and] IT problems created by virus or hackers.”

The Federation of Small Businesses surveyed its members in 2008 and discovered that 54% of businesses had been a victim of fraud or online crime and that 26% of businesses were deterred from buying and selling online because of the fear and risk of online fraud. Tony Neate, Managing Director of Get Safe Online suggested that the types of issues affecting Wales were the same as those for the rest of the UK. He explained that the particular threats at any time would vary but that the majority of the time it was related to fraud.

95. The E-Crime Wales Project is a partnership of organisations brought together through an e-Crime Summit in February 2005, and supported by the Welsh Assembly Government. It includes the four Welsh Police Forces, specialist public sector organisations and expert commercial businesses and aims to distribute the knowledge and intelligence which Welsh businesses need to conduct business online both safely and securely. Detective Chief Superintendent Corcoran told us that “the e-Crime Project came out of some frustration because there were a lot of things going on, lots of national and international debates about the threats.” He went on to tell us that the project had been very successful:

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201 Ev 136
202 www.ecrimewales.com
203 Q242
204 Q239
205 Ev 136
206 Q 239
207 Q 247
I think in terms of education for e-Crime Wales it has had a massive impact. Everywhere I go, everywhere the team goes, this is Europe-wide, they are astounded at the way Wales are driving this agenda forward; that we have got fantastic collaboration between Government, the Police Service, private and public sector businesses working together with a multi-agency steering group, funded by the Government and driven forward, with dedicated police staff as part of the Government’s team going out to businesses and acting as that single point of contact. That is a fantastic achievement and we should be singing our praises Europe-wide, and people should be invited to follow the lead but it is still a national strategy of course.\textsuperscript{208}

96. Detective Chief Superintendent Corcoran stated that "what Scotland and the regions of England are telling us is that they want to follow on the Welsh project in terms of setting up focus points and dedicated staff dealing with this problem to feed into the national strategy".\textsuperscript{209} The Federation of Small Businesses agreed. It noted that Wales now had a reporting centre for e-crimes, and stated that “85% of businesses in England and Scotland said that they would report fraud if a designated reporting centre was set up which would gather data and use it to fight fraud”.\textsuperscript{210} The Federation of Small Businesses also stated that businesses wanted feedback on how online crimes were being tackled and they wanted to have a local police contact on e-crime to answer their queries, telling us that “There is clearly a need for the National Fraud Strategic Authority and Police Central e-Crime Unit to work on rolling out effective training to all police forces.”\textsuperscript{211}

97. Get Safe Online is a UK internet security awareness initiative which was launched in 2005 as a joint programme between the UK Government, the Serious and Organised Crime Agency and private sector sponsors. The aim is to provide advice to consumers and small businesses on how to protect themselves against internet security risks, primarily via its website \url{www.getsafeonline.org}.\textsuperscript{212} With regard to the wider aim of achieving a UK-wide e-crime strategy, Detective Chief Superintendent Corcoran explained that the e-Crime Wales Project website and the Get Safe Online website were now central points of information where people could seek advice and receive a consistent message. However, he added that:

The Home Office issues have been around funding, numbers resources, who should own the problem and who should deal with it. The problem is massive; the resources are simply not there; it takes a lot of finance; there are a number of policing issues, as well as e-crime; and so it is about priorities; and it is about trying to service many areas of business.\textsuperscript{213}

\textsuperscript{208} Q 254
\textsuperscript{209} Q 248
\textsuperscript{210} Ev 136
\textsuperscript{211} Ev 136
\textsuperscript{212} Ev 145
\textsuperscript{213} Q 247
Tony Neate, Managing Director of Get Safe Online stated that the Get Safe Online website had been integrated with the other e-crime initiatives in Wales, but not in the rest of the UK.214

98. One of the early objectives set when e-Crime Wales was first established was to collect accurate statistics about the level and impact of e-crime in Wales. Chief Superintendent Corcoran told us that work was still underway to establish a clear system for recording information about e-crimes. For example, he explained that illegal downloading and file sharing were within his remit “when we know about it, when we are told about it and when it is reported” but that “we do not know the scale of the problems because the reporting … is not captured properly”.215 One of the challenges was to ensure that the electronic element of a crime was recorded (as well as for example the fraud or theft element) when crimes were reported and data was collected, and in addition, businesses needed more encouragement to report e-crimes at all:

… [businesses] either fear that if it gets reported and taken to court there is a damage issue in terms of reputation and share price; will the police come and take away their computers and keep them for several months. It is an understanding about what we can and cannot do and what we will and will not do for businesses when they report. We need to continue to build the trust we are starting to build. We have put in local liaison officers to have face-to-face contact to build that trust.216

99. Detective Chief Superintendent Corcoran was however confident that the e-Crime Wales Project had now established an effective data collection system and that he would be able to provide information about the level of e-crime affecting Wales, and its economic impact, by the end of 2009.217 Another area requiring further development was the provision of education for businesses. 218 Detective Chief Superintendent Corcoran expressed surprise that the issues of e-crime and other risks of using technology had received little mention in the Digital Inclusion Action Plan219 and he also suggested that e-crime had not received sufficient attention in Ofcom’s media literacy work.220 Tony Neate told us that Ofcom had accepted this criticism and had recently started working with Get Safe Online with the intention of developing a greater focus on safety for users.221

100. With regard to the reporting and coordination of response to e-crimes, Wales is at the forefront of the UK. There is, however, still a need to improve the registration of e-crimes in order to improve data collection. More education is needed for businesses and their employees so that they can understand the risks and the actions they can take to reduce those risks. The introduction of technology and e-commerce within a workforce that is not properly trained to manage the risks, poses a threat to the Welsh
An effective and inclusive training programme for all employees is one of the best ways of protecting against business and economic risks associated with the introduction of technology.
7 Policy Coordination

101. The Digital Inclusion Action Plan includes a review of key actions being taken to address digital exclusion and descriptions of some of the projects already in place around the UK. The UK Government provided with its written submission a table summarising some of the current initiatives within different policy areas, and future challenges, opportunities and aims within those areas.222 Many of the policy areas are devolved and the initiatives described by the UK Government relate only to England, but others, including initiatives relating to employment; benefits and pensions; transport; justice; financial inclusion; and digital infrastructure extend to Wales as well as England.

102. The Digital Inclusion Action Plan makes no explicit reference to Wales. The Welsh Assembly Government explained that it planned to develop a Digital Inclusion Action Plan for Wales and to establish a Digital Inclusion Network/Alliance for Wales.223 However, there were no plans to appoint a separate Digital Inclusion Champion for Wales. Leighton Andrews told us that he did not anticipate having a digital inclusion champion in Wales, stating that “that is the role of myself as the Minister, to be the champion for digital inclusion across government and indeed outwardly across Wales”.224 The Wales Office will need to ensure that the needs of Welsh people are properly considered in relation to reserved policy areas, and the Welsh Assembly Government may wish to reassure itself that they are properly coordinated with its own digital inclusion plans. The Digital Britain Interim Report makes no explicit reference to Wales. Telecommunication network policy is a reserved matter, and the UK Government has responsibility for policy development and implementation. However, the scope of the Digital Britain work also included other matters which are more closely linked with devolved policies, such as media literacy and education. Effective coordination between the Welsh Assembly Government and the UK Government is essential.

103. The Welsh Assembly Government told us that “Good relations exist with the UK Government … Regular meetings are being held at Ministerial and official level, where opportunities for collaboration are being explored”.225 Leighton Andrews, Deputy Minister for Regeneration, Welsh Assembly Government, described his “close working relationship” with the UK Government, both in relation to Digital Inclusion and to Digital Britain:

We have been in dialogue obviously with the Minister for Digital Inclusion at the UK level, the Secretary of State Paul Murphy, over the period of the last year; we have been engaged with the UK Government before that, with Stephen Timms when he was the minister, and indeed our officials of course saw drafts of the plan as it was being developed. We therefore have a very close working relationship already with the UK Government, we welcome the initiatives that are being outlined, and we have

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222 Ev 227
223 Ev 260
224 Q 268
225 Ev 260
also of course been involved in work streams that are related to digital inclusion as part of the work that Lord Carter has been doing on Digital Britain as well … 226

104. The written submission from the UK Government stated that:

The Welsh Assembly Government was closely involved in the development of the [Digital Inclusion Action] Plan … Although responsibility for digital inclusion in Wales is largely devolved … some of the actions in the Plan will impact directly on Wales. … Regular meetings are held at Ministerial and official level between the UK Government and Welsh Assembly Government to ensure that opportunities for collaboration are explored.227

105. The Minister for Digital Inclusion, Rt Hon Paul Murphy MP explained that “Most digital inclusion, so far as it affects socially excluded people, is in areas that are devolved to the Welsh Assembly, and I believe that the Welsh Assembly Government with its Community First Programme, similar to UK Online, where they deal with socially as well as digitally excluded people, is very successful”.228 However, he also confirmed that there were regular liaison meetings:

We have meetings, obviously, together, bringing people together at ministerial level. For example, there is a cabinet committee that I chair on digital inclusion and at the last meeting we held Lord Carter gave a presentation to us on the Digital Britain plan and how that could fit into the digital inclusion agenda. So there is coordinated activity… 229

Lord Carter stated that his Digital Britain team had had “a lot of engagement” with Wales,230 and that there had been a number of visits and “a number of engagements with the Assembly”231.

106. Ministers from the Welsh Assembly Government and the UK Government have assured us that there are good communications and effective coordination between them and that the needs of Welsh people are being taken into in the development of the Digital Inclusion and Digital Britain initiatives. We were pleased to receive these reassurances but both of these initiatives involve a complex mix of reserved and devolved matters and the lack of mention of Welsh language in the Government’s Digital Inclusion Action Plan demonstrated how key matters can get overlooked in such an agenda which crosses departments, agencies and levels of government.

107. We particularly welcome the more recent publication of the Digital Britain Final Report which demonstrates great ambitions across the whole field of the digital media, and recognises the difficulties and challenges which we face. Some of those challenges are particularly acute in Wales, and there is a need for the findings of Digital Britain to
be focused into a plan for ‘Digital Wales in a Digital Britain’. We call on the Secretary of State for Wales to ensure that the next stage of Digital Britain fully reflects the needs of Wales, that Welsh MPs are fully informed about the stages of implementation and that there is a joined up approach, which involves the Welsh Assembly and the private and third sectors. We would welcome clarification of the Government’s intentions as to what the next stage of Digital Britain will be.
8 Conclusion

108. In the course of our inquiry, we have established that there is only limited information available about digital exclusion in Wales, but that the data which exist indicate that digital exclusion in Wales is not very different from that in the rest of the UK. There are some factors such as low income and a sparsely populated rural geography which are particularly relevant to Wales, but these factors also apply to parts of England, Scotland and Northern Ireland. The specific needs of Welsh language speakers is clearly a factor of particular importance in Wales. The Welsh Assembly Government has had a digital inclusion programme running for a few years, and whilst there has been careful evaluation of the impact of this programme, there remains a need for the Assembly Government to establish objective base measurements of digital exclusion in Wales which can be used to set specific targets and against which to monitor future progress.

109. The main focus of the Assembly Government’s work on digital inclusion and the UK Government’s Digital Inclusion Action Plan has been to help the most excluded people start using some form of technology. During our inquiry it became clear to us that there is also a need to provide more support to a wider range of people in order to help them use technology more effectively and to help them keep up-to-date with technology developments. For example, employers told us that they need employees with better IT skills and more training opportunities for their employees to achieve this. Whilst this is clearly a part of the Welsh Assembly Government’s education policy, we recommend that the Assembly Government also brings it more explicitly within its digital inclusion agenda. In addition, the higher education sector in Wales has much to offer the digital inclusion agenda with regard to teaching, research and innovation, and we recommend that the Welsh Assembly works with the sector to define the sector’s contribution to promoting digital inclusion in Wales.

110. The Welsh Assembly Government already has a well-developed and successful programme of digital inclusion projects in Wales and has stated that it intends to develop its own digital inclusion action plan. We can see the sense in developing a discrete action plan for Wales, given that many of the policy areas are devolved. However, the Welsh Assembly Government must still find a way of becoming fully involved with the UK digital inclusion and Digital Britain work, otherwise it risks missing out on the policy development and funding opportunities for reserved matters including telecoms and higher education research for which there are many proposals in the Digital Britain Final Report. There would also be benefits for everyone if there were more opportunities for sharing good practice between projects and initiatives in Wales and England.

111. At the time of taking evidence for this inquiry, responsibility for digital inclusion lay with the Secretary of State for Wales and for Digital Britain with the junior Minister in the Department for Culture, Media and Sport and in the Department for Business, Enterprise and Regulatory Reform. As a result of machinery of government changes, it is no longer clear where either of those responsibilities now lie. We urge the Government to clarify who will have the lead responsibility for taking forward the
digital inclusion and Digital Britain work, at a Cabinet, junior ministerial and departmental level.
Conclusions and recommendations

Barriers to take-up of technology in Wales

1. We are encouraged to note that the proportion of households with internet access in Wales is good compared to other European nations. There is no evidence that digital exclusion is significantly greater or different in nature in Wales compared to the rest of UK, but there are clearly factors which are of particular relevance. People living in hilly or sparsely populated areas are more likely to encounter a problem with access to broadband and mobile networks, and older people and those on lower incomes are less likely to choose to use the internet and other digital technology. In addition, there is some evidence that the take-up of other devices in the home, such as digital cameras and mobile phones, is lower in Wales than in the other UK nations. Further research is needed to understand the specific reasons for low take-up in particular communities in Wales and how best to overcome these and we recommend that this is undertaken by the Welsh Assembly Government. (Paragraph 15)

Welsh Language

2. We were disappointed to note that no account had been taken with regard to the needs of Welsh language speakers in the Digital Inclusion Action Plan. We recommend that both the UK Government and the Welsh Assembly Government give careful consideration to the needs of Welsh language speakers and to the recommendations made by the Welsh Language Board with regard to the role of the digital inclusion champion and the implementation of the action plan. (Paragraph 18)

Digital Inclusion projects in Wales

3. There is a wide range of digital inclusion projects already running in Wales, with good cooperation from commercial and other organisations. The Assembly Government’s digital inclusion programme has been recognised as a model of good practice. A successor programme is now underway, with the support of European project funding. In the longer term there will be a need to collect more accurate data about the extent of remaining exclusion in Wales and to make sustainable plans to address whichever issues remain outstanding. (Paragraph 21)

Broadband

4. Lack of broadband access presents real problems to people in Wales and compromises their work and leisure opportunities. Broadband access is no longer a merely a desirable service, it has become an essential utility and a basic prerequisite for access to many services. Digital inclusion will only be achieved when the broadband ‘notspots’ are eradicated. We are encouraged to hear that the Welsh Assembly Government and BT Openreach have an active programme and funding
in place to resolve the problem of ‘notspots’. This issue must continue to receive priority attention. (Paragraph 26)

5. We support the Government’s proposals to introduce a universal service commitment for broadband and to provide public funding for this service. The provision of reliable and high quality broadband access for all is an essential part of achieving digital inclusion. There will be particular challenges in Wales because of its hilly topography and areas of low population density. Innovative solutions may have to be found for some areas, and public funding provided for the less commercially attractive areas. Both of these must be provided so that the population of Wales benefits from the same high level of coverage as the rest of the UK. (Paragraph 31)

6. The Welsh Assembly Government has already invested in improved broadband services but telecommunications is a reserved matter and we look to the UK Government to provide the support necessary to achieve a universal service in Wales. (Paragraph 32)

**Next generation access networks**

7. There is a tension between the desire to encourage commercial operators to invest in developing networks linking business and urban sites, with the incentive of achieving high rates of return, and the desire to achieve universal coverage so as to support the digital inclusion agenda. (Paragraph 35)

8. A number of next generation or superfast broadband services are already available in parts of Wales and further network developments are underway or being planned, predominantly in the most commercially attractive and densely populated areas. The extent to which new applications will become available as a result of these much faster communications and how and by whom they will be used, is not yet known, but there is an emerging consensus that access to next generation broadband will be a key factor in future economic growth. (Paragraph 39)

9. The costs of implementing next generation networks for all are considerable. We support the Digital Britain proposal to create an independent Next Generation Fund to subsidise network development in less commercially economic areas so as to ensure that disadvantaged and rural communities can share the economic benefits. There is a long lead time in building these networks and we urge the UK Government and Welsh Assembly Government to start work together on the necessary planning at the earliest opportunity. (Paragraph 40)

10. We believe that when public money is used to fund projects such as FibreSpeed, it is paramount that the network is designed to operate on an open access basis and that this open access is seen to work in practice for both businesses and consumers. We recommend that the outcomes of the FibreSpeed project are carefully evaluated and published by the Welsh Assembly Government at the earliest possible opportunity so that the potential benefits and drawbacks of joint investment can be better understood, and used to inform future public investment in next generation networks. We intend to monitor this issue in the coming months, and in the
meantime would welcome evidence about any barriers impeding the provision of open access and successful examples where open access has been achieved in the wider community beyond the hubs on the spine. (Paragraph 42)

**Mobile**

11. Mobile handsets are widely available, easy to use and portable, and for some people they are the preferred technology for gaining access to the internet. Mobile technology clearly has a key role to play in promoting greater digital inclusion. However, mobile coverage in Wales is much poorer than in England and there are a number of UK-wide issues which need to be resolved in order to increase mobile 3G coverage around the UK. These are being addressed by the Digital Britain team and we look to the UK Government to ensure that progress continues to be made. We also urge the UK Government to recognise that mobile coverage is significantly poorer in Wales than in England, identify what particular measures could facilitate improved coverage for Wales and take action to implement these measures so as to enable the people of Wales to participate in the benefits of mobile technology to the same extent as other UK citizens. (Paragraph 48)

**Television**

12. Digital television offers people greater choice of content and services than analogue television. It can provide access to online services, and as a familiar and well-established platform it has a role to play in promoting greater digital inclusion. The digital switchover is underway in Wales. There will be useful lessons to learn from the experience of the Switchover Help Scheme in terms of how best to access hard to reach and disadvantaged groups and how to encourage them to engage with digital technology. (Paragraph 52)

**Content provision**

13. The switch to digital services has introduced new competition for public service broadcasters which means that some programme making is no longer financially viable. Given the reduced public service commitment for ITV Wales, the continued provision of a choice of English language cultural and news television programmes in Wales is now uncertain. Until a new source of funding is identified to support an alternative provider, English speaking people in Wales could soon be reliant on the BBC as the single news broadcaster in Wales. We urge the Government to conduct its Licence Fee consultation swiftly, and to identify sources of funding to support the provision of a range of television content for the people of Wales. (Paragraph 55)

**Radio**

14. In our Report, *Globalisation and its impact on Wales*, we identified a problem with universal access to digital radio services in Wales. We expressed concern that DAB access to BBC Radio Wales and BBC Radio Cymru was not universal throughout Wales. Whilst some steps have been taken to address this problem, progress is slow. If DAB radio is to become an important part of the digital inclusion agenda and if all
national broadcast radio stations are to be DAB-only from the end of 2015, the Government must first ensure that DAB has universal reach throughout Wales. (Paragraph 60)

**Media literacy**

15. Media literacy is a confusing term which has been used to describe a wide range of technical and social skills for people with very different abilities and aspirations. Technology is constantly changing and developing and acquiring media literacy skills is not a one-off exercise but a continuing process. The role of Ofcom has been to promote and encourage media literacy initiatives, but there has been no clear programme of how these will be implemented, and no overall strategy to ensure that everyone has the opportunity to acquire the skills that they need. We welcome the proposals in Digital Britain to re-focus this work, and in particular the recognition that this must involve continued joint working with the devolved Nations. (Paragraph 66)

**Skills for work**

16. Witnesses have told us that the existing provision of IT training is inadequate for business’s needs. Young people need to acquire IT skills, as well as other basic communication and social skills. People already in employment need ways of updating their skills and people out of work need ways of acquiring IT skills to improve their chances of finding work. Businesses need to have access to training which will develop their employees’ skills so that they can contribute to economic growth in Wales. We recommend that the Welsh Assembly Government includes specific targets for IT education and training in its digital inclusion action plan and that it uses these to monitor progress made with regard to business needs. (Paragraph 70)

**Higher education and digital inclusion**

17. The higher education sector has a crucial contribution to make to the digital inclusion agenda, in terms teaching, research and innovation. We are pleased to see this recognised in the Digital Britain Report and look forward to seeing the role for the higher education sector in Wales being articulated more specifically in the Welsh Assembly Government’s plans for digital inclusion in Wales. (Paragraph 77)

18. The higher education sector in Wales has historically received a smaller share of UK research funds than would be expected from its relative size and merit. In our report on Cross-border Provision of Higher Education, we noted that research investment brings significant economic benefits to the surrounding localities and pointed out the importance of building centres of excellence in Wales in order to encourage such investment. We urge the UK Government to ensure that Welsh higher education institutions are fully involved in any new research opportunities arising from the Digital Britain initiative. (Paragraph 78)
The risks to children and young people

19. There are many initiatives in place for addressing the risks to young people when using technology. However there is no single consistent programme or one stop shop and it is not clear who is responsible and where parents should go for advice. There is a danger that the proliferation of different initiatives will confuse rather than inform those who are looking for help. Much good work has come out of the Byron review, including the establishment of UKCCIS. We recommend that UKCCIS works with all levels of government to consider the implementation of UK safety initiatives in Wales, and the relationship of these with existing devolved services, with a view to providing a coherent public awareness and education programme for young people in Wales. (Paragraph 92)

The risks to businesses and the economy of Wales

20. With regard to the reporting and coordination of response to e-crimes, Wales is at the forefront of the UK. There is, however, still a need to improve the registration of e-crimes in order to improve data collection. More education is needed for businesses and their employees so that they can understand the risks and the actions they can take to reduce those risks. The introduction of technology and e-commerce within a workforce that is not properly trained to manage the risks, poses a threat to the Welsh economy. An effective and inclusive training programme for all employees is one of the best ways of protecting against business and economic risks associated with the introduction of technology. (Paragraph 100)

Policy Coordination

21. Ministers from the Welsh Assembly Government and the UK Government have assured us that there are good communications and effective coordination between them and that the needs of Welsh people are being taken into in the development of the Digital Inclusion and Digital Britain initiatives. We were pleased to receive these reassurances but both of these initiatives involve a complex mix of reserved and devolved matters and the lack of mention of Welsh language in the Government’s Digital Inclusion Action Plan demonstrated how key matters can get overlooked in such an agenda which crosses departments, agencies and levels of government. (Paragraph 106)

22. We particularly welcome the more recent publication of the Digital Britain Final Report which demonstrates great ambitions across the whole field of the digital media, and recognises the difficulties and challenges which we face. Some of those challenges are particularly acute in Wales, and there is a need for the findings of Digital Britain to be focused into a plan for ‘Digital Wales in a Digital Britain’. We call on the Secretary of State for Wales to ensure that the next stage of Digital Britain fully reflects the needs of Wales, that Welsh MPs are fully informed about the stages of implementation and that there is a joined up approach, which involves the Welsh Assembly and the private and third sectors. We would welcome clarification of the Government’s intentions as to what the next stage of Digital Britain will be. (Paragraph 107)
Conclusion

23. In the course of our inquiry, we have established that there is only limited information available about digital exclusion in Wales, but that the data which exist indicate that digital exclusion in Wales is not very different from that in the rest of the UK. There are some factors such as low income and a sparsely populated rural geography which are particularly relevant to Wales, but these factors also apply to parts of England, Scotland and Northern Ireland. The specific needs of Welsh language speakers is clearly a factor of particular importance in Wales. The Welsh Assembly Government has had a digital inclusion programme running for a few years, and whilst there has been careful evaluation of the impact of this programme, there remains a need for the Assembly Government to establish objective base measurements of digital exclusion in Wales which can be used to set specific targets and against which to monitor future progress. (Paragraph 108)

24. The main focus of the Assembly Government’s work on digital inclusion and the UK Government’s Digital Inclusion Action Plan has been to help the most excluded people start using some form of technology. During our inquiry it became clear to us that there is also a need to provide more support to a wider range of people in order to help them use technology more effectively and to help them keep up-to-date with technology developments. For example, employers told us that they need employees with better IT skills and more training opportunities for their employees to achieve this. Whilst this is clearly a part of the Welsh Assembly Government’s education policy, we recommend that the Assembly Government also brings it more explicitly within its digital inclusion agenda. In addition, the higher education sector in Wales has much to offer the digital inclusion agenda with regard to teaching, research and innovation, and we recommend that the Welsh Assembly works with the sector to define the sector’s contribution to promoting digital inclusion in Wales. (Paragraph 109)

25. The Welsh Assembly Government already has a well-developed and successful programme of digital inclusion projects in Wales and has stated that it intends to develop its own digital inclusion action plan. We can see the sense in developing a discrete action plan for Wales, given that many of the policy areas are devolved. However, the Welsh Assembly Government must still find a way of becoming fully involved with the UK digital inclusion and Digital Britain work, otherwise it risks missing out on the policy development and funding opportunities for reserved matters including telecoms and higher education research for which there are many proposals in the Digital Britain Final Report. There would also be benefits for everyone if there were more opportunities for sharing good practice between projects and initiatives in Wales and England. (Paragraph 110)

26. At the time of taking evidence for this inquiry, responsibility for digital inclusion lay with the Secretary of State for Wales and for Digital Britain with the junior Minister in the Department for Culture, Media and Sport and in the Department for Business, Enterprise and Regulatory Reform. As a result of machinery of government changes, it is no longer clear where either of those responsibilities now lie. We urge the Government to clarify who will have the lead responsibility for taking forward the
digital inclusion and Digital Britain work, at a Cabinet, junior ministerial and departmental level. (Paragraph 111)
Formal Minutes

Tuesday 21 July 2009

Members present:

Dr Hywel Francis, in the Chair

Nia Griffith  Mr Martyn Jones
Mrs Sian James  Alun Michael
Mr David Jones  Albert Owen

Draft Report (Digital Inclusion in Wales), proposed by the Chairman, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 111 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Thirteenth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 10 and 24 February, and 3 and 10 March.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Tuesday 13 October at 10am]
Witnesses

Tuesday 3 March 2009

Dr Neil Selwyn, London Institute of Education and Dr Ben Anderson, Essex University

Mr Rhodri Williams, Director, Ofcom, Wales, Mr Robin Blake, Head of Media Literacy, Ofcom, and Mr Hywel William, Head of Broadcasting and Telecommunications, Ofcom, Wales

Tuesday 10 March 2009

Ms Ann Beynon, Director, BT Wales and Mr Simon Paul, Inclusion Programme Manager, BT,

Mr Chris Smedley, Chief Executive Officer, Geo and Mr Jon James, Director of Broadband, Virgin Media,

Thursday 17 March 2009

Ms Emma Wilson, Head of Public Affairs, Vodafone UK, and Mr Tom Brookes, European Director of Government Affairs, Apple,

Mr Adrian Poole, Head of Technology, BBC Cymru Wales, Mr Rhodri Talfan Davies, Head of Strategy and Communications, BBC Cymru Wales, Mr David Scott, Chief Executive, Digital UK, Ms Gwenllian Carr, National Manager for Wales, Digital UK, and Mr Wilf White, Director of Policy, Digital Switchover Help Scheme,

Tuesday 31 March 2009

Professor Sonia Livingstone, London School of Economics, Department of Media and Communications, Mr David Miles, European Development Director, Family Online Safety Institute and Mr Robin Blake, Head of Media Literacy, Ofcom

Mr Tony Neate, Get Safe Online and Detective Chief Superintendent Christopher Corcoran, Divisional Commander, Crime Services e-Crime Wales

Tuesday 28 April 2009

Mr Leighton Andrews AM, Deputy Minister for Regeneration, Welsh Assembly Government, Mr Alun Burge, Head of Digital Inclusion Unit, Welsh Assembly Government, and Mr Richard Sewell, Department of Economy and Transport, Welsh Assembly Government

Dr Gail Bradbrook, Citizens Online, Mr Russell Lawson, Federation of Small Businesses Wales, and Mr Antony Walker, Chief Executive, Broadband Stakeholder Group
Monday 11 May 2009

Mr Huw Gapper, Head of Central Government Unit, and Ms Gwenith Price, Director of Language Schemes, Welsh Language Board  Ev 62

Mr Rob Humphreys, Director, Ms Jane Williams, Assistant Director, and Mr Dewi Knight, Policy and Public Affairs Manager, Open University in Wales  Ev 64

Mr David Learmont, Director of Information and Library Services, and Professor Siân Hope, Deputy Pro Vice Chancellor, Bangor University  Ev 69

Tuesday 19 May 2009

Lord Carter of Barnes, CBE, a Member of the House of Lords, Minister for Communications, Technology and Broadcasting, and Mr Jon Zeff, Director of Media, DCMS  Ev 74

Mr Paul Murphy, MP, Secretary of State for Wales and Minister for Digital Inclusion, Dr Bert Provan, Senior Civil Servant, Cross-Government Digital Inclusion Team, Department for Communities and Local Government, and Mr Andy Carter, Head of Broadband Policy, Department for Business, Enterprise and Regulatory Reform  Ev 82

List of written evidence

1 Memorandum submitted by Dr Ben Anderson  Ev 88
2 Memorandum submitted by Apple  Ev 91
3 Memorandum submitted by Bangor University  Ev 92
4 Memorandum submitted by BBC Cymru Wales  Ev 94
5 Supplementary memorandum submitted by BBC Cymru Wales  Ev 98
6 Memorandum submitted by Broadband Stakeholder Group  Ev 98
7 Memorandum submitted by Mr Tom J. Brooks  Ev 109
8 Memorandum submitted by BT  Ev 110
9 Supplementary memorandum submitted by BT  Ev 121
10 Memorandum submitted by Lord Carter  Ev 121
11 Memorandum submitted by CBI Wales  Ev 121
12 Memorandum received from Citizens Online  Ev 122
13 Memorandum submitted by Emeritus Professor Peter Cobbold  Ev 123
14 Memorandum submitted by Community Broadband Network  Ev 124
15 Memorandum submitted by Digital UK  Ev 124
16 Memorandum submitted by dotCYM Cyf  Ev 128
17 Memorandum submitted by E-Crime Wales  Ev 131
18 Memorandum submitted by Family Online Safety Institute  Ev 134
19 Memorandum submitted by the Federation of Small Businesses in Wales  Ev 136
20 Memorandum submitted by Geo Networks Limited  Ev 139
21 Memorandum submitted by Get Safe Online  Ev 145
22 Memorandum submitted by Mrs Sandra Hilton  Ev 147
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23 Memorandum submitted by Hutchison 3G UK Ltd Ev 148
24 Memorandum submitted by ITV Wales Ev 149
25 Memorandum submitted by Professor Sonia Livingstone, Department of Media and Communications at LSE Ev 150
26 Memorandum submitted by Mobile Operators Association Ev 154
27 Memorandum submitted by NIACE Dysgu Cymru Ev 157
28 Memorandum submitted by Ofcom Ev 158
29 Memorandum submitted by Ofcom Ev 215
30 Memorandum submitted by the Open University in Wales Ev 219
31 Memorandum submitted by Orange Ev 221
32 Memorandum submitted by Skillset Ev 222
33 Memorandum submitted by T-Mobile Ev 224
34 Memorandum submitted by the UK Government Ev 227
35 Memorandum submitted by UK onlinecentres Ev 241
36 Memorandum submitted by the University of Wales, Newport Ev 244
37 Memorandum submitted by Virgin Media Ev 252
38 Memorandum submitted by Vodafone Ev 254
39 Supplementary memorandum submitted by Vodafone Ev 260
40 Memorandum submitted by the Welsh Assembly Government Ev 260
41 Memorandum submitted by the Welsh Language Board Ev 271
42 Supplementary memorandum submitted by the Welsh Language Board Ev 275
43 Memorandum submitted by Wise Kids Ev 277
List of Reports from the Committee during the current Parliament

**Session 2008-09**

| First Report | Cross-border provision of public services for Wales: Further and higher education | HC 57 |
| Second Report | Globalisation and its impact on Wales | HC 184 –I, II |
| Third Report | Proposed National Assembly for Wales (Legislative Competence) (Agriculture and Rural Development) Order 2008 | HC 5 |
| Fourth Report | Work of the Committee 2007-08 | HC 252 |
| Fifth Report | The provision of cross-border health services for Wales | HC 56 |
| Sixth Report | Proposed National Assembly for Wales (Legislative Competence) (Social Welfare) Order 2009 | HC 306 |
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## Digital Inclusion in Wales

Government Response to the Committee’s Seventh Report of Session 2008-09

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Oral evidence

Taken before the Welsh Affairs Committee
on Tuesday 3 March 2009

Members present
Dr Hywel Francis, in the Chair
Mrs Siân C James
Mr David Jones
Hywel Williams
Mark Williams

Witnesses: Dr Neil Selwyn, London Institute of Education and Dr Ben Anderson, Essex University, gave evidence.

Q1 Chairman: Good morning and welcome to the select committee and its inquiry on Digital Inclusion in Wales. Could I invite you to introduce yourselves for the record, please?

Dr Anderson: Ben Anderson from the University of Essex.
Dr Selwyn: Neil Selwyn from the Institute of Education at the University of London.

Q2 Hywel Williams: What data is available about the extent and nature of digital exclusion in Wales?

Dr Anderson: It appears to have changed over time, which you may have seen from the submission that I made. Certainly the indicators of social exclusion have changed over time in Wales—digital exclusion as well. To give you an example of internet access in the household, looking at the data we have got going back to 2001–02, the employment status of household heads made no difference at all to whether or not they had internet access in 2001–02, nor in 2006, and yet in London it does. That is an example of how the social characteristics can actually have different effects on whether or not people are likely to have internet access for very different reasons in different parts of the country. As you may have seen from the maps that I gave you, there are obviously huge variations, even within constituency areas and local authority areas where you might expect there to be higher internet access, for example, leaving out all of the other technologies we might talk about. It seems, from the data at least, that over time parts of Wales have caught up with others; so, in other words, it is now more equal than it was; but clearly there are still isolated rural communities that we looked at; there are more of them in Wales than there are in England, so those factors are very, very important.

Q3 Hywel Williams: Is this geography, class or income?

Dr Anderson: All of those mixed together in different ways and, unfortunately, in quite complicated ways; because you have, for example, got the infrastructure issues—so cable company coverage in urban areas set against broadband of different kinds, and presumably in the future increasingly different kinds. Not only do you have those social demographic things, you have got the infrastructure side of it but then you have simply got attitudes and values; and the same social characteristics in one place may have a very high value placed on internet access and in another they may not for reasons that are very, very difficult to get at and very qualitative.

Q4 Mrs James: I just want to expand on this theme a little bit. What barriers do you see to digital inclusion which are particularly relevant in Wales—the particular barriers in Wales?

Dr Selwyn: Just to follow on from what Dr Anderson was saying about attitudes and values. We carried out a research project in six communities in Wales and six communities in England that were comparable, and we were looking at: why people did or did not use technology, particularly internet and computers; how they develop skills and know-how. We found, as Ben says, a very complex set of factors that influence people’s engagement with technology and there were not necessarily differences between England and Wales; there were differences between the communities. When we are looking at the Valleys communities in Nantyglo, for example, the differences were very different in terms of Beaufort. It was very difficult to understand whether this was a factor of location, area or locality, or whether it was due to the individual. We found the usual variables which are associated with social inclusion such as: class; economic background; and age, were all very, very important. In terms of Wales in particular I would say geography; topography in terms of the coverage of wireless and wired connections; and rurality as well, and the fact we have got isolated rural communities that we looked at; there are more of them in Wales than there are in England, so those factors are very, very important; and also, of course, language in particular areas. The relevance of content to people was very, very important. They had to have content which was relevant to what they were interested in and their needs. Obviously for first language speakers you need to have Welsh language content.

Q5 Mrs James: That is quite interesting. We know there is a direct link to social inclusion and things like background, poor health et cetera, but you have picked up on topography as a particular area. Could there possibly be a link between the fact that
it is difficult to digitalise Wales because of that topography; and who is picking up the bill at the end of the day; and who is responsible for that?

Dr Selwyn: Yes, we were particularly interested in how individuals experienced technology; and so topography was very important, as I said, for the Valleys communities. If a public access point is in another valley, it is actually very difficult to get from one to the other as you know, even though it is only five miles apart. So at the individual level I think it is very important; and obviously in terms of the industry level, topography is a big issue in terms of expanding the reach of networks.

Dr Anderson: Economically speaking there is only so much you can do. You have an S-curve, if you like, and at some point you are going to get into this thin bit and it is not going to change much no matter what you do, particularly changing the cost infrastructure. What does it cost to be digitally included obviously depends on what you mean by: what channels are you interested in; is it little mobile devices for £150 that delivers government services; is it a mobile phone; will that do; or are you talking about something very different. In terms of barriers, in a way you run out of levers— or you will run out of political levers—social policy levers, if you like, and you are simply left with the ones which are going to be increasingly more difficult to overcome. At that point I think we have to weigh up the cost benefits particularly when you are wondering who is actually going to be pushing the levers and the buttons.

Q6 Mrs James: Are there any specific ways that digitally excluded people in Wales are losing out? Is there anything you could put your finger on?

Dr Anderson: I do not have any evidence about that particularly, no.

Dr Selwyn: No more than people losing out in England. Our evidence was that, as I said, it was not a country thing; it was much to do with local communities and individuals.

Q7 Hywel Williams: Could I just pursue that point for a moment. Dr Selwyn, you said that language was one of the issues. Can I invite you to expand on anything you might know about that? Can I also just preface that by saying there is a place called Penryndafhys just outside my constituency where, in the early 1990s, there was an earlier scheme there which was through the medium of Welsh, which meant that a large proportion of the village were on broadband and were actually provided with computers as well at a very advantageous price; but one of the reasons I suspect was because the service was in Welsh.

Dr Selwyn: As I said, from the research we have done with low-using and non-using individuals, it is the idea of content of services which are relevant to them, rather than relevant to the organisations which are trying to work with them. In particular, we have found that where people could access information and services that were tacked into their hobbies, leisure interests or their background then they were much more likely to engage. Obviously if you think about communities where Welsh first language speakers reside more often, then that is a crucial thing. We had the thing with Microsoft and the spellchecker in Welsh years ago and Word was suddenly accessible to different groups. In the research I carried out we did a household survey for a 1,001 people in southeast Wales and the west of England to try and compare the two communities: Welsh language did not come up as a big issue at all. We had one or two people who wanted to fill the survey in in Welsh and actually have the interview in Welsh, but other than that the Welsh language did not come up. I think, as you have said, it is different areas of Wales that perhaps were not covered by our survey.

Q8 Hywel Williams: Are there any studies specifically of introducing a service in another language, not necessarily Welsh, and then having measurable effects on take-up or use?

Dr Selwyn: Not to my knowledge.

Dr Anderson: I am just doing some work with British Columbia at the moment where they are rolling out broadband to some of the native communities and they are seeing early indications at least that the provision of local cultural content (and it is not done by federal government or anybody like that; it is done by the communities themselves as part of a skilling process) is having quite a significant effect on at least self-perceptions of cohesion within those communities. That is not to say that it actually has a measurable social outcome, other than we know those sorts of self-perception do lead to positive social engagement over time. Obviously there is an historical issue there—that may well be the case with Wales, I do not know that case as effectively—but certainly with respect to engaging those cultural communities in a way that makes them feel far less socially, economically and politically isolated than they have been, it does appear to be making a difference. That is not naturally to do with broadband; it is actually what you are doing with it.

Q9 Hywel Williams: It is the content. Just to sum up, therefore, apart from providing the equipment and the networks, what else is necessary to ensure that everyone can benefit from digital technology?

Dr Anderson: Attitudes; skills; motivations. If it does not serve a purpose then by and large people will not bother with it. Why would they?

Dr Selwyn: Just to follow on from that as well. When we talk about “access”, it is access to the technical hardware, access to the software and the connectivity; but above and beyond that, particularly from the research we have done in the communities, was the need for technical support, but also social support as well. Particularly with lower users, we found if they were able to talk to other people about using technology, whether they could call upon what we call “disinterested” sources of support, rather than “interested” sources of support, then they were much more likely to engage with technology on a sustained basis. One of the
challenges to policymakers is: is it possible to boost social capital in that way; is it possible to work with these informal community networks? That is a difficult question to answer.

Q10 Hywel Williams: Can I ask you therefore: what, in your view, are the strengths and weaknesses of the Government’s Digital Inclusion Action Plan? Briefly!

Dr Anderson: I was very pleased to see (and this follows directly from what Neil just said) the focus on looking at grassroots initiatives; so accepting that top-down large-scale interventions have their very limited lifetime which is to do with funding, for example, and sustainability issues—particularly when it is not engaging with the needs of the local communities. If you look at places like Alston Cybermoor, which is trying to do fibre as well, they exist on a kind of knife-edge financial basis, but they are meeting the local community’s needs and they are very effective at doing that. Engaging with those kinds of groups and giving them that kind of seed support to keep them going, keep them sustainable, I think is probably one of the strongest things that comes out of the Action Plan. I would suggest, a kind of middle ground is the online centres and to what extent they are making a difference; and we should really take a good hard look at what benefits they are delivering for the costs they are incurring; because I am not clear that we have any particularly good evidence on that. On the weaker side, the ideas around simply throwing technology into schools or into children’s homes, with no real clear idea of exactly what that will do costs they are incurring; because I am not clear that they are very e
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Q11 Mr David Jones: Is the proposed role for Government in the Action Plan appropriate, or should it be trying to do more; or would you prefer it were doing less?

Dr Selwyn: I think the Action Plan was very pleasing in a way inasmuch, as I read if anything, it highlighted the need to be confident about what Government’s limitations are. Government can do so much but then you should be happy with the Government’s limitations are. Government can do it highlighted the need to be confident about what pleasure in a way inasmuch, as I read if anything, Dr Selwyn: That would be my preference, yes. One body which has a UK-wide remit and clear remit and is supported is far better than diluting the cheerleader.

Q12 Mr David Jones: Can you expand on that?

Dr Selwyn: One argument could be, for example, that you need a digital inclusion champion for Wales and that it is no use having a digital inclusion champion for the whole of the UK. But when you look at one of the annex reports which looks at other countries’ strategies, as soon as countries such as Austria, for example, get into federal government it complicates the matter. So I think there is an argument to be made for having one digital inclusion champion for the whole of Britain but whether that is possible or not, I am not sure.

Q13 Mr David Jones: That is your preference?

Dr Selwyn: That would be my preference, yes. One body which has a UK-wide remit and clear remit and is supported is far better than diluting the cheerleader.

Q14 Mr David Jones: On the basis you have just said, I take it that the problem of inclusion may be different in different parts of Britain but essentially it is the same problem?

Dr Selwyn: Absolutely, yes.

Q15 Mr David Jones: Is there any evidence that interventions to promote digital inclusion can actually achieve results? If so, what would you say is the most effective form of intervention?

Dr Selwyn: I think one of the recurring themes from the literature is that it is very difficult to pinpoint any outcome. In some ways, one of the conclusions which comes from the academic research is that we should not be trying to fix targets and indicators to such interventions. It is very difficult, for example, if you look at the role of UK online centres, and LearnDirect centres, to show that there is any tangible difference in educational outcome. A lot of that will come from the way that we measure educational outcome. We are driven in many ways by the indicators we have got. If our measure of educational outcome is increasing qualifications, or GCSEs, whatever we choose to do, it is very difficult to pinpoint the role of technology or the role of intervention in causing those differences. There is very little conclusive evidence, I would say, of the difference.

Dr Anderson: I would go along with that, but it has to be said it is almost an absence of evidence rather than evidence that there is nothing happening. There have been very few interventions that have actually looked over some substantial period of time and we conducted a review a couple of years ago; and many of them were trying to do impact assessments six months after the schemes had started, when you need to be looking at it two, three or four years down the line. The evidence for supporting which ones work best is very sketchy; however, what we did find was that some of the grassroots initiatives—which by their very nature assess their own effectiveness, because they have to, because they need to keep going—they generate the evidence that there is for their own being and so you have to take a little bit of caution.
Ev 4 Welsh Affairs Committee: Evidence

3 March 2009 Dr Neil Selwyn and Dr Ben Anderson

Q16 Mr David Jones: Is that not the strength of the internet in any event? It may be described as “anarchic” but it ultimately empowers people to strike their own courses and to develop things they are particularly interested in and expand on them? I wonder whether, for example, Facebook could ever have been the result of intervention?

Dr Anderson: It has an interestingly organic growth model, and also the open growth model which enables people to put their own applications and services on it, which the old closed garden view of internet access, particularly in interventions for example, was always bound to fail because of that. Possibly. In a way then you are debating what the place of government versus the market is in providing these kinds of social services, if you like. I think it is a very difficult question.

Q17 Mark Williams: You rounded off your submission to us by those four entitlements which are very general but fundamental to the way ahead. How proactive a role would you like to see Government taking in providing those entitlements? You have talked about a “bottom-up approach” to it, but there are certain structural things that follow from those entitlements.

Dr Selwyn: In terms of the entitlement, the first one in terms of “all individuals are able to exercise an empowered and informed choice about their use or non-use of ICT”, the factors behind that are very, very complex. One of the things I was trying to argue in this report was that Government can obviously address entitlement four: “All individuals have ready access to a full range of ICT hardware and software”, that is more the technological provision. The other ones come from that use, but also come from, as we said, things like social capital, working with local communities, and it is often on an individual level. One of the recommendations we were making from this work was that Government should not allow digital inclusion to allow you to take your eye off the ball from social inclusion. A lot of entitlements one, two and three come from the work that is just targeting social inclusion in general: stronger communities, better relationships, levels of education, levels of literacy, for example. You are not going to be able to use the internet very effectively unless you have a working level of literacy. In that respect Government can carry on addressing the wider issue of social inclusion and, hopefully, the rest will follow—but it will not unless there is the technological infrastructure.

Q18 Hywel Williams: Can I just ask about the literacy question. Is there a read across, say, in Government policy between this particular aspect? The people who are interested in promoting literacy, do they talk to each other?

Dr Selwyn: Yes. Digital literacy is one of the buzz words both in policy and in academia and it works on two levels: obviously there are literacies which are directly relevant to using a piece of technology—mobile phone or computer—but they are fundamentally underpinned by working literacy, the ability to read, write and be numerate. The strategies in education, for example, have ICT as a third plank: reading, writing and technology. The danger is that we focus on people’s inability to use technology just as a technical skill, and we forget about the other basic literacies behind it.

Q19 Hywel Williams: Do you have any knowledge of any initiatives which impress the differential literacy amongst some language groups. I will give you an explanation because, although lots of people speak Welsh, a smaller number, say a third, are able to read, and yet another smaller number are able to write. I assume that that might have some fundamental influence on the use of any content really?

Dr Selwyn: We did a study for ACEN the Welsh language learning organisation. We were looking at who was using their resources. This was back in 2001, I think, and we actually found that the people who were using the resources tended to be spread all around the world: North American Welsh language learners; people in Guatemala who wanted just to learn a fifth language; and we did not find so many people in Wales learning to speak Welsh, which was quite disappointing. That is the only piece of research which I have done personally in that area.

Q20 Mr David Jones: You mentioned the expression “digital literacy” and that, I guess, is different from “literacy” as it is generally understood. For example, it would take some while for someone who had no acquaintance with the internet, even though he could read a page on a computer screen, to understand that an “underline” means you press on that and the link will take you to a different page?

Dr Selwyn: Absolutely.

Q21 Mr David Jones: That is something I guess that can be taught, but again to a large extent it is something that only develops with use?

Dr Selwyn: Absolutely.

Q22 Mr David Jones: In other words, it takes some time, you read a page several times, before you realise that if you click on that highlighted link you will go to another page?

Dr Selwyn: Yes.

Q23 Mr David Jones: Again, you learn that differently from traditional literacy. To a large extent you have to learn that by use?

Dr Selwyn: Yes, indeed. Lots of IT skills, particularly with the qualitative work, is that people just pick it up “sitting by Nellie”. In the workplace, for example, you would literally learn from what someone is doing rather than being taught it. IT skills often are caught and not taught in that way. I think the point you are making also highlights the fact that digital inclusion is not

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exactly the same as social inclusion. You could have a high level educational background, you could be highly literate, you could have high income and still be digitally excluded. Again, that was one of the points we were trying to make.

**Q24 Mr David Jones:** So it is not necessarily associated with poverty?
**Dr Selwyn:** It is not necessarily associated with poverty.

**Q25 Mr David Jones:** Or low academic attainment?
**Dr Selwyn:** No. I think there are two groups: there are the socially excluded who are also digitally excluded; then you have also got a group of people above and beyond that. Particular work we did highlighted the importance of age and stage, and so we interviewed lots of retired people who had had very high-powered jobs but as soon as they had left the workplace stopped using the internet because it was a work thing. Again, the challenge is: how do we re-engage or do we have to re-engage people?

**Q26 Mrs James:** I am quite interested in that—the sheer content that people are accessing—because we have an interesting phenomenon in Swansea where we have an ability to get people from very socially deprived backgrounds onto broadband through a pay-to-view system: 3,500 people have actually taken up that option. I have been trying to find out from the company that has been doing that work the reasons why people have chosen that option, apart from things like children’s homework and needing to do research at home. Do we have any experience, because I am on broadband but I do not use it for work purposes at home—it is purely there as something to spend time on with my grandchildren, to play games on. I am quite interested in why people want to get on broadband when they make that choice. Do you have anything at all on that?

**Dr Anderson:** Certainly some of the stuff that is coming out of a study from Canada is looking particularly at access to health information and the feeling of empowerment that goes with that. You said pay-to-view, so what charging mechanism is it?

**Q27 Mrs James:** It is a system where people can get white goods through paying for a television and a number of their customers actually choose to take up the broadband, get a computer, printer and then broadband. That is 3,500 people from quite socially challenged backgrounds. They are saying it is too early yet because they have not reached this three year mark with it, and they are going to be monitoring that quite clearly.

**Dr Anderson:** Another aspect that we have seen is use for leisure entertainment, in the same way as satellite and cable TV, because it is a cheap form of entertainment and leisure compared to the cinema, for example, with the additional childcare costs if you need a babysitter and so on and so forth. This is classic, and you have seen this over the last 30-40 years, of providing your own education and leisure at a lower cost through technology of various kinds.

**Q28 Mrs James:** It is just proving really that there are a lot of different reasons, not just learning?
**Dr Selwyn:** With informal learning a lot of people will use technology for informal learning but that is completely different from what we mean by formal learning; and it is often incredibly difficult to measure and incredibly difficult to actually gain any evidence of; but if you talk to people it is there.

**Chairman:** Thank you very much for your evidence this morning. Thank you, Dr Anderson, for your earlier memorandum. If you feel there are any points which we have not covered in the questions this morning we would be very pleased to hear from you. Thank you very much.

_Witnesses: Mr Rhodri Williams, Director, Ofcom, Wales, Mr Robin Blake, Head of Media Literacy, Ofcom, and Mr Hywel Williams, Head of Broadcasting and Telecommunications, Ofcom, Wales, gave evidence._

**Q29 Chairman:** Good morning. Bore da. For the record, could you introduce yourselves, please.
**Mr Blake:** I am Robin Blake, Head of Media Literacy at Ofcom.
**Mr Williams:** Rhodri Williams, Ofcom’s Director for Wales.
**Mr Williams:** Hywel Williams, Head of Broadcasting and Telecommunications for Wales.

**Q30 Hywel Williams:** Good morning. Bore da. Can I ask you about the technology infrastructure to start with. To what extent is the lack of technology infrastructure an issue for disadvantaged groups in Wales, such as people who live in rural areas or who are socially isolated or economically disadvantaged?

**Mr Williams:** Generally speaking, the availability of digital technologies—and I am including there everything from mobile telephone reception, broadband, digital radio, digital television, any kind of digital service of that kind—is affected clearly by the topography and the fact that there are in Wales more rural communities than in many parts of the United Kingdom. That also of course is something that is affected by network economics because basically the challenge to many operators—and we see this in some of the areas for which Ofcom is concerned—whereby the cost of rolling out to, let us say, 90–95% of the population of the UK is relatively low but to get to that small percentage, it is a small number but if you are a member of that group it is very important, but the cost of getting services to that small group (and it does not matter which of these services we are talking about) can be quite substantial. That is why, in general, there are very few digital services that would be available to 100% of the UK’s population. Even analogue television is only available to 98.5% of the population. We clearly have...
issues in Wales in various areas that we can probably come to later on, where this availability in that last 5%, 3% or even less sometimes is an issue, because it means that people who are affected by that have possibly a failure to access communication services, entertainment services, or services that are important in delivering health, education and other matters which are of importance to people as citizens. As more and more government services, for instance, go on-line, if you do not have adequate access to on-line services, then you are disadvantaged.

Q31 Hywel Williams: Does Ofcom have information about the nature or common characteristics of the ones who are the 5%? Is it just rurality or is it income? What is it?

Mr Williams: Usually in terms of the availability of a service then income is not a barrier there; that is more a question of affecting the take-up of services and something perhaps we will move onto later. In terms of the availability, that is a question more to do with the geography. Almost exclusively it is rural areas, sparsely populated areas, where people are a long way away from a BT telephone exchange, a main television transmitter, a relay television transmitter, a radio transmitter. It is the distance from the point of distribution that is the cause of the non-availability of the service. There are—and this is prevalent, I think, in the broadband area—some cases where you have that failure in very urban areas. There are areas of Cardiff, for instance, which have difficulty accessing broadband on account of the fact that there is aluminium used in the network, not copper as is more common in BT’s network as a whole. It is not exclusively rural, but I would say it is predominantly rural.

Mr Williams: It is worth adding as well, a very obvious point in Wales, that the mountainous nature of the terrain can be an additional issue, for example, for the availability of broadcast services, typically so. For example, although the Welsh population is about 5% of that of the UK, we have about 20% of the UK’s television relay transmitters and these are little transmitters that help the main transmitters get into communities that are shielded by mountainous areas.

Mr Williams: One thing we have tried to do since Ofcom took up its responsibilities very late in 2003 is to publish on an annual basis a compendium of information that is available on this. We have tried to include what we thought were the relevant parts in our written evidence, but that is updated on an annual basis in the Communications Market Report for Wales.

Q32 Hywel Williams: Could I just ask perhaps a parochial question, but who is responsible for providing TV relays? I am thinking of a north-east facing row of town houses in my constituency where there used to be a relay but apparently it is no longer there?

Mr Williams: Historically it was the broadcasters through investment directed by government of the time; but there was a relay building programme that finished somewhere in the mid-90s now where they had got down to the point where they were serving round about 200 or so viewers and below that level it was deemed uneconomic to continue to build relays. In addition in Wales there are small pockets of self-help schemes as well, where communities have got together to effectively build their own receiving antenna or possibly a relay in certain circumstances.

Q33 Mark Williams: Turning specifically now to broadband and with regard to the Digital Britain proposal to develop a Universal Service Commitment for broadband by 2012. We have talked about topography—I appreciate that—but what other difficulties do you foresee in rolling out that proposal and how can those difficulties be overcome? We heard the evidence earlier of Dr Selwyn who talked about “entitlements”: how do we reconcile that with network economics—because, representing a rural constituency, you will appreciate that issue comes up frequently—not just to domestic customers but particularly to small businesses? How are we going to overcome some of the challenges of network economics in rolling out that Universal Service Commitment?

Mr Williams: I think what is new and what is to be welcomed in the Digital Britain report is the fact that, generally speaking up until now, broadband has been seen as something which is delivered almost exclusively by copper wires in areas that do not have access to Virgin Media’s fibre-optic network. In Wales that only covers really an area between Newport and Swansea; and it does not cover the whole of the area at all. Most people are dependent on copper wire to get broadband via ADSL technology. I think the first thing the Digital Britain report sets out is that in order to achieve the Universal Service Commitment that they talk about a multi-platform approach would be necessary; that it will not inevitably lead to everybody having broadband via the same technology; some will be able to access it by mobile broadband of the kind currently provided by mobile telephone operators; in other cases satellite might be necessary; or there are what I would describe as “emerging” technologies—YMAX being the most well known—which would again provide wireless broadband in rural areas. There are some parts of Wales where people on a small community level are experimenting with these; but I think part of the problem is that it has been confined to a small number of areas. What the Digital Britain proposal brings into play is the possibility that the industry will fund the provision of these kinds of services going forward. There is not great detail there on it but there is mention that the industry will come together to provide this service in the same way currently as BT funds the Universal Service obligation in narrow band fixed line telephony. There will still be problems; it is not an easy one; it is not one swish of the wand and suddenly everybody gets broadband. There will still be areas and small pockets that are difficult to get to; but hopefully before the digital proposals get implemented phase 2 of the Welsh Assembly Government’s RIBS programme will have targeted more communities where there are currently
problems, so that the numbers will be even smaller. By 2012 it should be possible to deliver up to 2Mbps [megabits per second] of a broadband service to everyone in Wales.

**Q34 Mark Williams:** Is that 2012 if you call it a target a realistic one? I appreciate the work the Assembly has done and it is moving in the right direction, but hoisting people’s expectations, and rural areas and rural businesses’ expectations have definitely been hoisted up now, how realistic is that?

**Mr Williams:** I am not an engineer but I think what I would say is that with the will of Government and the cooperation of the sector—because there are some changes, for instance, in the detailed operation of the licensing arrangements of mobile telephone companies that will have a profound effect on this—the 2G liberalisation programme would allow the mobile operators to have a greater rollout of their 3G services, which are essential if mobile telephony is to play a part in this process. Alongside the Digital Britain team, the Government, we are doing what we can to ensure that those changes take place. I think the will is there. With the cooperation of the industry, Government, and ourselves as the regulator I think it is a realistic target.

**Q35 Mr David Jones:** There has, as you know, been some criticism that the 2Mbps target is really rather unambitious. What would you have to say about that?

**Mr Williams:** I think it depends from where you are looking at it. If I can use personal experience here: I live in a part of Cardiff that will shortly have access to what is described as “superfast broadband”; not only will I have access to it, I will actually have a choice of two providers: I will be able to get it either from Virgin Media, or from BT or indeed in time from other people who have access to BT’s exchange. That will give me access of 40-50Mbps. Compared to that, 2Mbps is not particularly attractive. In a sense, as superfast broadband becomes available the gap between those who have access to the faster speeds and those who have access to the slower speeds is getting bigger. If you look at it from the point of view, and we quite often hear sometimes via elected members, or members of the National Assembly, of individual cases of people who either do not have access to broadband at all or have intermittent access, or access at very, very low speeds then, to them, 2Mbps is something that they certainly think would be worth having. I think one has to be careful. Obviously there is no way it can be described as being “as good as or on a par with 40Mbps”.

**Q36 Mr David Jones:** Presumably fibre-optic infrastructure is extremely important in this context. What would you say are the main barriers to the rollout of market-led fibre broadband infrastructure in Wales?

**Mr Williams:** Cost is the simple answer to that, but I think there are two parts of the answer. If we talk about the kind of fibre-optic structure that Virgin Media has, that takes the fibre-optic to the individual consumer, then it is almost inconceivable at the current time to envisage that that kind of availability of fibre-optic services will be available throughout Wales; impossible to envisage not simply under current economic circumstances but even before. If we went back two years it would be very difficult to imagine. If you remember the history of the rollout of some of these cable companies that have now come together under the banner of Virgin Media, many of them encountered severe financial difficulties in the cause and had to be refinanced several times before getting to where they are. So I do not think it is realistic to envisage that that is going to continue in other parts of Wales. At the moment Virgin Media does not have a build out programme at all anywhere. As it happens Ofcom has released a statement and a report this morning on stimulating the rollout of superfast broadband, and that means using fibre-optic in the network but not to the consumer’s premises. I think what we will see, currently BT have a trial programme, and one of the exchanges is the Whitchurch Exchange in Cardiff (which is why I was referring to it earlier), Muswell Hill here in London is the other Exchange, and then BT have committed £1.5 billion to take this rollout of fibre-optic to the cabinet, so closer to the consumer in the years to come. I think what we are going to see over the next years is a proliferation that fibre will be spreading out further into the network, getting closer to the consumer; and what we will also see is other providers using fibre to build their own networks. I could refer here to the fibre speed programme. This is an EU and Welsh Assembly Government scheme that has built a high speed broadband connection between Manchester and Holyhead, passing through each of the business parks roughly along the route of the A55. At each of those business parks it is possible to break out of the network and offer services on a local basis. That is a service operated by a company called Geo who run similar services in other parts of the UK. There are plans for that service to be taken to other parts of Wales. The north Wales branch of it was the first phase; there are other phases envisaged.

**Q37 Mr David Jones:** You will recall that we corresponded last year about the famous “not-spot” of Gwytherin, which in fact has been addressed but addressed, unfortunately, not with a fibre-optic solution but, again, I think a copper solution. Is there some argument for suggesting that when notspots are addressed then you should grasp the nettle and, if you like, leapfrog the copper technology and go straight into the fibre-optic technology?

**Mr Williams:** There certainly was some discussion, and clearly from a consumer’s point of view the deployment of fibre in Gwytherin, or in any other similar not-spot that was being brought on-stream would be beneficial. Again, one has to be mindful of the cost to the operator; and in this case BT chose to utilise a copper option; and that I think is a decision we have to leave to them to make, as to what they can do best.
Mr William: I think it is important we provide regulatory certainty. One of the significant points of today’s announcement regarding superfast broadband is the idea that we will not be enforcing regulation of pricing of wholesale broadband by fibre. In the future a communications provider could invest knowing that they will get a return on that investment, and that there will not be regulation preventing or capping the prices they could raise.

Q38 Mr David Jones: Could we turn to telephony. According to your data Wales has poorer 2G and 3G mobile coverage than much of the rest of the United Kingdom. What steps would you say need to be taken in order to provide Wales with a similar level of service to that enjoyed in parts of England?

Mr Williams: As I said in my opening remarks, the general level of 2G coverage is very high, but again that leaves us with some notspots. In each case all of the operators have met the terms of their licences, therefore there is no regulatory mechanism by which we can force Vodafone, Orange, O2, to build more transmitters. Again, encouragingly what is included in the relevant section of the Digital Britain report is the possibility of operators being encouraged to share network assets and infrastructure so that coverage can be expanded. I think that was particularly encouraging because probably that is the first time we have heard that talked about in those sorts of terms, and certainly the first time that the Government itself is signalling an intention to work with the operators towards that end. That certainly is the way forward in terms of getting greater coverage. Then we move onto the matter I have referred to once the ability to reach an agreement with the five mobile network operators to liberalise the 2G spectrum; because under the licensing regime that existed when those licences were granted, an operator could only use the spectrum for that particular purpose. That of the characteristics of Ofcom’s approach to spectrum policy is that going forward people will be in a position to change the use they make of a particular piece of spectrum. They have a licence to use it but it is up to them and it will not be tied to a particular technology. We need to find a way of bringing this 2G spectrum into that liberalised regime. Under one of the Digital Britain work streams there is currently a team, including obviously all of the mobile operators, which has been brought together under the chairmanship of Kip Meek of the Broadband Stakeholder Group to try and secure an agreement between the mobile operators; and if that happens then what we look forward to is to see a considerable and rapid increase in the deployment of 3G technology in Wales; because, as you mention, our maps fairly clearly show that there is very little 3G availability currently in Wales; and that will be vastly improved if an agreement could be reached with the mobile operators. Of course, the other thing that will play into that will be the availability of more spectrum in due course.

Q39 Mr David Jones: Could we turn now to television, please, and that is the question of the so-called digital dividend. You have to a certain extent touched on it, but can you describe some of the potential uses and benefits of the spectrum that will be released as a result of the dividend?

Mr William: To some extent of course the spectrum could be used for the same use in the future, that is commercially. Operators might choose to bid for spectrum that is released under the process to provide more television services, in this case probably digital television services, through further digital television multiplexes. Another area that is possible is in relation to television; there is mobile television possibly, televisions in new kinds of mobile devices that people would obviously carry round with them. There is also the potential of course for development of local television, in particular in relation to the geographic interleaved spectrum. There are basically two kinds of spectrum being released through the digital dividend process: that is spectrum that has been cleared for use across the UK as a whole; but in addition there is spectrum that will be available in some areas that, in terms of frequency, is shared with the current use of digital television; but in some areas, where the television channels are not being used, that spectrum is available for other uses. We have already looked at the potential use of that for local television. Interestingly, we held an auction in Cardiff last week, and the first allocation of this spectrum in Wales was allocated to Cube Interactive; in the end there was only one applicant. They will be using the spectrum to provide, they say, local television services amongst other things, some interactive services as well, from the Wenvoe transmitter which will service Cardiff and Newport, reaching something like potentially 300,000 viewers.

Q40 Mr David Jones: Possibly more pressure on local printed media?

Mr William: Possibly, but it depends of course on the kind of services they roll out. It might well be very different from that.

Q41 Mark Williams: What steps are being taken to ensure universal access to BBC Radio Wales and BBC Radio Cymru on DAB digital radio across Wales? In your submission you talk about 74% of the population being covered largely in the south and east of Wales. You will remember our globalisation report which urged DCMS and Ofcom to work closely together to ensure universal access. Could you give us an update on where we are now in terms of extending that coverage?

Mr Williams: Under the terms of the regulatory and licensing regime that Ofcom inherited, BBC Radio Cymru and Radio Wales were treated on a par with local BBC radio services in England; that meant they were not on the UK-wide available multiplex, which is the one which delivers Radios 1, 2, 3, 4, 5 et cetera; which has meant that BBC Radio Cymru and Radio Wales have to sit, they have guaranteed coverage on any local multiplex which is in operation. I think when we last gave evidence to the Committee there were two of these in operation: Cardiff Newport being one, and Swansea being the other. We had accelerated our licensing proposals for the rest of Wales in order to ensure the availability of those services on DAB
Mr Williams: In September 2007 we licensed the North-East Wales and West Cheshire multiplex, and that is due to go on air in September of this year. In March 2008 we licensed the West and Mid Wales multiplex, and those were two areas that were brought together to create a bigger area, which enabled us to push it further up the list of licensed areas than they would have been if they were treated as two separate areas; and that will come on air by March 2010. Finally, the North Wales multiplex was awarded on 24 June 2008 and will be on air by July 2010. What we are seeing there is albeit slow for people again; if you do not receive a service I am sure people would feel this—but it is not something that can simply be turned on by turning a switch; we have to go through the licensing proposals under the terms of the 2003 Communications Act; we have to find companies that are willing to bid; and then of course not the inconsiderable task for those companies to build—

Q42 Mark Williams: Has that been a challenge—finding companies that will bid for those?

Mr Williams: It has in certain parts, because there is one area I have not mentioned there which is the Heads of the Valleys area, where although that was available very early as an area that could be licensed, there were no takers. Our approach there will be to allow the expansion of the Cardiff and Newport multiplex so that the operator there will be allowed to expand into the Heads of the Valleys in order to get provision to those people who live there.

Q43 Mrs James: Building further on some of the things you have said about digital inclusion in Wales and we have heard issues about the copper wiring and topography. Short of us ironing out Wales, because we all know we are bigger than England when we iron it out, what else do you think is necessary to ensure that everyone can benefit from digital technology?

Mr Williams: There are two challenges across all of these areas that we have been talking about: there clearly needs to be a coordinated approach, because in all of these varying areas of technology there are things that obviously commercial operators need to do, and commercial operators will only do things if there is a commercial return there. There are things I think Government can do to encourage that and, in certain cases to intervene where the market has not provided. That is what we have seen with the RIB scheme I mentioned earlier. There are things we as a regulator can do. Referring once again to the Digital Britain report, I think the benefit of the timing of that report is that it pulls together, for probably the first time in such a coordinated manner, what needs to be done in a large number of areas. That deals I think with the provision, the availability of the service; then I think the other half of the challenge is what needs to be done in certain areas to encourage take-up of those services.

Q44 Mrs James: Quickly on the back of that one, do you think that the Government and infrastructure providers are doing enough to provide the basis for a digitally-inclusive Wales?

Mr Williams: The position now is far better than it was when Ofcom first came into existence. There is a greater realisation that availability of digital services is not something for business-people alone or for people who have a specific interest in gaming or entertainment; these are services that provide key elements to people’s lives. For instance, Ofcom’s Advisory Committee for Wales has taken a great interest and has put considerable pressure on the executive at Ofcom to change the way in which mobile operators deal with 999 calls, basically to get to a stage where, if there is no 999 service available on one provider, your phone will migrate automatically to another provider to provide what is called 999 roaming. That is a very important service, as is access to healthcare services or educational services via broadband. We are moving in the right direction, there is greater appetite there than ever before and the fact that these issues have been highlighted by the work of elected members both here and in Cardiff, by Committees such as this one drawing attention to these issues, has put a greater focus on these to ensure that things are happening sooner than they otherwise would.

Q45 Mrs James: In your opinion which of the technologies is the most effective in including disadvantaged groups in Wales? Is there one that is particularly better?

Mr Williams: I do not know if there is an answer to that that is based in fact but clearly mobile telephony and what can now be done with mobile telephony— which is more than simply making telephone calls and texting—is clearly more widely available than almost any other technology. Digital television is widely available in Wales although the switchover process has not yet formally started almost in terms of what is left of it, but despite that take-up is very high. Robin, I do not know if you want to add anything.

Mr Blake: The point you make is very well-made; certainly those groups that find difficulty in acquiring a fixed line telephone connection and a PC to be able to go on-line are more likely to do so on a mobile, it is more of a personal device and they find it more comfortable to use and, with a greater flexibility that the technology is now bringing to them, it provides them with a route in where otherwise they might not have.

Q46 Chairman: Thank you very much for your evidence this morning and thank you also for your earlier memorandum which we found most helpful in preparing for this session. There are two other major issues that I want to raise, but I will do so in a letter to you; those are promoting media literacy and also online protection. Rather than have a long session on that this morning we would like you to write us a note about that, but we will write to you outlining what we are particularly interested in.

Mr Williams: Thank you, Chairman.2

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Tuesday 10 March 2009

Members present
Dr Hywel Francis, in the Chair
Mrs Siân C James
Mr David Jones
Mark Pritchard
Hywel Williams
Mark Williams

Witnesses: Ms Ann Beynon, Director, BT Wales and Mr Simon Paul, Inclusion Programme Manager, BT, gave evidence.

Q47 Chairman: Good morning, bore da. Welcome to the Welsh Affairs Committee and particularly to this inquiry on Digital Inclusion. Could you please introduce yourselves for the record, please?
Ms Beynon: I am Ann Beynon; I am the BT Director for Wales.
Mr Paul: I am Simon Paul; I am Inclusion Programme Manager for BT.

Q48 Chairman: Thank you very much. Could I begin by asking you what particular barriers to digital inclusion are relevant to Wales? Is there something special about digital inclusion and barriers in Wales?
Ms Beynon: If you look at the statistics I think they suggest Wales is pretty similar to the rest of the United Kingdom; certainly in terms of take-up of broadband it seems to be mid-table, whatever set of figures you look at. So it is not at the bottom and it is not at the top, it is in a comfortable zone in the middle in terms of take-up. The only thing I can suggest is that there will be certain parts of Wales, as there will be certain parts of other parts of the United Kingdom where you may have more difficulty in terms of accessibility and in terms of variety. There will also be areas where there would be questions of deprivation or economic disadvantage that would also be a factor in take-up of services. The other factor that seems to be persistent across the UK is age; so the older the individual the least likely that person is to use the technology in any meaningful way.

Q49 Mark Pritchard: How do you respond to the criticism that you have done a good job of turning Ofcom native, particularly in relation to the announcement last week by Ofcom that they are going to allow BT a free reign in rolling out new broadband services?
Ms Beynon: My response would be that super fast broadband, which is what Ofcom has now ruled on—and we welcome their ruling very much because it allows us to have a secure regulatory environment in which to invest and we are investing £1.5 billion in a very difficult economic climate—it is really important that Ofcom took that decision. We will be rolling out that broadband starting off in Muswell Hill and Whitechapel and there is a long list of the places we will go next. It is not going native; I think that Ofcom has looked at the reality of the situation and has understood that they really need BT to be able to make this investment, that it is in the interest of Wales and of the UK for part of the UK to have the highest possible level of connectivity in order to benefit the economy.

Q50 Mark Pritchard: But given that your shareholders and your board of directors will want a return on that investment, is it not the case that you currently have a monopoly already and the fact that Ofcom’s decision is going to see that existing monopoly extended means that customers down the line post that investment can expect very high bills because there is no competition to drive down the cost of those bills?
Ms Beynon: I do not think that is correct. I would disagree with you that BT has a monopoly. A huge amount of work has gone on in the last few years to creating a regulatory environment and the UK I think is ahead of the game in creating that kind of regulatory environment that allows access to the wholesale network for all operators. One of the key things to do with superfast broadband will be that other service providers will have access to that network, so the rollout of it will depend upon other communication providers working with BT, with Openreach, which is looking at the network itself, the access network. So there will be competition—there absolutely will be competition.

Q51 Mark Pritchard: You are on about the retail market but of course at the wholesale point, the wholesale market where you sell on to those other telecom providers, you have a complete monopoly. This inquiry is about digital inclusion and one of the biggest things to exclude people, particularly vulnerable groups, retired people, people on low incomes, the biggest barrier to entry into the digital market place and generation is price and the decision by Ofcom, no doubt, by allowing you to continue as the monopoly wholesaler, will mean that the retail arm will have to put on the costs because you can pick your price.
Ms Beynon: No. The pricing of broadband in the UK is one of the lowest in the G7; it is very competitive and prices have been moved down regularly. I do not think that price is the issue. The whole point about allowing this investment to happen is that you need an infrastructure that is accessible to all. The way our regulator Ofcom looks at BT is quite demanding: we have to demonstrate year on year the amount of Local Loop Unbundling that occurs in our exchanges, i.e. other operators that put their kit in our exchanges, and there are very
strict targets that we have to achieve to demonstrate that. That creates wholesale competition in itself. We are then obliged to make sure that we are offering all our services on a wholesale basis to all service providers in exactly the same way, so BT Retail has no advantage whatsoever from the way Openreach prices its products—the whole of the industry benefits. That creates competition and we absolutely believe in competition; we do not want bottlenecks and we believe that Ofcom has removed bottlenecks and we now have a more competitive environment in the UK than in any other European country.

Q52 Mark Pritchard: In order that Wales can benefit and indeed the whole of the United Kingdom would BT agree to a price cap on its wholesale service to those other telecoms providers, in order that prices are kept at a reasonable level for the end user?

Ms Beynon: We have not increased prices since 2005. We had an agreement recently that we can increase the pricing. We have to increase the pricing to make a sensible return on our investment. That was not a decision taken overnight; that was a decision that was pored over in detail for many months and that is the agreement we have reached with the regulator.

Q53 Mark Pritchard: Even if you increase your price from the 2005 freeze, if you want to call it that, my question is are you prepared as a company, once you have settled on a particular price, to cap it for a defined period of time in order that the retail providers to customers know how they can invest, can have a strategic review of their pricing arrangements in order that the customer knows exactly what they are going to have to pay?

Ms Beynon: When we decide on our pricing Openreach will consult with industry generally; so there is an industry methodology of consulting on pricing. We cannot agree to a cap; we would undertake a negotiation with the regulator as agreed, as is understood under the undertakings and that is what we would follow.

Q54 Chairman: If we could focus on one particular part of Wales, the South Wales Valleys, what would be the explanations for the apparent low take-up of broadband?

Ms Beynon: We do not fully understand, which is why we are currently going to undertake a piece of research, not just in the Valleys but in deprived communities to try and understand what different usages are there of the technology and what is the inhibitor to take-up. It is not impossible that we will discover that actually what is happening is that there is a huge amount of competition already and that Local Loop Unbundlers are active in areas which are low in the deprivation scale. I suspect that might be the case. So the question is going to be what do people do with the technology? So there may be an issue about social status; it could be a class issue, but we need to find out and we have so far not found any particular research that explains it. So that is why we are going to start undertaking that research ourselves.

Q55 Chairman: When would you anticipate publishing those findings?

Ms Beynon: Mid-summer, I would expect.

Q56 Mr David Jones: Essentially my question was to be very much the same thing. What factors would you point to as the reasons for the low take-up of the new technology, but I guess you are still working on the issue.

Ms Beynon: Yes. There are certain things we have done that indicate things to us. For example, we have an activity we call Internet Rangers, whereby we ask children in the last year of primary school to bring along older relatives—it could be their parents, it could be their grandparents—and they show those more elderly members of their family how to use technology. We tend to find that when that happens very few of those elderly relatives have been using that technology; so there is an age issue clearly. What we have been doing then in those kinds of activities is bringing along the local FE College and quite often we find that some of the people there will sign up and take on a course, although we do not actually push that on people. We have done the same thing working with Age Concern, doing Silver Surf events, which have been very successful. I do not know if you want to add something about that, Paul.

Mr Paul: Just going back to the research, with Age Concern we have recently commissioned some research looking at older people aged from 55 to 64 in socioeconomic group DE, which are amongst the most excluded, to understand what it is for them, the non-users, what are the barriers and what would help them to become users. So that is in train. We have a project called Crossing the Divide and one of the outcomes from that is that if you provide equipment, online access and support, all three, then you can make fantastic progress, and the feedback from participants in that has been very, very positive.

Q57 Mr David Jones: That would tend to indicate, therefore, that financial barriers exist, if people are willing to take it up when facilities are provided for them. But are there any other barriers that you have identified?

Mr Paul: Just going back to the cost. I know it is outside Wales but we are doing a project in the City of London and we know that people think that the cost of broadband is actually much higher than it really is; they think it is on average £23 a month. There are some people where cost will be a factor but only actually quite a small percentage from the research that we have done.

Q58 Mr David Jones: So what other factors have you identified?

Mr Paul: The other ones are access, skills, motivation and confidence.

Q59 Mr David Jones: You refer in your memo to the South Wales Valleys where access to broadband is very high and yet take-up is exceptionally low, so clearly access in that particular case is not a reason. What reasons would you speculate, or what reasons has your research revealed as being the cause of that?
Ms Beynon: It would be the age profile. If you think about the age profile of people in that geography they would be at the older age group. Also possibly the skills level; we know that skills in that geography are not particularly high in general—numeracy and literacy skills are lower than in other parts of the population, so there is an issue about skills. There may be an issue about affordability in terms of perception of price. I think maybe you are looking at specific groups as well, which is why we need to drill down and understand those very particular groups and one of the groups we have identified is looked after children. So children who are looked after, who are in care will normally be in a home where there is not access to a computer, so the project we have been doing with Caerphilly or with Carmarthenshire is to get first of all the computer in the home for the child to use and to be able to have that computer if the child goes on to further education. Parallel with that, what we are doing is running a scheme whereby we are providing work placements for children who are in care because, again, another important thing is confidence and by giving them work placements we hope to build their confidence; so, again, that is another element. So it is a number of issues put together and specific groups are more vulnerable than others, I would suggest.

Q60 Mr David Jones: Could it be a cultural thing too, that they are just not interested?

Mr Paul: That is true; a huge proportion of non-users simply say they are not interested—about 35% I think from ONS statistics.

Q61 Hywel Williams: Can I ask you about “not-spots”?

Ms Beynon: Please!

Q62 Hywel Williams: I am sure you were expecting this from me. You refer to a host of not-spots throughout Wales where broadband is not available, so what are you doing to reduce the number of not-spots?

Ms Beynon: What is happening is that we have a contract with the Welsh Assembly Government, called RIBS—Regional Innovative Broadband Scheme. Part of that contract is to allow us to look at not-spots; it is not a legal obligation but we said we would make our best efforts to see what we could do, working with them to address not-spots. So we have been looking at fixed line solutions predominantly to not-spots in Wales. We have also taken the data that the Welsh Assembly Government has collected on its website and analysed it, so we have got that down now to about 60—we believe that there are 60 not-spots left that need to be addressed. We have actually managed to do six of them and we announced that in December. So we have done Saundersfoot, Llanpumsaint, Reynoldston, Bronwyd, Cilcennin and Gwytherin. We are the six and I know that David in particular has been very busy and involved with Gwytherin. It was a long and arduous journey but it is extremely expensive to do these remaining not-spots because they are distance-related issues. So we are working on that programme and we are now looking at the 60 that are left and seeing which ones we can do next with the affordability. But I would stress that some of these now are becoming very expensive to address with that kind of technology. We have organised a workshop for the Assembly officials with satellite providers so that we provide the information that is available in the public domain on that kind of solution as well; so that could be done. We are also removing things like line concentrators ourselves as part of our upgrade programme, so by the end of the year we will have probably no more than five line concentrators left on our network in Wales, and that is quite an important inhibitor to access. Obviously as people order broadband we remove DACS as well, which is a line splitting device. So a whole number of things are going on to remedy it and we are also looking at parenting people on different exchanges as another solution, which we looked at in Penylan in Cardiff; for example, instead of parenting them on the Roath exchange we parent them on Llandedyn and that has allowed some of the people who could not get broadband there in the city centre to get broadband. So a huge number of different things are being looked at. The other thing we are recommending people to do is to get a device called an iPlate. That does not give you broadband but it gives you better broadband very often because it reduces the interference within the home. Things like microwave ovens and all kinds of technology causes interference that can impact upon your broadband signal and so that is another thing we are recommending that people do. So all put together it is a toolkit of things that people need.

Q63 Hywel Williams: Can I ask you to what extent are you communicating all the vast ranges of activity that you are undertaking with local people? You may be aware that people in my constituency have been asking and I have discussed with councillors and the community council about having a public meeting because my constituents are mystified why they cannot. Why not tell them what this is about?

Ms Beynon: It is actually time to get round but I have been in touch with Councillor Dewi Lewis lead for economic development in Gwynedd and offered to come along and talk to people but suggested that before we do that ideally it would be nice to get a list of specific issues as well so that we can address them beforehand. I am going to Anglesey at the end of April with Ieuan Wyn Jones and we are going to have the public meeting in Bodedern. We are also going to have meetings with Kirsty Williams before long to talk about situations in Powys and likewise with Nerys Evans as well. So we are having one-to-one meetings and public meetings where we can but obviously resources are limited. We also had a broadband surgery at the Assembly in January, where Amy Chalven, who is a senior executive in Openreach, came along and presented to all the Assembly members and all their staff and offered any further follow-ups and that is how we have arranged the meetings with Kirsty and with Nerys Evans.
Q64 Hywel Williams: I am just thinking of basic provision of information as close as possible so that you can get to the people and say, “We cannot but we will” or “We cannot and we will not”.

Ms Beynon: I see what you are saying but it is quite a complicated thing to do.

Chairman: Mark Williams wants to ask a supplementary at this point.

Q65 Mark Williams: Can I congratulate you for the work that was done in the community of Cilcennin, but in the 54 other not-spots I certainly think from a constituency point of view that there are many within Ceredigion and there is that bewilderment when an approach is made maybe by community council to outreach and a negative letter comes back when, as you have said, there are many alternatives and they do need to be communicated out there in the country. So could you add to your list a meeting in the village of Llangwyryfon, South Aberystwyth where there are concerns? People just want to be reassured that there are some alternatives there that need to be looked at, not least I have to say, in areas of Ceredigion where there is a preponderance of small businesses. And with 54% of my constituents employed in small businesses and micro-businesses there is a real need there, particularly in this economic climate.

Ms Beynon: I hear what you say and absolutely we need to communicate but also sometimes we need to be honest if there is no answer. I think the worse thing is to suggest that there is an answer when there is not one. I think we need to be upfront about that. We are doing everything we can. We are getting to the limit of the technology, which is why I go back to say, with satellite, that we must remember that satellite will not get to everybody either because it depends which direction. So getting 100% is almost impossible—there will always be somebody left, but let us try and get that to be as few people as possible.

Q66 Mrs James: You have talked about the broadband rollout and the not-spot problems there, but given that these could be repeated now with the next generation access networks, how are you going to avoid those hotspots?

Ms Beynon: We are all waiting with bated breath to find out what is recommended in the Digital Britain Review, which we expect in the summer. Obviously there is a recommendation in that about there being a broadband universal service obligation with a speed of around two megabits being suggested, although that has not been decided for definite. We are waiting to understand how that would be funded because there is talk of an industry-wide fund to which industry as a whole would contribute. Obviously we would be very keen to see that industry definition as wide as possible to include content providers as well as the mobile phone operators, as well as BT, and I think that would be a good move. That would then move the UK towards a fairly sensible level across the piece. Again, it has to be funded and there needs to be a mixture of technologies. So I think the first clarity seems to me to get to a solution for this two megabits universal service broadband. Then we need to look at the faster services. Two megabits is not a bad service to be getting; you can get TV over broadband on that. Then you come to the question of superfast broadband and those higher speed services. The debate is quite intense in terms of is there actually a market and to what extent do people actually want to buy those speeds? Certainly a certain number are but is there a volume market as yet and to what extent is there a volume market and for what speeds? So the work we have been doing in Whitchurch and on the first £1.5 billion rollout will teach us what do people actually want, and rather than just rolling out the broadband and putting the technology in we will want to work with communities—and we are already working with Cardiff Council—on what they would actually do with it, so to really understand what would it mean for business, what would it mean for schools, what would it mean for the local authority itself? So it is not enough just to put the technology in, we need to understand. Then when we understand what the market is like and when we know that there is a market demand we can increase the rollout. But we are in unchartered territory; we do not actually know as yet how much true market demand there is and how much people are willing to pay.

Q67 Mrs James: That brings us to the question of how open in reality is the broadband and Internet market when they still rely on you, BT, a great deal, to provide the hardware and the services? So how open can it possibly be?

Ms Beynon: It is already possible for other service providers to put their equipment on our exchanges to provide Local Loop Unbundling. That means that they then own the customer relationship completely on a wholesale level and that is increasing the usage.

Q68 Mrs James: Sorry, they own the customer?

Ms Beynon: They own the customer relationship completely because others will use the BT network and we own the customer and they provide services by us, but this is the situation where they own the customer relationship. They are the wholesaler as well as the retailer. So that already happens. The question you have to ask then is to what extent would one want to invest in a duplicated network across the UK? It is like having one M4 or one rail system and numerous numbers of fibres all over the place. Or should we make sure that what fibre there is available to all? What we are trying to do is to make sure that whatever fibre we lay will absolutely be accessible to whoever wants to buy that fibre through the open market in purchasing that fibre.

Q69 Mrs James: What happens to customers?

Ms Beynon: Talking about what we use the Internet for I have now discovered a whole new world since I have added loads of friends and loads of forums of which I am a member, yet my friend that I try to talk to in some of these not-spots have very difficult
relationships with these providers because nine times out of 10 they get a BT engineer knocking on the door and that confuses them dreadfully.

Ms Beynon: We are trying to make that clear to people because what we have done is to create an internal division called Openreach, which is a separate company, which has a separate reporting line into the main BT board and we are continually trying to expand the role that Openreach plays and I think it is important to understand that role because it is Openreach that provides that universality of access. It is very important to have healthy competition, and that is how it works. So Openreach absolutely have to operate as a neutral provider to all people.

Q70 Mr Pritchard: Just a couple of quick questions on customer service levels. Some technology and service companies have withdrawn from off-shoring and have returned call centres to the United Kingdom now that obviously unemployment is rising rapidly in Wales and indeed across the country. I know in my own experience that some of your call centres are still abroad from some of the accents and I just wondered do you have any plans as a company to bring back some of these call centres and bring back some jobs to the United Kingdom and, in particular, Wales?

Ms Beynon: The call centres we did outsource were additional to the ones we already had in the UK, so we never took away any UK jobs and took them abroad. That is the first thing; we need to understand—these were additional services that were provided elsewhere. But we always reveal where our service is provided from and I am sure that that is currently and is always being looked at, but at the moment there are no plans of which I am aware. Obviously a key thing in terms of inclusion to mention here is that we do provide Welsh language services from our call centre in Bangor, so we are one of the few operators that do provide Welsh language services.

Q71 Mr Pritchard: Thank you. Customer service is very important and how would you respond to the criticism where you have a customer in Wales or other parts of the country who has a single telephone line provided by BT, has BT Vision and also BT broadband, but when dealing with customer services has to deal with three different call centres, is sent and dispatched each month three different bills—meaning three different envelopes, three different bits of paper, three lots of people to process that bill. Why is it that BT wants more and more the telecoms cake in this country and yet it cannot even integrate its own payments systems and clearly its own customer service systems? Three different bills for just a single home, using all of those services, to me it sounds ludicrous.

Ms Beynon: The first point is that one thing that we do is to offer people online billings—people do not have to have paper bills they can actually do it online. When you are building a new product like BT Vision then you would want to manage that project separately to the main offer. We are continually looking at the way we deliver our services and we have a very robust campaign within the company to improve customer service over the next few months, and that is the absolutely number one priority for the company at the moment—customer service. I am sure this will be looked at. But when you are managing such a massive customer base—and we are of course managing the separation of our systems, which is obligatory under the undertakings—the Openreach systems have to be completely independent via the BT systems and that is our priority at the moment, to make sure that we have that separation of systems.

Chairman: That was two supplementary questions. This is one supplementary now from Mr David Jones and then I will come to Mark Williams.

Q72 Mr David Jones: Could I return to the proposed universal service obligation introduced by Digital Britain? It does strike me that that is not a very ambitious target, two megabits per second, which I would guess that in much of your network you already comfortably exceed. To what extent would you agree with that and would you possibly agree also that that is not a target that really stretches BT very much at all?

Ms Beynon: I think it is stretching because even though I believe that about 83% can already get in excess of two megabits it is about understanding those that are hardest to reach. So it is not going to make a big difference to the majority but it is going to make a difference for the last few that cannot get broadband. Possibly as well in giving those people two megabits, maybe some of them get broadband the first time. So it would create a programme that drives that universality of availability in an important way. But it has to be done properly and it has to be done realistically and there may be quite a large cost, but then we do not know what is the total cost envisaged. We are working very closely with the Digital Britain team and providing them with lots of information about BT’s network and pricing and so on to help them reach a conclusion. It is doable but as long as all those issues that I mentioned earlier on are taken into account.

Q73 Mr David Jones: It just seems to me that when you refer, as you do in your memo, to the potential of 1000 megabits per second you are going to get an enormous digital divide in this country if others are limping along at two megabits.

Ms Beynon: As I said, we do not know at the moment exactly how much demand there is in the market place for those higher bandwidths. The intelligence we get from other countries—Japan, for example, has an incredible amount of bandwidth available but the usage is very, very low, so having the availability of bandwidth does not necessarily mean it will be used. So I think the jury is out in terms of how much real genuine demand there is for bandwidth. There will be certain sectors, certain industries that will need that kind of bandwidth and that is already available and I think you should remember that; large businesses that BT services do have those kinds of bandwidths now—it is not as if...
it is something new. The question is the affordability of the level of bandwidth at the lower end of the marketplace for SMEs and do SMEs actually need it. One of the things that superfast broadband will do will be to give bandwidths of an average of 15 and up to 40 meg, but averaging out roughly at 15; but also the upload speeds will be higher, probably about four or five megabits and that for a business is quite important because you then get digital symmetrical services.

Q74 Mark Williams: Just following on from that, in that ambitious target how much work are you doing in matching the 56 not-spots—to return to the not-spots—in that ambitious target? I appreciate what you say about how topography conspires against some communities but is the Assembly Government, with that target in mind, looking to prioritise those gaps?

Ms Beynon: When we announced superfast broadband we did not want it to be seen as a solution for not-spots because we could not guarantee that it would be. That does not mean to say that there will be the odd one now and again that might be, and we have found one in Wales that might be a not-spot that could be solved by superfast broadband; but there is a debate going on about that at the moment. I do not think that superfast broadband in itself is necessarily a solution to not-spots; it may be more to do with the extension of the mobile signal, extension of the satellite provision. We need to look at the mix of technologies; that is where we are getting to in terms of us looking at the fixed network because I think a fixed network is preferable. But that is where the energy needs to go. I would tend to say as well that in terms of where public expenditure goes on networks if any of that occurs it should be about getting to the universality of provision rather than looking at the higher end side because the higher end side I think will look after itself. It is at the bottom end that any kind of public sector intervention should be found.

Q75 Mark Williams: You have touched on this in your earlier comments but on the contribution by commercial organisations, what do you perceive are the major hurdles for commercial organisations wishing to participate in digital inclusion? You have talked about some of the opportunities?

Ms Beynon: We work very closely with government and the local authorities on the rollout of broadband, and going back to 2004–05 we actually worked in partnership with a lot of local authorities across the UK to rollout broadband because we had a registration process and a trigger mechanism, which is why Caerphilly Council, for example, became the first council in the UK to have all its exchanges enabled because it worked very hard on the demand side. So one of the things we have learnt is that it is the more important work on the demand side than to see funding of the supply side. So a key thing for government to understand is that it is on the demand activity that emphasis needs to go. The other thing we have learnt is that we do need to be absolutely clear on state aid issues and procurement because if the public sector procures a network then it is very clear that that network has to be open and transparent and accessible to all. It is very clear that the return on that investment has to be within the same kind of guidelines that one would expect for a private sector investment and all those things to be understood. Even if the public sector organisation does the marketing for broadband it has to be generic—it cannot mention ADSL or any specific technology, it has to be generic. So there are issues around state aid and procurement that absolutely need to be understood before we work with government and that is again something we are going through working with Cardiff on superfast broadband and we make it very clear that any collateral is rightly the collateral that promotes all of the service providers and not just BT. So those are the kinds of things we need to understand.

Q76 Mark Williams: Collaboration between different companies and BT’s willingness to collaborate with its competitors in bridging the digital divide?

Ms Beynon: We do work with other companies and we work with Microsoft, which is a competitor, but also in Whitchurch we are particularly keen that other communication providers comment upon our plans for the next stage. So that is what is happening at the moment; that we have drawn up a long list of the next exchanges that will deploy superfast broadband after Whitchurch and Muswell Hill. That is out of consultation with communication providers. We would very much like those communication providers to comment and to tell us what they think about what we could do and that will inform the shortlist, the reduction of that long list to a smaller number of exchanges which we will publish before the end of the month. So we really want the communication providers to be part of this debate and discussion and to contribute to the deployment in a constructive way.

Chairman: Mr Pritchard, you wish to ask one short supplementary.

Q77 Mark Pritchard: Thank you, Chairman. In reply to Mr Williams’ first question you mentioned not-spots. Do you share my concern that recently when I called the Chairman and Chief Executive’s office of BT on behalf of a constituent, calling several times the given number with the BT brand—017 and I will not read it out here—the line was dead and cut off? What signal does that send out when BT wants a bigger piece of the cake and when the Chairman and Chief Executive’s office own telephone line is dead?

Ms Beynon: I am surprised and if I can give you more information I will certainly make enquiries about it. I do not understand that.

Q78 Mark Pritchard: From the very top—that is unbelievable, is it not?

Ms Beynon: I do not understand why that would be the case; we need to double check.

Q79 Mark Pritchard: Is your telephone line working, just out of interest?
Ms Beynon: Yes.
Chairman: That is three supplementaries. We will move on to Mr David Jones.

Q80 Mr David Jones: Can I turn to the question of online risks. Which sectors of the online public would you say are most likely to run risks other than, of course, children?

*Mr Paul:* Older people, disabled people, people with learning difficulties.

Q81 Mr David Jones: Why are there more vulnerable?

*Mr Paul:* Because of their understanding of the world—I am thinking of people with learning difficulties who need support anyway. We are actually working with an organisation called Home Farm Trust to develop a tool, a DVD, which explains how you can go about buying a computer that meets your needs; how to connect the bits together—it has a voiceover with screen image. This is due to be launched in a couple of months’ time and it has applications beyond those with learning difficulties, so carers and older people will also benefit from this development.

Q82 Mr David Jones: Does the nature of online risks change over time? Are there new risks replacing old ones?

*Mr Paul:* I am not sure that it is changing that much; I think that is fairly standard. We have the Green X Internet Code that BT supported. I think those have been around for some considerable time.

Q83 Mr David Jones: What concerns me is that phishing scams have been around for a very long time and I find it hard to understand why Internet service providers are unable to develop software that can identify these and weed them out of the system before they arrive on the screens of end users.

*Mr Paul:* I am not sure about the technology on that. I know we have the Cleanfeed system where we work with the Internet Watch Foundation, so pornography is filtered out if people sign up to that particular system. Technology can be used for filtering out unwanted material but clearly there is not anything available at the moment regarding phishing.

Q84 Mr David Jones: I find that quite extraordinary because it seems that barely a day goes by that I do not have an email from a long lost relation in Nigeria informing me that I have inherited huge sums of money.

*Ms Beynon:* I think it is also linked not just to technology but education and training and explaining to people what they need to do because one would not want to create the Internet to sound like a threat. This is the key with young people; that it is a hugely empowering influence in their lives but they probably trust it too much. Young people are so comfortable with it that they absolutely trust it and they put their personal profiles online and they should not do that. It is not technology that will stop them doing that, but they need to be taught and educated not to do it and why.

Q85 Mr David Jones: To what extent would you say that it is the responsibility on the one hand of government and on the other hand of commercial organisations to intervene in addressing these online risks?

*Ms Beynon:* We have to make sure as a commercial provider that we have the best security possible for our customers and that goes without saying, but in terms of making sure that the awareness is out there, I think it is a question of a partnership between government and the private sector and certainly with the UK Child Internet Safety Council we are a member of that Council, which was set up by government, and industry is involved with government and so we work on it together. It is a joint responsibility. We all need to own it and doing something about it and sharing information with each other, which is why again we have taken the initiative in Wales to provide a Welsh language version of the Green X Code, which is about child Internet safety and we work with the Urdd about educating people as to what it actually means; that it is not about not using the Internet but using it in a responsible manner. So we all need to own it, I think.

Q86 Mr David Jones: What would you say would be the most effective strategies for minimising the risks that businesses, end users and children might encounter when using the new technology?

*Ms Beynon:* I suppose having a reputable supplier for the business; making sure that you are getting the best advice you can get. I would hope that those other BT customers are getting that advice from BT Business—I am sure that they do; and we particularly make sure that that happens. The same thing would be true of any customer with whatever service provider they choose to contract with—we must make sure that we get the best possible services.

Q87 Mr David Jones: To what extent can the government or should the government regulate Internet use?

*Ms Beynon:* I think we would rather see there would be a voluntary code; that we would agree to sign up to best practice and to demonstrate a continual revision of that best practice. I think that once the government starts to intervene with the actual traffic that goes on it starts to get very difficult and very unwieldy and could cause quite significant economic harm because it is very difficult then to define and to draw the line. So what we need to do is to have voluntary codes that reputable companies sign up to, and make sure that we continually refresh them in view of that.

Q88 Mr David Jones: And if those codes do not work?

*Ms Beynon:* I would hope that they do. It is our responsibility to make sure that they do.
Q89 Hywel Williams: The people who might be most at risk are people who are socially and economically disadvantaged. Do you target interventions of particular factions of society, people who might be at risk? Actually there are other initiatives which are in communities to promote financial, education and literacy possibly and do you read across to those sorts of initiatives so that you can integrate whatever you are doing with those initiatives?

Ms Beynon: We work very closely with an Assembly Government initiative called Community of One, which I think we describe in the paper, that BT was instrumental in setting up Community of One, and that has the main responsibility within the Assembly Government for outreach to the community. So we have a BT representative on the board of that organisation and we also work with it in practical activities on the ground. So we try to make sure in that way that we are reading across as best we can. Again, we read across in terms of the children and young people agenda with looked after children; so the issue is not just technology, it is deeper than that. Technology is only part of the solution and, as I was saying earlier on, by giving them work placement it is not giving them technology but it is something we understand that they need, having understood their technology needs. So there is an element of read across, I would say, and we do try and make sure that we are connected with the different departments of government in Wales because ICT affects everything; it is not a stand alone, it is an enabler for all kinds of activities in all departments. Again, we are working with the Post Office Fund, looking at ways in which we can set up two broadband hubs in the Cambrian Mountains; that is something we are about to start on now and that is something we are doing with that part of the Assembly. So we tend to find that we are working with different parts of the Assembly on different initiatives and there is interconnectivity in it all.

Chairman: Thank you very much for attending today. Thank you for the memoranda you sent in as well, they were very helpful in preparing for this session. You have been most helpful in the comprehensive way in which you have answered the questions but also the patient way you have answered all the questions. Ffarwél.

Witnesses: Mr Chris Smedley, Chief Executive Officer, Geo and Mr Jon James, Director of Broadband, Virgin Media, gave evidence.

Chairman: Good morning and welcome to the Welsh Affairs Committee and welcome to this particular inquiry. Thank you for your written memoranda. Could I ask Mr David Jones to ask the first question?

Q90 Mr David Jones: Yes and it is to Mr Smedley. Good morning. Could you briefly tell the Committee something about your FibreSpeed network in North Wales?

Mr Smedley: The simple eye level view of FibreSpeed, using the analogy given before about the road network, is that this is a new digital motorway initially being built through North Wales. The more detailed view of that goes back in time to the Welsh Assembly Government’s views about competition in the telecoms market, particularly looking at North Wales and the cost of services to businesses but also the knock-on effect into the broadband market for residential end users, which, based on studies that were done around about four to five years ago, showed a price differential in North Wales of two to seven times the cost of equivalent services in the southeast of England, which was used as the benchmark. So the view was taken by the government that a procurement process was needed to develop an alternative optical fibre infrastructure and a competitive procurement process was undertaken, which led to a contract that was signed with ourselves at Geo about two years ago to build this new network. That build has just been completed; it runs from Holyhead all the way through into Manchester to connect up to the rest of the infrastructure in the UK. the Internet site in Manchester and other key data centres. FibreSpeed itself is a business; it is actually a special purpose vehicle that sits within the Geo group of businesses. It is very much a partnership between the Welsh Assembly Government and Geo and it is funded by a combination of Welsh Assembly Government funding, ERDF structural funds from the European Community and also from Geo’s own investment in there as well. As I say, the first phase has been built and that was actually to connect 14 business parks and also key towns and other locations throughout North Wales. The contract with Geo is ultimately for a 15-year concession to operate that network as well and the services go live in April of this year. The other key thing to quickly point out about it is that FibreSpeed has been based on the premise that if public money is to be put into new infrastructure, in this case the optical fibre infrastructure, then that should be done on what is used in the industry—it is termed open access principles. In other words, anybody that wants to come and use that network can do so on the basis of accessing the base components of the network, the fibre, but also can buy services on an equivalent basis to anybody else in the market for Ethernet services or wireless services for which FibreSpeed is also responsible for delivering into the market. So FibreSpeed itself transacts with other service providers, not with end users; so therefore not the consumers in residential premises or for the businesses themselves. Straight away in North Wales, even before the network was launched, we had signed up 13 new service providers, mostly local new businesses, who were being created to take advantage of this opportunity and themselves access the business parts and other businesses in North Wales. The final thing about FibreSpeed is that it is very much phase one. In
North Wales we are working closely with the Assembly Government at the moment to look at alternative sources of funding, ideally to accelerate the programme—it is in the brief that we sent through, a map of Wales showing where else the government would look to potentially put a new network to provide the same sorts of benefits in the rest of Wales as is currently in North Wales. There are a lot of potential funding sources being talked about at the moment, including the European Commission and there is a bit of a false start because it actually turned out that the distribution mechanism was very much based on agricultural shared principles and therefore there is a very small share for the UK and for Wales. But alternative sources are being looked at now.

Chairman: Can I ask you to pause for a moment and give us a chance to ask some more questions.

Q91 Mr David Jones: Could you tell us a little more about open access, which sounds very interesting. I know that, for example, you have a connection to the Abergele Business Park in my constituency and I think also to the one at St. Asaph. If other businesses geographically close to the network wanted to connect to it would they have to pay their own cost of connection and their own cost of a fibre optic cable, or would there be some other means by which that would be subsidised?

Mr Smedley: There are a number of ways of looking at that and it very much depends on who else is within that geography. Sometimes the demand from a particularly large business is so great and the distance to connect to the network so small that the cost of extending the network can be easily covered just by that one customer. That is unusual, particularly in the North Wales geography, where a lot of businesses are not of that size. So the next step is then to look at what other businesses there are that would justify an investment through from either FibreSpeed itself or a request to the Welsh Assembly Government funding for the use of other funds that are put aside for the development of the project and to do just that. At the moment there have already been four extensions built off the core network last year to get to places like Mold and Cefn and other places just off the core route that at the moment are using government funding, but our anticipation is that as more service providers get into the market using government funding, but our anticipation is that as more service providers get into the market that would be subsidised?

Mr Smedley: The whole use of FibreSpeed as a residential infrastructure is, to be honest, not the original topology that was designed when the network was first put in place—it was very much looking at the towns and the major business parks. Having said that, it has always been in our minds that something that would have to be delivered. So the first part of that is making sure that the network picks up the key BT sites along the way so that an alternative backbone infrastructure can be provided to the major ISPs in the UK who can then come in and put their equipment in those exchanges, become the unbundlers of those exchanges in greater numbers than they currently do and provide services. Frankly, that is not going to answer the question for a lot of the hamlets you mentioned where the exchanges are not enabled or they are perhaps sitting in some of the not-spots that you mentioned before. Our view on that is that actually the Digital Britain project, which looks like sponsoring a view that mobile broadband is a potential way of picking up a lot of those, will probably be the technology that is most likely to deliver to very rural areas, but those networks as well also require backbone infrastructure, so we will be looking to connect into the mobile networks for that.

Q92 Hywel Williams: You mentioned Cefn then, Caernarvon, so it goes from Holyhead to Manchester and then from Caernarvon to Manchester as well, does it?

Mr Smedley: It is a spur, it drops down.

Q93 Hywel Williams: What are the prospects of a spur further to Pethely?

Mr Smedley: It is something we are discussing at the moment with the government and it is one of the potential extensions of the route. One of the things that the European Regional Development Funds did in the course of the last few months is extend the window for the use of that funding, which had been locked down such that all the projects had to be delivered by the end of last year. There has been an extension given to that until the end of June of this year and so we are now rapidly trying to look at some extensions and Pethely is one of them. So we are very hopeful that that will get through the government’s own internal processes, which include state aid review, et cetera. But our intention is to try and deliver that mid-summer.

Hywel Williams: That is very welcome news.

Q94 Mrs James: You have talked about the potential and Cefn and Caernarvon, so that geographical area; but what about the offshoots, the possibilities into smaller hamlets, people who are already on broadband but may be experiencing problems. Will it improve things for them?

Mr Smedley: The use of FibreSpeed as a residential infrastructure is, to be honest, not the original topology that was designed when the network was first put in place—it was very much looking at the towns and the major business parks. Having said that, it has always been in our minds that something that would have to be delivered. So the first part of that is making sure that the network picks up the key BT sites along the way so that an alternative backbone infrastructure can be provided to the major ISPs in the UK who can then come in and put their equipment in those exchanges, become the unbundlers of those exchanges in greater numbers than they currently do and provide services. Frankly, that is not going to answer the question for a lot of the hamlets you mentioned where the exchanges are not enabled or they are perhaps sitting in some of the not-spots that you mentioned before. Our view on that is that actually the Digital Britain project, which looks like sponsoring a view that mobile broadband is a potential way of picking up a lot of those, will probably be the technology that is most likely to deliver to very rural areas, but those networks as well also require backbone infrastructure, so we will be looking to connect into the mobile networks for that.

Q95 Hywel Williams: Can you outline for us the potential benefits for businesses and communities in North Wales from putting this in?

Mr Smedley: It starts with solving the original problem, that the services that were currently sold there were too expensive and so the prices have now been benchmarked; what FibreSpeed sells out is put at a wholesale level equivalent to the southeast of England and that will be under review to make sure that is always the case. So fundamentally we would expect to see better, faster services, more choice, more flexibility, a greater range of services at prices comparable with the rest of the UK. That in turn should provide, particularly for ICT-based businesses but also businesses with large ICT requirements, the opportunity for new start-up enterprises, growth and higher employment into
those sectors. But also, as we were talking about just there, better services into the residential community through, predominantly, from our perspective as a wholesale provider, ISPs and mobile customers.

**Q96 Hywel Williams:** In that respect it is very welcome that we are able to put a spur into Cefn and with the television industry up there and many people are very appreciative of that. What about the network benefit to people who are currently regarded as digitally excluded, which is the point of this investigation, of course?

**Mr Smedley:** As I was saying before, I think our view is that BT’s own rollout of services that Ms Beynon was talking about earlier is clearly critical to that from the fixed infrastructure perspective, and as across the rest of Wales we are very much focused on North Wales, but I am sure that Virgin Media’s plans as well in their franchise areas will be very important to that as well. Fundamentally though we think that for those that are fundamentally excluded because of lack of reach, because there is no available service then it is likely, unless there is a really aggressive rollout of the geographic nature of BT’s fixed line services, that a mobile or wireless solution, using technology like y-max, will have to be deployed and will have to be, in all likelihood, funded. The fundamental about FibreSpeed having been deployed is because there was perceived to be a market failure at the wholesale level, the backbone level of the market—simply there was no competitive optical fibre infrastructure to BT in those areas. The same really would be argued, I am sure, by anybody that was given the task of providing, for example, a two megabit universal service obligation into rural communities. So if you are looking at the issues of exclusion, which obviously go much wider than just the geographic coverage of the networks, those mobile solutions, those wireless solutions are likely to be critical and they will need to be deployed with new high sites, new technologies sitting on those masts to give the geographic coverage into those areas. But then those services have to be pulled back and if they are broadband services and not voice services then you will end up needing the kind of infrastructure that FibreSpeed has to pull those services back into the core network and out into the wider world.

**Q97 Hywel Williams:** You have already told the Committee that you have a 15-year contract, so I assume you think that is sustainable for 15 years. What is going to happen subsequently and who is going to be managing it? How sustainable is it?

**Mr Smedley:** We are very comfortable about the sustainability of it. The majority of the funding is upfront and some cost into the build and the operational costs of the network, our forecast will be covered at least by year four of the 15-year concession. Indeed, there is actually a review clause at that point where the government can check that the thing is operating as it should and that no further subsidy is required past that point. So we are comfortable that the revenues generated by the business will cover its costs.

**Q98 Mark Williams:** A question to Mr James. You provide broadband access in Wales via the BT network, your own cable network and via mobile services. What can these different access routes offer for the disadvantaged and the hard to reach groups that the Committee is looking at, particularly thinking of in terms of rural areas the socially isolated and economically disadvantaged, or a combination of those factors. What do those methods offer those groups?

**Mr James:** May I take just a moment to give a bit of context to our network, which is, as you will have seen from the earlier note, we run our own fibre optic network. We are the UK’s largest ISP—bigger than BT retail—and around 85% is carried over our own network as opposed to over BT’s network. That was as the conglomeration of all the cable builds over the decades, which the Virgin Media Department brought together. We cover about 340,000 homes in Wales, predominantly in South Wales, around 27% of Welsh homes, with our fibre optic network. We also reach further as an LLU over BT’s network in partnership with Cable and Wireless who have built an LLU network on our behalf. To answer your question directly, we do have plans to expand our fibre optic network to more homes in areas that are adjacent to our fibre optic network in South Wales and that runs in parallel with and subsequent to our rollout of next generation access of 50 megabits. So there will be areas, perhaps surprisingly, in relatively urban areas that are covered by cable which will also be BT not-spots—it is not the case that it is overwhelmingly in the rural environment that there are not-spots. So I think we have a material contribution to make in terms of expanding the network to bring not just 2 Meg broadband but 50 Meg broadband, the majority adjacent to our existing South Wales network. I think there are also opportunities for us to partner with companies like FibreSpeed and other companies that have built either backbone infrastructures or local infrastructures and if I think about Ceredigion, there is a partnership there that we have just signed with a company called TFL operating out of Pembrooke Dock to supply high speed backbone connectivity to their Local Access Network. So we can partner both as a wholesale provider, linking to our backbone but also potentially in the future as a residential provider with those people who have brought a backbone to areas where we do not have that now.

**Q99 Mark Williams:** Turning now specifically to mobile phone coverage throughout Wales. All my colleagues will testify to it being a huge issue in their constituencies—I certainly can. Could better mobile phone coverage throughout the country be achieved if there was much more cooperation between mobile phone operators?

**Mr James:** I will duck that question, if I may, if only because Virgin Media is what we call an NTVNO, so we are not a mobile network operator: we have a partnership with T-Mobile who manage all the mast infrastructure and network infrastructure on our behalf and we simply operate as a retailer, sitting on top, a bit like Talk-Talk and Sky operate on the top.
of the BT network. So we tend not to expose our agreements by commenting publicly on matters in the specialist territory of network operators.

Q100 Mrs James: As you are aware, Virgin is a major presence in my constituency in Swansea East and we have talked about the television service and the media service. Is it possible in the near future that web-based services could be provided in the UK via television and what would be needed to achieve this?

Mr James: Can you give me an example of the kind of services you are talking about?

Q101 Mrs James: Because people have your television services, et cetera, they would not necessarily access the Internet via telephone lines but by TV satellite set-up, et cetera; that they would do it from the comfort of their own sofa via the television.

Mr James: Our network has enabled us to launch the first video on demand service in the UK and then we have a sophisticated interactive TV experience. We were the first in the UK to launch that quite a few years ago. We have a number of web services on there already, which are exactly as you have described. They are navigable through a familiar TV remote control and they are simplified to enable access to services without having to use the more complex and perhaps unfamiliar interface of a PC.

So we do already make available a number of government services through our interactive TV interface. We also take services like i-player, for example, which is traditionally thought of as being a PC only service and that is available and has been for some time to all Virgin Media TV customers using their remote control. We think there is scope to take the increasing richness of government services and migrate those to our TV service. Technically that is relatively easily done.

Q102 Mrs James: And it could be expanded?

Mr James: Indeed.

Q103 Mrs James: Any plans to do that?

Mr James: At this stage we continue to explore and develop the service. I would not say that there were plans at this stage to invest in a radical expansion; I think the service itself is already quite comprehensive. The issue really is about having those compelling simple services that customers want to use as to opposed to creating more from public services and from elsewhere. There is a balance to strike between having a real depth and hence complexity of navigation against having a relatively small selection of the most popular services which allow people to enjoy what they see as TV style navigation, i.e. menus with three, four or five options as opposed to 20.

Q104 Mrs James: This question to both of you now. Is there a risk that the deployment of superfast networks could create a new digital divide and, if so, how could this be avoided?

Mr James: We are very much the UK’s pioneer in terms of offering superfast residential broadband in that we launched 50 Megs in December and we are launching in various parts of Wales in the next couple of months and will complete our deployment of all our Welsh cable franchises by the end of July. I would echo the comments made earlier by BT, which is to say that the jury is still out on the demand for the next generation broadband. Clearly we as a company have gone where, if you like, that BT have not, in that we have made a very substantial bet commercially on there being future consumer demand for ultrafast broadband. We have not just launched 50, we have also announced recently that we are migrating all our 2 Megabit customers up to 10 Megabits, which we regard as part of the next generation. I think we would see ourselves very much as trying to stimulate and create a market; so at this stage, as I have said, the danger of a digital divide between ultrafast and, if you like, current generation is less of a pressing concern than the issues that have been debated already, between those who have no access and those who have an average current level of access.

Mr Smedley: I think there is a risk, absolutely, and these things take time to rollout. But if you look back in time to the way that the industry has developed and the way that high speed data services have developed from what used to be just ISDN lines, use of fax machines and things like that through to the DSL revolution—and particularly the revolution that really has led to the low prices that most parts of the UK enjoy, and certainly parts of Wales that have the coverage—was really driven by Local Loop Unbundling and that is an infrastructure based level of competition in the network where ISPs, like Carphone and Tiscali and others were able to take advantage of that. There is a risk now that the decisions made last week by Ofcom about superfast broadband and the freedom allowed to BT, which Mr Pritchard was questioning them about before, may in time be looked at as being the point at which there was a departure from that infrastructure based level of competition for delivering these services. So it is very new and Virgin and BT will be rolling these services out as the market demand grows. But if you look at where we have come from and where we are probably going, this is the point at which the decisions are being made. Our concern is very much that there is not on the table from the regulator a view of how you get your hands on an infrastructure based remedy. So the big idea here is access to the BT ducts as they roll out their new fibre technology through to the street cabinets, which is the essence of the current plan, that others should be allowed the opportunity to do the same. That is what led to the success of Local Loop Unbundling and we think it should be on the table now if BT is being allowed to rollout its new services using, at the end of the day, the duct network that was built originally with taxpayers’ money. So there is a serious risk; it is not being looked at, in our view, in the right way and we are going to be pushing to try and make sure that that remedy is on the table.

Q105 Mrs James: One last simple question from me. Can broadband via mobile phones offer a serious alternative to fixed line provision?
**Mr James:** It depends on the outcome you are seeking but certainly it is our view that what we can see in terms of the 3G development over the coming years suggests that a functional level of broadband is going to be achievable via mobile, and I tend to agree with Geo Networks that in terms of the Digital Britain conversation there seems to be some logic that mobile broadband will be the most effective source of extended coverage, albeit there will be a patchwork of solutions. In terms of what is the appropriate level of bandwidth, we have argued to the Digital Britain team that while we very much accept the principle of a universal service commitment there is a viable debate as to whether 2 Megas is in fact too high, particularly given that there is a proposal that the cost of funding that should fall back on the industry and then it is back to the consumer and potentially reduced penetration among disadvantaged groups. Certainly we would argue that all government services currently on line, iPlayer in very reasonable quality could be achieved with less than one meg at the moment and that we would be very concerned that the costs of pushing to a higher level of bandwidth, whether by mobile or otherwise, will filter back down to increasing the cost of broadband and driving broadband penetration and uptake down rather than up.

**Q106 Mr David Jones:** Could I come back to Mrs James’ question about accessing web-based services via a television set? It seems to me that the infrastructure is actually outpacing the hardware that attaches to that infrastructure. There does not seem to me to be any good reason why, for example, if you want to access the Internet you have to go into a special room and sit in front of a computer. Is it the case that maybe the hardware is not keeping up with the new technology and could we possibly arrive at a point where maybe you can access the Internet or Internet based services from the comfort of your own armchair?

**Mr James:** The way we would see it is that there is competition for the consumer’s attention between TV services such as ours or Sky providing a variety of interactive services through the TV interface with the fall in prices, increased usability of online PCs, particularly given the very rapid uptake of laptops and the expansion of video services. What we see is that a very high proportion of customers are choosing to use services like Video Online through a laptop PC, which is now cheaper and easier to use; and a wireless network with wireless can now be located in any room of the home. There remains a niche, if you like, for customers preferring to use web-type services through a simple interface on the TV, but most customers, we would observe, have chosen to master the complexity of the PC and online combination and get the greater complexity and richness that way than they have to use interactive TV services.

**Q107 Mr David Jones:** Could that be, perhaps, because the TV manufacturers have not really kept up with the new technology and have not introduced those services as part of the equipment package that they sell to the consumer?

**Mr James:** It is certainly the case that the cycles over which home computers are replaced are infinitely faster than the cycles over which digital sets or boxes, these being the principal blockage, if you like, are replaced by operators like ourselves or BSkyB. Most customers are paying us for the delivery of very simple services over those sets or boxes and consumers to our mind are proving willing to invest as prices come down in replacing laptops and using the laptop as a principal means of access.

**Mr Smedley:** If I could just add to that? From Geo’s perspective within the rest of the UK we use our national network to support customers, both with large ISPs—like Carphone Warehouse and Tiscali—and also large mobile providers, in particular “3”, which is the business specialising in 3G services. They would be able to give you more detail than I can but clearly the demand for the use of the services that we are providing, the core infrastructure for the fibre, is very much driven by mobile broadband take-up and what started as a proposition based on things like video technology, which did not really take off, has actually migrated now to take-up and rapid take-up of mobile broadband, largely using what are called laptop dongles put into PCs. Those PCs typically now are being sold through outlets—as it happens, places like Carphone Warehouse—where the price of a laptop is falling very fast and mobile broadband is therefore being taken up hugely. If you look as well at the kind of devices the mobile suppliers are selling now, all the way through to business-oriented devices like Blackberries, but most handsets as well, there is a deep Internet experience on many of them as well. So there are a number of devices—it is not just the television world; it is not just the PC. The mobile suppliers, who could tell you a lot more about it, would very much point to those as being the cheap access mechanism for the future.

**Q108 Mr David Jones:** Finally, what key actions could be taken to facilitate more commercial participation in digital inclusion projects?

**Mr Smedley:** Is this talking about government actions?

**Q109 Mr David Jones:** No, I think it is actions from both commerce and government.

**Mr James:** We would argue in terms of service provision across the UK, in Wales, that there is already good evidence that in a large part of the market the commercial world is delivering, not just in terms of existing speeds of broadband, but it is investing in taking those risks to bring in the next generation of broadband. At the same time across the country and particularly in Wales there are real issues whether there is likely to be market failure in that sense, in the sense that a minimum speed of broadband will not be available, and certainly we welcome the principle of the universal service commitment through Digital Britain. What we have asked, as I have that mentioned, is that that service commitment should be set at a level which is appropriate; that there should be a very clear cost benefit analysis to deliver the speed at which that is set. We are probably going to be talking about very
substantial costs here. We have also asked that the right balance should be struck between enabling commercial operators to continue to invest and take risks to expand the network in those areas of the country where that is likely; and to focus public sector intervention on those areas where we can be absolutely clear that no market intervention is likely. We do think that there is a potential risk that public sector intervention could compete directly with some commercial activity. We are also concerned that if the funding of the universal service commitment should be passed back to industry that, as I mentioned previously, given the competitive nature of the broadband industry the chances are that those increases in cost would find their way directly to the consumer and the last thing that we think anyone in the digital process wants to achieve is an increase in the retail price of broadband driving down the actual uptake of broadband.

Mr Smedley: From our perspective and particularly for the remit of this inquiry the first priority in terms of making things happen, if you like, is showing that FibreSpeed works as a model; it is a new business, it is a new network. In particular that means connecting through to the BT sites and exploiting the ISP market to bring those big ISPs into the North Wales region. It means partnering with mobile broadband suppliers so that we can have those sitting providing services off the asset as well, and connecting business, which in term has a knock-on effect into the consumer market as well. The second priority is really then looking ahead. Our view is that that will rapidly show to have worked and to have brought both prices and choice and service levels up in North Wales. To extend it further, particularly at the current time when the Digital Britain project is mulling over whether further investment is put into projects like this, we would very much agree that the definition of where you invest public money should be where the market has failed. So there should not be the need to intervene in areas where there is already healthy choice and competition. But FibreSpeed represents an opportunity that if there is public money made available now it should be taken. So that would be our view as to when to start.

Q110 Mr David Jones: Could you remind me what was the public contribution to FibreSpeed?

Mr Smedley: The balance of the funding broadly about 80% of the £30 million for the contract over time.

Q111 Mr David Jones: Would it have been quite impossible for FibreSpeed to happen without public sector intervention?

Mr Smedley: Yes, I think so. The evidence was that the network was not built up when there was a huge amount of capital going into optical fibre networks in the late 1990s and there was certainly no evidence that anybody in the market was building that infrastructure.

Q112 Mark Williams: Finally turning to some of the risks to Internet users and consumers more generally. What do you perceive are the major risks associated with the introduction of the new technologies that you have talked about this morning?

Mr James: I think the range of risks that young people and all of us face on the Internet from combinations of illegal use of material to identity theft are well documented. As a service provider we see new forms of threat, whether in the form of viruses or others, emerging in a very dynamic way. To give a flavour of our thinking we regard ourselves as a very responsible ISP and we think that the most appropriate route, the most powerful route is to actively educate and encourage our customers to understand the principal threat that faces them on the Internet and to provide them with the tools necessary to secure their PC to prevent phishing for identities, to provide safe and parentally controlled environments for their children to surf online. We are also actively involved with the Internet Watch Foundation, with the Terry Jones initiative to develop new ways of addressing new and existing forms of abuse, some of which obviously we do under regulatory cover, if you like. But the emphasis on our activities is on educating and supporting our customers to protect themselves.

Q113 Chairman: Could I thank you both for the evidence you have given this morning and also for your extremely helpful memoranda which helped us a great deal in preparation for today’s session.
Tuesday 17 March 2009

Members present
Dr Hywel Francis, in the Chair
Mrs Siân C James
Mr David Jones
Rt Hon Alun Michael
Albert Owen
Hywel Williams
Mark Williams

Witnesses: Ms Emma Wilson, Head of Public Affairs, Vodafone UK, and Mr Tom Brookes, European Director of Government Affairs, Apple, gave evidence.

Q114 Chairman: Good morning, welcome to Welsh Affairs Committee, in particular to our inquiry into digital inclusion in Wales. For the record, could you please introduce yourselves?
Ms Wilson: I am Emma Wilson, Head of Public Affairs, Vodafone UK.
Mr Brookes: I am Tom Brookes, Director of Government Affairs here at Apple.

Q115 Chairman: The acoustics in this room are not brilliant so please excuse me if I appear to be shouting at you. Do not be afraid to shout, it will be greatly appreciated by everyone, particularly those sitting behind you. Could I begin by asking a question to Ms Wilson of Vodafone. Thank you for your written submission; in it you describe a very wide range of work on increasing access to technologies. Could you tell us from your perspective what barriers to digital inclusion you feel there are with particular relevance to Wales?
Ms Wilson: First of all I would just like to say thank you for giving us this opportunity to help with the inquiry. As we have pointed out in our submission really there are two strands that we see in terms of digital inclusion. The first is around education and making sure that citizens are empowered to use the technology—often it is a bit baffling, so as you will have seen from the submission there is a lot of work we have done to educate our consumers—and the second, which is a bit more of a challenge, is around network infrastructure. We have invested heavily in Wales and if you look at our 2G coverage it is around 99% population coverage which is comparable with the rest of the UK, but obviously the topography and rurality in Wales makes it challenging for us in terms of some of the not spots in Wales. One of the difficulties is that we have planned investment priorities so we have tended to focus on high density areas where there is more demand for calls, but obviously we are committed to rolling out where we can.

Q116 Mark Williams: In your submission you refer to research you have undertaken into the potential of mobile technology to improve people’s lives.
Ms Wilson: Yes.

Q117 Mark Williams: In that research have you identified people’s circumstances or groups of people where mobile technology is not an appropriate solution to their lives, and could you say a bit more about that?

Q118 Mark Williams: Is that research being undertaken partially in Wales?
Ms Wilson: It is still very early stages in terms of the new research that we are doing, so we have not identified particular groups but I would just say that we do not think that mobile is going to be a panacea for all. We know that government has a desire to put more services online, and we think that is a good thing, but there will always be a need for offline services as well.

Q119 Alun Michael: Specifically in relation to the population of Wales what information do you have about how different groups of people use mobile phones? For instance, there seems to be the general impression that people with lower levels of income and lower levels of education use the full range of applications less than people with higher technical knowledge, and there is also some evidence about the choices that people make about not having fixed line access and therefore being quite dependent on mobile technology.
Ms Wilson: Yes, I did see the Ofcom figures and they did suggest that there was, as you say, a disparity in terms of how people were using the technology. One of the good things about mobile is that we do have a pay-as-you-talk service and that means that price is not really a differentiator, it is fairly cost-effective for pay-as-you-talk customers as well as contract customers. In terms of splitting it down to age groups we do not really have any research that suggests a certain age group will use it more or less than others, but what we are doing as one of the projects that we are currently trialling in our headquarters town of Newbury is called Silver Surfers and we are trying to get people who perhaps do not use the technology as much if they are in an older age bracket to actually feel a bit more comfortable with the technology and use it. What we want to do is try and encourage people to use data services and we do have data services available on pay-as-you-talk as well as contract.

Q120 Alun Michael: Do you do segmentation studies on your market and is there any indication of the way that your market or your customer base has changed in Wales over the last few years?
Ms Wilson: We probably do do customer segmentation at a UK-wide level; I am not sure that we do break it down into England and Wales specifically, but I can certainly go away and look at that.

Q121 Alun Michael: Could you follow that up, please?
Ms Wilson: Yes, and I will be very happy to come back to the Committee.¹

Q122 Alun Michael: As far as your customer base in Wales is concerned obviously you would have a good idea of increased usage, an increased customer base or a decreased one.
Ms Wilson: In terms of data? The figures I have seen are around a 31% increase in use of data and that is, across the UK but would include Wales as well.

Q123 Albert Owen: If I could just move on to Apple, which of your services would you say were most effective and least effective at increasing access to technology for people with disabilities?
Mr Brookes: Most effective and least effective. I guess they fall into two pieces and one is on the hardware side of what we do. We have been building accessibility technology into our hardware for about 20 years now. OS10, which is the Apple operating system, now contains a full range of accessibility features built in natively to the platform, so you have everything from screen readers for those with hearing impairments to a lot of zooming and different keyboard controls for people with sight impairments of one kind or another. We also have built into the operating system support for Braille displays, which are dynamic displays which literally produce Braille under your fingers. What we did there was we worked with all of the producers of Braille displays around the world and have actually built the software drivers for those displays directly into the operating system so you could just plug them in and they will work. All of that is built into literally every Macintosh there is, every Apple computer has all of that functionality. We have also recently introduced talking iPods so the iPod Nano and the new iPod Shuffle will now read you the menus. That is particularly useful on the Shuffle for everybody because it does not have a screen, obviously, but on the Nano it will read you all the track names, artist names et cetera so you can actually navigate around those devices without having to be able to see the screen. We have also introduced closed captioning; there is an increasing amount of audiovisual content on the Web now that uses closed captioning and we have closed captioning displays on the Apple Macs, on the iPhone, the iPod Touch and on the Nano and Classic iPod.

Q124 Albert Owen: Do you consult regularly with disability groups on this? It is not just—excuse me—some geeks in offices across the world devising these new technologies?

¹ Ev 260
life, and as far as the services that we contribute are concerned one of the things we have seen which does not exactly come as a surprise to us but it is certainly new, is that we have recently opened up what is called the App Store which is an online store for little applications that will run on your iPhone or your iPod Touch. There are about 25,000 applications now in the store and they range between free and about £3 or £4 in cost terms, they tend to be pretty cheap and the majority in fact are free. What we have seen is that while a lot of people see technical barriers to putting applications on their computers or making any reconfiguration of their computers—they get worried about whether or not that will work—people have been very open to embracing the applications store and have been downloading all kinds of bits and pieces for their phones, and are seen as much more willing to engage in new technology and engage in new functionality when it is on their phone rather than on their computer. I can think of a few reasons why that would be, but the extent to which people are willing to customise their phone to really make it their own is making a major contribution. Obviously, the other part of Apple’s business beyond the actual hardware and technology that we contribute is our on-line services, and probably the most focused one as far as digital inclusion is concerned is that we have recently opened within iTunes a thing called iTunes U which is universities—a somewhat Americanised phrase. It started with MIT in the States and they started putting content on iTunes which was available to a special MIT iTunes within their campus, so people were wandering around the MIT campus with an iPod and could upload lectures and other materials to their iPod and listen to it while they were cycling around or whatever. Then it was realised that most of that content did not actually need to be private to MIT, it could be public, so a lot of it switched over to a public site, and about two million downloads of a Nicholas Negroponte lecture happened in the first week that this stuff was available and a few light bulbs went on in a few places. Now there are about 200 universities in the US signed up and we have got Oxford, Cambridge, Bristol and Cardiff and a number of others now who are also contributing in the UK. The first project we are starting to roll that out to is schools as well. We started that in Scotland in fact and we are talking to the Scottish Education Ministry about literally building an iTunes for Scottish schools. There is a certain child protection element in there as well so we would limit it to Scottish schools and it would not be publicly available. There are therefore a lot of different innovative ways in which we are looking at those kinds of services but education is a key and fundamental part of digital inclusion because the barriers happen when people are not socialised to the technology. If you can get through those barriers early on it is straightforward.

Q129 Albert Owen: You mentioned Cardiff as the only Welsh university in Wales; do you have plans for others?

Mr Brookes: We plan, if we can do it, to include every single university and indeed educational establishment in the country if we can pull it off, but it is a question of rolling it out.

Albert Owen: And lecturers.

Q130 Mr David Jones: Mr Brookes, you may be pleased to know that the single most useful piece of kit that I own is an iPhone.

Mr Brookes: Excellent; I am delighted.

Q131 Mr David Jones: Which is good news, but is it still the case that it is restricted to the O2 network?

Mr Brookes: It is.

Q132 Mr David Jones: When will you be letting Ms Wilson in on the act?

Mr Brookes: Vodafone do a very excellent job of being the carrier for the iPhone in a number of markets though not indeed in the UK. We have a contract with O2 and at some stage I guess that contract will need to be renegotiated, but we will see what happens when it does. For the moment O2 are our carrier and they are doing a good job.

Q133 Mr David Jones: Ms Wilson, you have referred to the fact that although you have 99% coverage in Wales in terms of the population there are geographical and topographical difficulties. Could better mobile phone coverage across Wales be achieved if there was more co-operation between various mobile phone operators?

Ms Wilson: I would make a couple of points. First, the operators do co-operate well already; we have an agreement where we share sites and about 60% of our sites are shared. What I would say is that market dynamics are changing so you are seeing things like network deals between operators which will help improve the economics and make those hard-to-reach areas easier to cover. Third, which is really important, is the Digital Britain report, which is looking at universal service obligations. Our company is still looking at that consultation and seeing how that will pan out and what that means for us, but we are aware that Lord Carter has stressed that mobile will play a part in that. Obviously, as we have said, we do support the objective of getting broadband coverage for all and we clearly see a role for mobile within that.

Q134 Mr David Jones: But the universal service obligation is not envisaged for some three years hence or so and the difficulty is that a lot of rural areas in Wales are seeing the urban areas shooting ahead while they simply cannot receive mobile phone calls. There is a relatively large village in my constituency, Gwytherin, which has figured in this inquiry before, but it has only just received a commitment to broadband and it has no mobile phone service.

Ms Wilson: We do acknowledge it is a challenge and there are some areas in Wales that do not have television signals, but we do think that the market dynamics are changing and that will help make things more economic.
Q135 Mr David Jones: My question was going to be is there some danger that the mobile phone operating companies will simply wait for the universal service obligation to be implemented, or is there any real impetus within those companies to try to roll out more mobile phone coverage ahead of that time?

Ms Wilson: We certainly look at our investment plans and we are looking at how to reach those areas. It is difficult for us when have a fixed pot of capital to prioritise certain areas, and I know that is a difficult message to give out. We are committed to try to roll out sites to those areas that do not have mobile coverage.

Q136 Mr David Jones: I understand there is only a fixed pot of capital but I am sure there are many members of the Committee who have got areas in their own constituencies where there is no mobile coverage; is that not a case for more active cooperation among the mobile operating companies now rather than looking at their own individual resources and saying “We simply cannot afford it!”

Ms Wilson: There is and we, for example, have a network share agreement with Orange and that was designed to try and help us reach some of the areas that it was not economic to do. I completely agree that there is a role for more co-operation and the market is starting to deliver that because we obviously recognise that there are areas that are not covered at the moment that we could cover, and the way to do that would be through more co-operation as you say.

Q137 Mr David Jones: In terms of Digital Britain the role of mobile in terms of delivering broadband coverage is stressed; in your view can mobile phones offer a serious alternative to a fixed line for broadband?

Ms Wilson: Yes, I think they can. At the moment we would say that the speeds are comparable and the beauty of mobile is really two things, one is that it is mobile so you can take it wherever you go, you have the data cards, you have dongles, you have mobile with your internet. We are also increasing speeds and the technology is developing all the time. The second thing is really about cost: for example, if you have fixed broadband with a provider you probably have to have a contract for a certain term, 12 months or whatever it is, but with mobile you do not, so we have pay-as-you-talk where customers, if they have a bad credit rating, for example, or they are homeless or whatever would still be able to access those services.

Mr David Jones: Thank you.

Q138 Mark Williams: Following on from that point on broadband can I just give you a scenario which has affected a lot of my constituents who are left lacking broadband in rural and scattered communities anywhere in the country. A letter goes off to BT, BT come back with a negative, we get back in touch with BT, BT say there are opportunities to use the mobile network to advance broadband in those communities; at what point would you become engaged in a dialogue with local communities, with other providers, in terms of exploring some of the opportunities available to those communities? I appreciate the difficulties and the challenges of the geography, but the debate that we are having and the dialogue that Mr Jones has alluded to, particularly in relation to the challenges of 2012 seem very far removed from some of the communities we represent. We have been told by BT and yourselves that there are alternatives, there are strategies that could be pursued; that message is not getting through to a lot of our constituents.

Ms Wilson: We do have schemes where communities can actually pay for some infrastructure: obviously that is not an ideal solution for everybody but it might be something that could be looked at. We do have the kind of network share deal, as I say, where we are looking at potential sites et cetera, and that has potential for helping reach those areas before the 2012 deadline. I could not give a cast iron guarantee that we will roll out to all of those areas but it is something certainly that we would look at. Obviously the investment model is something that we would need to take into consideration.

Q139 Mark Williams: The message is that some of the collaboration that you have been telling us about needs to be communicated to some of our constituents.

Ms Wilson: I genuinely do believe that the market is evolving and developing so you are seeing the kind of network sharing agreements that will help change the economics there.

Q140 Albert Owen: I just want to push you on the two issues that my colleague David Jones raised about the not spots and leaving it until 2012; then you said that broadband would help the situation. Many of my constituents in semi-rural areas—not just in isolated areas—do not have either, they do not have adequate broadband, they are a not spot for that, and they do not have the mobile coverage. What is going to be done, what is going to be this massive leap forward that is going to connect them up?

Ms Wilson: I appreciate three years is a long way off but the Digital Britain Report where there is a commitment to universal broadband for all is a really important thing. I know we have heard criticism from people saying the speeds are not fast enough, but actually the UK is the only country in Europe that has a universal commitment which we think is a really good thing. Obviously we should aim higher, but it is a good start. Yes it is three years away but actually if we can get broadband to all, be it mobile or be it fixed, that would be a really, really good thing.

Q141 Albert Owen: I appreciate that. You said about sharing with Orange—and I maybe should have declared an interest as a Vodafone customer here—but in my house, which is not very rural, I do not get a signal but next door gets an Orange signal, so where is this joint sharing? The distance is a couple of yards.
Ms Wilson: It is not in every site that we are sharing, it will only be those sites where the network fits—and I am no technical expert here—that is where we share.

Q142 Albert Owen: But the areas that really need it do not seem to be addressed, that is my point. They are not spots for mobile and they are not spots for broadband; the joint sharing arrangement is not there and they really are isolated.

Ms Wilson: One of the other things that may well help—and I appreciate it is a challenge and we do not have a panacea for it—is the spectrum liberalisation. As I said, it is quite a dull subject but what it does mean is that some spectrum would basically be freed up to help us reach other areas and it would make that viable.

Q143 Albert Owen: The irony is that I got a mobile phone call from Ayers Rock in the Outback of Australia and I live on the outskirts of a fairly substantial town and I do not get it, they made the connection. That is stark, and we are not just talking to Vodafone we are talking to all the providers to buck up.

Ms Wilson: I am certainly happy to look at that particular area and take it back and see whether we have got any plans, because obviously I do not have the plans in front of me, but it might be that that is something that is scheduled in—that is something I would need to go away and look at.

Chairman: This will be a very brief supplementary compared with the previous one.

Q144 Alun Michael: Is the argument for co-operation or the case for co-operation basically from the commercial side of the company?

Ms Wilson: It has been, yes.

Q145 Alun Michael: Or from an attempt to achieve universal coverage?

Ms Wilson: There are two things. If you look at the work we have done through the Mobile Operators Association, that has really been about minimising environmental impacts and we have looked to try and find sites and co-operate. There is a good agreement there and that is working, as I say, 60% of structures are shared. The other side of it, the point I made, has really been driven by commercial so it is being driven by the market.

Q146 Hywel Williams: You said earlier on that it is 1% of the population that is not reached; just a simple question, have you or has anyone actually figured out how much it is going to cost, the marginal cost, of getting the extra 1%, either on a Wales basis or on a UK basis?

Ms Wilson: I am sure some very clever people that are better at maths back at my headquarters have. Let me come back to you on that.

Q147 Hywel Williams: Thank you. Just thinking of using mobile broadband as a strategy to reach areas such as my own, which are either mountainous or low density population or in fact both, what are the strengths and weakness of using mobile broadband in those sorts of areas?

Ms Wilson: What we have always said is that mobile will complement other technologies so things like the topography are always going to be difficult and it is about considering all of those technologies to try and make sure that citizens are not excluded, so we see ourselves as part of the jigsaw.

Q148 Mrs James: I want to turn now to the contribution that you are making as commercial organisations. The Digital Britain Report homed in on this: do you think that governments should have the sole responsibility for helping hard-to-reach groups access technology or could your organisations play more of a role?

Ms Wilson: No, is the short answer, we would see it very much as a partnership. We talked earlier about education and that is where we really do have a role. Technology is baffling; we have silver surfers and in terms of child protection, for example, we have actually been leading industry in some of the work at an EU level to try and advise teachers and give them a resource because teachers as well have some difficulties in understanding. It is about playing our part in terms of educating people so that they do not feel completely mystified by the technology.

Mr Brookes: I would broadly agree with that. We have a great deal of experience in using our own technology and we have got a responsibility to make sure that we think about it creatively and that we help other people think about it creatively and use the tools in the best way we can. Education was the market that launched Apple and has been a primary reason for what we do for as long as the company has existed. We do a great deal of everything from actual curriculum development, content development, specific tools for education, we do a great deal of work with teachers and others. We absolutely have a role to play and we need to make sure that people are getting the most out of the technology that they have in front of them. The accessibility tools that we have built into OS10 that I was talking about before—I should not mention names but if one owned a computer that had a different operating system, for instance, you are looking at a cost of about £1,000 to put those functions into that machine whereas with Apple it is all in the box when that computer arrives. Apple's raison d'être in all of this is to make our technology as usable and as open to as many people as we possibly can; that is what drives us and we have a responsibility to do that.

Q149 Mrs James: With all due respect those are very soft issues. I appreciate you are saying about costs, they are talking about partnerships, they are doing things in kind, but there is a real hard cost, is there not? In your evidence you talk about the topography of Wales and the hard-to-reach areas and we have heard previous evidence here as a Committee from BT for example; they have to access these areas and
there is a cost there. That leaves people, like my colleagues have talked about, friends of mine who live in North Wales, very much isolated. They want to be using your technology but what about the hard costs of getting them on board?

Ms Wilson: That is what the Digital Britain Report is really trying to do, is to get that coverage to everybody in terms of broadband. Lord Carter has been quite clear that mobile will play a role in that so, yes, we do accept that mobile will play a role in that.

Q150 Mrs James: And the associated costs?

Ms Wilson: The funding has yet to be decided but I think the assumption is that a range of players will fund it potentially. How that works I do not know, that is something that we are considering as a company.

Q151 Mrs James: Have you any key actions that relate specifically to Wales that you would like to be taking, digital inclusion projects in Wales for example?

Mr Brookes: I do not think we have got anything specific happening in Wales. As I said, iTunes U is probably one of the things that we are rolling out; it is rolling out everywhere but it is also rolling out in Wales. The biggest schools project we have got is currently in Scotland.

Q152 Mrs James: Possibly Wales in the future?

Mr Brookes: Absolutely.

Q153 Albert Owen: If I could move on to risks and regulation, according to Vodafone’s written submission here Ofcom confirmed that mobile phones are acquired by, on average, people at the age of eight.

Ms Wilson: Yes.

Q154 Albert Owen: What are the responsibilities of commercial operators and government in protecting vulnerable groups—not just children, but I would be interested in young people in particular.

Ms Wilson: We have done an awful lot of work in this area since 2001. We actually led negotiations on the mobile code which essentially meant that the five network operators put in place barring and filtering; Vodafone has that on as default, you have to prove that you are over 18 to actually access 18-rated content. What we would say is that there are content controls in place; if people want them there they are in place and they can keep them on, and that will help with that, but again I would come back to the point about education—it is really important to educate people and to make sure they understand about the services. Privacy, for example, is a key issue; it is teaching people some very simple things such as not putting your date of birth, your address, all of that upfront and available for everybody to see. Also, the other thing we have done is we have chaired the Home Office social networking guidance which is now in place; that basically means there are things about flagging content that is inappropriate, so it is much easier for you just to flag that content, and again about privacy settings, making sure that they are appropriate for users.

Mr Brookes: From our side we come at it from a few different angles. One of the products we make is a web browser, a free open source web browser in fact called Safari which runs on the Macs and the iPhone indeed. Safari has parental controls built into it, and turned up to their maximum you can actually just pick the web addresses which the browser is capable of accessing. Kids will be able to get hold of those but they literally cannot access anything which is not in the URL list. You can edge back from that to different levels of filtering, and the browser certainly has received rave reviews from those who are trying to make sure that young people only do have access to appropriate content on the internet. We are obviously also a content provider. In iTunes we have again a set of parental controls which mean that you can limit access to an account; you can limit it by rating, if it is for audiovisual content, so if it is TV or movies you can stack them up age by age basically, and on the music side you can limit it by what they call parental advisory marks. There is an industry standard on parental advisory marks and you just say this account should not be able to access anything that is parental advisory. Obviously, to open an iTunes account you need a credit card which automatically applies a certain age limit and with that comes the administrator password as such which lets you set up those parentally controlled accounts. One of the new challenges in that area that we have come across is the App Store, the applications store. It went online first around the time of the US elections and of course we received a huge number of applications that were fairly denigrating to either John McCain or Barack Obama, so obviously none of those made it through the screening process. It is new to Apple to some extent because of course for most of the other content that we sell there is a body which gives it a rating; in the case of music there is a body which decides whether or not there should be a parental advisory. Web applications are a new thing so we have kind of put in place our own systems there and we screen every single application which goes up on the store, you cannot put an application up on the store without it going through Apple. We have applied some basic rules of saying anything that somebody might find insulting, broadly, we will not go for; of course, hundreds of applications get sent to us that involve pornography of some description and obviously none of those go up. What is very important in the digital space, particularly from a content perspective, is if you want people to be able to embrace technology and feel included they have got to trust it; it is particularly a problem for parents of young children or those responsible for young children because not only do they feel they cannot really trust their child to the technology they also feel a certain distrust in it themselves; it is a barrier that goes up the generations. It is therefore very important to have trusted spaces and trusted places and obviously organisations like the BBC have done a great deal of work on that and they carry a certain
brand with them. Obviously from the Apple perspective we are in reality actually a relatively small company but we have a very big brand and we are obviously very, very keen to make sure that the value of that brand and the quality of that brand is maintained. One of the things that we have an absolute commitment to doing is making sure that we do not inadvertently become peddlars of things that we would not want to share with our own children, so we have put a lot of technology in place and thus far it has worked.

Q155 Albert Owen: You have answered my next part really with regard to the initiatives that you have got; do you think government could do more and should be doing more?

Ms Wilson: As a result of Dr Tanya Byron’s review there is a new council for child protection that has been set up. That is a really good thing; we are actually on the executive board of that council and it will look at things like privacy, it will look at how to educate consumers, but there is a clear role, as you pointed out, in terms of education, not just for children and their parents but across the board. If there is a role for government I would say it is to work with industry and other partners to get that education out there, to help empower people so that they can use the technology and they are not frightened of it.

Mr Brookes: It seems to me that it is a huge focus for a lot of different pieces of government right now—from a privacy perspective, from a law and order perspective as well—so it seems to me there is a great deal of work going on and most of it is very effective.

Q156 Albert Owen: A final point. You touched on data sharing, and an issue that has been in the news very recently is people who buy mobile phones in particular finding out that they have got insurance companies getting in touch with them almost immediately and stingy them for high prices. Of course they are vulnerable at that time due to the fact that they have purchased something and they feel the need to insure it to the maximum value. Is there something that can be done by operators to alleviate that problem—particularly for younger people who are maybe buying their first mobile phone—of being told immediately? In this case from what I understand credit card details were given but they did not have much of a cooling-off period; they purchased it and then other companies were just harassing them to get insurance straightforward.

Ms Wilson: This is not my area of expertise but what I would say is that Vodafone does not share data with third parties unless consumers have consented to us doing so, and we do abide by the data protection regulations. I will happily take that away, look into that and come back with a more informed answer for you.4

Albert Owen: Thank you.

Q157 Mr David Jones: Mr Brookes, you were speaking a moment ago in terms of the importance of developing a trusted brand. You cited the BBC as an example of a trusted brand; presumably you would not include Russell Brand in that and everything that happened to the BBC in the wake of the Russell Brand/Jonathan Ross episode. The point I am making—and it is not entirely facetious—is this: there was a strong call after the Russell Brand episode for more regulation of the BBC. Do you think that a time is going to come when there will be a call for more regulation of the online sector, and that in other words self-regulation, the development of trusted brands, will not be sufficient?

Mr Brookes: The first thing to make clear is that obviously I do not speak on behalf of the BBC; they are more than capable of looking after themselves.

Q158 Mr David Jones: You prayed them in aid.

Mr Brookes: Absolutely, I have a great deal of respect for their brand. I think I read over Christmas that Andy Burnham, the Culture Secretary, was indeed talking about some form of ratings system for online content and there has been discussion of a wider almost kind of MOU type approach that I believe would also engage the US in order to look at all of it broadly. Whether or not that is strictly relevant in this particular Committee I do not know, but I think he was referencing English language content in fact. It seems to me that the Government is thinking along those lines, or certainly Mr Burnham seems to be thinking along those lines. So far as we are concerned most of our services are based on either sale or rental of established content, so it is films, it is television programmes, it is music, with the applications that come with those. Once you get into debates about user-generated content it is certainly very important that new services have their chance to grow. In a way when describing the media you cannot really just use the word the internet because that can be a huge plethora of things; it is reasonably comparable to television, to magazines, to a whole bunch of things that never existed prior in the media world, the music industry et cetera. It does all of those things, so saying that you can regulate the internet is kind of like saying you can regulate the world. It would certainly need to be looked at very carefully as to all the different kinds of services that people are accessing and how they do that. CNN.com is not necessarily comparable to the television channel CNN and you cannot necessarily treat those things in the same way. It is a very complex question and there are ways and means it will need to be looked at.

Ms Wilson: Can I just add a little bit because obviously we have been looking at this issue as well quite closely. One of the misconceptions is that the internet is not regulated and if you look at things like the AVMS Directive there are clearly plans to bring forward regulation and to bring the internet into line with broadcasting et cetera and there is also the Internet Watch Foundation, which is a list that all mobile providers have, basically to block access to illegal images. What I would say about self-regulation is that it is much more flexible than formal
regulation, so we can move more quickly than having to implement a piece of legislation and the pace of technological change is so incredible that there will be a need for self-regulation. The other point I would make about self-regulation is that we do believe that it should be independently reviewed. It needs to be credible; you cannot just say go away as an industry and regulate yourselves, it needs to be reviewed independently.

Chairman: I am very conscious of time, this will be the last question.

Q159 Alun Michael: I just want to ask you please not to use the term self-regulation. This is co-operative regulation in which the industry is working with government and others rather than top-down regulation. Self-regulation has a bad reputation; the sort of thing you are talking about has a good reputation.

Ms Wilson: You are absolutely right, yes.

Q160 Chairman: Thank you very much for your evidence today and your earlier submissions.

Mr Brookes: Thank you very much for the opportunity to speak.

Witnesses: Mr Adrian Poole, Head of Technology, BBC Cymru Wales, Mr Rhodri Talfan Davies, Head of Strategy and Communications, BBC Cymru Wales, Mr David Scott, Chief Executive, Digital UK, Ms Gwenllian Carr, National Manager for Wales, Digital UK, and Mr Wilf White, Director of Policy, Digital Switchover Help Scheme, gave evidence.

Q161 Chairman: Could I welcome you all to the Welsh Affairs Committee and in particular to this inquiry into digital inclusion. For the record could you all introduce yourselves, please?

Mr White: I am Wilf White, Director of Policy for the Digital Switchover Help Scheme.

Ms Carr: Gwenllian Carr, National Manager for Wales, Digital UK.

Mr Scott: David Scott, I am Chief Executive of Digital UK.

Mr Davies: Rhodri Talfan Davies, I am Head of Strategy and Communications, BBC Cymru Wales.

Mr Poole: Adrian Poole, I am the Head of Technology at BBC Cymru Wales.

Q162 Chairman: Could I begin by asking a very straightforward question to all of you in turn. What are you doing in your respective organisations to increase digital inclusion in Wales? Perhaps the BBC could start?

Mr Davies: There are a number of areas where the BBC is supporting digital inclusion. There are a number of innovations: the creation of bbc.co.uk has clearly played a very leading role in driving take-up and adoption of broadband in the UK and in Wales specifically and clearly BBC Wales offers a number of very popular websites in both Welsh and English. That innovation has continued clearly in the last 18 months in terms of services like iPlayer which obviously are offering on-demand access to our TV and radio content and again has surprised even us internally in terms of the amount of public interest and demand for that service. We can also play a role clearly in the broader areas of news and sport provision online—they are the biggest drivers that we have of online usage in the BBC and the extent of our services in Wales, again in both languages, is also a key element in terms of supporting general access. If I might just make a final point, there is a role for the BBC in terms of increasing awareness of our services and broadband content. The BBC has very significant marketing power and is able to increase, as I say, awareness of the range of reference services available in Wales.

Q163 Chairman: Mr Scott. Mr Scott: The role of Digital UK is to co-ordinate the switchover from the analogue to the digital television service and to roll out the new digital terrestrial network we need to use the frequencies which have been allocated at the moment to the analogue transmitters. What we will be doing is rolling out the digital network to all the transmitters in Wales—over 200 transmitters. Presently the digital terrestrial network is on less than 10 transmitters and reaches 63% of Wales; after switchover we will get to 98% which is slightly more than the analogue network gets to at the moment which is 97.8%. The requirement for the rollout is set by Ofcom on licences and in the BBC Charter so we are delivering the network as defined by the regulator.

Mr White: The Digital Switchover Help Scheme has a very specific mission; our aim is to ensure that no one over 75 or who is severely disabled or in a care home loses out at switchover. We want to make sure that everyone in those categories has had the offer of help and, if they have asked for help, has had digital equipment so that they keep receiving digital TV through switchover.

Q164 Chairman: If I could now turn to the Government’s Digital Inclusion Action Plan, could you briefly—starting again with the BBC—tell us what you think are the strengths and the weaknesses of that plan?

Mr Davies: We are working with the UK Government at the moment in terms of our response to that plan, but our intention is that by the final Digital Britain Report we will have supported development of a clear media literacy plan, a cross-industry plan. In terms of the BBC’s response we recognise there are areas where we can make a greater contribution. I think there are areas where we can co-ordinate across our own portfolio of digital services more effectively. I think there are areas where we can help other public services, where we can help users access other public services. There was talk in the earlier session about the power of the BBC...
brand and the element of trust; there is more that we can do to help people discover other people’s content through the BBC’s services, so there is a range of areas where we will be able to make a contribution.

Mr Scott: One of the advantages of the digital switchover on television is that within about two-thirds of the frequencies which are presently used by the analogue network, which transmits as you know four or five channels, we will get 20 to 40 channels and one third of the capacity will then be available to be freed up for other purposes. One of our tasks is to work with the Government and the regulator to get those frequencies clear so that they can be relicensed by Ofcom for other purposes.

Mr White: Again, my focus is very specifically on my target group and for them digital switchover can be seen as a bit of a threat. My job, along with Digital UK, is to persuade them that it is not a threat but an opportunity and there are real opportunities for them in getting more and better services than they currently do now, more and better coverage than they currently do now.

Q165 Alun Michael: We have had some information from the BBC about broadband take-up in Wales and the variations. You told us that your audience research says “the main reason for not having the internet at home for half of the unconnected is that they think they have no need of it”. Is it disappointing to you that a lot of the initiatives you have taken to make the use of broadband attractive and to get across the point of relevance seem to have attracted those who are already connected rather than reaching those who have not seen the point of being connected?

Mr Davies: We need to see the development of the broadband market in its historical context. We have seen very, very rapid take-up of broadband in Wales over the last five to six years from effectively a standing start, so to be in a position where our research is showing that we have 50% plus adoption in Wales is an impressive achievement.

Q166 Alun Michael: But, again, is that not through people who had a connection taking advantage of the greater connectivity, the greater band width?

Mr Davies: Certainly in part it has been about the conversion of people who were on dial-up internet access moving to broadband, but the market itself has grown, it is not just a case of people migrating from one service to the other and, as I say, in services like iPlayer and also a project that we are currently developing called Canvas, which is about giving televisions internet access so that through the television screen you can access internet on-demand content, those types of services look like they have the potential to grow the overall broadband market.

Q167 Alun Michael: That is understood, but our focus is on digital inclusion and therefore we are looking at the people who are not online; that is the specific remit that the Committee has taken on. This suggestion that people cannot see a purpose in it is a big challenge, and I go back to the question I asked first, is it disappointing to you—and how do we get over this—that despite the considerable efforts you have made to explain and attract people to things that are of relevance to them, it does not seem to have massively accelerated the numbers?

Mr Davies: There has been quite rapid progress over the last few years but there is still a significant constituency in Wales and across the UK who are not yet persuaded that broadband internet access offers them sufficient benefits to make that jump. As I say, in continuing to innovate—I talked about the number of services that we are currently developing—there is the opportunity to grow that market. There are a number of areas that we are currently working on. We are working on an earth portal to gather all our climate and environmental services, Formula 1 returns to the BBC which will be a major internet and broadband proposition, not just a TV proposition; there is a range of services that the BBC is developing which will take us beyond that current threshold.

Q168 Alun Michael: With respect that is answering a different question to the one that I was asking. Growing the market is one thing, increasing incrementally the number of people who take up the service is a good thing, getting people who are already connected to widen the range of use that they make is all very good, but the issue of reaching those people who have not yet seen the relevance for them of going online is the really big challenge of digital exclusion. Who do you think needs to do what in order to reach that group?

Mr Davies: I am not seeking to play that down, the BBC particularly has a role to demystify some aspects of new technology. If you look at some of the initiatives we have taken with services like Webwise and Computer Tutor, these are interactive services which are intended to take away some of the complexity and some of the barriers that people have to take-up, particularly among some of the older age groups. There is a major educational role for the BBC in taking away some of those barriers that seem to exist with some groups in society. If I could just refer to one initiative, BBC Wales has been very proactive over the last three years in rolling out what we call a community strategy which is actually taking the range of BBC Wales services that we offer out to different communities right across Wales. What that does is it gives elements in each community, groups of people, the opportunity to see our services up close, to interact with them and see how they work. What we find after that is that there is greater understanding of what we do and, frankly, less fear of making some of those digital jumps.

Q169 Alun Michael: Local is the answer to some degree then.

Mr Davies: It is part of the answer; there is nothing like showing people the technology up close in terms of convincing people of the benefits.

Q170 Alun Michael: From that experience can I just come to the other side of the coin, to what extent if people are not used to using the technology and
therefore do not feel in control are they put off by a degree of fear or a feeling that they are not quite sure how to be in charge of what is happening?

Mr Davies: It is a complex mix. Price is still an issue for some, even though broadband access prices have fallen quite significantly. There is a fear factor for some; some people will not have broadband access at home because they have access at work and they have access at other places. There is a whole range of different factors for why some households have not yet made that migration to broadband.

Q171 Mr David Jones: Are there any particular challenges in Wales to the modernisation of the broadcasting network? Mr Scott, perhaps you would like to start.

Mr Scott: Thank you. The topography of Wales, as you were discussing earlier, presents some significant challenges and that is why for the broadcast network we have over 200 transmitters trying to get over and around hills and into valleys. Let me just put that into proportion: that is over 20% of the transmitters for the whole of the United Kingdom, so it is disproportionate in scale of population. The network is well-designed, we are confident that we will achieve a greater coverage with the new digital network or at least equal to the analogue network when we have built the transmitters and turned up the power. There are other issues, there are issues of overlaps of signals coming from different transmitters and how you receive them—it is very complex to explain in terms of how we make certain that people get the signals they want and to retune their boxes to get the right signals. Those are challenges which we will be addressing and communicating.

Q172 Alun Michael: Can we go back to the point Rhodri Talfan Davies touched on which is the availability of a variety of services through television access. What do you see as the likelihood of developments in that area and what do you see as the opportunities in digital switchover for an expansion in the relevance of that and the accessibility for a wider range of people?

Mr Davies: There are a great many opportunities. If you look at the discussions that are ongoing around HD (high definition) services there is the opportunity across all platforms, including freeview, to offer a very rich audience proposition, so that work is ongoing. I mentioned a project called Canvas earlier, that is a partnership that we are currently working on with both BT and ITV which is to develop a common standard so that we can deliver broadband-enabled services through the television, so these discussions that we have had over a number of years around the opportunities of convergence are increasingly opening up to us. Increasingly what we are seeing with services like iPlayer is a change to audience expectation. Initially with things like radio player and now with iPlayer delivering television services on demand I think that audiences are becoming quite platform-neutral, what they want to see is the mix of services they can get, and it might be a mix of satellite or terrestrial or broadband. There will be a slow adoption curve and it may focus on particular audience groups initially but we are in quite an exciting transitional period here where some of those technologies will start to come together.

Mr Scott: I share that view. I think that one of the aspects of the digital switchover is that perhaps we can take people over a step of fear of technology; I would hope that we will be able to make the transition as simple as possible for people and maybe once they have taken that step and have got a digital television they might think about other digital services.

Q173 Alun Michael: Is that something that is being planned for specifically and do you think, particularly in relation to public services and communications, there is adequate understanding of the potential?

Mr Scott: My task at Digital UK is very precisely focused on the switchover of television services but I do know that Lord Carter in his Digital Britain Report is thinking very hard on how one might draw on the experiences of switchover and Digital UK and look at these other services.

Mr Davies: Chairman, could I just add to that because you raise a very important point which is about the complexity of messages and, particularly in Wales at the moment, the key driver is to get over this transition to digital television. There are lots of layers of additional services and audience propositions that we can develop but I suspect there is actually quite a priority at the moment to try and keep some of the messaging fairly straightforward.

Q174 Alun Michael: I can see the need to keep the messaging simple but at the same time there is a specific opportunity, is there not, with the switchover? One of the examples would be the issue of audio description where availability to people and take-up has been the issue in the past, but the opportunity of the switchover is to make that available to a much wider range of the specific people who need it, which comes back to the target audience of the support scheme.

Mr White: If I may answer that, yes, the Help Scheme are very conscious indeed that the availability of subtitling and audio description is something that is very important for the group, and the box that we give you if you ask for help from the Help Scheme has been specially designed with support from organisations like the RNID and the RNIB so that, for example, it will give you with the press of a single button immediate access to both subtitles and audio description. Yes, we think that is a driver among some groups towards digital TV. Audio description you cannot do in the analogue world; it is a very exciting service, we are doing our best to raise awareness of it and to make it as successful as possible.

Q175 Mrs James: I wanted to turn to what we have learned from the digital switchover process. Is there anything that we can learn regarding how to involve hard-to-reach groups in new technology, because
obviously you have been doing a lot with informing people, bringing people on board. Is there anything that you can pass on so to speak?

**Mr Scott:** There are a number of things. Our communication campaign is one where we put leaflets into every home but in addition to that we have captions on the television screen, we have a lot of advertising on radio and television, but one of the most satisfactory features is where one can engage the local community, both with our road show events and through our charity partnership. Digital UK has a contract with a company called Digital Outreach Limited which is an organisation set up by Age Concern, Help the Aged and Community Service Volunteers, and that does try to really use their networks to access people as switchover approaches to provide encouragement, support and guidance and I think it is a very encouraging development.

**Q176 Mrs James: Mr White.**

**Mr White:** From the Help Scheme point of view of course this is absolutely crucial because we are acutely conscious that the people most in need of our help are often the hardest people to reach, the people who are most socially isolated, who have real difficulty understanding new technology, who have few friends, who do not have the social networks that support most of us. We have therefore put a lot of effort through our contractor eaga and their own networking activities, through working closely with Digital UK and Digital Outreach Limited and by doing our own research in looking at how to reach this group best. That means really close engagement with the voluntary sector and also with people who visit people in their homes, everything from Meals on Wheels to the local vicar. We are trying to get out to everybody who has contact with these people because they often rely on the advice of a trusted friend even if they have no family; somebody who is a regular visitor to the house will get more trust than any number of television advertisements or pieces of paper through the door, so it is the human touch that we try and aim for.

**Ms Carr:** Can I just add as well the work that we have been doing locally across Wales, especially now with our partner Digital Outreach. We have actually started work in West Wales and we have also appointed the agencies who are going to be leading the work in North Wales as well, and we are looking for agencies now to lead in Mid Wales and in the South East. I think what we are doing is actually quite empowering because it is very much getting the lead organisations in each area to train up other organisations, so it is a cascade effect to other smaller organisations which are very much embedded in local communities and training them to speak about switchover and include switchover in the work that they do from day to day as well. That does create a lot of confidence and hopefully a level of trust locally as well which is very important for us.

**Q177 Mrs James:** Could some of the money gained from the digital dividend be used to support digital inclusion projects?

**Mr Scott:** I am afraid that is not really a question for me, it is for the Government and Ofcom to decide what should happen to the proceeds. I am afraid I have no role in that one.

**Q178 Mrs James:** Has anybody else got any comments on that?

**Mr White:** I am afraid that is a question for Government but we are doing a great deal, both as the Help Scheme and with Digital UK to raise awareness of digital television, and there are opportunities down the line to learn from the switchover process in the promotion of broadband as David mentioned earlier.

**Q179 Hywel Williams:** Mr Davies, can I ask you some questions about the provision of DAB radio in Wales. You say in your submission that about 55% to 60% of the people in Wales are unable to receive Radio Wales or Radio Cymru. Given that the audience for Radio Wales and Radio Cymru is regionalised—I get the impression that Radio Wales serves the Valleys and perhaps the East and Radio Cymru serves the West and the North—does the 45% to 50% coincide with where your target audience is?

**Mr Davies:** You raise a very important point. Both stations enjoy audiences across Wales but certainly in the heartlands of those two audiences, Radio Wales in the Valleys and Cardiff area and Radio Cymru in West and North West Wales, there are particular issues in both areas. Our estimate with Radio Cymru is that about 70% of Welsh speakers currently are unable to receive Radio Cymru on DAB because of the specific regional issues in West and North West Wales. It is clearly an issue that we are lobbying hard on, we have had extensive discussions with Ofcom around this and I think in Ofcom’s submission to this Committee they have described the licensing process that is required in order to extend Radio Wales and Radio Cymru. The reality is that is that is an enormous challenge because of the geography of Wales and particularly because of the cost of providing local multiplexes in some of those less populous areas. There are partial answers: clearly, broadband delivery is increasing the availability of our services, there is extensive FM coverage for Radio Cymru across Wales but we are very focused on the DAB issue and we are working with Government and with Ofcom to try and do what we can to accelerate that process. I cannot pretend it is easy; the economics are incredibly challenging at the moment.

**Q180 Hywel Williams:** The net effect of this is that you might see your target audience or your core audience actually largely disappearing for a short period of time.

**Mr Davies:** What we are actually seeing, if you look at Ofcom’s numbers and the numbers that we have submitted in our evidence, is that DAB take-up in Wales is very regionalised, as you would expect. There are significant parts of Wales that are really quite resistant to moving over to DAB, either because there is no coverage, which makes complete
sense, or because there is only partial coverage or a more limited service. There are very significant challenges.

Q181 Hywel Williams: Are you aware as to whether the audience is aware of the forthcoming situation where they will not be able to receive Radio Wales or Radio Cymru on DAB?  
Mr Davies: I am sorry; I do not quite understand the question.

Q182 Hywel Williams: Are people out there, the audience, actually aware that this is likely to happen in the near future?  
Mr Davies: Our audiences across Wales are fairly vocal on this issue. When we do public meetings around Wales and in the correspondence we receive it is a constant source of annoyance, particularly where the BBC’s UK multiplex is available, so the BBC’s network stations are available but Radio Cymru and Radio Wales are unavailable. That is also a source of aggravation but it is the result of a piece of legislation that requires a commercial multiplex to be provisioned in order for Radio Wales and Radio Cymru to be made available. It is, as I say, a source of considerable irritation and annoyance to the audience.

Q183 Hywel Williams: In a situation where Radios 1, 2, 3, 4 and Five Live and the Asian Network are available but Radio Wales and Radio Cymru are not how do you propose to meet people’s concerns? What is your statutory timetable for doing something about this, because you do refer to an action plan?  
Mr Davies: The BBC is next week, I think, making a submission in response to the Government’s Digital Britain Report and I believe it will discuss the issue of the BBC’s nation stations and the lack of coverage on DAB for those stations. It is, as I say, a difficult issue. It is one the BBC is very engaged in and one that we need to push forward, but there are no simple solutions, there are no easy answers and quick wins in terms of moving the stations onto different multiplexes, extending regional coverage. Ofcom in their evidence make the point that they have now licensed many of the areas across Wales for local commercial multiplex operations but it is quite a different question as to whether those areas will actually be provisioned with DAB. For example, the Wrexham area was licensed quite a while back but there is still no local DAB service there and it is unclear what timetable the licence-holder is working on to in order to provide those local services.

Q184 Hywel Williams: Can you let us into the secret—if it is a secret—of your action plan, what are you intending to do about this? You have said it is challenging a number of times.  
Mr Davies: There is no magic panacea on this. It is a cross-industry issue and, as I say, the BBC is actually reliant on commercial operators in order to provision Radio Cymru and Radio Wales, so it is not an issue on which the BBC can act alone, we will need to act in partnership with a whole range of industry providers. I am afraid there is no single answer on this other than to reassure the Committee.

Q185 Hywel Williams: Forgive me for pressing you but do you have an action plan? Do you have a plan for what the BBC is going to be doing?  
Mr Davies: There are a number of options the BBC is currently looking at internally and discussing with a number of external stakeholders. At the moment I could not tell you what the details of those proposals are, but there are a number of them. I would caution: there are no simple answers here, simply because of the economics of providing those local multiplexes.

Q186 Hywel Williams: I am sure we will have to come back to this at some point. Can I just ask you one further question: are you aware of the effects of having this limited coverage of Radio Cymru on DAB, the effects that has on payments to people who produce the material, paying the talent as it were. I understand that the PRS payment for Radio Cymru is under 50p per minute whereas digitally provided services throughout the UK such as Radio 1 or the Asian network are paid at a rate of more than £6 per minute. Am I right in that supposition and what are the effects on the generation of content through the medium of Welsh?  
Mr Davies: Forgive me, I do not know the answer to that but I am happy to provide that information.  

Q187 Mr David Jones: I am interested in the future of DAB because it seems to be a peculiarly British technology and I am really wondering if we have actually entered a technological cul-de-sac because it has not really been taken up overseas, so far as I know, to any great extent. Commercial operators have been deserting DAB—the Jazz was quite widely publicised recently. Do you honestly feel that DAB has a future or do you see that Britain may be moving towards some other platform such as DAB Plus or maybe even internet radio?  
Mr Davies: I might bring Adrian in here in terms of the technology answer but let me make clear that the BBC is very supportive of DAB. All the evidence we have seen where DAB is provided is that it has significant appeal to audiences, it offers them an enlarged range of services and it actually increases listening. Radio listening overall has been in some shallow decline for a number of years and what we have seen in the homes that do have access to DAB is an increase in listening but you raise an interesting issue around a mixed ecology. We have moved from a situation of medium wave and FM to a situation where we have a whole range of different devices—broadband, digital television, DAB, a whole different range of ways of accessing radio content, so notions of universality, whilst easy to say, are very difficult to fund, so we are in an uncertain transition at the moment.

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Q188 **Mr David Jones**: I am just a bit concerned that DAB may become a Betamax technology and it does seem to me that commercial operators are deserting DAB.

**Mr Poole**: As a technology it is a good, stable, mature technology. At the moment if you look at what is available to replace it for in-car listening there is not anything out there at the moment. The difficulty for the commercial operators is finding the right business model, and that is something that we need to work with the industry on. If it was not DAB, what would it be? I do not think there is a technology out there at the moment that would provide the in-car listening.

**Chairman**: Thank you all for your evidence today and also for your earlier written submissions.
**Tuesday 31 March 2009**

Members present
Dr Hywel Francis, in the Chair
Mr David Jones
Alun Michael
Hywel Williams
Mark Williams

*Witnesses:* **Professor Sonia Livingstone,** London School of Economics, Department of Media and Communications, **Mr David Miles,** European Development Director, Family Online Safety Institute and **Mr Robin Blake,** Head of Media Literacy, Ofcom, gave evidence.

Q189 Chairman: Good morning, and welcome to the Welsh Affairs Committee and our fourth evidence session for the inquiry on digital inclusion as it relates to Wales. For the record, could you please introduce yourselves?

**Professor Livingstone:** Sonia Livingstone from the London School of Economics.

**Mr Blake:** Robin Blake from Ofcom.

**Mr Miles:** David Miles from the Family Online Safety Institute.

Q190 Chairman: Could I begin by simply asking the question: in what ways does young people’s use of the internet differ from adults?

**Professor Livingstone:** In quite a number of ways I would say. You have not said what ages you are talking about, but I would say young people, teenagers especially, are notably: more experimental; more exploratory; more confident in trying out new things—and it includes taking risks as well as looking for new fun things to do. They are probably much more focussed than adults: on communication; on networking; on widening their networks so that they are part of ever-wider circles of peers. Whereas many adults I think use the internet primarily for information research and more instrumental purposes—and adults are probably more likely to do what they need to do and then stop—I think children take the next step and look further. I think there are some more experimental opportunities and some greater risks.

Q191 Chairman: In that context they are much more exposed to risks because they are more experimental; and they are by the very nature of their age more immature and not capable of dealing sometimes with those risks. Is that what you are saying?

**Professor Livingstone:** Yes, I think they are more exposed to inadvertent risks, risks that they do not anticipate. They are less exposed to financial scams than adults who use their credit cards, and clearly many adults who seek out pornographic sites or certain kinds of sites that young people might not know exist. I think there is a different pattern of risks. The inadvertent stumbling upon things and then looking to see what that is clearly is a great risk.

Q192 Hywel Williams: Adolescents typically take risks as part of learning what burns you when you put your finger in the fire, as it were. Are the risks taken by adolescents in this field substantially different from other sources taking risks?

**Professor Livingstone:** There is a very severe limit in what we know in terms of the empirical evidence on what risks they really take and what consequences it has—a point I could develop at length, but will not. I think the crucial point is that it is important that adolescents take risks, that they learn how to cope and that they learn to become competent to manage their environment. What is distinctive about the internet is that often one problematic content or interaction can lead to the next and lead to the next. I think in the offline world there is a certain problem one might encounter but it does not necessarily lead on to the next: we have designed a world that manages and contains what young people can do in various ways. Online we do not have as many constraints and management strategies to stop one thing leading to the next.

Q193 Mark Williams: In your research you have said about the limitations of the empirical evidence, are there any particular groups of young people who are vulnerable when looking at the internet and other technologies?

**Professor Livingstone:** I think the evidence there is really at the stage of tentative suggestions rather than very clear conclusions; but we are beginning to build up a picture, I guess unsurprisingly, that those who are vulnerable in various ways in the ordinary world tend also to be those who are vulnerable online. So it can be those who do not have sufficient parental supervision; it can be those who are unhappy at school or in some way unsupported by their friends; it can be those who have various mental health issues. I think the picture of vulnerability offline is pretty similar to that online. There is American research from a centre focussing on exploited children that confirms a kind of cycle of disadvantage there—that those who are lonely or unhappy or have low self-esteem will take more risks or seek out inappropriate contacts online and compound the problem.

Q194 Mark Williams: Do you feel the Government’s Digital Inclusion Action Plan takes sufficient account of those risks of the exposure to those vulnerable people?

**Professor Livingstone:** A lot of the proposals depend on exactly how they are going to be implemented. I think the difficulty is always how one really identifies and supports particularly vulnerable children, which is a problem I think in many areas of social policy. There is a heavy reliance in the plan on the role of
parents and on teaching children, improving their media literacy, which I am sure Robin will talk about. I think what worries me there is often there are parents who will respond very positively to that requirement to be responsible and there are children who are very willing to learn; but it may not be the vulnerable children who have either the responsible parents or the capacity to learn those new skills. I think the key thing is the balance between what is required in terms of the Government’s frameworks, and what responsibility we place on young people.

Q195 Mark Williams: Do you think there is a gap there in the teaching profession, for instance? I used to be a teacher and it astounded me how aware the children were as opposed to my own awareness in terms of accessing any site.

Professor Livingstone: The priorities I think probably for schools would certainly centre on teacher training, and here a mounting call that teacher training really should adequately address online safety issues, and on an updated basis and not as a one-off. I think there is still an issue that schools have tended to think that the risks happen outside the school gates and it is therefore not especially the school’s problem; but of course the school is the means by which all children can be addressed, as it were.

Q196 Mark Williams: You have said, “The Family Online Safety Institute suggests that there is a ‘digital generation gap’”, that spans far beyond the teaching profession.

Professor Livingstone: Yes.

Q197 Mark Williams: We have heard of obviously a lot of reports in the media about the extent to which young people are exposed to dangerous sites on the internet, including technology. Do you think those reports have been exaggerated? If so, what do you think are the implications of that in terms of medium-term planning and risk management strategies?

Professor Livingstone: The media reports, yes, are probably exaggerated, and they emphasise certain risks more than others. Particularly in this country we have a lot of headlines around the risks of paedophile contact and pornographic content. Of course those are both real risks but there are other things that do not get headlines so much: children being vulnerable to various commercial scams, and data protection and privacy issues do not hit the headlines in the same way.

Q198 Mark Williams: How is that going to impact in terms of risk management strategies? Does it have an impact on this? Should it have an impact on this?

Professor Livingstone: There is a curious pattern by which media headlines lead parents to get anxious which might lead them to ask their children what they are doing, and yet some do not. I would not say that the headlines are all bad in that sense.

Q199 Mr David Jones: Professor Livingstone, I would like to explore that a bit further—the issue of the role of parents. To what extent do you consider that parental influence, parental supervision, can be sufficient to reduce risk? To what extent do you think it needs to be supplemented, for example, by regulation?

Professor Livingstone: I will give you the researcher’s answer to that because I am not a regulation specialist. I think the researcher’s answer is that every time we look at practices of parenting we see that they are stronger and more practised and probably more effective for most families, particularly parents who have the time, effort and resources to attend to what their children are doing online; and there is always the group who get left out, whose parents, for whatever reason, do not give that degree of attention. When we set overall recommendations for parental legislation I think we always have to worry about, say, the 20% of children whose parents are not taking on that responsibility for whatever reason or are not able to.

Q200 Mr David Jones: I guess you arrive at an age, however, where children violently object to their parents interfering with what they are doing online—somewhere round about the early teens?

Professor Livingstone: I think the key age for experimentation is probably from 11–14; after that most teenagers have learned not only to be very good at managing the internet but also to manage contact requests from people they do not wish to be in contact with. They have learned something about their personal data protection and so forth. The key risky age is probably at the start of secondary school, and most children will take risks at that point and experiment with what they can do that is precisely outside their parents’ eyes; and parents are putting the internet in children’s bedrooms and other private places more and more. I think there is a real limit to what we can ask parents to do.

Chairman: Mr Blake, you have been remarkably silent but I am not sure whether you are agreeing with everything?

Q201 Mr David Jones: I was just going to ask Mr Blake and Mr Miles if they would like to comment on the issue of regulations in this context?

Mr Blake: I think there are different levels of regulation we need to be mindful of. The point Sonia was making, about the importance of regulation within the family, a relationship between the parent and the child which leads to guidance and support to the child in their online journeys, there is regulation that can be provided, for instance, by the service providers by way of information, advice, support guidance tools and so on. Then the most extreme kind of regulation is where we see some kind of state intervention, which I think is not necessarily the most appropriate in this kind of relationship with technologies.
Q202 Mr David Jones: I would like to move on to software tools which are readily available. How practical are they; how usable are they; and how up-to-date are they?

Mr Miles: I think they are. I think the first point I would make is that there is currently a natural generation divide between, let us say, those people who are 30–35 and over and the current generation of youngsters and children, which has really stemmed from the 1990s when most adults came into contact with computers through business, through using it as a productivity tool, by using e-mails and so on. Children use it in a fundamentally different way: they use it as a means of communication and self-expression which is just really very different. I think as a consequence, the solution that may have been appropriate a few years ago—with filtering of inappropriate content which is a relatively easy thing to do—does not really acknowledge the problem of user-generated contact; in other words creating a MySpace profile and Facebook profile; taking digital pictures and putting those things up; and using mobile phones. The challenge here is that filtering, whilst probably one of the means of dealing with children’s access to the internet, does not really meet all the needs that are currently being addressed by how children use it. I think that is the challenge—that it has gone well beyond that.

Q203 Mr David Jones: Are there no software products that can address the issues you have just outlined?

Mr Miles: I think filtering is very key, and I think there is a very substantial shift going on which the mobile industry in particular has been initiating, which is that until now we have seen laptop sites as being a device installation of a filtering product. Children are clever enough to circumvent quite a few of those, and although they are relatively effective—particularly for younger children, teenagers less so—if you take the mobile phone, for example, it is extremely difficult to circumvent a mobile phone device, because most of the filtering is done up on the network; and I think that is a very promising trend, where I think you will see devices which are much more appliance-based: where those kind of things are fixed-up online and whatever the child does at a device level it will be more difficult to circumvent.

Q204 Mr David Jones: If I could just explore that. Would it be possible, for example, to have a hardware device, a dongle or something, that you could actually plug into the machine?

Mr Miles: There are examples of that around, but they have not proved very effective, to be honest. I think filtering only represents one aspect. For example, in things like cyber-bullying, which is the relationship between children as they interact and communicate online, it is not something that filtering could address, and yet that is a very real problem. That is why something like a dongle is only partially effective, even if it existed.

Mr Blake: I just wanted to add to what David was saying there. Research done by the ITC and Ofcom has identified that one of the reasons why parents in particular have not been using the available filters is that they consider them to be difficult to use and to implement; not very effective; they often are perceived to over-block, that is stop content which is legitimate, being accessed by a person. As a result of that, parents tend not to use those tools. It is not going to be the answer but it is one of the potential answers. Working with the Home Office and the British Standards Institute, Ofcom has worked with the industry to create a British standard for internet content control software. The intention is that that would raise the barrier in terms of effectiveness—how effective they are at blocking inappropriate content, and to minimise the impact of over-blocking; to make them easier to use, easier to load, easier to refresh and update; thereby giving some confidence to parents that they have a tool available to them to help manage their young person’s journeys. No filter will ever be 100% effective in blocking all inappropriate content; but we take the view even if they only block 70% or 80% of that inappropriate content that is better than nothing at all. The slight disappointment at the moment is, having created this standard, none of the software companies, bar one very recently, have applied for that Kitemark, which will give them the opportunity to put a badge on their box or their site saying that this particular product meets the specification set out in that standard; which I think would be an opportunity for parents to have confidence that that would be better than the old product and should be used. Our research suggests that from 2005 to 2007 the number of parents using content control software on their PC has fallen. That is something we need to address specifically in terms of raising awareness of them and making sure that when you get them they perform more effectively and are easier to use; so there is a job of work to be done there.

Q205 Alun Michael: Can I address this to Ofcom, continuing to probe the same area, and then perhaps ask Professor Livingstone if she has got any comments in response. If I understand you correctly you are saying that essentially the technology cannot solve people problems; and, secondly, young people are way ahead of their parents in terms of the technology in general; but it is also a difficulty because they are speaking a different language; their behaviour and their use of computers and of the internet is radically different from that of their parents. Given that is the situation, what is the best way of achieving a balanced perception and an understanding of the risks that need to be addressed? What is the role of Ofcom in enabling that to happen?

Mr Blake: I think one of the key problems we see is awareness amongst parents and adults in general of the risks, but also the potential benefits of going online. There is a balance that needs to be drawn there. I think research suggests overwhelmingly parents and young people consider the internet to be of great value for a whole range of things; but sometimes the media highlights the risks as opposed to promoting some of the benefits.
Q206 Alun Michael: They do not do that in any other field of endeavour, do they?
Mr Blake: We find parents feel as if they do not have the skills, knowledge and understanding of the technology, so they often abrogate their responsibility to the child. They often do not set rules or manage those rules for behaviour.

Q207 Alun Michael: I am expecting that as the starting point. I am asking: how do we give the parents and others, including teachers, a proper understanding and a balanced understanding of the problems and what needs to be done?
Mr Blake: I think there is a significant opportunity for schools to be more proactive in relating to the parents of the children in their schools and providing the support for parents. The experience that young people have of using the internet in schools is quite different from using their internet at home. The schools often have in place quite effective filters and user rules about what you can and cannot do. When they go home they are often unfettered in their use. I think there is a particular role to play from the experts in the school to support the parents, and I would like to see further development of that.

Q208 Alun Michael: Can we probe that a bit further. At a general level I can accept that, but an individual parent is in an individual circumstance, and Ofcom has had responsibility for promoting media literacy for the past five years. You have got a Wales Network, as I understand it. What have you learned from that in terms of online safety; what interventions have the most impact in terms of reducing risk; and how do you drill this down to the level of the average parent, rather than the particularly knowledgeable parents?
Mr Blake: It is a very difficult question. Although Ofcom undertakes research to monitor people’s attitudes and behaviours in terms of the internet, mobile phones and other digital technologies, it is very hard at the parent level, at the individual level, to understand what is effective and what is not. I think a lot more work needs to be done about the impact of particular interventions, and I do not think we are at that point of having a better understanding.

Q209 Alun Michael: Forgive me, am I not right in the question that Ofcom has had responsibility for promoting media literacy for the last five years?
Mr Blake: It has.

Q210 Alun Michael: The outcome of that five years’ work—where does that take us?
Mr Blake: It has taken us a long way down on a particular journey: we have not yet achieved the point where we want to be. If we consider that Ofcom’s media literacy journey is to find every parent, every adult, every child fully media literate to be able to cope, then we have not got there. We have begun a journey. In the period we have been working we have established a strong and robust research base, which tells us about people’s attitudes and behaviours. We have used that in order to raise awareness amongst a whole range of stakeholders about what they need to do, both in industry and in education.

Q211 Alun Michael: Can I simplify it, and ask you to use all that experience you are pointing to, to ask a question: what are the key things that young people and their families need to learn to avoid or manage the impacts of risks on the internet? What are the best ways of teaching those skills; and who should be doing that? Perhaps that should be: who is doing that?
Mr Blake: I return to the point that I think schools have a key part to play.

Q212 Alun Michael: What are you advising them to do on the basis of your five years of experience of the research base and so on? I want to get beyond the generalities into the specifics if we can.
Mr Blake: Clearly we are talking to those organisations, often in Government, who have responsibility in the area of developing the curriculum; and it is at that point where Ofcom has an opportunity to intervene to make sure there is a recognition that e-safety has an important part to play within the provision of learning for all children. As I say, we have talked about the importance of schools building links with parents. Ofcom does not have a remit to guide the curriculum or require the curriculum, but we use our evidence to build a case for those organisations that do that.

Q213 Alun Michael: Let me try to simplify it: a parent wants to know more; knows that Ofcom has this media literacy remit; if they go to your website will they be able to find a page that gives them the answer to the question I asked in the first place?
Mr Blake: If they go to our website they will find a range of indications about where they can go for support, depending on the different aspects they are interested in.

Q214 Alun Michael: Is that the right place for them to go, rather than, for instance, Get Safe Online, the Department for Education or the Welsh Assembly Government? Where would parents start?
Mr Blake: If parents come to Ofcom either through the phone line or online then we direct them to a range of existing provisions, like Get Safe Online, the other organisations like IWF the Internet Watch Foundation, who are providing advice and guidance to parents. Ofcom does not duplicate all that information on its website but acts as a signpost to the appropriate organisation which is on the ground delivering that support and providing that information.

Q215 Alun Michael: It sounds very complicated from the starting point of an average parent. Does not the complication make it more likely that parents, like the 11 year-old, are going to deal with it by experimentation rather than feeling that there is an authoritative source of advice from Ofcom on what to do?
Mr Blake: I agree.

Q216 Alun Michael: I thought that question was potentially a criticism of Ofcom, by the way, but you agree with it?

Mr Blake: I agree, if we had the resources to provide, for instance, a one-stop shop, a telephone line and a website that was promoted nationally and everybody was aware of it, that I think would be a better tool than the tools we have available at the moment.

Professor Livingstone: In the process of the Byron Review there were repeated calls for a one-stop shop (and that is now under the remit of the Council for Child Internet Safety) which should be at least a single clear website and I hope also some kind of telephone support that would be the first port of call for parents; not the end resource, as it were, but the first place that they would go, where everyone could say, “This is the Government’s place for advice and redirection for whatever issue”. I think there is a very serious issue of sourcing and that has got to be completely up-to-date. It has got to really be able to direct people out to where the other sources of advice are; and these are indeed very complicated decisions. You do not want to go to the IWF unless you are dealing with something you suspect to be illegal; and you do not know what the criteria of illegal content might be compared to harmful; so I think these are really tough judgments we are putting on parents. The one-stop shop remains a goal that currently we do not deliver, so parents will simply say, “I don’t know where to turn”. On the second point, I think over the last five or more years many organisations, both public and private sector, have been developing some great resources to raise awareness and encourage media literacy but they remain one-off sets of resources or initiatives. We know how many thousands get sent out but what we do not know, I think, is whether every child has yet had an up-to-date briefing on issues from illegal content, to copyright issues, to how they should treat their personal information and what to do if someone bullies them. We do not know from the child’s point of view have they all had that, and do they get it on an updated basis. It seems to me the best place that should happen would be in PSHE classes. Whoever advises children at school on sex, bullying, parenting and so on would include the internet as one source of risk associated with each of those different areas; but I do not think at the moment that is happening in any systematic way.

Q217 Mark Williams: Could I just take that point further. Do you think the opportunity is there to pursue awareness?

Professor Livingstone: Yes.

Q218 Mark Williams: More generally though, schools are undertaking their legal responsibilities in terms of sending out notices for parents’ permission for children to use the internet. That is raising awareness at the parental level to some extent.

Professor Livingstone: They send out acceptable use policies for the use of the computer and internet in school. I think. That is different from general guidance on what to do if you feel you are being bullied.

Q219 Mark Williams: Do you think there is a more proactive role schools can undertake in the next step that we can try to probe?

Professor Livingstone: They seem to be the only agencies that are already set up to address every child so, yes, absolutely. Perhaps apart from Social Services, they are also the only agency that can catch those children who have not got the attentive parents looking for them for good advice.

Q220 Mark Williams: There is a resource implication there; and there is a time consideration there as well?

Professor Livingstone: Every parent understands they have been told by the British education system to get their child online to help them with their learning and benefit them; so it does seem to me that attaching a safety message, that encouragement to go online for educational reasons, would be appropriate.

Q221 Mark Williams: Indeed that is replicated in the national curriculum in terms of the IT curriculum?

Professor Livingstone: I was just trying to attach it to the PSHE curriculum, rather than the IT curriculum, because these are not really technology issues but social and personal issues.

Q222 Hywel Williams: Mr Miles, in your submission you specifically recommend more “industry self-regulation”. Would this apply to hardware providers, service providers, large content providers and platform providers?

Mr Miles: Yes, I think there is an enormous amount of work which has been going on within the industry to make the internet safer. An ISP or a provider over the internet, it is in their own interests really to make sure that they are relatively safe environments. I think there is no question that most ISPs these days either offer filtering or internet safety advice pretty much as standard; there are some who will not, but for the most part around the world that is generally the case. Particularly when parents have actually paid for the subscription, it makes commercial sense for parents to have the tools and facilities really to protect their children on the internet; and that is one of the big sources which filtering arrives in the home from—ISP-type packages—and in many cases these days they are offered for free as part of that combination. I think there are a lot of things now in place already that are making the internet safe within the home; but I think one of those challenges is that in many cases they are optional. There is a question there: should we mandate that sort of thing; or should we make that a question of choice?

Q223 Hywel Williams: Do you see a role for the actual point of sale? Some people think that, whatever the industries do on a large scale, it tends...
to be the shop assistant selling something who does not have the knowledge, skills, interest or whatever to point out the particular features available. Is there a particular point of contact that should be addressed?

Mr Miles: There has been quite considerable discussion about the idea, for example, of preloading filtering technology onto PCs, for example, and laptops, and that is a relatively easy thing to do; but within the really aggressive bill of materials that a PC manufacturer has to conform to, to achieve certain retail prices, that is relatively expensive. That is why very often PC manufacturers make it a question of choice really because there is an inherent cost in providing that. I think the other thing at a retail level is that, whilst there are a significant number of parents that will buy a PC for the family, you are talking about multiple user types, and for a retail assistant to really advise on all those aspects is quite difficult. I do not think the onus is so much on the retailer; although I do think the concept of a BSI Kitemark standard, as Robin has referred to, is really a key step forward because I think if parents can see a Kitemark which they can trust then that is something a retail assistant can point to and could be a key differentiator in terms of buying one PC over another, or one piece of software over another.

Q224 Hywel Williams: I suspect the parents in the particular incident of what a child does in the privacy of their own bedroom would be susceptible to the price advantage?

Mr Miles: Yes, I know, and I think that is the trouble. Over the years, having been in companies that have made their living from some parental control products, it is staggering just how little the take-up is in real terms. Even in the United States it is still 25% in terms of homes with good filtering products. It is a problem. I think this generational gap I referred to in the public submission is partly a fact that parents see identify theft and viruses as far more important and sometimes do not really readily admit that actually there are real issues which are totally different for their children.

Q225 Hywel Williams: If filters were mandatory there would be a level playing field and price advantage would disappear, would it not?

Mr Miles: To a degree, but I think there is an issue which Robin referred to earlier on, and I think it is changing, but traditionally in the past filtering products have been quite restrictive. If you go back four or five years when there was only a single profile access to a PC—and it is now multiple profiles—the problem was that if you imposed a filtering product four or five years ago it affected everybody that accessed that PC. The moment the adult decided to type the word “private” into a Word document it would block it. That has changed markedly and filtering has got cleverer; but the reality is that a significant number of people who buy PCs and laptops are not families—they are adults using it for personal use.

Q226 Hywel Williams: I should say that a friend of mine had an e-mail from his girlfriend and she put three kisses at the bottom and it would not come through! That was some years ago.

Mr Miles: That is a classic case in point. Absolutely, that is a very good example.

Q227 Hywel Williams: Just one other point, you said earlier on that user-generated content has gone well beyond that. Have you any suggestions as to how user-generated content could be brought into some form of regulation?

Mr Miles: I think the first thing to remember is that you look at user-generated content like, for example, social networks, which are a real phenomenon in terms of this current generation of children and teenagers. There are quite significant guidelines already in place that you need to be over 13, and there is very strong evidence to indicate that that is enforced relatively well. I think the challenge is that there is an enormous amount of effort involved in monitoring, in people posting up pictures and using inappropriate content; and there is quite a lot of technology at an industry level now which monitors profiles and has an established take-down policy when they see inappropriate content. When you think that these environments never existed four to five years ago, if you talk to the people in those industries these are new challenges, partly because of the scale of the growth of social networking sites; but overall I think they are doing a relatively good job. I think children are not sometimes given enough credit for actually managing their own environment in a relatively safe way. Kids will use a social network environment in really quite a constructive positive way to build their social lives. It is only a minority that perhaps try and circumvent the system, or do something inappropriate.

Q228 Hywel Williams: Would that inappropriate content be language in particular? There is a particular issue in Wales because we now have a good deal more stuff appearing in Welsh. How is that coped with, if it is coped with at all?

Mr Miles: You would have to ask the social networking people in relationship to Welsh, I have to say. Having been brought up in Wales myself I still could not comment on that. The reality is that most inappropriate behaviour is generally monitored on social networks, up to a point, but there is what is appropriate and what is inappropriate. One parent said to me once, having viewed their own child’s social network profile they were horrified at the kind of profile that they were presenting. Actually you really have to take a step back from it and say, “Actually, they consider it their own self-expression, and at 15 or 16 maybe we would have done the same if we’d have had the same opportunities”. There is a big difference between inappropriate behaviour and behaviour that is either illegal or offends—big difference.

Q229 Hywel Williams: Can I ask all the witnesses: what is the role for industry regulation and what should be the key priority areas for regulation?
Professor Livingstone: I think there is more attention now to the self-regulatory mechanisms, whereby the industry monitors usually reactively but sometimes proactively to change the environment in relation to content hosting, search provisions, so that if you type in “I want to kill myself” you get advice on suicide rather than how to do it. It is a significant intervention to make that kind of change. I think we could probably do a lot of that. If teenagers type in “drugs” they will get “Talk to FRANK” rather than “this is where to buy it”. I think the managing of that environment, which has to be done by the industry, is something you could call for on a larger scale; and I think there is something really crucial in the public interest there which is that it should be done transparently. At the moment there is quite a lot of this kind of content management and we have no idea how much is going on and how much is taken down and what the principles are. I think it would be fair to say the industry is best placed to do that; that it should be done according to a transparent code.

Q230 Alun Michael: I am a little bit concerned by the reference to “self-regulation”. Self-regulation has been given a bad name by the Press Council and it is not a place, it seems to me, that the industry should be going. Surely it has to be some form of regulation, which is more transparent. I can appreciate the reasons for not wanting something bureaucratic or legalistic, apart from anything else it would never keep up with the rapid changes in the environment that you are dealing with. Should we not be referring to something a little more sophisticated than self-regulation or just leaving it to the industry—call it cooperative regulation, partnership regulation or whatever—in which Ofcom and the industry would clearly have a mutually supportive role to each other?

Mr Blake: Clearly Ofcom is concerned about various issues related to content being delivered online. We also recognise that Parliament did not give us powers to regulate the internet. I suspect members would recognise that traditional regulation, in the sense that we all know it in terms of broadcasting, is an inappropriate model for an environment, where there are no boundaries between various states, and therefore the remit of the state is different.

Q231 Alun Michael: That surely means we need a cleverer, more flexible, more industry-engaged form of regulation, does it not, rather than we do not need any regulation at all?

Mr Blake: No, and I think that is where the whole debate in Europe is around co-regulation and self-regulation: the relationship between the state, the regulator and the industry in order that they set standards of behaviour amongst the industry and deal in an appropriate way, as Sonia said, in a transparent way that has clear sets of rules that the industry sign up to. As you indicated, that kind of model of regulation is likely to be much more effective in dealing with the rate at which things change and the new initiatives that come forward in providing the kind of level of protection that is appropriate on the internet.

Q232 Alun Michael: Would you accept—and it may be a different way of doing things than we were used to in the past—that there is a need for engagement of parliamentarians and wider civil society, obviously the point of transparency Professor Livingstone was referring to?

Mr Blake: Yes, I do.

Q233 Alun Michael: Is that something you are working on?

Mr Blake: I think Ofcom is looking very carefully at the debate that is going on in this House and elsewhere.

Q234 Alun Michael: And participating?

Mr Blake: Absolutely. I think Ofcom has a key part to play in bringing together those interested stakeholders. As members will know for some time we have been engaged with a whole raft of stakeholders and are promoting the kinds of best practice, self-regulatory codes both in terms of broadcasting and online delivery and I think Ofcom can act as an honest broker setting an appropriate standard and then bringing those stakeholders to bear to deliver on that.

Q235 Alun Michael: My final question really is about the issue that Professor Livingstone mentioned earlier with the UK Council for Child Internet Safety. Do you think that the right areas for the first actions of that Council have been identified; and do you think those are capable of being followed up and implemented properly in relation to Wales, which is obviously the focus of our inquiry?

Mr Blake: Yes, I do. I think the working groups are appropriate. I think the opportunity that began quite a number of years ago with the Home Office taskforce in bringing the industry together, encouraging open dialogue where these issues are common across the piece, delivered significant change in terms of best practice that was published and the industry signed up to. The opportunity for UKCCIS now to take that to the next level and to see some significant implementation monitoring and development I think is a great step forward. I think it is exactly the way to go. It is an example of Government regulator, industry and stakeholders coming together in an attempt to do the right thing in what is a very challenging environment, where all the issues around the internet come to bear. I am very encouraged by that. We look forward to seeing the working groups bringing forward proposals.

Professor Livingstone: I am on the executive board so, yes, of course—the Action Plan as currently formulated.

Q236 Alun Michael: You are allowed to say that is why!

Professor Livingstone: I think there may be a future issue of resourcing. It is an ambitious plan and mobilises a lot of people. It is not my understanding
that there is a lot of money that can be spent on making all that come about at the moment. There is a debate about how to implement and how much priority to give particularly vulnerable groups. I do not know if that especially implies anything in Wales, but I think there is an issue yet to be resolved there.

**Witnesses:** Mr Tony Neate, Get Safe Online and 
Detective Chief Superintendent Christopher Corcoran, Divisional Commander, Crime Services e-Crime Wales, gave evidence.

**Q237 Alun Michael:** There is an issue not just for Wales but differences in different regions of England as well, is there not? Is that something which has been addressed both as far as the Council is concerned and as far as the work of Ofcom is concerned?

**Professor Livingstone:** I do not think UKCCIS as yet have said anything in particular about different regions, but it is aware of issues to do with socioeconomic disadvantage and forms of psychological vulnerabilities. Those are very much on the agenda wherever they may fall.

**Mr Blake:** Where Ofcom works in terms of promoting media literacy then clearly we have devolved nation offices and networks of stakeholders who are mindful and aware of the local conditions in order that they can deliver appropriate responses and work in partnerships. I suspect at the various media literacy networks, the Welsh Media Literacy Network is the most vibrant and active in delivering in this area.

**Alun Michael:** Could I just underline this in view of Professor Livingstone’s board level, that there is a tendency sometimes to think that if things are dealt with on an England strategic basis that that has dealt with the regions, never mind the differences in education in Wales. It would be important to get that built in at an early stage.

**Chairman:** Thank you very much for your evidence today. Thank you also for the written evidence you have submitted to us. It was extremely helpful in preparing this session. I hope you feel it has been a worthwhile exercise. If you should feel you wish to add anything to what you have said today we would be very pleased to receive a further memorandum. Thank you very much.
Q242 Hywel Williams: What sorts of businesses and types of people are most particularly vulnerable to e-crime, do you think?

Detective Chief Superintendent Corcoran: Again, data capture is sparse but it is the small businesses, simply because they do not have the level of investment to make in either technology, advice, support or security advice; hence the e-Crime Wales Project being set up in the first place: whereas the larger scale bigger employers do employ the technical ability and the support that they need to make them more secure.

Q243 Hywel Williams: Do you think there is a particular Welsh issue here? I am aware in my own constituency that the overwhelming majority of businesses are single operators or partnerships. Is this a particular problem given the nature of the economy in much of Wales, do you think?

Detective Chief Superintendent Corcoran: I think it is more about education and understanding: about people always thinking—like they do with any kind of crime—“It won’t happen to me; it will happen somewhere else”. There is that naivety about it, and I think we need to be smarter with our education processes and how we get that message across so people take simple steps to try and make them a bit safer. It does not matter whether it is a sole trader or a fairly medium-sized business; it is about understanding the potential threat and the damage that that could cause.

Q244 Hywel Williams: Everybody will have had e-mails from various African countries offering all kinds of stuff to us and large amounts of money. E-crime is international, much of it. Does that limit the capacity of law enforcement agencies to tackle that sort of crime specifically in Wales?

Detective Chief Superintendent Corcoran: It does on a number of scales. The e-Crime Wales Project has to fit into the national arena and be consistent in what it is trying to do UK-wide. There are a lot of issues around legislation, where we deem events to be a crime in the UK which may not be a crime in another country. Would we send several investigators from Wales or from elsewhere in the UK to investigate an £8,000 fraud which might cost us £10,000 for people to travel to start to investigate, and then we have all the legislation problems that we meet when we get there? Would we ever bring those people to justice? Better to probably advise, secure and fill the gaps and stop it happening again, so an education process rather than chase things that are not achievable in many ways.

Q245 Mr David Jones: Mr Corcoran, the 2005 Manifesto said that urgent action was needed to improve information on the level of e-crime that is affecting Wales and its economic impact. What progress has been made since the Manifesto in collecting these statistics, and what information do you now have available that you did not have back then in 2005?

Detective Chief Superintendent Corcoran: We are still struggling to collect the data and that is for several reasons. Pre-2005 there was virtually no data collected on e-crime as an e-crime: it was just a crime and it was down to the call-taker or the receiver of the complaint as to how they interpreted what type of crime that was. Was it a theft or a fraud, or was it committed to a computer medium? So we were not very good at that. I can tell you that in Wales in 2005 the Police Service across Wales recorded only 1,000 incidents of e-crime as we were starting to capture the data. In 2007 that was just over 3,000 so they were trickling in but still very low numbers. In 2008 I do not know because we have a number of different data capture systems. We have now, through the e-Crime Project in Wales and the Police Services in Wales, aligned all of our computer data capture ready for 2009; so, hopefully, by the end of 2009 I could give you that information. I can tell you that a number of surveys have been conducted through the project and that the majority of businesses who have responded say at least 54% have been subject to e-crime, and that has cost them on average at least £800 a go; so it is costing the Welsh economy close to £300 million a year.

Q246 Mr David Jones: I guess part of the difficulty you have got is that more or less every day anybody who uses an e-mail is subject to a phishing intent; I think I have deleted three e-mails of that sort this morning from my own e-box; so it is a very common crime which people simply do not report. Is that part of the problem?

Detective Chief Superintendent Corcoran: There are a number of issues again. If it is a financial crime it goes through to the financial sector, it will make its way around the system and then come back to a local police force for investigation; that will change when we have the Police Central e-Crime Unit up and running, which is just in its infancy; and the National Fraud Reporting Centre will help achieve some of this data capture: but it does not solve the problem of the local business being subject to a phishing attack, what they do about it and how that gets reported. Some of that is lack of confidence in the Police Service. They either fear that if it gets reported and taken to court there is a damage issue in terms of reputation and share price; will the police come and take away their computers and keep them for several months. It is an understanding about what we can and cannot do and what we will and will not do for businesses when they report. We need to continue to build the trust we are starting to build. We have put in local liaison officers to have face-to-face contact to build that trust.

Mr Neate: If I may, there is an important part of reporting—and something I have always taught—which is: that which is measured is dealt with. If we have not got measurement then we do not know what the true problem is and the necessary resources are not put into it. One of my great fears is that two years ago when a decision was made that online financial fraud would not be reported to law enforcement but would be reported to financial institutions, the idea being that they would feed that
information back, historically—because I think it is going to take a while—that has not necessarily happened. I am hoping there is going to be a major difference when the Fraud Reporting Centre sets up and we will see it. My question on that is: will they be reported as crimes? I think for the Government to realise that there is a major problem by the fact that the crime reports go up then they will have to do something about it; but until that happens maybe the resources that really should be put into this area are not being put in.

Q247 Mr David Jones: Mr Corcoran, you mentioned that the Home Office's e-crime strategy is in its infancy really. In fact before this meeting I visited the Home Office's website and there is not a huge amount of information on that. Why is it taking so long for the Home Office to develop this strategy against e-crime?

Detective Chief Superintendent Corcoran: It is difficult to comment upon. I can say that the e-Crime Project came out of some frustration because there were a lot of things going on, lots of national and international debates about the threats. I will say now that there are a number of helpful websites. The e-Crime Wales Project website, the Get Safe Online website are now central points for information where people can seek advice, with one voice in many ways so there is a consistent message coming out. The Home Office issues have been around funding, numbers, resources, who should own the problem and who should deal with it. The problem is massive: the resources simply are not there; it takes a lot of finance; there are a number of policing issues, as well as e-crime; and so it is about priorities; and it is about trying to service many areas of the business.

Q248 Mr David Jones: To what extent has e-Crime Wales coordinated with the Home Office's overall e-crime strategy?

Detective Chief Superintendent Corcoran: I am a member of the National Working Group so I feed in what Wales are doing as the Chair; I take away what Wales are doing as the Chair; I take away what Wales are doing as the Chair; I take away what the relevant question to capture the data; and the recipient, there is an “e” element to it. It is a two-way communication. The call-taker, receiver, has to ask the relevant question to capture the data; and the victim, or the complainant in the case, also has to give some information back. If they do not understand what it is that is difficult. Again, part of the education process both ways is to try and educate people to say: how was this committed; what was the technology, computer technology or another means; and therefore get some meaningful data to help us drive the agenda forward.

Q250 Alun Michael: Can I just clarify the point on the reporting of crimes. If there is a crime—let us say it is a fraud that uses the internet—it is still a fraud, is it not?

Detective Chief Superintendent Corcoran: Yes, it is.

Q251 Alun Michael: So presumably when you are recording internet related crime, if you like, that is not a separate category; it is recording the fact that the internet is being the vehicle, as it were?

Detective Chief Superintendent Corcoran: It is capturing the “e” element of the crime.

Q252 Alun Michael: In other words, it is not an additional crime?

Detective Chief Superintendent Corcoran: No.

Q253 Alun Michael: It is an identification of the kit that is being used, in the same way that a motorway or whatever physical means would be used to commit a crime?

Detective Chief Superintendent Corcoran: Absolutely. It is dependent upon the complainant. The victim of that particular crime might say, “I’ve had a fraud committed against me”, or they might say “I’ve had a fraud committed against me via my computer”, which then tells the call-taker, the recipient, there is an “e” element to it. It is a two-way communication. The call-taker, receiver, has to ask the relevant question to capture the data; and the victim, or the complainant in the case, also has to give some information back. If they do not understand what it is that is difficult. Again, part of the education process both ways is to try and educate people to say: how was this committed; what was the medium for this crime; was it through mobile technology, computer technology or another means; and therefore get some meaningful data to help us drive the agenda forward.

Q254 Alun Michael: Could I ask both of you what you think the impact of your work has been, for instance, in relation to e-Crime Wales, the awareness campaigns in relation to Get Safe Online, the website advice? Do you think they have had any measurable effect on the incidence or impact of e-crimes?

Detective Chief Superintendent Corcoran: I think in terms of education for e-Crime Wales it has had a massive impact. Everywhere I go, everywhere the team goes, this is Europe-wide, they are astounded at the way Wales are driving this agenda forward; that we have got fantastic collaboration between Government, the Police Service, private and public sector businesses working together with a multi-agency steering group, funded by the Government and driven forward, with dedicated police staff as part of the Government’s team going out to businesses and acting as that single point of contact. That is a fantastic achievement and we should be
singing our praises Europe-wide, and people should be invited to follow the lead but it is still a national strategy of course.

Mr Neate: Get Safe Online is treated as the main Government initiative to educate computer users, but we are limited in the resources that we have. It is a true public/private partnership in what we try to do, so law enforcement, the Government and the private sector are fully involved. We do see peaks of extra people coming onto the website when we are doing a PR strategy and i-campaign. It is not big enough, where we can actually take serious measures as to the increases. A study that we did three or four years ago when Get Safe Online started said that 55% of people had anti-virus; now it is up around 89%; I would love to claim that for Get Safe Online but it would not be honest if I did so because there are a number of other reasons why people have it. I would like to think that we add to it. We are a source of information that is easy to understand, is neutral and balanced. Whether we make a massive impact is very difficult to understand; but certainly we are there in Wales. Part of the strategy for the Welsh e-Crime Committee was to actually involve Get Safe Online fully. If you get on the website they are there. We are a Government-backed initiative. There are an awful lot of Government websites you could go on to where you will not find the Get Safe Online logo: that is not the case when it comes to e-Crime Wales—very supportive of them; and when they have conferences and breakfasts to educate users and small businesses I am fully supportive of that as well.

Q255 Alun Michael: So it is cooperation rather than duplication?

Mr Neate: Absolutely.

Detective Chief Superintendent Corcoran: One of the quick wins for us was that we held across the whole of Wales a number of workshops for SMEs to ask them what their fears and concerns were. It was not us dictating what we thought was best; we were listening to the voices and the concerns of the business communities in Wales and taking that agenda forward. That is what started off the action plan—the business agenda.

Q256 Alun Michael: I think I am right in saying, am I not, that you have a role in support of the ACPO approach to this activity. You referred to the links with the group in Scotland, and there is also the Yorkshire e-Business Centre and so on?

Detective Chief Superintendent Corcoran: Yes.

Q257 Alun Michael: Do you think that network is starting to, if you like, lift the game across the country now?

Detective Chief Superintendent Corcoran: A good example of a simple example of how it fits into the national agenda is that the e-Crime Wales Project has just developed a learning pack for first responders, what we call almost “first-aiders”, into e-crime for SMEs; the Yorkshire Forward Business Trust has just developed a one-day training pack for businesses; we have joined them up together and given them to the National Police Training Centre to develop the rollout for the UK as good practice across the UK. It is that type of partnership we are working with. Scotland Business Crime Centre has asked to partner now the e-Crime Wales Project and we are working on that sort of work.

Q258 Alun Michael: Apart from that example, the bottom-up identification of what can be done, the other end of it obviously is with the serious end of criminal activity. How do you manage the community-based approach that you are adopting with the work of, what is a fairly new organisation obviously, the Police Central e-Crime Unit, and with the Serious Organised Crime Agency, which also has a role at that hard end, you like?

Detective Chief Superintendent Corcoran: We do that in several ways. If you take the concept that a lot of e-crime is serious and organised crime, there is a lot of organisation behind lots of e-crime, then SOCA have a remit. SOCA are, in every police force, liaison officers, so we have this continual debate about what the threats are to our local communities and local police forces. I look at that holistically across the whole of Wales. With the Police Central e-crime Unit, I am the conduit there through the ACPO working groups to make sure that when and where we need their expertise, help and co-ordination, that is there for us. Equally, they can call upon us to assist their team with local issues as they affect Wales.

Q259 Alun Michael: In terms of Get Safe Online, are you satisfied that you are sufficiently connected into those networks to be able to offer well-informed advice?

Mr Neate: Being an ex-South Wales Police Officer, who finished as a Serious and Organised Crime Agency officer, and the head of e-crime being my boss, who is also the Chair of Get Safe Online, there is probably a weekly connection between them and myself. They are pushed to have more input into e-Crime Wales because I do ask them to attend functions and conferences that we are holding, so there is a direct input from them as well.

Q260 Alun Michael: You have referred to the difficulty of collecting information, and obviously that is something that needs to be improved over time, but where you have got information about reported crimes—I am very nervous about using the term e-crime, it is internet related crime—how do you use it and how does that inform your work? Going in the other direction, what do you see the pattern in the future being for people to be able to report incidents, not necessarily so that they trigger specific police investigations but so that there is information being collected, the two sides? What do you do with the information and how do you improve the collection?

Detective Chief Superintendent Corcoran: The first point is around some of the analytics about types of crime, types of businesses being focused upon or subject to a crime attack, day, week, why. That analysis then helps us to focus on areas that we should be targeting across Wales, what type of
business, is there a pattern across the whole of Wales, in particular are they a set of businesses, is it competitors, is it organised crime. That allows us to focus some of the resource and some of the education profiling around making those businesses more secure. The second part is around the more holistic view of what is coming in the future, how we integrate with our partners, what the focus will be. We are very mindful that it is not what is here today, it is what is coming. We are smartening up in terms of data capture to make sure we have got a true record of what is happening. The intelligence picture is critical to that. It is not all about reported crime, it is about report of incidents which may not be a crime but people may not know what it is. The more information we get, the better. One of the slight obstacles is the financial sector not coming directly into the locality, it goes around the national arena first and comes back. That slows things down in terms of getting the true picture quickly to put some preventative measures in to scams that are happening today. It may take us a month to get that information, which is very frustrating.

Q261 Mark Williams: Turning now more generally to the Government’s digital inclusion agenda, which is quite clear in developing the opportunities available and talks about assisting and motivating the most disadvantaged citizens and communities to achieve independence and opportunity through direct access to digital technology and skills, and we would all applaud that, do you feel there is sufficient emphasis on the plan with regard to the risks involved to vulnerable groups?

Detective Chief Superintendent Corcoran: The honest answer is no. I have seen bits of the plan. I have not been asked to partake in that plan or in any part of the debate, but the bits I do know about the plan show there is little emphasis on security, education and awareness. It talks about using the internet safely and some of the safety issues, and some of the earlier debates I was privy to, but there is not enough emphasis on evidencing how they are building in some kinds of security products to help all end users being mindful of the risks, not to frighten them away but to encourage them to use it, but safely. I do not see those elements there strong enough.

Mr Neate: I have read all the digital inclusion documents I can find—not from Wales, I do not think there is one, but certainly from the rest of the country—and there is nothing in there. That is very alarming for me, that they can talk about any form of digital inclusion and not include safety and security. That is quite worrying. For me, it is not just good enough to put a paragraph at the end of it, it must entwine through any documentation. Security and safety builds confidence that you can use the Internet. I am a fantastic supporter of the Internet. My family use it, I use it, and I want everyone else to use it because I think it is fantastic, but if we are not telling people what the risks are in an informed way, it is not scaremongering but telling them in a direct way, then we are not doing our job properly. The lack of it in digital inclusion documentation that I have seen is quite concerning.

Q262 Mark Williams: We have seen some very good local initiatives. I attended a scams awareness event organised by Help the Aged, two events actually, in my constituency. Those meetings were very good, organised under the auspices of the local authority and Help the Aged in terms of bringing awareness. This leads me to my next question in terms of what skills and equipment do those potentially vulnerable individuals need to protect themselves from e-crime. You hear some incredible stories of individuals losing thousands of pounds over the Internet, elderly people, and vulnerable people.

Mr Neate: It is about education. I always say it is about education. Find the methods to speak to those individuals in order to pass on that information. The thing I say is it does not have to be complicated, it can be very simple. We have methods of doing it. We have a website that people can link into and go to and with more resources we could be looking at pamphlets and CDs to pump out to tell people. My daughter is a primary school teacher and is part of the IT co-ordination and she tells me near enough every week that nothing is talked about to these children about safety and security. One concern there is for themselves, but the other thing is they are going to grow up to be IT users and they are not being educated. I love educating silver-surfers, they are keen for that information and I enjoy it but, again, we need to tell them how safe it can be. It falls into two areas. First of all, there is the technology side, which is relatively a lot easier now than it used to be, so protecting the PC with antivirus, anti-spyware and firewalls.

Q263 Mark Williams: You intimated earlier that there has been some success in terms of the take-up of anti-virus software.

Mr Neate: Absolutely. Certainly in small businesses we have seen an even bigger increase in relation to that, firewalls, updating operating systems, updating applications, which is very important now, so if you have Microsoft Office or the spreadsheets you update those on occasion as well. Also, educating the individual is important, so protecting yourself, knowing what those scams are when the emails come through. I was involved in the very first phishing email that came through that went via Barclays in 2003 and I did not think it was going to last. I honestly thought that within three or four years everyone would have heard of phishing and no-one would ever fall foul of it again. I was wrong because people still fall foul of phishing emails because they do not know that they are out there. The other thing is you have to educate people that we have moved on with technology terminology. My father, who is 80, knows what texting means and nobody would have known what texting was 10 years ago. When you say “phishing”, it is a new crime that is with us. We know what a theft is, deception, burglary, and what we should be expecting is that people know what phishing is because it is with us today. It is no good
hiding saying, “It’s a new technology term”, it is not, it has been with us now for seven years and we need to start education. For me, education is the big thing that we need to do. We are doing that, hopefully with Get Safe Online. I was quite surprised to hear Robin Blake from Ofcom who said they are now a sponsor for Get Safe Online. I was going to beat him up afterwards and say, “Why weren’t you using Get Safe Online as the mechanism for getting to the question that came from Alun Michael about how do you get there”, because that is what we should be doing, educating people.

Q264 Mark Williams: It is a moving target constantly, is it not? What was discussed in the classroom five years ago is now redundant.

Mr Neate: I have an IT director who tells me it takes four or five hours to get something up on the website, but just to make me nervous he does it within about half an hour to an hour. That is what we need to do when the latest scam comes out. A couple of months ago smishing came out, which is texting, phishing emails but using text. Within an hour we were talking about it on the BBC and we had it on the website, so if people heard about it that was where they went. It is about education and knowing. It is not complicated, it is simple and easy to understand, and once they do they are going to be a lot safer when they are online.

Q265 Mark Williams: You mentioned Ofcom and you heard Mr Michael’s persistent questioning of Ofcom’s work over the last five years. Do you think Ofcom’s work on media and literacy has taken sufficient account of the risk of e-crimes? Seemingly not from your last answer.

Mr Neate: They have now because they have joined Get Safe Online. They were always interested. As a result of the House of Lords Committee report that said Ofcom should take a greater interest in Get Safe Online, in fairness I phoned their switchboard and it took them about 30 seconds to come back to me to say, “Absolutely, we would like to speak to Get Safe Online” and they have come on board. We have discussed with them a strategy for how we take their agendas forward through Get Safe Online, and that is what we are doing. They have taken that quite seriously by going down the route of Get Safe Online. They have got an awful lot of other routes, but one of the strands is about Get Safe Online, not specifically about children because that is not necessarily what Get Safe Online is about, it is about fraud, protecting individuals, not on the child abuse side and illicit material, there are other fantastic organisations that we point people to on that basis.

Detective Chief Superintendent Corcoran: Ofcom are involved in some of the projects in Wales. They are linked into the e-Crime Wales project and the BT project around child safety in many ways. They have done a really good job about educating generally. I am not totally convinced that they have done a great job around safety other than now linking with Get Safe Online and that will start to change the focus slightly. My personal perception is the focus is around they have done what they were set up to do in many ways, educate, given a wide story to people and educated them about what they can and cannot do internet-wise, communication-wise, but not enough emphasis on the safety aspect. Whether that is to do with a fear of frightening people away or fear of use, I am not sure, but now they are getting the take-up I think the focus has to be balanced and get more safety around that.

Chairman: Could I thank you both for the evidence you have given today, your enthusiasm and your professionalism shines through. Could I also place on record our thanks as a Committee for the excellent work that you are doing on behalf of the public in Wales. Thank you very much.
Q266 **Chairman:** Good morning, welcome to the Welsh Affairs Committee and particularly to this evidence session on digital inclusion in Wales. Could I begin by inviting you, Minister, to introduce yourself and your colleagues, please?

**Mr Andrews:** Indeed, I am Leighton Andrews, the Deputy Minister for Regeneration, and my colleagues today are Alun Burge, who heads our Digital Inclusion Unit in the Department for Social Justice and Local Government, and Richard Sewell from the Department of Economy and Transport.

Q267 **Chairman:** At the outset I should say we wondered whether we should declare the fact that we knew some of you, but one member of the Committee said that it would be strange if we did not know you, so we will not declare that. Could I begin by asking you, your own staff, how would that interface with the UK Government’s Digital Inclusion Action Plan?

**Mr Andrews:** We obviously welcome the publication of the UK Government’s Digital Inclusion Action Plan, but this is not an area where we are starting from scratch. We have had in place for some years our Communities @One digital inclusion programme which has spent £10.7 million over the last four years and has funded a series of community brokers around Wales who themselves have been, if you like, digital inclusion champions in their communities and have been working with community groups and others to develop initiatives to encourage people to take up the use of the internet, the use of computers, the use of other digital technologies. I guess that the way we want to proceed is to absorb some of the lessons that come in from the consultation that is currently being held on the UK Government’s Digital Inclusion Action Plan. We have been in dialogue obviously with the Minister for Digital Inclusion at the UK level, the Secretary of State Paul Murphy, over the period of the last year; we have been engaged with the UK Government before that, with Stephen Timms when he was the minister, and indeed our officials of course saw drafts of the plan as it was being developed. We therefore have a very close working relationship already with the UK Government, we welcome the initiatives that are being outlined and we have also of course been involved in work streams that are related to digital inclusion as part of the work that Lord Carter has been doing on Digital Britain as well—we are involved in the work stream, for example, on media literacy and indeed the work stream on the universal service commitment. At the present time, therefore, officials in the Welsh Assembly Government are meeting across departments to look at the issues that arise and are starting to put in place some of the work that will lead to the publication of our own plan.

Q268 **Albert Owen:** Just to follow on from that you say you welcome the UK's Digital Inclusion Action Plan and in that plan it talks about the next steps, and you mentioned the local digital champions, but in their next steps they say they will have the digital champion for the United Kingdom. Will there be, for example, one in Wales, and who will be co-ordinating this and bringing it together to ensure that there is a charter so that people are aware of it, for example, and also who is bringing it together within the Welsh Assembly Government and how will that link up with the United Kingdom Government?

**Mr Andrews:** As I said, Mr Owen, we are not starting from scratch in Wales and I am delighted that in the UK Government’s Digital Inclusion Action Plan they are proposing to have digital mentors in deprived communities which draws on some of the work that we have already done ourselves in Wales—that has been the role of our community brokers. I do not anticipate that we will ourselves have a digital inclusion champion in Wales, that is the role of myself as the Minister, to be the champion for digital inclusion across government and indeed outwardly across Wales. We already have in place a framework for the deliberation of digital inclusion issues, we had a successful digital inclusion conference last year, we have contacts across the whole of Wales, there are many different organisations who are engaged in activities in this area. For example, you will be aware that Ofcom has the Wales Media Literacy Network and we work closely with them, we work closely with a range of other organisations. I would anticipate that we would want to work closely, however, with the UK Government’s digital inclusion champion and I hope that we will have,
from the experience we have developed over the last few years, work that they will want to get to know and to learn from.

Q269 Albert Owen: Just for clarification, you will take the mantle of the digital inclusion champion and it will be yourself that will be liaising with the United Kingdom Government.

Mr Andrews: We have established a Digital Inclusion Unit over the last year which Mr Burge heads. The early part of that work has been to put in place the successor programme to Communities @One, Communities 2.0, which has just started, and that will be a nearly £20 million programme over the next five years, again seeking to engage people at a local level in activities to promote the use of internet, broadband and so on. Mr Burge has already, in representing us in relation to the UK Government in a number of areas, been in liaison with the Department for Communities and Local Government, with the media literacy stream within Digital Britain et cetera, and indeed he has just come hotfoot from the UK digital inclusion conference which has taken place yesterday and today, so we have those relationships already in place.

Q270 Albert Owen: Those agreed actions will be fed back to yourself as the Minister and then down to the community champions.

Mr Andrews: We need to identify from the action plan, obviously, those areas which are devolved and fall for us to do, many of which we are already engaged in. For example, within the education system there is a large amount of work that has been going on now since the millennium really on the ICT availability in schools, safety issues and so on, so we are already across many of those issues. It has been very helpful to have a Digital Inclusion Action Plan to draw together on a cross-governmental basis the work that is going on there. Additionally of course I should mention perhaps that the British Irish Council has established a work stream on digital inclusion as well and I was present at the British Irish Council meeting which established that work stream, and we look forward to playing our part in that as well on an inter-government basis.

Q271 Albert Owen: Sure. You say you are ahead of the game in certain areas; are there any digital inclusion issues that are different in Wales compared to the rest of the United Kingdom?

Mr Andrews: Broadly speaking the issues that matter are pretty much the same in Wales as they are in the rest of the UK, and indeed as they are, from the research that we have seen, in most EU countries—and we have played our own part in the European Commission’s last two inclusion conferences. Most of what comes through in the research at those conferences suggests that people who are older, people who live in deprived communities, people in social classes D and E and people who live in more rural areas tend to be more excluded, and certainly our own figures bear that out. If you look at young people’s engagement with the internet, for example, it is very high. There are a couple of areas in Wales where the Ofcom research suggests that certain factors weigh more heavily, for example cost. In the Ofcom research it is suggested that that weighs slightly more heavily and indeed motivation appears to be a factor, which is why our Communities @One project has been very much focused on working with people on the basis of their interests, getting them to see how the technology relates to the interests they have—whether that be the Heads of the Valleys Astronomy Group or the Islwyn Camcorder Group for example.

Albert Owen: Thank you.

Q272 Mrs James: Just expanding on this media literacy part, it is an important issue which is addressed in both the Digital Inclusion Action Plan and the Digital Britain Report. How are you going to co-ordinate these media literacy initiatives in Wales with those taking place in the rest of the UK?

Mr Andrews: It is fair to say that Ofcom of course has a statutory responsibility in respect of media literacy and there have been some suggestions that the remit that they operate is going to be looked at. In Wales they operate the Wales Media Literacy Network which works in conjunction with NIACE Dysgu Cymru and they have held a number of events. They are clearly in tune through their own organisations with what is happening at a UK level. Media literacy is an area which spans a number of potential government responsibilities within the Welsh Assembly Government, it is being taken forward obviously within the education system and we have a particular focus on ICT in the new curriculum that has been in operation since last September at all levels of the education system. It is for us in a sense to implement many of those issues through the work that we have; however, we are already, as I have said, represented on the media literacy work stream working within the Digital Britain work, so we are very well plugged into the work that is going on at a UK level.

Q273 Mrs James: We have had evidence from the Welsh Language Board about their concerns about Welsh language inclusion in the UK Government’s Digital Inclusion Action Plan. How will you make sure that their needs will be met?

Mr Andrews: Can I say that one of the issues for us about the Digital Inclusion Action Plan is that inevitably because so many of the responsibilities for the actual implementation fall to us as a devolved government the action plan itself perhaps focuses rather more on issues concerned with the activities of government departments in England, and perhaps therefore there has been something of an oversight on the Welsh language side. We are very proud of the work that has been done by the Welsh Language Board and others in recent years in ensuring the accessibility of technologies for Welsh speakers—the work that has been done for example with Microsoft; there has been work that they have funded in the area of predictive texting, for example, there has been work done by a wide variety of agencies, and we have also, through our Communities @One project supported projects in
the Welsh language in a number of communities—for example in Peblig and two other areas within Gwynedd where there has been some excellent work done at a community level. It is therefore for us to reflect back to the UK Government any issues that the Welsh Language Board has recently overlooked, but I think the Welsh Language Board has a good record in this area and one that we should acknowledge.

**Q274 Mrs James:** My last question is how do you address the issue of those people who are known as proxy users, who might choose not to use technology but are depending on other people to access technology for them?

**Mr Andrews:** The challenge for all of us is that more and more services are migrating online, and it is not simply of course a question of digital services in terms of the internet and broadband it is also, obviously, a question of digital television and digital audio, and that will be an issue that faces us significantly over the next year with digital switchover of course. The whole approach that we have taken has been about how do you get people to see the relevance of the technology? There are going to be refuseniks at the end of the day, but it is our job to do as much as we can to encourage people to see the relevance, hopefully reaching out to them through the interests that they have in particular areas, as some of your academic experts said right at the outset of this inquiry. What we have ensured, through Assembly Government investment of course, is that there are 300 public access points to the internet across Wales in public libraries. They are free to use, which is not the situation in all public libraries, for example, in England. We therefore have an infrastructure there that is capable of assisting people; the difficult task is dealing with the issue of motivation and increasing the demand for the services.

**Q275 Hywel Williams:** Can I take you back to the answer you gave to Mr Owen earlier on and the answer just now to Mrs James about the Welsh language where you said that there were certain features in Wales which were different, including cost and crucially motivation. I am just concerned that the provision through the medium of Welsh will be seen as a bolt-on extra rather than as a positive means of engaging people when they see that the content is actually as relevant as it possibly can so that having stuff in Welsh is a positive motivation as well as being perhaps something that is a problem but also in Wales is a social activity.

**Mr Andrews:** I agree with you completely and the importance of ICT was stressed in the Welsh Assembly Government’s strategy document on the Welsh language *Iaith Poweth* some years ago and has been followed through in guidance that the Welsh Language Board has produced, for example in the construction of websites and other initiatives. What is very evident is how creative Welsh speakers themselves are being at using the technology—we have forums such as Maes-e; I can have my Facebook page through the medium of Welsh if I want to—and sometimes I do because I am a Welsh learner—and you find that a number of those different kind of interfaces including Google of course have been adapted by Welsh speakers. What we have there is a hunger for the technology through the medium of Welsh and we have active engagement from a number of organisations, some in the private sector, some such as the broadcasters of course in the public sector, recreating more digital content on-line through the medium of Welsh. It is important—and this is an issue that I suppose has been important to me as an Assembly Member and also in previous lives—that we bear in mind the issues that will take people to using the technologies will be very much about the content and services and applications that are available. You do not necessarily need to know how the pipes work, you need to know what the pipes are for, and that is the critical thing.

**Q276 Alun Michael:** Can I go back to the question that Siân James finished on of access to technology? I take entirely your point about motivation—for some people it is will not or do not know and for others it is cannot. Have you made any assessment of means of getting past these perceived barriers? One thing that I understand is that Citizens Advice Bureaux in some pilots tried having a laptop so that people could see if they could get information on the internet but they found actually it was taking as much time to help people to know how to access the information as it would to actually go through an ordinary counselling session. Have you made an assessment of, for instance, Start Here, and the means of trying to bridge that gap to people who do not have the knowledge or the access to technology?

**Mr Andrews:** We met Start Here just a couple of months ago to discuss some of the initiatives in which they are involved. Let me just go back to our Communities @One programme that has just concluded; we have had over 200 projects throughout Wales there at a really different range of levels, and indeed I think I am right in saying that most of the constituencies represented by Members on this Committee have projects in their own communities, many in fact in Butetown in your own community, some in the Somali community there for example. There has been a really strong focus, drawing on best practice from around the world, about how you bring people in, almost using a community development approach if you like to understand that the technologies are not scary things but they are relevant, they are potentially of interest and they are, once you get used to them, simple to use. That means that people have had assistance from brokers in constructing projects that could have been around digital storytelling in their communities, could have been around digital photography, could have been in some cases around the creation of radio stations over a month in a number of communities—for example in RCT [Rhondda Cynon Taf]. There has been a really
strong emphasis in trying to identify what the interests and concerns of people are, so there have been projects working with pensioners, there have been projects working with disabled people, there have been some very successful and indeed award-winning projects run by the Royal National Institute for the Blind in Wales which are mentioned in the UK Digital Inclusion Action Plan. The issue here is that it is not an easy one to solve because it is not like digital switchover where everybody is going to have to ensure that their televisions are adjusted as it were, it is something that people are going to have to be walked through. That is quite a long term engagement for older people although the evidence of organisations, of small companies, lots of players prevention, there is an incredible alphabet soup of own engagement with internet crime or, rather, its risks of doing things on-line. I must say from my to the issue of the risks of using technology and the generation as sometimes having a problem, which yesterday at the QEII who identified members of his young person in the conference on digital inclusion di
of the majority of people but that tail is going to be older age groups where we have a challenge.

Q277 Alun Michael: You are probably right in terms of the majority of people but that tail is going to be difficult. It was interesting that it was actually a young person in the conference on digital inclusion yesterday at the QEIi who identified members of his generation as sometimes having a problem, which can tend to become invisible. I wonder if we can turn to the issue of the risks of using technology and the risks of doing things on-line. I must say from my own engagement with internet crime or, rather, its prevention, there is an incredible alphabet soup of organisations, of small companies, lots of players funded in a variety of different ways involved in this. Can you tell us how you are approaching the co-ordination between players in Wales to make sure that there are clear and straightforward messages for users?

Mr Andrews: Can I distinguish between e-safety as it were, particularly in application to children and vulnerable people, and e-crime specifically. I know you heard from Detective Chief Superintendent Corcoran on the work that is being done by e-Crime Wales which obviously has significant funding from the Welsh Assembly Government and through that programme of course you have seen sessions for businesses being undertaken, you have seen sessions for the police, you have seen new ways of recording the electronic end of the crime if you like. There was a very successful conference held last year on all these issues and there is a framework in place that is relatively clear on that specific side. On the area of e-safety specifically, we have the Wales Internet Safety Partnership which is run by Wise Kids, an excellent organisation, you have the UK Council on Child Internet Safety on which we of course are represented as is the Office of the Children’s Commissioner in Wales. We have integrated issues of e-safety into the Communities @One programme right from the start; in our guidance document there is material there on e-safety. Wise Kids has run a series of courses across Wales for us and of course it is built into the work that goes on within the school system in any case. We have been funding schools for example to implement the BECTA ICT self review framework, we have launched a website for teachers on e-safety issues, there is a strong focus within the revised national curriculum on e-safety, cyber bullying issues are included—they are mandatory in fact within schools’ anti-bullying strategies, schools have to have an acceptable use policy and so on. There is therefore quite significant evidence there that the activities are taking place in a way that people can understand. I understand what you say about the alphabet soup but from the point of view of, say, the concerned parent, given that we have sent out advice to all primary schools in the past, giving leaflets to parents, we have done our best to ensure that there is a reasonably straightforward route and that people understand what should be happening at their local school, for example, in that area.

Q278 Hywel Williams: How have you been co-ordinating with the UK Government’s Digital Britain work with regard to further development of infrastructure and also media literacy programmes?

Mr Sewell: That is something that we have had considerable experience to bring to the table through the regional innovative broadband support scheme which is the RIBS programme to bring broadband to not-spots and we felt clearly that it was important for the Welsh Assembly Government to be able to contribute directly to the Digital Britain process which would clearly impact on the current delivery programme but also might change Welsh Assembly Government policy or influence it. We have a representative on the USC group and we are taking forward the work in a collective sort of fashion.

Q279 Hywel Williams: Perhaps I could ask Mr Sewell therefore which technologies are most effective at reaching hard to reach groups and disadvantaged groups, are there particular technologies that work better?

Mr Sewell: The first thing to say is that as an administration we take a technology neutral approach. There is a collective understanding at the moment that to have universal coverage of any
service you are going to have to look at a mix of technologies; some will be right for some areas and some will be right for other areas.

Q280 Mr David Jones: If I could develop that particular line of questioning a bit further, as you have indicated, Mr Andrews, the primary responsibility for infrastructure resides with DBERR. We know that there are a lot of not-spots as we have just discussed but how do you feel that the Welsh Assembly Government can, particularly in the current economic climate, continue to support initiatives that would address these not-spots?

*Mr Andrews:* That is a good question, if I may say, and that is why I wanted to put on record at the beginning that of course telecommunications policy and regulation is not devolved. It is fair to say that we have invested from our own resources in the past and also indeed with the support of European funding in a number of the schemes that have been undertaken. There is no question that we face challenging budgets in the future—all budgets of course will be, I am sure, very actively scrutinised. This is an area where the use of European funding has been an opportunity for us and may continue to be so in the future.

Q281 Mr David Jones: You mentioned the RIBS programme; it would seem to me that that is possibly a candidate for trimming if not excising altogether given the current economic climate.

*Mr Andrews:* You mean the RIBS programme itself?

Q282 Mr David Jones: Yes.

*Mr Andrews:* In terms of addressing not-spots.

Q283 Mr David Jones: Yes, in terms of the funding that is available to the Assembly Government because you, as you rightly say, are going to have to deal with a very constrained economic climate in the next few years.

*Mr Andrews:* I am sure that the Finance Minister will be grateful for your advice, Mr Jones.

Q284 Mr David Jones: It was not advice; I was just wondering whether this was a concern of yours.

*Mr Andrews:* We are conscious across the whole of Government that the settlements are likely to be tighter in future and therefore all areas of government expenditure will I am sure be scrutinised for their value for money.

Q285 Mr David Jones: In my constituency the village of Gwytherin benefited from the RIBS programme, and it is fair to say that the development of broadband in that particular village would not have occurred without it. My concern is that the Welsh Assembly Government is now facing effectively a reduction in its budget of some £400 million and it does seem to me that that sort of programme may well be in danger as a consequence.

*Mr Andrews:* I certainly would not want to give the Committee that impression at all from anything I have said this morning. What I do think we need to place on record is that as we move forward with Digital Britain the UK Government has set out plans to move towards a universal service commitment of two megabits, which was of course affirmed in the Budget Statement, that that is their intention. There is some talk in the Budget Statement of funds that may become available from the remainder of the digital switchover work that has been funded through the BBC. It is probably too early for us to be able conclude what that might mean for investment from the UK Government in terms of addressing not-spots in Wales but clearly that is something that we will want to follow through in conversations with the UK Government.

Q286 Mr David Jones: You referred to the universal service commitment—I am bound to say I was personally extremely disappointed at the lack of ambition in Digital Britain and in fact I was even more disappointed to read last week that Lord Carter seems to be acknowledging that several areas of Britain may not benefit from that commitment at all. It seems to me that Wales in this context is probably more exposed than any other part of the country. Is that fair, Mr Sewell?

*Mr Sewell:* It is an interesting point because first it raises a point of principle about the role of the public sector in supporting this area—what are the services that we are underpinning or trying to underpin—but secondly it also raises the question of how you use that two meg. If you are to provide two megabits per second in very difficult to reach areas then in some areas the best way to do that is by deploying a fibre run through to the street cabinet, which in effect would provide more flexibility for the future and scalability—in fact you could get faster bandwidth. So it is not just the words in the commitment, it is the ambition behind the commitment. From the Welsh Assembly Government perspective we have always tried to identify a minimum standard that everybody should be entitled to and then deliver against that. In the past that has been 512 but clearly the moves at UK Government level to go for two megabytes are something that we have to consider as to where we go from here. The big issue is how far will those two megabits reach and where does that leave us in terms of picking up any gaps or just walking away I suppose.

Q287 Mr David Jones: The Digital Britain interim report talks in terms of using mobile broadband as a solution but I have to say it seems to me in many respects to be a bit of a lash-up, a further problem being that those areas that do not currently enjoy broadband probably do not actually enjoy mobile services either. Frankly, that concern that I have and you possibly have too seems to have been underlined by Lord Carter’s statement last week which appeared to be acknowledging that notwithstanding the universal service commitment it is probably not likely to be achieved in many parts of the country.

*Mr Sewell:* It is probably too early to comment on how far virtually everywhere will mean and, equally, to go back to a previous comment about the RIBS
Mr Sewell: We contributed right from the start. We worked with the Broadband Stakeholder Group on the Pipe Dreams Report and since that time we have been contributing to Ofcom consultations on next generation broadband in new build areas, from the wholesale markets to business connectivity. It is clearly a priority for us and we are very confident that introducing the universal service commitment can act as a hook to bring next generation services throughout Wales and through our work with the industry and with the regulator we are seeing the benefits of that working out.

Q291 Hywel Williams: Can I ask you therefore can you give us an assurance that the not-spots problem will not be repeated with the next generation access?

Mr Sewell: That is an issue about how the universal service commitment is worded and how often it is then reviewed, because clearly things do not stand still and services develop. At the moment the calculation has been made that two megabits would provide most people with the tools to interact with the services they need but clearly in three years or five years time that might change and we might have to look at it again. The devil will be in the detail of the model that is applied to this.

Q292 Hywel Williams: Can I just pick up on one word you used there, “most” people, so potentially there might be some who are not.

Mr Sewell: When you are dealing with the very hard to reach areas when we look at not-spots we identify them as single dwellings and we believe we have the budget at the moment to bring 512 to each of those areas, or to as many of them as possible. If we change the metric to two meg we have to look at that and understand what that might mean, but there is budget there and we are committed to bringing a basic level of broadband to everybody that we can.

Mr Andrews: I do want to reiterate that regulation of telecommunications policy and the operation of the market are not devolved matters and these are obviously questions that would be well-directed to the UK Government.

Q293 Hywel Williams: Members of the Committee have heard me refer *ad infinitum* to a village in my constituency, Rhiwlas, which is not just a few houses but several hundred houses where there is an ongoing problem with current services. I just want to finish, Chairman, with one further question. My constituency is mountainous and fairly sparsely populated, generally at least. I know you said earlier on that you are technology neutral but in your opinion which technology is best suited to address the problems that arise in those sorts of areas?

Mr Sewell: I am not a technology expert as such and I imagine there could be a case for some sort of wireless or satellite service or even possibly a mix of wireless, satellite and fixed line in certain areas as a jump point.

Q294 Chairman: Could I end by commenting on and complimenting the work of the Welsh Assembly Government particularly in relation to the specifics
Chairman: Welcome to the Welsh A
Literacy Network which Ofcom and NIACE service
with both Ofcom and NIACE. Mr Burge:
working together. Mr Burge.
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challenges that face us will only be resolved by
that we have that co-operation. A lot of the
including, for example, e-democracy, and it is good
Dr Gail Bradbrook,
Witnesses:
issues—I spoke at one of those last year and they
a wide variety of interest groups together on these
that has been undertaken by that network. They
this Committee that they are pleased with the work
say from the observations that Ofcom has made at
us on the Wales Media Literacy Network. It is fair to
comment in more detail on that since he represents
Mr Andrews: I will perhaps bring Mr Burge in to
comment in more detail on that since he represents
us on the Wales Media Literacy Network. It is fair to
say from the observations that Ofcom has made at
this Committee that they are pleased with the work
that has been undertaken by that network. They
have run certainly a number of conferences bringing
a wide variety of interest groups together on these
issues—I spoke at one of those last year and they
have looked at a whole series of different initiatives
including, for example, e-democracy, and it is good
that we have that co-operation. A lot of the
challenges that face us will only be resolved by
partnership and co-operation with different agencies
working together. Mr Burge.
Mr Burge: Thank you. There is a close collaboration
with both Ofcom and NIACE. The Welsh Media
Literacy Network which Ofcom and NIACE service
is the most vibrant in Wales and has very active participation. The last meeting was last Friday
and broadcasters were there, the academic community is
represented, third sector organisations and the
Welsh Assembly Government and statutory bodies.
We are now looking forward to the results of the
Digital Britain Report. The UK Ofcom media
literacy work stream report has been submitted to
DCMS for consideration and we look forward to
seeing what the outcome of the Digital Britain
Report will be in June. We are essentially tooling
ourselves up for the next stage.
Q295 Chairman: Thank you very much for that and
thank you for your evidence today and your
sometimes robust answers to some occasionally
robust questions, but that is in the nature of our
work. Could I also place on record my thanks on
behalf of the Committee for the way in which you,
Minister, and your colleagues have been supportive
of the work of this Committee, particularly in
supporting our inquiry manager Judy Goodall and
also our specialist Dr Ellen Helspor. I am sure that
that co-operation will continue in the future in the
run-up to the production of our report.
Mr Andrews: We look forward to your conclusions,
Chairman.
Chairman: Thank you very much.

Witnesses: Dr Gail Bradbrook, Citizens Online, Mr Russell Lawson, Federation of Small Businesses Wales,
and Mr Antony Walker, Chief Executive, Broadband Stakeholder Group, gave evidence.

Q296 Chairman: Welcome to the Welsh Affairs
Committee and, for the record, could you introduce
yourselves, please?
Dr Bradbrook: Hi, I am Gail Bradbrook, I work for a
charity called Citizens Online.
Mr Lawson: Russell Lawson, for the Federation of
Small Businesses in Wales.
Mr Walker: Antony Walker from the Broadband
Stakeholder Group.

Q297 Chairman: Could I begin by asking a very
straightforward question? What evidence is there
about the extent of digital inclusion in Wales and
whether it differs from any other parts of the United
Kingdom?
Mr Walker: Obviously Ofcom have done some fairly
detailed work looking at digital exclusion issues
across the regions and that is well documented. From
a broadband perspective it is quite clear that
broadband penetration levels in Wales are slightly
below the UK average but it should be noted that they
are still above the EU average. I was thinking about
this earlier in terms of Wales and in terms of an area
that is largely rural Wales performs quite well
compared to other rural areas around the world. My
initial response would be, yes, Wales faces some
particular challenges in terms of digital exclusion and
specifically broadband coverage which is our focus,
but if you look at international comparisons Wales
does quite well given the challenges that it faces,

Dr Bradbrook: Can I come back on that? I guess you
are aware that there are some big discrepancies in the
data so I do not actually understand what is
happening in Wales at the moment. Some of the data
from ONS and backed up by OCYSYS says that Wales
is doing the best in the UK and at times I believe Wales
should be shouting from the rafters about the great
successes they have had in the last two years, probably
on the back of programmes like Communities @ One,
and then if you look at Ofcom data it seems to be
saying that Wales is behind. As well as that you have
a higher proportion of C2DEs in Wales, which would
suggest that you have a bigger hill to climb, so if you
are doing so well you should be extra pleased. If you
are going to benchmark against other countries,
including internationally, and also understand
internally the success of the programmes you have
run, that is something you have to get underneath as
soon as possible.

Q298 Mrs James: In your view what are the strengths
and weaknesses of the Government’s digital
inclusion plan? Do you want to start, Mr Walker?
Mr Walker: Firstly having a strategy and a plan for
digital inclusion is extremely difficult because it is
such a complex issue because it relates to so many
different layers of government and different players
across society who can have an impact on digital
inclusion. My take on the plan so far is that it
currently looks like a very good and detailed plan for
a plan as it were, but it does not quite seem to be there yet in terms of a full action plan. One of the big challenges is actually building and generating support across different government departments and across different parts of government across both the UK and also at the devolved level in Wales to make sure that some of those issues are mainstreamed across many different diverse areas of government. The theory is there, there is good analysis of the issues, but in terms of actions and taking things forward we are still in the plan for a plan stage.

Mr Lawson: It really is getting the message across about how important this issue is, not just economically but socially and environmentally as well. That perhaps is a weakness; it really needs to promote that message more. For example, one thing we have been very much looking into and very much supporting is the idea of home working and giving our members the ability to offer home working because it does increase productivity and can be seen as a good employee perk, for example, but of course you need that flexibility within the infrastructure that you have got to be able to offer that. There is a whole level of implications for that—there are environmental implications with a possible reduction in carbon emissions, for example, there are social implications because obviously you have workers who are able to be more flexible with their work life balance and on top of that you have the economic implications as well, so really it is looking at this issue across departments as Antony says. It has all sorts of different implications and that is how important the issue is.

Q299 Mrs James: It needs very much a holistic approach.

Mr Lawson: Exactly.

Q300 Mrs James: Sorry, Ms Bradbrook

Dr Bradbrook: The plan reflects the fact that the officers and civil servants engaged currently are very knowledgeable, but it fundamentally lacks a vision and by a vision I mean some very concrete ideas like, for example, let us say that the UK will be the leading country for digital inclusion, or that 85% of citizens should understand the relevance of technology, or everybody who works with the socially excluded should be technology-enabled and so forth, what are the strong sort of vision messages. It lacks that and it lacks that because underneath it is a lack of funding and a lack of desire because of funding to scale up programmes, and there is a lot of mention of individual projects but no idea about how you roll those out. I am very concerned, having worked in this field for about 10 years now, about how the Government works with the corporate sector, it just makes the same mistakes over and over again and I have submitted some written evidence about that. I also think the focus on transforming government and the links between that and digital inclusion are very weak.

Q301 Mrs James: Just to tease that out a little more—and this is specifically to you as representative of Citizens Online—what are the most effective types of intervention which promote digital inclusion in some of our most deprived communities?

Dr Bradbrook: You have got to see digital inclusion as being two things, and the first one is an attempt to ensure that socially excluded and disadvantaged people are engaged with technologies that are relevant and are going to help their lives to go better, and Wales has done really well, particularly through Communities @One, in doing that work from a community development perspective; it is not novel but it is good because it works and it is founded on community approaches. I am sure people have said this, it is about finding hooks and finding motivation for people, but there is another side to digital inclusion which is about ensuring that innovation occurs for social exclusion problems, so at the moment the corporate sector are busy innovating for business ideas and for having things go well for people with money to spend on leisure pursuits, but where are the people spending their time thinking about the problems of homelessness, how does technology help that, both the technology that exists and the technology that we could invent, for ex-offenders, single parents or whatever. There is a whole need to innovate therefore and that requires partnership between the third sector, government and the corporate sector, and it needs to be based on mutual respect. I feel that that is a piece that is lacking.

Q302 Mrs James: Do you see a role there for the corporate sector to actually deliberately target those types of things? They are doing a lot and they have been in front of us, so they have claimed that they are spending a lot of money on this, but does it need to be more targeted in those areas, do you think?

Dr Bradbrook: It is hard to ask the corporate sector to come up with innovation if you are not going to show them there is a market there. I am not corporate so I guess these guys would speak better on that, but if you are going to ask them to come up with a particular application to, say, focus on supporting ex-offenders—there is a game called Lifting the Weight that is to help an ex-offender play out some of the things that they are going to face when they get back into the real world so-called to try and prepare them mentally for that, but why would you invest in that if there is not going to be a marketplace for it? It really has to be a tripartisan approach and some desire, as I said earlier, for scaling things up. I am sure there are also other ways in which the corporate sector could innovate if they had more information and there was a partnership and information about what homeless people need or what a certain community needs.

Q303 Mr David Jones: This is to Mr Walker primarily. The interim report of Digital Britain, of
course, included the proposed universal service commitment to broadband by 2012; could you tell the Committee what are the main difficulties of achieving the levels of broadband envisaged by the report and how could those difficulties be overcome?

**Mr Walker:** In terms of the universal service commitment the BSG was one of the organisations that first floated the idea that now is the right time to take on board a commitment to making broadband universally available and I am delighted to see that that idea has been picked up and we think it is the right thing to do. The first thing I would say is that having floated the idea there is still a lot of work to be done to define exactly what the universal service commitment means and what two megabytes means, and that because there are an awful lot of technical uncertainties behind that that need to be worked through and are currently being worked through in the process of Digital Britain, so there is quite a lot of detail to be worked out.

**Q304 Mr David Jones:** Just interrupting you, as a lay person I would have thought two megabytes per second meant two megabytes per second. Can you expand on that?

**Mr Walker:** It depends how you measure it and it depends whether that is a headline speed, an average speed, is that a speed taken at three o’clock in the morning or is it a speed measured at seven o’clock in the evening. There are various issues about how you define exactly what two megabytes really means in layman’s terms which is the subject of quite a lot of work within the USC work stream in Digital Britain, so there are some issues around definition. In terms of actually delivering USC, according to our figures—and again data varies on this—we think somewhere between 25% and 34% of premises in Wales could well be getting a service below two megabytes currently. In some places that issue could be relatively easily addressed by improving things like home wiring where some of the noise that is generated by a crossed fork on home wiring can have a significant impact on broadband performance, and BT have developed a new product that can resolve that problem and quite often improve a customer’s experience by one or two megabytes. There are some issues, therefore, that can be dealt with relatively easily in the home, that may require an engineer visits the home, and there is a cost associated with that, but some solutions are in the home. In other areas it becomes a lot more complex. There will be some clusters of premises where perhaps a whole hamlet or a group of properties are simply too far away from the local exchange and therefore they cannot get broadband, and in that situation it may well be possible, as somebody referred to earlier, to actually take the fibre direct to a street cabinet that serves that hamlet or that group of properties, and actually what you could then find is that those properties could get a service significantly above two megabytes, so that might be part of the solution. In other areas there will be locations, particularly in more mountainous areas, where the challenges are more difficult, and particularly if it is an isolated location it will be very expensive to deliver a single fibre, but then you are looking at wireless or maybe satellite solutions, but then again there are difficulties in delivering wireless and satellite solutions in some places in mountainous areas because they are in the lee of an escarpment or something.

**Q305 Mr David Jones:** The interim report seems to envisage much more use of mobile broadband; what observations would you have about that, particularly in the mountainous areas you have been talking about?

**Mr Walker:** We are likely to see different technologies deployed in different places depending on the local characteristics and the problem they try to solve. At one stage there was a thought that maybe there is potential for a major initiative that would perhaps lead to a commitment to deploy wireless broadband earlier and more widely across the UK. The debate is moving away from that solution now and it is much more focused around choosing the right technology solution, the most cost-effective solution for anyone given the location, so we are going to see a mixture of technologies deployed.

**Q306 Mr David Jones:** You mentioned the scattered hamlets and the mountainous areas and you mentioned the possibility of using wireless or satellite technology. These sound quite expensive technologies, is that fair to say?

**Mr Walker:** The economics of broadband networks are always defined by population density so getting any technology into a rural area is, generally, always more expensive. The exception is satellite and satellite services have been deployed quite effectively in Scotland and probably play a greater role. Also, satellite technologies are improving all the time and we will see a next generation of satellite technology that will be able to support a higher quality of service as well.

**Q307 Mr David Jones:** Would that be relatively cost-effective?

**Mr Walker:** It could be, but again it depends on the location. It is very hard to generalise and say that one solution is going to deliver this universally. The best approach is going to be a mix of technology.

**Q308 Mr David Jones:** How realistic do you think the universal service commitment will be and will it be possible to achieve it because Lord Carter seems to acknowledge that that is going to be very difficult?

**Mr Walker:** I think it is possible. It will obviously need additional public funding but it looks from the Budget Statement that that will be provided, and it will need quite a lot of close collaboration between the commercial players and also public authorities as well looking at different areas. Within the 2012 timescale it certainly should be achievable and it is important that everybody pays close attention to that to make sure that it does.
Q309 Mr David Jones: You do not share Lord Carter’s pessimism.  
Mr Walker: There will be isolated locations, in particular isolated households and remote farms and so on where it is just not cost-effective to deploy any technology, so there will be places where you simply cannot deploy, but for a lot of places it should be possible.

Q310 Hywel Williams: Can we return to media literacy and a number of questions there. How effective are current media literacy projects and how could they be improved?  
Mr Lawson: I do have a personal example. My father-in-law is nearly 70 and he decided that he would get himself a laptop and figure out how to use this internet thingy. He is a classic car nut and so he does a lot of fiddling about with nuts and bolts and thought it would be great if he could trade classic car things. He signed up to a local course and he lasted three attempts at going on this course because by the time they had gone through how to do Word and then how to do Excel and then how to do databases, it was just what was the point of all that when really people are just looking at how to use the internet, how to go onto whichever search engine they use, what sort of terms to put in, how are you going to buy and sell things on line, for example. If that is an example of the kind of courses which are being run through a local college, they take people who are maybe not media literate at all but really are going into things that they are never going to use, then maybe we should be looking at tailoring courses more specifically for what people actually want to use a computer for, certainly in a business sense that would be much more effective. What a lot of small businesses rely on particularly is people coming into the business and employees—younger employees—really being the IT literate ones and it is usually the owner manager who calls down to whoever to ask them to work something out or to fix the printer or things like that. It would be good if there were more courses targeted at specifically what individuals want to learn, rather than saying “Here is a computer, you need to learn everything about how this computer works before we will let you loose on the internet”, for example.

Dr Bradbrook: The issue with media literacy is that it means digital inclusion to a large part, and we have had separate but overlapping groups of people working on the same agendas and within three days of each other there would be one announcement and then another, and people did not know that the same kinds of things were being done, so trying to bring those parts together is important. Then the bit where media literacy looks different is about understanding the value of the message that you are getting. What people tend to talk about is trusted brands: do you understand that NHS Direct and the BBC are more trusted sources of information than, say, come here and be anorexic dot com or whatever. However, there is a danger in just pushing the trusted brands agenda. To me the biggest threat to democracy is the fact that capitalists own big media and that big media tells repeated lies. The web too has enabled people to develop their own media. Some of that will be nonsense, it is people’s opinion and it is people’s made-up stories and it is not particularly media literacy then, it is just the same as sitting in a pub and listening to people’s chatter, you just get to decide your own opinion, but it is really important that national media are subverted. That is why Barack Obama won and that was the most optimistic thing that ever happened in my life so I celebrate that. I do kind of question the value of media literacy therefore.

Q311 Hywel Williams: Can I just ask you, therefore, in your opinion is media literacy sufficiently well-integrated with other government education and skills programme developments?  
Dr Bradbrook: I do not know at a detailed enough level to answer that fairly.

Q312 Hywel Williams: Mr Walker.  
Mr Walker: It is one of those questions that it is very hard to say yes to. Can government be more joined-up? Always. One of the things that strikes me about media literacy is that people’s needs, interests, motivations and contexts all differ and what is quite important going forward is that if there is going to be this major push on media literacy it really needs to be a set of coherent but carefully targeted and segmented initiatives. You also need to leverage all the potential contacts that you have with people, whether it is young people in schools and further education or whether it is elderly people who are housebound whose contact may be through carers, for example. It is thinking about how you can leverage all of those contacts, who are the people who can influence, help and inform and perhaps develop people’s skills. That is the real opportunity but driving awareness of that through so many different parts of the public sector is extremely challenging.

Q313 Mrs James: Just going on about the literacy initiatives we have heard a little bit about this from Ms Bradbrook; do you think that these initiatives should take account of the needs of businesses or are they best focused on disadvantaged and hard to reach groups?  
Mr Lawson: I am bound to say that it has got to be both because we have to remember that when we are talking about this we are talking about not just businesses, but also consumers—businesses are consumers as well but it is no good businesses being media literate without having consumers who buy goods and services from them as well. It has got to be a whole programme if you like and, obviously, there are particular issues that disadvantaged groups are going to have in terms of access to media, but obviously from a business point of view the more people who are going on the internet and using the internet, being influenced by it, shopping through it, then obviously the more important it is going to be for businesses to also have that internet savvy in order to take advantage of that. It is kind of a holistic approach.
Q314 Mrs James: I have been really surprised by one of my local bingo halls which had done a little bit of research into how many of their users were actually playing bingo online. It was a really high percentage, and these were quite elderly people. How they access the internet is important; it is interesting to see what they are accessing.

Mr Lawson: Yes, you can see by how many bingo sites there are and how many poker sites there are how popular it is. Visitors really need to be aware of this and they also need to be aware of the increase in social aspects of the internet as well, that it is becoming less one of these areas where somebody sits in isolation, just surfing and looking at pictures, it is more social interaction, and of course that is going to be something that is increasingly important for businesses to be aware of.

Mr Walker: One of the confusing things about media literacy is that it spans so many societal targets or societal objectives. Clearly for businesses having an informed and skilled workforce coming through is extremely important, so all of those educational aspects, making sure that all young people develop the media literacy skills that they need in the workplace is extremely important. The other extreme to that is the social exclusion agenda where you are trying to do quite different things and you are trying to bring people back and engage them in society. That is a lot less business-led, so again there are a range of different objectives that you are trying to reach and the way in which you seek to exploit and use and engage people through digital technology will vary depending on what group you are engaging with. So it is not one model fits all, it really is not.

Q315 Mrs James: Do you think that the Government’s Digital Inclusion Action Plan takes sufficient account of the risks which potentially vulnerable people might encounter when they start using the internet?

Dr Bradbrook: I do not think so. There is some evidence, for example, that for a homeless person who is in a particularly difficult spot, who has maybe got drug addiction issues, mobile technologies once they get their hands on them make the problem worse because they will trade the phone for drugs or they will use the phone to contact a drug dealer for the drugs, that kind of thing, and there is also the possibility to get addicted to things or to gamble. When you think about digital inclusion you are thinking about social inclusion and you have to start from the basis that social exclusion is the problem in that, to use sociology terms, you lack social and cultural capital, meaning that you lack the social networks and you lack the ability to work with social networks and bring benefit to you. Some people, if you take that homeless example, might have some strong networks, but they are quite negative for them and if they can work those networks better it is going to make life even worse. If you take an older person who is isolated, they just lack networks, so you cannot just overlay technology onto that problem, you have to help people with the social and cultural capital which is what community development approaches do, but at the same time you have to think about the field of operation. I said before it is whether people are innovating and whether they are taking the full perspective into account, so for people who are socially excluded there are often issues of literacy, there are often issues of financial exclusion, so people do not have credit cards and if you get them online they are not necessarily going to be able to shop online. There could be issues of disability, which is a huge area that we are failing on massively in this field, and then more generally when you look at problems of social exclusion if you take older people and the telecare agenda, you are starting to put broadband pipes into old people’s housing but purely for telecare reasons, so you are not giving them on the back of that an ability to email, say, grandchildren overseas or whatever, and yet we know the health agendas for older people are very much affected by depression, very much affected by isolation, so the need to think holistically is important.

Q316 Alun Michael: I am directing this mainly to Gail Bradbrook if I may. You referred a few minutes ago to community development approaches and the same applies to adult education approaches, that you may target people who are if you like socially excluded by whatever phrase you wish to use, and in trying to get people across the threshold, whether it is literacy in terms of reading and writing or whether it is numeracy or whether it is digital literacy, there is a danger sometimes in reaching those who are most excluded, a tendency to reach those who are convinced that there is an advantage in going online, for instance, and not getting to those who have not even become convinced of that. What is your view of the way in which those sorts of issues are being addressed in Wales, particularly at the moment?

Dr Bradbrook: For the most excluded people, if you were to take those two examples of an older person and a homeless person who is rough sleeping, it is much more about focusing on the needs of that person and the way technology can address those needs, so it may be that people who work on behalf of those folks are technology-enabled, mobile working. We did some research for the DCLG looking at four groups: ex-offenders’ needs; mental health and learning disabilities and looked at not only how the people themselves use technology but also their workers, and quite often the workers are not technology-enabled; if they are they are often writing paper notes as well, so there is a lot of inefficiency in the system. Data sharing problems are often used as an excuse for not working more smartly and in joined-up ways so I would think much more about those people in terms of how the world that is supposed to be making their lives go better is technology-enabled.

Q317 Alun Michael: You have described normal behaviour by professionals and normal behaviour by people who are struggling; what is the answer to it and where do you see the exemplars?
Dr Bradbrook: That is a really good question and I was hoping that the digital challenge would be a route for developing some exemplars. One of the talks I give is showing that as far as I am aware there are no exemplars. There are pockets of good practice that cover parts of solutions but I do not see an example of a young person who is not in education, employment or training being supported in a very holistic way through technology.

Q318 Alun Michael: You say that there are not but I was actually hoping that you would tell us the things that are happening well and how they can be replicated. I remember coming across a project called Computers for the Terrified which was getting elderly people online about eight years ago; Ruralnet did an enormous amount to create a movement of the most unlikely people in looking at internet access within many rural areas; both of those are describing things from a few years ago, but where are we now?

Dr Bradbrook: They are examples of supporting people to get online with the technologies that exist today generally. They are very valuable and Citizens Online have run 23 three-year projects called Everybody Online that have given over £60 million of value, so I am not saying there is need for projects.

Q319 Alun Michael: How are you doing at getting to those at the end of that line then? If you are talking about everybody are we talking about not the 80% or the next 10%?

Dr Bradbrook: That is the answer that I was trying to give before. Say we are talking about 33% of people, roughly, who are not using the internet; about 9% of those are deeply excluded, that is what the data shows. They may be facing issues of arthritis alongside a visual impairment, alongside health issues, so it is not enough to think that you can therefore just get them down the library and get them online, it is much more about saying what issues does this person face and is technology underpinning their life?

Q320 Alun Michael: You just told us a few moments ago that you have had a lot of money to run a lot of courses over a long period of time, and you used the word “everybody” in the title of the project that you described. Tell us about getting to that. We know what the problems are but can you tell us about the solution, tell us about what you have experienced, what you have done?

Dr Bradbrook: In Northern Ireland, for example, we had projects focused on social housing for older people specifically where we went into of the order of 20,000 social houses across Northern Ireland for older people and got to people that way.

Q321 Alun Michael: Give us a bit of shape; how did you do it?

Dr Bradbrook: It is just basic partnership working, frankly, and you also need to work with a cadre of volunteers because if you hire a person and pay them a salary there is only so many people they can work with, so it is important to have volunteers as part of that programme.

Q322 Alun Michael: Can I just ask Mr Lawson about the availability of digital schools training and qualification for employees, particularly in small and medium sized businesses. I was reflecting earlier when you talked about your father’s experience that those may not have been the sort of things that your father in his circumstances would want to learn but they are probably the sorts of things that you as a chief executive of a small business would want employees to learn, are they not?

Mr Lawson: Yes, as I say, there are an awful lot of employees coming into the workforce now who are very media literate but whether that is literacy that they have developed in a formal setting is doubtful. This is probably more to do with the fact that obviously we are all growing up with computers now and we naturally pick up how we use things.

Q323 Alun Michael: Are the courses available to businesses and to their employees being well targeted on the skills that those businesses would use, again, to take the sort of person-centred approach that you were referring to when you referred to your father’s experience?

Mr Lawson: I think there needs to be some recognisable qualification. Obviously we have the European Computer Driving Licence but there are still very many employers who do not know what that is, what that actually means, who has that, and what they can actually do.

Q324 Alun Michael: Is that something that you would promote as an organisation?

Mr Lawson: It is not something we would promote, to be honest. It is something where really we need to make more of our members and employers in general aware of what it actually does.

Q325 Alun Michael: Not to be unkind to the Deputy Minister but businesses are more likely to listen to you, are they not?

Mr Lawson: I would like to think so, so the offer is there that we will promote that scheme as much as possible with the development of these new broadband proposals. It is important though that employers themselves also have a level of literacy.

Q326 Alun Michael: I think I was suggesting that there was a need for leadership from within business organisations in the interests of their members.

Mr Lawson: Yes, this is a problem. I have been in so many businesses where the height of technology is still the fax machine, where businesses have computers but they very rarely turn them on, only really to write a letter and print it out. We need to be looking at businesses that could be doing their accounts on-line or by computer, that could be doing their stock control by computer or that could be doing their payrolls by computer. These can save an enormous amount of time and therefore will save
productivity for businesses, and of course the only way really to increase the wealth of Wales is to increase productivity.

**Q327 Alun Michael:** Can I end by asking you about strategies, again particularly in relation to the smaller end of business, for avoiding or minimising risks, because the risks are not just about children or just about elderly people, they are risks to business. How much are you engaged in dealing with those issues within Wales and how successful do you think we are being in Wales in countering those risks as well as using the opportunities?

**Mr Lawson:** We have been members of the E-Crime Steering Group since it was formed. It is obviously now Wales Against Business Crime. It is the only unit operating in the UK where you can directly report to the unit about electronic crime. The biggest problem with electronic crime is that it puts so many businesses off trading on-line because obviously the trouble is you are always playing catch-up with cyber criminals, who are very advanced and have enormous resources, and they can rip businesses off for £1,000 or £2,000, which to a small business is an awful lot money (it is often a year’s profits) and this is what puts a lot of businesses off trading on-line. On the one hand, we have got to try and start getting more businesses more technology aware and get them using technology but, on the other hand, we have also got to get them trained up in things like all the on-line crime, on-line fraud, phishing scams, all these various things and make them aware. That is where often businesses then get a bit reticent about the whole area, so it is a big problem. As I say, we are more advanced than anywhere else in the UK, but I think it is something that we really have to put resources into if we are going to get our businesses to be investing more in technology for themselves because, as I say, at the moment it is a big put-off.

**Chairman:** Thank you very much, all of you, for your evidence today and also for the very helpful written evidence which helped us considerably in preparing for this session today. If you feel that there are issues which arise from today’s session which you would have liked to tell us about but you have not had an opportunity to develop, we would be very pleased to receive a further memorandum from you.
Monday 11 May 2009

Members present

Dr Hywel Francis, in the Chair

Mr David Jones
Alun Michael

Mr Martyn Jones

Witnesses: Mr Huw Gapper, Head of Central Government Unit, and Ms Gwenith Price, Director of Language Schemes, Welsh Language Board, gave evidence.

Q328 Chairman: (Through an interpreter) Welcome to this meeting of the Welsh Affairs Committee. Could you introduce yourselves, please?

Ms Price: (Through an interpreter) Thank you for the invitation, Mr Chair. I am Gwenith Price and I work for the Welsh Language Board.

Mr Gapper: (Through an interpreter) I also work for the Welsh Language Board.

Q329 Chairman: (Through an interpreter) I will be asking questions in Welsh and English and we are quite willing for you to answer in Welsh or English—but not in any other language, if you please! I hope you can understand my South Wales accent. Firstly, can I ask you: how could the Government help with the situation, especially the needs of the people in Wales regarding digital inclusion?

Mr Gapper: (Through an interpreter) I would like to start by saying that there are obvious opportunities to enrich people’s lives in Wales with IT. Welsh speakers and non-Welsh speakers, with digital inclusion. In responding to the Government’s digital inclusion action plan, we have noted where we feel we need to consider the Welsh language in developing and implementing that plan. We have concentrated on the provision of service in the medium of Welsh through IT. We realise that the Welsh Assembly Government have already done quite a lot of work in terms of ensuring that Welsh speakers have opportunities to use the language of their choice in using technology. They have a digital inclusion unit of course within the government and they are developing a digital inclusion scheme for Wales, and they have appointed brokers throughout Wales to help people to use technology to communicate through the medium of Welsh. At a UK level, I believe we need to consider the Welsh language in developing the digital inclusion charter, and for that to be part of the plan; and the role of the digital inclusion promoter will be extremely important. As we have noted in the written evidence, we feel that it is important that the promoter is there to raise awareness of the needs of Welsh speakers, to provide a point of contact for the digital inclusion unit, between that unit and at the UK level.

Q330 Chairman: (Through an interpreter) Can I ask you quite a simple question to me! This could pose a problem for a lot of people outside the digital world; is it a problem for you to develop a technical vocabulary to explain to people, not non-Welsh speakers but Welsh speakers themselves, because everything throughout the world is in English?

Mr Gapper: (Through an interpreter) This is a challenge when you work in the field of linguistic planning in terms of minority language, and it might pose a particular challenge in the field of technology when you consider, as you say, that English is seen as a global language. We have done some work. There is a European computer licence available; and a course is available through the medium of Welsh; and CDs are available for anybody who wishes to receive them. A project was launched with Microsoft, and it deals with digital literacy, to help people to better understand. That was launched in 2008. Work is being done. When you look at the role of the Board and the Government and the different specialist bodies, there is specialist work ongoing to consider terminology; and the Board has been calling for the establishment of a centre to standardise, develop and promote that terminology.

Mr Gapper: (Through an interpreter) You are talking about assisting individuals to help them to use technology. Reference has already been made to the European IT driving licence, which is available through the medium of Welsh. At a Welsh level there is assistance available as well. In terms of internet security, you have E-security Wales which is available through the medium of Welsh; you have the Digital Literacy Network Wales, which is available through the medium of Welsh, and practical information about how to use IT through the medium of Welsh. Perhaps at the UK level, where more resources are available, you received evidence from bodies such as Safe Online and WLJ, regarding information for parents for instance about online security for children. At a UK level I think there are a few Welsh medium resources available.

Q331 Chairman: (Through an interpreter) Are the people from the Assembly taking an interest in this issue? Have you appeared before different committees of the Assembly to explain your work?

Mr Gapper: (Through an interpreter) No.

Q332 Mr Martyn Jones: What evidence is there about the extent of Welsh language provision on the internet and the popularity of Welsh language sites?

Mr Gapper: (Through an interpreter) It is really difficult to know the extent of the Welsh medium provision on the internet because it is not centralised and it is very difficult to assess. I think what is apparent is that Welsh speakers do want Welsh medium provision on the internet. For instance, if you think about content developed by Welsh speakers themselves, such as Maes-e.com and also
the Welsh interface on Facebook. Welsh speakers themselves have developed this content, so obviously Welsh speakers do want Welsh medium provision. However, to quantify it is a difficult question.

**Q333 Mr Martyn Jones:** Can you do anything in that area in terms of increasing Welsh provision on the internet? Have you had any people writing in, or phoning or e-mailing?

**Ms Price:** (Through an interpreter) Our work—and Huw and myself in particular—we work on language schemes. Under Part 2 of the Act we have 510 organisations with language schemes at the moment, and they place Welsh medium content on the Web. Obviously, we cannot monitor every website with the resources we have, but the public sector provides this service. If you look at the UK level, our link with Crown bodies is not as established perhaps as it is with the Welsh organisations. If you look at the different departments in Whitehall, there are eight that do not have any Welsh language schemes. If you look at the private sector, the Board has no power for instance on banking or mobile phones, things people use in their everyday lives. If you look at it from the user’s perspective—I am not quite sure whether we do—we follow where the powers lie, so we do more work with the public sector and less with the private sector—less than we would like to see, perhaps, in terms of Welsh as a minority language and its vitality. If you look at what is available on the internet, it is essential that Welsh is a viable modern language. We would like to see more content for young people on the internet. It is much easier to look at the provision and to measure what is available than it is then to measure the use. If you are asking about popularity and using that, we would say that we need to change people’s behaviour and enable the Welsh language to become the norm, and then people will get use of it. This is the challenge. It is like stopping smoking or healthy eating; it is difficult to see how many people do change, or use Welsh, and the factors that affect people’s use of it. I would like to see a start on that work of measuring the use and promoting the use of Welsh by perhaps the champion for promoting digital inclusion within the Assembly.

**Q334 Alun Michael:** (Through an interpreter) We were expecting to have somebody from dotCYM to say something about this concept, and I do not want to ask you to give evidence on their behalf but it would be interesting to know the Board’s point of view on this concept of dotCYM. It is clear that it is important as an address, but there is a plethora of addresses—dot-com and dot-org and so on. Does the Board think that this concept of dotCYM would give something additional which would be valuable and worth having, or do you think it will not make much difference when you realise that there is so much choice available to start off with?

**Ms Price:** (Through an interpreter) If you think about our work in terms of Welsh language status planning, there might be a value to it, but when new things are happening so quickly we need to think in terms of setting basic actions and steps in place and supporting different systems, I think, we need to think about an holistic scheme for the Welsh language that would add value; but in terms of the day-to-day work we do we do not say, as language planning practitioners, that this is the main thing on our agenda.

**Q335 Alun Michael:** (Through an interpreter) Do you think that if that happened it would give people the idea, when they look at the address, that it seems that the Welsh language is being used on that particular website?

**Ms Price:** (Through an interpreter) Yes. It is an access point, and I think there was evidence from the London Institute of Education about people being able to identify with content, so from that point of view having that address would help people identify, and they would be able to choose to click on that address.

**Q336 Alun Michael:** (Through an interpreter) That is reasonable. One thing in the evidence that emerged from the paper was the concept in dotCYM’s paper that having dotCYM would, to quote in English . . . I feel that it is difficult to know how that would happen.

**Ms Price:** (Through an interpreter) I do not know in terms of policing this and ensuring security. We need to create new opportunities for Welsh speakers to use the Welsh language outside the family and outside school; and if this address helps people use the internet in Welsh, that would be a good thing.

**Q337 Mr David Jones:** To what extent are you satisfied that media literacy and internet awareness initiatives in Wales make adequate provision for Welsh speakers?

**Mr Gapper:** (Through an interpreter) In Wales, as I mentioned previously, the resources of the digital services aimed specifically at Wales produced by organisations in Wales are available bilingually, referring to E-security Wales, The digital literacy network websites are available bilingually, and there is a literacy plan for media as well. We will need to assist Welsh speakers to use this technology, but of course there are many more digital literacy resources available. The government departments themselves offer such resources and BT for instance offers the Internet Green Cross Code to help people to use the internet safely. At the UK level there are a number of digital literacy programmes available. Few of these are available through the medium of Welsh.

**Q338 Alun Michael:** (Through an interpreter) We have heard an idea from somebody in Oxford—I am not quite sure what is behind this idea—that bilingual people world-wide, or people who speak more than two languages, make greater use of the internet than people who only speak one language. As a board, have you undertaken research into the way that people who are bilingual in terms of English and Welsh use the internet: is there anything here perhaps that is important for us in Wales?
Ms Price: (Through an interpreter) We spoke to our statistician, and what little date we have on this in Wales are Living Wales Surveys 2004, which do cover use of internet programmes and so on; and the statistics are mixed. They vary year on year and are up and down. If you look at 2004, 37% of Welsh speaking families could use the internet, where 62% mixed language could use the internet; and 39% for all Wales. If you look at it at area by area, urban and rural, the percentages change again. There is further research that needs to be done before we can come to any conclusions about the pattern. We have heard about rural areas, that access to broadband is a problem; so maybe the infrastructure gives us the impression that there are di

Ms Price: (Through an interpreter) It will be interesting to see how the research progresses.

Q339 Mr Martyn Jones: Do you think the problems with digital infrastructure in Wales, such as broadband “not spots” might impact disproportionately because of geography? I have “not spots” in my constituency and I am sure there are “not spots” in most of Wales: do these disproportionately affect access to broadband?

Mr Gapper: (Through an interpreter) When you look at BT’s evidence, which identifies 60 “not spots”—they are scattered throughout Wales; but in some areas, for instance in Carmarthenshire, which do have higher percentages of Welsh speakers, it is difficult to say whether a lack of technology infrastructure, be it mobile phone or broadband, has a greater effect on Welsh speakers. As Gwennith just stated, from research work that has already been undertaken it seems that Welsh speaking families, when you compare them to mixed language or English-speaking families, have less access to the internet. As Mr Michael suggested, we need further research into access to the internet.

Q340 Chairman: (Through an interpreter) Lastly, to return to this question of dot-CYM: as a committee we understand that this idea came to some extent from dot-Cat in Catalonia. Has the Language board looked at the success of dot-Cat at all?

Ms Price: (Through an interpreter) No, I am not aware of any work which we have done. We have a network where we do collaborate with other minority languages in Europe, and we would be happy to find information for you today about that issue.

Chairman: Thank you very much for your oral evidence. We would be very grateful to hear from you regarding dot-Cat and anything else that you feel we have not discussed this afternoon. Thank you very much indeed.

Witnesses: Mr Rob Humphreys, Director, Ms Jane Williams, Assistant Director, and Mr Dewi Knight, Policy and Public Affairs Manager, Open University in Wales, gave evidence.

Q341 Chairman: Welcome. Can you introduce yourselves for the record?

Mr Humphreys: I am Rob Humphreys, I am the Director of the Open University in Wales.

Mr Knight: Dewi Knight, Policy and Public Affairs Manager of the Open University in Wales.

Ms Williams: Jane Williams, Assistant Director of the Open University of Wales.

Q342 Chairman: Thank you very much, and thank you for helping us with this inquiry and your evidence. Can I begin by asking you a very simple, straightforward question, about the government’s digital inclusion action plan? Do you think it takes sufficient account of the needs of those who wish to access higher education, particularly the students that you wish to attract?

Mr Humphreys: First of all, we welcome the report, Chairman. It is good to see the government looking at these issues in some detail. We also welcome the fact that the government recognises that the rapid pace of change in terms of digital technology gives us great opportunities in education and other areas, but there are also risks of reproducing existing social divisions and deprivation, and perhaps even creating new ones. That is where our main focus of concern is. There are many good things as well, of course, but there are concerns in that area because we are charged—rightly

I think—by the Assembly Government and the Funding Council in Wales with our education sector colleagues, in addressing issues around widening access. There is something of an inbuilt tension here. We want to widen access of our citizens into HE, and we have a big role to play in that. If those citizens do not have access to broadband, whether for a financial or technological reason, clearly there is something of a dilemma there. Whilst we are a distance learning institution, it is likely in the future that many institutions in higher education and further education will be using more and more technology to deliver their opportunities.

Q343 Mr David Jones: It seems to me that potentially in the future, if not now, the sort of activities that the Open University wants to conduct online could make quite intensive use of band width. My concern about the Digital Britain Report is the rather unambitious target in terms of university service commitments proposed for 2012, which as you know, in any event has been diluted by recent comments by Lord Carter. To what extent is your view that a 2 megabit per second commitment will be sufficient or insufficient for the purposes that a university may wish to put it?

Mr Humphreys: We would want the government to be a little more ambitious. The pace of change is considerable. One of the lessons which the Open
University has learnt over many years—we are at the cutting edge of this development—is that first of all the pace of change is massive and will be in five, 10 or fifteen years' time. Secondly, you cannot do this kind of work on the cheap; it requires considerable investment in content and the technology. Thirdly, the student, or customer or consumer, however you want to describe them, expect the best. If they are getting very hi-tech products in terms of gaming and watching films, it is going to be a disincentive if they are faced with something that is cheap and cheerful in terms of their learning experience. There are risks that if the targets are unambitious, what is capable of being achieved in terms of education materials may be in excess of what the infrastructure is able to deliver. That could be a real problem and we could be bumping up against that. One of the real worries for us would be if somehow the infrastructure had less capacity in Wales than elsewhere in the UK. That would be a real concern for us.

Q344 Mr David Jones: Is that a real danger, in your view?
Mr Humphreys: I would not want to say definitively. I would say that in this kind of area—and I am sure the members of the Committee are more familiar than we are—when UK-wide statistics are used, they say that statistics are all about, for example, 90% or 95% coverage; but it does not follow that it is the same proportion in Wales. It is lower because of the “not spots” issues, the distance from exchanges and achieving a good coverage in rural areas. There are some concerns there. Sometimes the stats can look good at UK level, but when you break it down into the nations and regions of the UK, it is completely different.

Q345 Chairman: Bringing us back to higher education—and as a historian you will be familiar with what Trotsky said—
Mr Humphreys: I will do my best to rack my brains, Chairman!

Q346 Chairman: War being the engine of history! What role does the higher education sector have in being the engine particularly in alliance with the strategy of digital inclusion to achieve a more effective knowledge economy?
Mr Humphreys: I like to think it is almost taken as read now, that without a thriving and prosperous HE sector in Wales or wherever, in a modern post-industrial society it is impossible to conceive of a prosperous and inclusive economy in the future. As I suggested earlier, as more and more HE educational opportunities are offered online, these things go hand in hand; so infrastructure that will enable us to deliver stuff online, and indeed an infrastructure that is genuinely inclusive, will become one of the fulcrums on which our future prosperity depends. I do not know if that is helpful.

Q347 Chairman: Yes, it is very helpful. You obviously cannot speak on behalf of the whole sector, but can you make an observation about it? Do you feel comfortable with the extent to which the higher education sector is making efforts in this direction? Is there a sector-wide strategy in relation to digital inclusion? I will put it differently, to give you more time: can you tell us whether HEFCW has a strategy?
Mr Humphreys: HEFCW has a strategy on e-learning that is closely related to this. It would be fair to say that this strategy needs further development in time, although to be fair to HEFCW we as a university have only recently come in out of the HEFCE funding,—a block grant effectively—but we have come to be funded by HEFCW from the Assembly Government in order to give us greater purchase in Wales and to give HEFCW a greater ability to utilise what we have got to offer. As regards the wider question, Chair, whether the sector as a whole has a policy on digital inclusion, the best way to answer that would be to say that the Open University in Wales seeks a fully worked-out policy on digital inclusion in Wales in order that we can contribute fully to the economic development and cultural and educational needs of Wales, and meet the demands of the Assembly Government in that sphere.

Q348 Chairman: On the question of the Welsh Assembly Government, do you have a vigorous dialogue with the government on this question of digital inclusion? Is there a forum for it?
Mr Humphreys: It would be via the Funding Council on behalf of the Welsh Assembly Government in this sphere. Dialogues take place undoubtedly in this area.

Q349 Alun Michael: I was interested in that last sentence. Can you tell us whether the Open University in Wales does more, less or about the same in terms of that sort of average, compared to the Open University’s work in the regions of England for instance?
Mr Humphreys: Proportionately it is roughly the same by population compared with England as a whole. We are fractionally under the Barnett Formula proportion of the work. In terms of widening access work, our performance exceeds the current HEFCW target in that area. There is a greater proportion of our students who are in receipt of financial support than many of the regions of England.

Q350 Alun Michael: You say you are doing reasonably well in terms of that target.
Mr Humphreys: Yes, although we always want to do better. We have recently made appointments in that area in order to strengthen our work in that area even further.

Q351 Alun Michael: We had some interesting discussion about what “outreach” means in discussion with people in an informal session this morning. There is the aspiration in Wales to turn the University has led over many years—"we are at the cutting edge of this development—is that first of all the pace of change is massive and will be in five, 10 or fifteen years' time. Secondly, you cannot do this kind of work on the cheap; it requires considerable investment in content and the technology. Thirdly, the student, or customer or consumer, however you want to describe them, expect the best. If they are getting very hi-tech products in terms of gaming and watching films, it is going to be a disincentive if they are faced with something that is cheap and cheerful in terms of their learning experience. There are risks that if the targets are unambitious, what is capable of being achieved in terms of education materials may be in excess of what the infrastructure is able to deliver. That could be a real problem and we could be bumping up against that. One of the real worries for us would be if somehow the infrastructure had less capacity in Wales than elsewhere in the UK. That would be a real concern for us.

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Q351 Alun Michael: We had some interesting discussion about what “outreach” means in discussion with people in an informal session this morning. There is the aspiration in Wales to turn the
internet and access to ICT into an engine for greater inclusion rather than what we are worrying about, which is that as access to the internet plateaux, more and more people are being left behind, with a divide opening up. What is your sense of the way that is developing in Wales generally; and in that context how do you see the current future role of the Open University?

**Mr Humphreys:** I think we have some concerns about it in terms of the pace of change reinforcing existing inequalities, particularly around poverty and disadvantage, and perhaps even creating new ones for older people, not necessarily on low incomes, who do not access broadband—whether that is choice or unfamiliarity. There is always a sense in which that can hinder our capacity to deliver to all sections of the community in Wales. For example, there is a very important skills agenda where people have a huge amount to offer. We have got some students who are sponsored by employers, including small employers. That is always a concern. It is not just individuals or households accessing the internet with sufficient broadband speed and so on, but it is about small businesses and their capacity in regard to skills training and availing themselves of our services. There may well be advantages in people accessing that at their workplace but small businesses not able to, or choosing not to. That itself could potentially hinder that capacity.

**Q352 Alun Michael:** You referred specifically to older people, and there is a good deal of evidence that an older dog can learn new tricks if the opportunity is there early enough; in other words, when people have got some time because they are taking early retirement or are even at retirement age; whereas it becomes more and more difficult as they become older and perhaps at a period in life when the potential benefit is actually greater but it is more difficult to access. There is a parallel between digital inclusion and wider learning here. Do you have a specific target in terms of engagement with older people and what one might regard as young retired people in your strategy?

**Mr Humphreys:** No, we do not have a specific target. It is something we ought to look at. In reaching people like that, and in other categories, we seek sometimes to work with other organisations and brokers and intermediaries, for example FE colleges, which have a footprint on the ground. It is Adult Learners’ week this week, so we are participating in the various learning festivals that NIACE Dysgu Cymru run throughout Wales. That is a way of us meeting that kind of deficit. We can speak to people face to face. Another example, in terms of course material—and Jane can say more about this—is that one of our courses, *Understanding Health* builds in ICT components, and Jane can say a little bit more about that.

**Ms Williams:** The course Rob is talking about is part of our “Openings” suite of courses. You can probably think of it as an access course. Students coming on to that are from all age ranges, and usually very unconfident. It is usually a 10-point course, but as a pilot we are adding on an extra five points. That will teach people how to use computers, and hence prepare them for study with the OU; but generally it will help them pick up the skills they need for using PCs. It is very much about helping non-traditional students master ICT for HE study. That will be presented for the first time in September, so we are currently recruiting on that at the moment. If that goes well, we would hope to incorporate that element in all our Openings courses.

**Q353 Alun Michael:** When I was Rural Affairs Minister, one of the things that impressed me was under the title *Computers for the Terrified*, which allowed people to come along without having to admit that they are worried because it is assumed that everybody is. Things like that are very useful. Looking at the wider aspect of people who are disadvantaged one way or another—either their schooling is so far distant in time, or the basics of computer literacy were not available then, or, by the nature of their education, employment or whatever, they are not part of the digital age—what do you think the scope is for online learning and the use of the techniques of distance learning, where you are the leading brand? What contribution do you think that can make, or do people have to take a first foot over the threshold through more traditional means?

**Mr Humphreys:** I think it is horses for courses. Different people will respond in different ways. There will be many people who would come straight to us because they are familiar. It does not have to be in the home; it could be in libraries or workplaces. For others, as you say, the first foot via an intermediary organisation might be the appropriate route for them. It does not mean they are less able, but perhaps they are less familiar with the method of delivery. It is our job to ensure that we maximise our effort to reach both categories and not ring-fence one category and say, “this is not for you”. It is a social obligation and social justice, it seems to me.

**Q354 Alun Michael:** Would digital inclusion and social inclusion be achieved to a greater extent if a wider range of institutions offered online learning opportunities?

**Mr Humphreys:** Yes, I think that is true. Sometimes institutions that do not do this on a day-to-day basis can underestimate the cost. The way the OU materials are constructed are, in a sense, a whole learning environment, and again Jane can say more about this. It is a whole educational experience; it is not cheap to do, and to change the techniques of distance learning, where you interact with your tutor and other students, through conferencing by e-mail or live video conferencing and so on. It is not cheap to do, and to change courses means more than simply changing lecture notes. It means altering course content, and sometimes even software.
Q355 Alun Michael: Do you think the Open University in Wales has a leadership role in relation to the work of higher education in this sphere generally?

Mr Humphreys: Yes. I would say we do, simply because of our long experience and the considerable investment we have made in the past, and we would be happy to play that leadership role. We are certainly keen to play in as partners, because clearly other institutions have enormous strengths themselves, but maybe different strengths. It is important that we get the synergy from each institution playing to its strength.

Q356 Mr David Jones: Would it be fair to say that online degrees possibly do not have the same status as degrees obtained through more traditional routes? Would you say that that was a fair perception?

Mr Humphreys: I would not say it is a fair perception at all, particularly in the case of our own institution. I do not want to speak for any other institutions, but we are subject to the remit of the Quality Assurance Agency just the same as any other institution in the UK in higher education. We have recently had an audit from QAA and we have every confidence that it will be more than satisfactory. I do not think it is fair to say that, in the case of the Open University, it all.

Q357 Mr David Jones: Do you think that perception is there, though?

Mr Humphreys: Not in the case of our institution. It may or may not be in the case of others, from overseas or whatever.

Q358 Mr David Jones: You said in reply to Alun Michael that you felt that some more traditional education institutions were deterred by the cost of going down the training route. Are there any other barriers? The Committee has had some advice that one of the other barriers may be the lack of opportunity for interaction between students and the academic staff.

Mr Humphreys: That is a very interesting question. The Open University over the last three or four years has come top in the national students' satisfaction poll. Jane will explain that our students have considerable interaction with the teaching staff. This bears upon my point earlier that online delivery in our case is built around a whole educational experience that includes interaction. It is not something that keeps the students "over there" because it is distance learning.

Ms Williams: Obviously, it is very difficult for our students to attend face-to-face sessions with their tutors, the academic staff responsible for them. However, we are doing a lot of pioneering work here in Wales, using something called "Elluminate". I do not know whether you have come across that. It is a synchronous conferencing tool. With that, the tutor can post materials on a white board; students can interact on the white board alongside the tutor; the tutor can use it for file-sharing, document-sharing. A simultaneous chat can be going on between the students and the tutor. We are doing a lot of work so that students can interact with their tutor. We make use of forums and through the forums students can interact with each other and with their tutor, and they can interact with academic staff based in Milton Keynes. Contact for students is very good.

Q359 Mr David Jones: You said in reply to Alun Michael that you would be quite happy to undertake a leadership role in terms of online education. To what extent are you already engaging with other academic institutions with a view to making distance learning online far more ubiquitous than it is at present?

Mr Humphreys: Our interaction with the rest of the sector in Wales and other sectors has some way to go. I do not want to go into the intricacies of this, but we are still in transitional funding, and do not become fully funded from HEFCW until the end of next year. That will give us greater capacity and flexibility to operate as a Welsh HEI, as part of a much larger parent body. An example would be our work with Neath College in terms of delivery of foundation units, which is a win/win situation for us and for Neath College to develop something which they do not wish to fully develop from scratch. If you like, we share the students.

Q360 Mr David Jones: To what extent do you find, if in fact you find at all, that other HE institutions in Wales are prepared to accept your leadership in terms of online education? Have you had any discussions apart from with Neath?

Mr Humphreys: That is a question that would be better asked of us in a couple of years' time. It is a little bit early for me to say.

Q361 Mr Martyn Jones: To what extent is the lack of access to basic IT hardware an issue with those people trying to undertake higher education courses?

Mr Humphreys: It is an issue, and we have got certain provisions in place to make it available in terms of laptops and so on. There is no denying that for students with very low incomes it is a big issue.

Q362 Mr Martyn Jones: Is there any data on that?

Mr Humphreys: We can supply that.

Q363 Chairman: Can I turn to the question of levels of media literacy: have you done any study or survey of your own students and their understanding of media literacy?

Ms Williams: I am not aware of anything, but I can certainly look. We have not done anything in the Open University in Wales, but I can look to see if anything has been done from the Open University centrally.

Mr Humphreys: At UK level. In that area it is probably something we should do, but we would tend to look to Ofcom Cymru for their statistics.
Q364 Chairman: It would not be part of your current—
Mr Humphreys: Other than the kind of stuff Jane referred to earlier on in terms of people learning to use ICT alongside learning substantive course material.

Q365 Chairman: Do you think higher education institutions could do more in this field in Wales?
Mr Humphreys: Yes, probably, but alongside schools and the FE sector as well. Media literacy is something of an elastic concept.

Q366 Chairman: That is right. I am looking at our notes here. It includes a proposal to ask Ofcom to make an assessment of its current media literacy responsibilities and to recommend “a new definition and ambition for a National media Literacy Plan”.
Mr Humphreys: Ofcom has a statutory duty under the Communications Act some time ago to promote media literacy. We are certainly interested in media literacy in terms of people’s capacity to utilise ICT. As you may expect from the HE institutions, we are also interested in people’s capacity to understand the social dimensions, indeed the political dimensions of new technologies and so on, as issues around power and the economy are involved in technology in the press and media and so on.

Q367 Chairman: We understand that Ofcom defines media literacy as the ability to access, understand and create communications in a variety of contexts. That sounds like the kind of thing you would have done perhaps in the 70s or 80s. That is what I would imagine the OU student would have been very engaged in, in the 70s and 80s.
Mr Humphreys: I think you are right.

Q368 Chairman: You tend to think of OU students as having very inquiring minds, perhaps over and beyond the traditional 21-year old.
Mr Humphreys: Yes, of course, and students in our Social Science faculty on some social science courses would indeed be engaged in unpicking how the media works, in courses of that nature. There is a sense now in which the new technologies—it is simply the water we swim in, in the Open University. In the same way that we used television when television was a relatively new technology. It is just what we do.

Q369 Mr David Jones: Is there not the further difficulty that the difference between media literacy and traditional literacy is that in terms of traditional literacy once you can read, you can read, and that is the end of it; but there is such an exponential development of new technology that it is very hard to see who is at any one particular time media literate and who is not, because the media change all the time.
Mr Humphreys: That is a very good point. There may be people in this room—I would be one of them anyway—I like to think I am very confident in using a PC, laptops and so on; but in due course our students may be utilising a much mobile form of ICT. PDAs already have the ability to use downloads, podcasts and course materials and things like that. I think you are right, Mr Jones, that in five or 10 years’ time that is likely to develop to a considerable extent and people will be learning on the move, which one could not have imagined 10 years ago.
Ms Williams: Can I add something here? I think when our courses are designed, then the media for the course is chosen dependent on how the course team wants to put the particular materials over, and then media literacy would be included in the learning outcomes for that course right from the start, so they would be built in.

Q370 Chairman: If Raymond Williams were here today—and sadly he is not—what would he say?
Mr Humphreys: I think perhaps he might have said that adult education remains something which ought to be of great significance, in terms of the way we value it in contemporary society, but perhaps he would also recognise the way it is delivered now and likely to be delivered in the future will be very different from the way it was delivered in the 1950s or 1960s. He might also say that social justice remains something very significant within adult education and education as a whole, and therefore digital inclusion is deeply entangled with notions of social justice, and indeed citizenship for that matter, in terms of equality of access and so on.

Q371 Chairman: Thank you very much for your evidence today and for your written evidence. As we say to all our witnesses, if you feel there are some points we have not covered we would be very grateful to receive further written evidence.
Mr Humphreys: Thank you for the opportunity. We promised Mr Jones some additional information.
Witnesses: Mr David Learmont, Director of Information and Library Services, and Professor Siân Hope, Deputy Pro Vice Chancellor, Bangor University, gave evidence.

Q372 Chairman: Welcome to the Welsh Affairs Committee. Would you introduce yourselves?

Professor Hope: I am Professor Siân Hope, Professor of Computer Science, and Deputy Pro Vice Chancellor in the University in Bangor.

Mr Learmont: I am David Learmont, I am Director of Information Library Services at the University.

Q373 Chairman: Thank you very much. Thank you for your written evidence. Can I begin by asking you the questions we asked other witnesses: do you think the government’s digital inclusion action plan takes sufficient account of the needs of those who wish to access higher education?

Professor Hope: If I could answer that first of all by saying “yes” and “no”, so I will come on to the details of the “yes” and the “no”, so forgive me for not being specific at this point. We will come on to the ambition of it and where we are going. What I do think is missing is about the access to research and how people can access research in universities as well as education, and the skills element of what universities do is one very important aspect. Digital inclusion is about communicating the results of research, just as much as it is about communicating the results of skills and transferring knowledge in that way. I will hand to David to answer where it does.

Mr Learmont: Reading the paper, there is very little explicit reference to a higher education paper. However, there is a very powerful connection between social exclusion and digital inclusion.

Q374 Alun Michael: Which paper are you talking about—the action plan?

Mr Learmont: The action plan, the original document.

Q375 Alun Michael: The government’s interim action plan?

Mr Learmont: That is correct. Implicitly there is a powerful connection with HE, but not explicitly.

Q376 Chairman: Can you explain to us how you think higher education could play a greater role in all of this?

Professor Hope: I will kick off, if I may, because I think we can play a higher role in linking collaboratively with FE and the Open University. We need to look at a more joined-up approach, and it behoves higher education institutions to collaborate more. We are doing it regionally now in North Wales, and it is something we should be doing on the skills level in particular, to be collaborative and make sure that we have a joined-up skills strategy that works across the different levels of education. The other element is to do with the content, where the Open University is very strong, but a lot of content is about communicating, and content about research is quite critical. HE, as a sector, should communicate and be forced to look at how we communicate the results of our research in a clearly defined way.

Q377 Chairman: Could you say a bit more about this regional approach? Who are the stakeholders?

Professor Hope: In Wales there is a Transforming Education agenda from DCells, and previously Bangor University has led the Community University of North Wales, which has included all HE and all FE delivery bodies across North Wales, and that Community University of North Wales still exists. There is now a Transforming Education agenda in Wales, and currently we are looking at particularly local partnerships based around spatial planned areas to make sure we have a joined-up approach through schools to FE to HE.

Q378 Chairman: Do you deliver degree programmes within the community?

Professor Hope: We have some degree programmes in the community via our lifelong learning.

Mr Learmont: To build on Siân’s comment about content, there are a number of collaborative initiatives across Wales through WHELF (Welsh Higher Education Libraries Forum) and there are a number of initiatives in that action plan around digitalising content, for example, Welsh Journals Online. Digitising journals is a two-year JISC funded project. More recently, there is a Welsh ballads project led by Cardiff University, bringing together several collections and digitising them as well. There are examples of digitising materials and making them available more widely, and the National Library of Wales has led on these initiatives as well.

Q379 Alun Michael: I wanted to pick up on your answer to the Chairman, Siân, particularly about universities needing to do more to communicate the outcomes of research, presumably what is valuable to people and practicable to people. I thought it was quite a refreshing point to make so strongly because by and large universities have been quite good at communicating cleverness, if you like, rather than communicating what is really useful to people. What is different about the way you are doing that as a university in Bangor now compared to the past?

Professor Hope: Compared to the past we are trying to identify real impact that can be understood by anybody who does not have to be an expert in the field. As you quite rightly say, universities traditionally only communicated through scholarly journals and scholarly papers which are a very small section. We are encouraged to do this now through the Research Council, but we are being very proactive and have set up support systems in the university and some examples of best practice. We hope that by becoming used to doing it the academics themselves will understand how, when they write the final report of a piece of work, it is not just for a small narrow audience; it is to be read by other people who could follow up something of interest or of real import which they might not have understood during a lifetime of research of the project.
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Q380 Alun Michael: In taking that forward, the internet and internet-related activities become very important, do they not, firstly as the means of communicating to a wider audience rather than those who just read publications, and secondly in terms of communicating the information and research about utilisation of the internet? Is that a focus?

Professor Hope: You will have seen this morning about communicating through pictures, using our visualisation facilities, that we are trying to get the academics to think about immediately as a way of showing the impact or potential of their research.

Q381 Alun Michael: Indeed, the questions were very much about, “this is very clever how can you use it; how can you drive real engagement and increased knowledge?”

Professor Hope: One specific thing we are doing that is very practical is that we are helping Swansea University on a digital economy Wales development where we look at what people want and how we can engage digitally with the outcomes of this research, and can we use the internet to allow the digital economy to grow as a result of sharing this information? That is one very particular thing. I know David has another one.

Mr Learmont: It is around the use of digital repositories, which are open to anyone to be able to access research materials through that medium. I think that Wales is the first nation to be able to say that all their HEIs have a digital repository available, so it is significant.

Q382 Mr Martyn Jones: The Open University is still the only major provider of online distance learning in the UK. Why do you think that is?

Professor Hope: Two reasons. One is that their was their mission when they started out, and it is very important to understand who you are as an organisation and what you do. We know who we are in Bangor and we know what we do. We are a research-led organisation that has three core research strengths, and we have international students and part-time students. We deliver locally and globally, but primarily on a face-to-face basis. However, the world is changing and never staying still, and we have had some distance courses. It is very costly and you need the academics to understand how to construct a course to be delivered in a distance way. It is not a matter about providing the infrastructure; you need to have academics who understand—pedagogy I think is the official term for it—how the learning happens, and how you need to have a different approach to the material, and how students interact. You have to think about the fact that it is delivered in a different way. We have done some e-masters courses in agricultural/forestry, and our study is renowned across the world, and we have delivered distance learning materials and courses all over the world because we have particular research strengths that is internationally excellent in that area. We have had champions, academics, who wanted to do it, and who learnt how to do it and have done that. It is costly. The second example is our business school: it is currently the best in the UK and came out top in the RAE, out of Bangor University, and in banking and finance it is very opportune right now—the banking and finance sector needs some access to their resources. This is not necessarily to individuals who are perhaps widening participation coming in to HE, but people who need to take on their skills level at a much more senior level within those organisations, and know what research is going on and what new risk techniques need to be applied potentially; so it is a different type of distance learning approach.

Q383 Mr Martyn Jones: It is horses for courses.

Professor Hope: Absolutely.

Q384 Alun Michael: You quite rightly said a few moments ago that it is not just about access in terms of the hardware; there are a variety of other obstacles as well. Can we look at the question of access to basic IT hardware for the moment. Is that an issue for people wishing to undertake higher education courses? I am just thinking for instance that if you go back 20 years the requirement was access to pen and paper—perhaps a little longer than that—whereas now it is almost taken for granted that people will have a fairly high level of access to equipment and services.

Mr Learmont: We found that the majority of students arrive with their own hardware, and once they are onsite they can either use that hardware to connect on campus via wireless hot-spots etc. We believe that there may be part-time students who may not have such privileged access, and particularly students working on vocational courses, so there would be teaching on site, or nursing courses. That may be an issue for them. Some of the courses albeit funded internally, do provide hardware, laptops, for students. It is not a huge problem.

Q385 Alun Michael: In a sense your bright 19-year old coming in to the university on a full-time course probably is not going to run into too many problems; it is the very people you have alluded to—mature students, second-chance students, students perhaps who come in through some form of foundation course. They are more likely to experience those obstacles. If you are not careful, digital exclusion compounds social exclusion more generally, does it not, in education?

Professor Hope: I think it does. It is often those people who do not stay on campus, who have other reasons to be working and perhaps in Blaenau Ffestinnog, in (inaudible) or out in Holyhead for example, and whatever infrastructure we provide it is very difficult to provide the support for those very small groups of students. I think 30% of our student population are mature and part-time or combinations of both of those. That has recently dropped to 20% and figures are dropping, so maybe there is an issue in believing that it is something for them.
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Q386 Alun Michael: Are the figures dropping because perhaps people are not even reaching the threshold? Is it good news or bad news that those numbers are dropping?

Professor Hope: It is very difficult for us to know the reasons why, because you never know why people are not coming to somewhere. One of the suspicions is the fees side of things and the costs of education. The other suspicion is that there are multiple opportunities for learners to learn these days and potentially some people could have been coming to us, and then walk into FE, and maybe that is a better learning route for them to come through—and the advent of foundation degrees. It may be that it is good news.

Q387 Alun Michael: In a sense it depends on your feel for what is going on rather than on hard research.

Professor Hope: Absolutely.

Q388 Alun Michael: Do you have any data about the number of people who require assistance in order to be able to adequately keep up with taking on a higher education course?

Professor Hope: We do have a hardship approach, run by our student services. I do not think we have interrogated the information recently but I am sure we have got the data to find the answer to the question. We can go back and see if we can do that.

Q389 Alun Michael: That would be helpful.

Mr Learmont: The other side that is the hardware but it is also access through broadband and broadband coverage as well. We know that that is an issue, not for students if they are staying within halls of residence, as they will get guaranteed access through our residential network; but we are increasingly finding that a lot of students are placing themselves at home because that is a cheaper option, and that if they are based further away from campus then there are the issues that we have already covered about access rurally.

Q390 Alun Michael: Which specific activities can the lack of adequate broadband access from home—the situation you have just described—and mobile coverage present problems for students in your experience?

Mr Learmont: We run a virtual learning environment which is based around the “Blackboard”, so having low speeds of access is not necessarily important for that; however, increasingly, if we are using different forms of media, be it video content, podcasts, etc—there is some work at the moment happening at the university about assessment and feedback, so using podcasts or video-casting to provide that kind of feedback. If that develops any further, then clearly broadband access and bandwidth will become an issue. As technologies develop, so the boundaries are pushed as to the speeds available.

Q391 Alun Michael: Given that multimedia learning techniques are becoming ever more prevalent, is the proposed target of 2 mega bit per second universal broadband service by 2012 likely to be adequate to meet the needs of students in Bangor University and other higher education institutions in Wales?

Mr Learmont: The key there is the “by 2012”, I think if it were happening now it would be adequate. As technologies develop, perhaps it is not ambitious enough.

Professor Hope: The alternative is that we also do not know what other solutions might be out there to this. We do not quite know how digital TV will transform what we do, for example. There are an awful lot of unknowns because digital television provides a huge opportunity potentially to do something quite different, but it would need someone to take advantage of that.

Q392 Alun Michael: It was interesting the point that ASDL was starting to be seen as a necessity rather than a luxury and the extent to which they required ambitious and imaginative solutions to get the extra mile. You have highlighted the problem of students living at home who experience greater difficulties than if they are living in the wi-fi enabled environment of Bangor itself. Have you done any work on techniques for students to try to lessen that difficulty? I am thinking of things like making sure they download stuff while they are on campus in order to be able to access it at home—use of library facilities and so on—is that something you looked at?

Professor Hope: We do inductions, at the start of every semester, at every school and every college in the university. There are sessions about how best to maximise your working times. Whether everyone attends is another matter, because we only deliver it face-to-face.

Q393 Alun Michael: You do not have a written or online guide that people can refer back to during the subsequent three years?

Professor Hope: This is why I wish Julie was here, who could not unfortunately be here today. I think there is an online version in our IT services department.

Mr David Jones: What assessment have you made of the levels of media literacy amongst the students? I am assuming that media literacy is becoming increasingly important.

Alun Michael: You could ask the same question about spelling and things like that.

Q394 Mr David Jones: That would be pertinent too!

Professor Hope: We looked at how they use those skills, because it is all very well to be able to use the media and find what they want to find—so I would say this, wouldn’t I—we have to spend more and more time not on the media literacy skills themselves, but what to do with that knowledge and how to plug it together, and where all these different sources come from and how to use the knowledge gained from the differing media. That was not your question, I know!
Q395 Mr David Jones: I inferred from your answer that there were basic levels of media literacy amongst most of your students; in fact these days I would be surprised if there were not.

Professor Hope: For a lot of our science and technology students we know that they have all the skills needed, because they are needed for every single module they take these days, and the searching for information is key. We have other students who are perhaps not so media literate, and then we have common modules that can be taken by any student in the whole university. It is very much done on a self-assessment basis if the students wish to take advantage of these modules on media literacy.

Q396 Mr David Jones: That is something that would be for the individual student to decide whether he or she wanted to take it up.

Professor Hope: Yes.

Q397 Alun Michael: Is it not likely that those who do not take it up are those who probably need it most?

Professor Hope: That is where I was coming to. We had a recent QAA visit and we came out as “excellent”, and there is a quote of our vice chancellor—if he were here he would want me to quote: “Students receive outstanding education at the threshold of available knowledge”. One of the things we will be following up is to do a review that I am just completing in July, which is what we should be doing, and we are very happy to provide you with the analysis of that, because it is ongoing.

Q398 Mr David Jones: Do you think that Welsh HE institutions could be doing more to disseminate media literacy? Do you see that as part of their function?

Professor Hope: It is currently not seen as part of our function, I do not think, speaking from Bangor University’s perspective. It is certainly on part of the widening participation agenda and is taken very seriously in that agenda.

Q399 Mr David Jones: I guess that in order to participate you do basic levels of media literacy at least.

Professor Hope: that is right, so it is very difficult. I would come back to the point I made that locally we are working with schools and FE and other training providers such as . . . in Anglesey, and to have a joined-up approach. It is about delivery and who should do it, and where is the need and demand, and understanding what we can do to help.

Q400 Mr David Jones: I infer from your answer that you do think it is part of your function, and you are carrying that out that function at the moment.

Professor Hope: Under our widening participation agenda, yes.

Q401 Mr David Jones: We have heard evidence that the media literacy initiatives need to be better integrated with other educational and skills development programmes. Do you agree, and how do you think that could happen?

Mr Learmont: Is that with other HE providers?

Q402 Mr David Jones: Not necessarily, in terms of educational skills programmes generally do you think media literacy is sufficiently well integrated into other types of educational provision?

Professor Hope: Do we think media education is integrated well enough? Yes.

Q403 Mr David Jones: It seems to me that media literacy is part of the package these days. From the answers you have given to my questions it seems to me it is part of the package but do you think that element is sufficiently well integrated?

Professor Hope: Obviously, because we are struggling to answer it, it probably is not.

Mr David Jones: Again, that is the impression I am getting, and the impression I got from you the first time.

Q404 Chairman: It is not a facetious point, but can I turn it round and say: do you think it should be part of staff development, because academic staff do not seem to be thinking of it as a challenge or a problem?

Professor Hope: If I may say my personal view—and I am still teaching, and still being an active academic members of staff, and having taught in secondary schools as well, if I can give a view of where we are now there is a lot of focus on ICT but not much focus on media. There is a big difference. Potentially, in answer to your question, currently there is a lot of staff development in ICT. We have set up a new academic development unit in Bangor to look exactly at this issue of what should staff development be about in this 21st century when there are so many things changing. I am sure that our academic development unit will be looking at what staff development should contain. I know that in schools again there is a lot of focus on ICT but not necessarily on the media.

Q405 Mr David Jones: I think you were here when I put a similar question to witnesses from the Open University, but it seems to me that one of the issues is that IT and other media are progressing and changing so quickly that it is very difficult to say what constitutes real media literacy at any one time.

Do you think that is right? It is a constantly developing process.

Professor Hope: I suspect it is constantly developing. My experience of it is that it is not linear. The rate of change is increasing, and therefore development is very difficult to keep up with. The rate of change is not a straight line when you know there will be some developments here. It is also very lumpy. Some amazing thing comes out like YouTube and I-Tunes, and all of a sudden there are huge potential opportunities to take advantage of something really innovative and new. It is not linear; it is lumpy.
Q406 Mr David Jones: That was one of the concerns earlier where the witness said that the Open University would select particular media at the start of an individual course. If you look at a three or four-year course, a whole range of innovations could take place in that time, which could be utilised.

*Professor Hope:* Absolutely. It is a challenge.

Q407 Alun Michael: Can I ask you to look at the importance of ICT for the university generally? Do you have an overall strategic plan as far as IT is concerned, both in terms of utilisation by the university and in terms of improving use of IT by both students and staff?

*Mr Learmont:* There is an IT strategy in place. There is also a library strategy that makes reference to literacy. I have also been tasked with the development of a digital strategy for the university, which will start to be formulated in September this year. There is a technological strategy there but the university is looking to develop something more overarching.

Q408 Chairman: Can I ask you about the student profile of the university? Can you tell me how that is changed say over the last five years, in regard to the proportion of part-time, full-time, social class and geographic origin? That is a lot, and if you cannot give it to us now it would be helpful for you to send it in to us.

*Professor Hope:* A snapshot over the five years: the student population has increased dramatically. The proportion is approximately 25% postgraduate and 75% undergraduate. The number of international students has increased significantly and mostly that increase has come at the postgraduate level. We used to have a significant postgraduate part-time, but that does not appear to be the case any more. I can get the statistics for you. The undergraduate population can be put in two different population cohorts. The undergraduate population used to be about 30% part-time about five years ago, but it has gradually been decreasing. The mature students used to be about 30%, and that has fluctuated in different departments and subject areas. We find that a lot of the mature students are now coming to do their science and technology subjects, so there has been a change of emphasis, and therefore I suspect there are not so many of them because of that. A lot of our students who are mature used to come and do something because they were the young retired who would come and do something because they wanted to learn. I suspect we are seeing a larger number of mature students, which is anyone over 21—that is the classification. They are coming to look perhaps for employment. I have no hard evidence, but that is my suspicion, based on the students I have taught in the computer science department who are mature students, and talking to them.

Q409 Chairman: You say it is your impression, but presumably the university has a much more—

*Professor Hope:* I was giving you a flavour. That has come through from the reports we have, but I do not have the exact statistics. We can get those to you. What sort of breakdown would you like?

Q410 Chairman: I am sure it is available because the Welsh Assembly Government would require you to provide a social class agenda and ethnicity, and geography as well. That is all available, I guess. Coming from you it would be more authentic and more robust and more detailed.

*Professor Hope:* Yes.

Q411 Chairman: Over time.

*Professor Hope:* Five years?

Chairman: Whatever is available. It would be more interesting over 10 years because some of us who come from a particular political party would be interested in what impact this Government has had over time.

Q412 Mr David Jones: Twelve years, Chairman!

*Professor Hope:* We keep the data for 15 years.

Chairman: Thank you very much. It has been a most enlightening session. Bangor has changed. I came here to play rugby in 1966 and it was a very small university then. I congratulate you and the Vice Chancellor on the success of the QAA.
Q413 Chairman: Good morning and welcome to the Welsh Affairs Committee and our inquiry into digital inclusion in Wales. For the record could I begin by asking you to introduce yourselves?

Lord Carter of Barnes: I am Stephen Carter, the Minister for Communications, Technology and Broadcasting. I sit in two departments, the Department for Culture, Media and Sport and the Department for Business & Enterprise.

Mr Zeff: I am Jon Zeff, Director of Media at DCMS. I am responsible for the Digital Britain project within DCMS, working closely with my colleagues at BERR.

Q414 Chairman: Thank you for that. Could I begin by asking you to briefly outline the progress you have made since the publication of your interim report in January this year?

Lord Carter of Barnes: Certainly, Chairman. I am happy to do that. I suppose the final judgment on progress will be made when we publish the final report and people read its conclusions and recommendations. We are currently minded for that to be published on 16 June, so relatively soon for the purposes of this conversation. I would say we have made significant progress on a number of measures. The response level to the report was extremely high, both in terms of the volume of responses and the quality of those responses from a very wide range of organisations and individuals. We have had a very extensive three or four month period since then of public and private engagements across the country, including a number in Wales, and so the engagement process has been extremely detailed. On the substance of the report, there has been material progress that is in the public domain on one issue since the interim report and that is around the proposal for a universal service commitment on basic broadband services where the Chancellor, in his Budget statement, made it clear that a universal service fund would be created from the prospective underspend from the digital switchover to help the scheme and that that would be used in conjunction with other funds to create a tender process to infill the gaps in the country. In two other areas we have also seen some significant progress, although not quite so determinative, one in relation to spectrum liberalisation, which is also very relevant to next generation broadband services and where a report was published last week outlining a proposal, not from government but from an independent intermediary, as to how we could achieve the liberalisation of the spectrum market that we need to get the next generation mobile services. Thirdly, we have been working in quite some detail with a consortium of parties on intellectual property protection and the piracy question, and there have been some public statements made about an outline solution, again not by the Government but by this group who have come together under the auspices of the interim report to try and bring solutions. On those three areas, therefore—universal service, next generation mobile and piracy, you have seen in the main some substantive progress. There is a long tail of other questions, some of which Alun is very aware of, in relation to internet governance and international issues and many others where we will, I hope, have a coherent position in the final report.

Q415 Mr David Jones: Minister, you referred to the proposed universal service commitment, which was possibly the most eye-catching aspect of the Digital Britain report. What distinction do you draw between the expression “universal service commitment” and the more frequently used “Universal Service Obligation”, which applies, for example, in respect of landline telecommunications?

Lord Carter of Barnes: It is a deliberate choice of words. As you rightly point out, under the current European Telecoms Framework, the Universal Service Directive part of it, there is a Universal Service Obligation which is currently laid on British Telecom by Ofcom to provide basic lifeline landline telephony and so-called functional internet access, which is the European law. One of the things that we have also been doing since the publication of the interim report is working across Europe in the current discussions on the new telecoms framework to put an amendment to the Universal Services Directive (in fact, it is not to the actual directive; it is to a recital on the directive) to change that definition of “universal service” for internet service routes from functional internet access to a level of internet service deemed appropriate by the Member State, thereby allowing Member States to then move to their own interpretation of what that might be. That was a key first step and I am hopeful that that will become part of the European Framework agreement literally in the next week. If you assume that is achieved, and I think it is reasonably safe to assume that, the next question is, how do you then fund any obligation? We decided to make it a commitment rather than an obligation in the interests of speed and funding because it was not clear that if we had done it as a legal obligation we could have made it happen at the speed that we wish it to. At the level of...
a commitment, with public money combined with a commercial tender and what we were doing on spectrum liberalisation, we felt we could get to market with a solution to the one and a half million homes that are under-provided and the 350,000 who have no service (rough numbers) by the beginning of next year.

**Q416 Mr David Jones:** So, correct me if I am wrong, does that mean that a commitment is something less than an obligation and is more akin to an aspiration?  
**Lord Carter of Barnes:** No. I would say the difference is that an obligation is something laid by the Government or the regulator on a commercial party. A commitment is a statement by Government that we are going to make it happen and fund it.

**Q417 Alun Michael:** To what extent have you had co-ordination with the Welsh Assembly Government, both before the interim report and since, as you move towards the final report?  
**Lord Carter of Barnes:** I am always conscious when I am in Wales that I am not from that part of the world, but I would hope that your colleagues in Wales would say we have had a lot of engagement.

**Q418 Alun Michael:** You did undertake a visit there, I believe.  
**Lord Carter of Barnes:** We have had a number of visits. We have also had a number of engagements with the Assembly. We have been in front of the Assembly’s standing committees. My observation is that Wales, Scotland and Northern Ireland, partly because some of the delivery issues, as you will know quite well, are more challenging in those areas, have done some quite innovative work on putting together partnership structures for delivery, so we have been very alive to how we can learn from those when we design the tender for the universal services commitment. We have had quite a lot of engagement on that question, and indeed also on the broadcasting questions which are equally very real in Wales in particular.

**Q419 Alun Michael:** Sometimes innovative approaches, for instance, when BT changed their approach to ADSL access, can overtake local partnerships and developments. Is your feeling that the sort of partnership work that is going on is constructive and is going to be consistent with the plans you come forward with in the final report?  
**Lord Carter of Barnes:** I genuinely do not know if we know enough, but you raise a very good question about how at a minimum you ensure that you have what I would call interoperability between different solutions. In people’s understandable desire to get a solution for their area and their region and their town and their village what you cannot end up with is a sort of patchwork of solutions that in network terms do not talk to each other or in cost terms are very inefficient. You are always seeking to get a balance between avoiding that downfall and not being so centrally controlled that you do not get anything done, which is why I think working constantly in engagement is important. I think in the way in which we design the tender process for the universal service contract we are going to have to make sure it is regionalised and localised to take into account local issues but has some common standards so that we do not end up with so many solutions that we look back in three or four years and think that we have just built cost into the system.

**Q420 Alun Michael:** By coincidence, last week members of this Committee visited North Wales and looked at the facilities at the technium and the spine of fibre access that is being provided to the towns in North Wales. We also heard from BT in an informal meeting about the things that they are doing in experimenting with far bits of the exchange to the home, and some of us also heard in this place from people in Manchester who are developing a community-based programme for providing access that the city council is also involved in. Then finally you have got the former NTL provision, now Virgin, in South Wales. In the case of BT, obviously, there is a requirement on them to allow communication providers to use that infrastructure. That is not there for NTL. It may or may not produce benefits from the spine in North Wales. I am sorry it is a longish question, but it goes directly to your response. Will your final plans find a way of making sure that all such developments help to get the best quality broadband to the end users, whether they be small businesses or communities, that are not part of the direct network?  
**Lord Carter of Barnes:** I am not sure it will answer all of those questions. The ex-NTL business in Wales I know well and, as you rightly point out, it is concentrated in one area of Wales, and, secondly, its reach is more domestic than business orientated, even SME orientated, and that in Wales I think puts more of a demand on the BT network deployment and on the wholesale access obligations and costs for other providers to gain access to it, and we are very alive to both of those issues.

**Q421 Alun Michael:** You did mention earlier that you had had a good response to the consultation, including from organisations in Wales. Would you say a little bit about the consultation you had with organisations in Wales and their responses?  
**Lord Carter of Barnes:** They fall crudely into, if I use my own rather colloquial division of labour in this report, pipes and poetry responses.

**Q422 Alun Michael:** We do poetry in Wales.  
**Lord Carter of Barnes:** You do a lot of poetry in Wales. On the pipes, there was a very strongly expressed view that some of the access and inclusion issues were of a significant order of magnitude in Wales, but the technical questions, because of the topography of Wales, required a particular level of detailed understanding. We could not design a sort of central solution and then just roll it out, and there was a particular observation that there were still some significant mobile coverage issues in Wales that needed to be addressed. On the poetry, there clearly is the complexity (and I mean that in a non-judgmental sense) of the Welsh language, so
therefore when you are looking particularly around the provision of competitive news and local news and regional news and national news in Wales, there is the issue of how you provide that in English and Welsh alongside what is provided by the BBC. As you probably know, S4C have put some proposals on the table to suggest a contestable pilot around a provision in Welsh and English and we are very actively looking at their proposals and others. As I say, good engagement.

Q423 Alun Michael: Are you aware of the work of the Wales E-Crime Forum, which in some ways is matched in Yorkshire by the Yorkshire E-Crime Business Centre? Is that something that you would find a useful contribution?

Lord Carter of Barnes: I am not sure I have come across enough of the detail of the e-crime work in Wales, so any information on that would be welcome.

Q424 Alun Michael: How is the Digital Britain work being co-ordinated with the Digital Inclusion Action Plan for which the Secretary of State for Wales in his wider remit has responsibility? Will we be able to recognise a close fit between the two?

Lord Carter of Barnes: You will be able to judge after the Secretary of State for Wales gives his evidence whether or not we are both on message. There has been no pre-rehearsal, so I would be interested to see what Paul says in answer to that question. I can only give you my own view, as ever, which is that digital inclusion came before Digital Britain. I think Paul and his team have driven that agenda with a lot more gusto and tenacity than those cross-government ventures often get, as you know better than anyone, and to that end I think digital inclusion has got some bite across government. I think there is a very open question to be asked and debated following the publication of the final Digital Britain report as to how we stitch these initiatives together because there is at the moment minimum overlap and in some areas duplication, and that is both a structural question and also a responsibility question. I think that is something Paul and I have to work out.

Q425 Mr David Jones: You have already mentioned the topographical challenges posed by Wales. Is it your anticipation that Wales will continue to suffer disproportionately from “not-spots” compared to other parts of the country or do you envisage more investment in Wales to cure that problem?

Lord Carter of Barnes: We have constructively avoided getting into a debate about how much of the Universal Services Fund gets spent where because I do not think we know enough yet to be able to answer that. The network engineers would say to you that because of the topography of Wales, and indeed other parts of the country, including some parts of Scotland and indeed south west England, the sheer physics of physical or even mobile networks (and mobile networks are actually physical networks too, with a bit of mobile radio in between the masts) are more expensive on a per capita basis, but we are not yet at the point of divvying up the pot.

The other observation I would make is that, whilst the Government has very expressly committed itself to using the vast majority of the underspend on the digital switchover fund and has said that there will be a call on the Strategic Investment Fund that was also allocated in the Budget, the way in which we design that tender process and then execute it my judgment is that if it is done well it will leverage other sources of funding. I think one of the things we need to do in areas which have needs, like some parts of Wales, is to work out how we can bring other partners into that, whether they are strategic health authorities or PCTs or local education establishments or universities, or indeed even local towns and communities who wish to make their own contribution, so we can get to the point where two and two make five in terms of the financial investment in each area.

Q426 Mr David Jones: The commitment, as I understand it, is to a minimum level of service of 2Mb/s by 2012, which many regard as a fairly low target. I seem to recall that in a newspaper interview you gave some time ago you expressed some pessimism as to whether even that would be achievable. Could you expand on the remarks you made?

Lord Carter of Barnes: Yes. I must say I find those people, if I am allowed to say this, who find our commitment to a universal service commitment of up to 2Mb by 2012 as lacking ambition almost always know almost nothing about the subject. As it stands at the moment there is no country in the world that has a commitment to do that other than us at that level. There is no country in the world that has laid out a process for a timetable or a funding commitment to do it. There is no other country in the world that is putting together a technical process with solutions to deliver it. We have never said that 2Mb is the ceiling of our ambition because that would clearly be ludicrous. You can already get average speeds of 3.5Mb to 4Mb in a dense urban area and in some locations you can get up to 50–100Mb, so we are not trying to set a ceiling rate. Will there be any households, any houses, any individuals, living in a dwelling somewhere in the United Kingdom who will get less than 2Mb? Probably. It would be a foolish individual, let alone a politician, who would guarantee that every single household and every single dwelling will get a guaranteed 2Mb because there will be somebody living in some place somewhere where the cost of service delivery will be hundreds of thousands of pounds because of where they live, but do we have a confidence that we will get pretty close to it? Yes, we do.

Q427 Mr David Jones: It is just that in your newspaper interview you appeared a bit more pessimistic than the terms in which you have expressed your views just now.

Lord Carter of Barnes: Let us not get into intermediation by newspapers.
Q428 Mr David Jones: So you do not think that you were properly represented in that interview?

Lord Carter of Barnes: I think it is a technical subject that does not often lend itself to the detail of newspaper summary.

Q429 Mark Williams: I was going to ask about the incentives for industry but I think you have explained about how in the fullness of time of the tendering process and some of the sources of funding that will happen. How successful do you feel the project has been in terms of community engagement? You mentioned that we need community engagement and a regional dimension to that. I will just cite a constituency case. A constituent in a challenging geographic area is unable to pursue that route. There are alternatives out there, there will hopefully be funded alternatives that will be commercially attractive to different providers. How do you get that message out to the broader community in a wholesome way, that there are possibly other solutions? I appreciate what you are saying. There are some communities that it would be very difficult to provide for but there are many opportunities there. How do you get that message across?

Lord Carter of Barnes: There is no limit to how much engagement you can do on this question. There are some countries around the world, of which probably the most notable on the question you ask is Holland, where there have been towns and areas that have literally set up local crusades on this question in order to bring differing interest groups together constructively to co-fund, part-fund, match-fund solutions. That is what I mean when I say I think one of the achievements of the universal service commitment rather than an obligation will be to bring as many parties to the table as possible because there will be individual locations where the solution and the approach require real, deep local understanding and a tolerance of differences and different approaches and different forms of partnership for the technology solutions. In some instances you will be able to do it all with fixed; in others you will need to do it with fixed and wireless; in others you might need to do it with fixed, wireless and satellite. That might require people in some instances to have slightly more visible equipment in their own houses and therefore you need to work with them to make sure that does not offend any local planning regulations. There are real details you need to get into and so that does require you, as you rightly say, to turn this into a national endeavour in order that you get the sort of engagement that throws up that knowledge to do it in as effective a way as possible.

Q430 Mark Williams: I just feel, with no disrespect to our BT colleagues, that there is still a BT route that has not proved successful in many instances and I think there is still, and you alluded to it earlier, a void of knowledge of those alternatives that we need to be pushing forward. The National Assembly’s designation and identification of “not-spots” has certainly galvanised a lot of local thought on pursuing that but we have got a long way to go

Lord Carter of Barnes: We have, and I think all that designation and definition of “not-spots” is fantastically useful because it shines a spotlight on the problem. It makes people sit up and take notice. I think having independent sources of data is a great way of forcing people to justify their position. It is not my job to defend BT; they can do it more ably than I, but, to be fair to BT, we have to recognise that they are not the Royal Mail, they are not owned by the Government; it is a private company, and there is a point beyond which, particularly in today’s market, it is very difficult for them to go. It slightly goes back to your colleague’s question, Mr Jones, from earlier, about will we absolutely be able to guarantee it for everyone. There are some people where the connectivity costs are just disproportionate, and simply railing against BT does not provide the answer because they could not justify it.

Mark Williams: We look forward to the tendering arrangements as they come out. Thank you.

Q431 Nia Griffith: If we could return to this issue of universal (98.5%) accessibility, and bearing in mind, obviously, that the rural areas in the scattered regions of the UK have an even greater vested interest because other firms and industry have been difficult to attract and obviously there is huge financial potential here, what ways have you got of ensuring that we do not end up with a divide? You have talked about trying to incentivise private companies to provide certain things, franchises where they have to provide a certain amount for the more lucrative and a certain amount for the less lucrative. What happens then if you move on to, say, a second generation of franchises which will be essentially maintenance? Is there flexibility within that type of franchise, again, to look at ways of ensuring that, if you like, they get some good and some less lucrative bits they have to look after?

Lord Carter of Barnes: One of the reassuring things we have found about the “not-spots” more generally and the “not-a-lot-spots”, as we call them—and I do not know what the views of this Committee would be but I have to confess that I have some knowledge of this Committee would be but I have to confess that I have some knowledge about this subject from different lives—is that I went into this process assuming that pretty much all the “not-spots” and the “not-a-lot-spots” would be in very rural areas, but you would be surprised at in how many that is not the case. There are quite a number of clustered groupings in relatively dense urban areas that for particular reasons are also “not-spots” or “not-a-lot-spots”, so, to answer your distribution of the benefits question, we are not talking solely about very-difficult-to-physically-reach locations.

Q432 Nia Griffith: I fully accept that. Carmarthen town is well known for its problem with TV: Tumble in my constituency is well known for its problem with mobile phones,—
**Lord Carter of Barnes:** You have got pockets.

Q433 **Nia Griffith:** — and you have quite large populations, so it is even more important, particularly where it is difficult to attract industry, to...

**Lord Carter of Barnes:** That is where I think public funding comes into the mix. We have talked a lot about the supply side and the funding side and those are really important questions but, as you again rightly allude to, you have got to look at the other side, which is the demand side and what we can do as a Government and indeed as a devolved Assembly or as a local community in order to derive the demand side. One of the questions that we will be posing in the final report is how ambitious do we want to be about what I describe as the analogue switch-off of public services. In other words, are there some public services that we could consider putting wholly on line? I have always taken the view that you cannot go wholly on line until you have got universal provision because you cannot say to people, “You can only get this on-line but you cannot get on-line”. It is not a sustainable position, but if you know you can get to universal provision you can begin to identify certain services which have the effect of driving more people on-line? The more people that go on-line the more commercially attractive it becomes to the other providers and that is the way in which I think you build the sort of momentum that you were talking about whereby it becomes a virtuous circle. We need to look, I think, slightly more purposefully at how we make the on-line experience more of a “must have” rather than an optionality, because, as we all know around this table today, whilst there are big issues on service delivery, there are more people who can get it than do get it and that is a question we also have to answer as well as answering those people who cannot get it who want to get it.

**Nia Griffith:** Absolutely.

Q434 **Mr David Jones:** Sticking with “not-spots” but slightly different ones, to what extent do you anticipate the mobile 3G network will be expanded in Wales?

**Lord Carter of Barnes:** I cannot answer the Welsh-only question, for which apologies, because I just do not carry in my head the degree of coverage in Wales. What I do know is that at the moment we have five 3G networks, all of which have licence obligations to exceed 80% coverage by population of the country, so therefore we do not have a licence obligation on any of the operators to get to universal coverage on 3G. My understanding is that all five of those operators are now at a point of being in excess of 80% of the population. I do not know how that distribution falls. I can find that out for you and let you have it by writing.¹ We have said very clearly, and it was one of the areas I was referring to in my opening remarks in answer to the Chairman’s question on the spectrum liberalisation part of our project, that in return for liberalising the current spectrum allocations we will be looking for enhanced universal coverage obligations for the mobile operators. We have not yet got to the point of being able to say specifically, “That means this from the following operators in the following locations”, but our ambition, to be clear, is that we get as close to universal coverage on 3G as we are on 2G.

Q435 **Mr David Jones:** Turning to digital radio, specifically DAB digital, which, by the way, seems to be a peculiarly British technology; we have got more take-up in this country than anywhere else, do you see a future for DAB in promoting digital inclusion in Wales and anywhere else in the UK?

**Lord Carter of Barnes:** I do, and I hope you do too. I would not describe it as a peculiarly British technology. It is also a peculiarly Australian technology now. The French Government have decided that it is going to be a peculiarly French technology, albeit with a Gallic twist, and so we are not entirely alone in this field.

Q436 **Mr David Jones:** I think it is fair to say that we have led the way with DAB.

**Lord Carter of Barnes:** It is fair to say that we have led the way. I think it is also fair to say that we have led the way rather less purposefully than we could have done and therefore it has, to answer the sub-text of your question, slightly been overtaken by some other technologies in some countries. One of the questions for us to address in the final report is what do we do with DAB. We mooted in the interim report that we felt there was a need for clarity and commitment from policy makers, the Government and the industry on either driving behind that technology or in a sense putting it to one side. The overwhelming response to the consultation, and this has been a part of the consultation where we have had literally hundreds of responses, both institutionally and individually, is that we need to make a firm commitment to that technology and that we need to lay out very clearly what that means in terms of building coverage and making DAB as capable a technology for sound radio as FM is, and to that end, if we do do that in the final report, then I think it could be a very important part of the digital inclusion agenda.

Q437 **Mr David Jones:** DAB has had some setbacks. Some of the commercial operators have actually pulled out of the market. I wonder also to what extent will internet radio eat into the commercial viability of DAB.

**Lord Carter of Barnes:** I think it will be a co-existence; that is my own view. If you draw an analogy with television, I do not know how you receive your television, either at home or in other places, most people are, I think, comfortable with having a digital satellite distribution network for television. We have a digital cable distribution network for television. We have a universal digital terrestrial television distribution service for television, and indeed there are some operators who are increasingly delivering television via IP and I

¹ Ev 121
think the same will be true with radio. IP distribution of radio, and indeed DTT distribution of radio will also continue. The question is, do we believe we also need to have, like we do for free-to-air television, a free-to-air platform just for radio? If we do, we need to make sure that has universal reach.

Q438 Mr David Jones: In that respect what steps have been taken to ensure universal access to BBC Radio Wales and BBC Radio Cymru? Have you had any discussion with the BBC about that?

Lord Carter of Barnes: We have had extensive discussions with the BBC about access to their services on both the FM and the DAB platforms, and those will definitely be questions we will have to address clearly before we made any commitment to any form of move from one platform to the other.

Q439 Nia Griffith: I am going to return to the question of vulnerable people and their access to internet, and obviously that raises a lot of questions about misuse of the internet or being more exposed to certain risks. Some of these risks might be legal things, like gambling; some of them, of course, might be illegal, such as scams. I would just like to know what plans you have to try to make sure that training and help and so forth is given so that people are not ripped off.

Lord Carter of Barnes: This is a very big subject and your colleague to your right is more of an expert on it than I. It depends how big an answer you want. If you take the view that the internet is going to become a universal medium, and whether it is 2Mb or 4Mb or 5Mb or 3G or 4G I always take the view that if you fast-forward five years the internet is going to be everywhere at high speeds to everybody, it is not a bad starting point. If the internet is going to be everywhere at high speeds to everyone and it is going to be interoperable between TV delivery, on-line delivery, mobile delivery, fixed delivery, that means the ability of fraudsters to access vulnerable people is going to go up, not down; that seems to me to be a logical conclusion. That leads me to the view that over the next four or five years we are going to have to have an intelligent and measured debate about the rules and the structures and the obligations that exist around that medium. As you all know, I am sure, as well as I do, one of the problems with the internet, which is by and large, I think, a fantastically progressive force for good—I think it is marvellous in the access it delivers and the freedom it gives people, the control it gives people—is that it has been characterised as a medium that is untouchable. It is either idealised or demonised, depending on who you are talking to, and that has mitigated against sensible, measured discussions about the right balance between statutory frameworks, co-regulatory rules, obligations on individual operators and providers, where do traditional media meet new media, what responsibilities do you put on service providers and the content owners. We need to work all this through over the next four or five years. I think it is eminently doable. At the same time we need a rapid and purposeful focus on digital competencies, digital skills, digital participation, embedding digital competences in the curriculum as a horizontal activity rather than as an IT vertical stream, so that it is an eating and breathing experience for people generationally through their educational experience because it is going to be the network reality of all of our lives at increasing levels of capability over the next five or 10 years, but it is such a big question that it is very difficult to answer it simply.

Q440 Nia Griffith: Obviously, it is much more labour intensive and difficult to get every single individual as au fait as they might be. Do you see a place for further regulation, for example, against advertising of equity release schemes and that type of thing in a very aggressive manner? Do you see the need for some form of regulation of that type of thing?

Lord Carter of Barnes: Of that specific medium or generally of that subject?

Q441 Nia Griffith: No, I am just thinking about it invading people’s homes in the way that it does in the sense that you have got a captive audience in the privacy of their home in a way that you would not be selling that product in a face-to-face context, and do you see any role for greater regulation of what is put on the net by companies as opposed to also trying to get people to be as media-savvy as they can be?

Lord Carter of Barnes: I know this is an unfashionable thing to say, but I am, by instinct, more of a co and self-regulator than a statutory regulator of those sorts of things, for the simple reason that when you codify those things in statute they end up being inflexible and these markets are changing at such a pace that you need to have structures that are inherently fluid; but that does not mean it should be a licence for people to do what they like. There has been good work done, some of it, I have to say, under the auspices of the European Commission, with many of these service providers and network operators who are selling inventory to people offering these services to draw up good codes of practice and good guidelines and good frameworks. The ASA—to your specific advertising point—is increasingly looking at the way in which it is catered for by different media. My sense is that there is a genuine willingness amongst all parties to get the balance right and avoid discrediting the media, which would be bad for everybody. I go back to my other point: I think you have to simultaneously do work on increasing people’s knowledge and skills because ultimately that is the best protection. The smarter and more informed the user, the better everybody is.

Q442 Nia Griffith: You might want a system whereby you could lock computers so that they could not pay huge sums of money out to somebody, some sort of technology to do that sort of thing.

Lord Carter of Barnes: That is not an area I am knowledgeable about.
Q443 Mark Williams: Who should be responsible for achieving and then maintaining the high levels of media literacy that we aspire to? Is there a role for Ofcom? Are there limitations of resources for Ofcom? What is your take on that?

Lord Carter of Barnes: Currently there is a statutory role for Ofcom, as you probably know, because it was enshrined in the Communications Act. It would be fair to characterise that responsibility as more of an intellectual than executive responsibility; in other words that they do good work on analysing the issues and giving us a level of knowledge independently of the problems. We asked Ofcom to chair a group in the Interim Report, to come back to us with a view as to how they could—a gain, in my rather colloquial language—supercharge this rather than just observe it. Actually, again we have been very—I think it would be fair to say, somewhere between reassured and excited by the volume of the response, the degree to which Ofcom has been able to put together a consortium of the willing and the interested, with I think quite an ambitious agenda on upgrading media literacy skills. We will lay out their recommendations and then our response to those in the final report.

Q444 Mark Williams: Certainly the evidence from Mr Robin Blake, Head of Media Literacy—that is why I hesitated because when I talked to Ofcom there were resource issues there and I think he would advance this view—he said: “If we had the resources to provide a one-stop shop, a telephone line and website that was promoted nationally and everyone was aware of it, that would be a better tool than the tools we have available at the moment.” You drew a distinction between the intellectual dimension and the practical side. There is a long way to go, is there not?

Lord Carter of Barnes: There is, but here is an analogy that I use, because I find it easy to understand, and also I think they are increasingly comparable: I think digital literacy sits alongside financial literacy. I do not know how you can be an adult in this world and get by without having some degree of financial literacy. You do not need to be a derivative bond trader, but you need to know how to open a bank account and add up, and you need to be able to understand how to run your own domestic household finances; otherwise it is very difficult to live in this world. I think digital literacy is of a comparable level and essential; that is the world we are going to be in. We would never dream of giving financial literacy as the sole responsibility of the FSA. Do you see what I mean? We would embed it through the system—that is what I am getting at. Similarly, we need to embed digital literacy through the system. I think that Ofcom can do a very good job, certainly on consumer protection measures, in the way the FSA is equally obliged to do, and perhaps as a holder of the ring, as a way of bringing parties together. If digital literacy is going to be a sine qua non of the sort of society we are going to live in, it is going to have to be something that multiple parties will be responsible for.

Chairman: Lord Carter, can we now move on to English language broadcasting in Wales. We are having a short inquiry into this.

Q445 Alun Michael: In the comments in Digital Britain and from the evidence we have received, there are clearly serious problems for ITV at the present time, and that threatens the plurality of news provision in the English-speaking audience. There is a particular problem in Wales in one sense because the majority of the population is not Welsh-speaking but there is specific Welsh-speaking provision, and therefore with provision for those who either do not speak Welsh or whose main language of communication is English. Will any other broadcasters be in a position to supply a news service for English-speaking viewers as early as next year? This does seem to have reached a point of urgency even with things like the signing on to news being removed in a sort of bonfire by ITV Wales at the present time.

Lord Carter of Barnes: I entirely agree with you that we have reached a point where there is a clarity and transparency over the scale and the nature of this problem. The way I would characterise it is that essentially for many years there has been enough money in the market, combined with regulatory obligations, to allow people to be able to do things that are uneconomic but which they do because they are making enough money elsewhere. We are way past that point. I think it is very visible to people that we are way past that point. I do not know whether it is a good thing or a bad thing, but there is no doubt that part of what has enhanced that visibility is because we are facing particularly challenging economic times. That of course makes it more difficult because essentially the question we have to ask ourselves is not, is there a gap—because I think everyone accepts there is a gap—it is how we close it. If it requires money, where does the money come from? The reason why we never used to notice it was because the money came from ITV’s advertising revenues, because the licence to broadcast and advertising broadcast in Wales was worth a lot of money. It is now worth less money. This is a very real issue, I think, the plurality of news provision. It is particularly acute in the nations. I am not making an intra point between the nations and the English regions—I am not English, as it happens, I am Scottish, but I believe it is a truth that is identifiable, that the role of independent competitive media alongside the BBC in the nations, particularly where there are devolved governments, is particularly important because it does fuel democratic debate and discussion, and it gives a competition of voices on very important issues. Therefore, I am not surprised that this question is being posed more sharply in Scotland and Wales, and, I have to tell you, in Northern Ireland, than it is in all parts of the English regions. Interestingly, it is posed more sharply in some parts of the English regions, which is perhaps to do with English regional identities. We are consulting at the moment on what alternative mechanisms there might be. Ofcom, as I am sure you know, put out a proposal to create contestable
In Digital Britain you say, “For cultural reasons, social reasons and, as citizens in a democracy, we want at least some of that rich array of choice to be British content, including impartial British news.” I take it that in Wales you acknowledge that it is as important as Welsh content.

**Lord Carter of Barnes:** We absolutely would.

Q450 Alun Michael: Returning to the question of the S4C position, particularly in relation to non-news programmes, I think there is a lot of value placed on the children’s programmes because of the importance of children learning and using Welsh at an early age. The question arises, however, about provision of an equivalent service for the English-speaking audience in Wales. Is that something you have given thought to?

**Lord Carter of Barnes:** I am not sure I fully understand.

Q451 Alun Michael: It is back to the issue that, as you said earlier, while the income of ITV or the commercial stations was quite big, then a lot of work would be done but as it tightens up can that be continued? Is that value service, like the children’s programmes, something you can see us not losing in the tightening of the commercial sector?

**Lord Carter of Barnes:** My answer to that is that there is a first order question that has to be asked and then answered by Government, which we are hopefully in the process of doing in the process of this final report, as to whether or not we believe there is either a mechanism or a source of funds that gives you contestable provision of news and local news, Welsh news. There is general recognition that if you were drawing up a shopping list of priorities—and prioritisation is always a challenging process—you would put that at the top of your priority list. There is then a range of other content offering genres and types that many different voices would tell you should be second, and children’s would be a good example of that. I understand the piquancy of the language point particularly because it compounds the educational commitment and the cultural value of the different language. Ultimately, if you assume the answer to the first question is “yes”, then the answer to the second question would be determined by how much money there is.

Q452 Alun Michael: Is the situation, particularly in relation to English language broadcasting and those sorts of specialist genres, fully understood, do you think, at the UK level and within both of your departments?

**Lord Carter of Barnes:** “Fully understood” is a leading question your honour! S4C and the Welsh Assembly do a very good job, I observe, of putting

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**Q446 Alun Michael:** I suppose it is inevitable that each of the broadcasters will come at it with a solution that is best for them, and the other side of the coin, the least damaging for them. S4C has proposed a news pilot for Wales. In view of the changes in the market for commercial broadcasters, which you have described very accurately, do you think that the contestable funding model is the only option for a second news service in English for Wales?

**Lord Carter of Barnes:** It is not the only option. I think credit goes to S4C for coming up with that proposal. To be fair to them, they approached us before they published it, so it has been done, I think, in a very constructive way. I think the anatomy of their idea, which is to create contestability around the slot on the HTV broadcast or the ITV broadcast, is an interesting idea, but there are other ways in which you could do it.

**Q447 Alun Michael:** What about the option of top-slicing the licence fee?

**Lord Carter of Barnes:** Again, we said in the Interim Report that that remained an option under consideration, and we would continue to look at it in the context of other available ideas or solutions, and we can continue to do that.

**Q448 Mark Williams:** One of the more immediate solutions that has been suggested for the short term is a partnership between the BBC and ITV and sharing of resources. In terms of the evidence we took, it would be a short-term solution. Do you want to say anything more about some of the options that are available for a second sustainable news service in Wales?

**Lord Carter of Barnes:** Partnership is definitely a solution. I am not a news broadcaster, so you would have to defer to those people who know the economics of that better than I, but if someone is willing to give you wholesale access to their physical assets, their news-gathering assets, their distribution assets, their trucks, their news-gathering costs, at a marginal cost, then that is cheaper than having to pay for it themselves, so there must be a benefit to be had there. What you have seen play out between the BBC and ITV is somewhere between an understandable but occasionally irritable debate about “one man’s benefit is another man’s slightly less big benefit”; but the fundamental principle I do not think anyone is arguing about, that it makes good sense. Again, I think that the BBC has come to this pretty constructively with a recognition that we are in a different place now, and that their role has to be more than just provision of their own services. Where the question gets crunchy is, if you want to have rival editorial news content to the BBC there is a limit to how much the BBC can help produce that, because by definition it is therefore not independent of the rival. There is a point whereby partnership only goes so far, but that does not mean the partnership is not valuable—it can be highly valuable.

**Mark Williams:** That is a crunchy issue. In earlier evidence we were trying to get assurances from ITV and BBC, and that was clearly the case.

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**Lord Carter of Barnes:** “Fully understood” is a leading question your honour! S4C and the Welsh Assembly do a very good job, I observe, of putting
their case on the importance of the Welsh language, and its contribution and what that means in terms of genre provision. I have no doubt that that is fully understood in Jon’s department in the Department of Culture, Media and Sport. Would I contend that it is front of mind in the Department of Business? I am not sure it necessarily is, but I am not sure it necessarily needs to be because it is not their policy area.

Q453 Alun Michael: Finally, the concern is that sometimes the focus on the Welsh language has been enormously important. Most of us are Welsh speakers around this table, and have seen the way that S4C’s contribution has made an enormous difference; but there is always the fact that resources then are tight in relation to the English coverage broadcasting. The question is meant to underline the difficulty of getting that balance.

Lord Carter of Barnes: These are balances.

Q454 Chairman: Thank you very much. You have been very patient and very helpful today. I apologise for taking so long, but it has been most productive and we look forward to your final report.

Lord Carter of Barnes: Thank you very much, Chairman. I appreciate the time.

Witnesses: Mr Paul Murphy, MP, Secretary of State for Wales and Minister for Digital Inclusion, Dr Bert Provan, Senior Civil Servant, Cross-Government Digital Inclusion Team, Department for Communities and Local Government, and Mr Andy Carter, Head of Broadband Policy, Department for Business, Enterprise and Regulatory Reform, gave evidence.

Q455 Chairman: Good afternoon. Welcome to the Welsh Affairs Committee’s inquiry on digital inclusion. For the record, Secretary of State, could you introduce yourself formally, and your colleagues?

Mr Murphy: Yes indeed, Mr Chairman. You know me, Paul Murphy, Secretary of State for Wales, but I am here also in my capacity as Minister for Digital Inclusion. On my right is Dr Provan who is from DCLG, who leads the team of officials in the cross-departmental team dealing with digital inclusion; and Andy Carter, no relation I suspect to the previous witness, from DBERR, who deals with very important aspects of digital inclusion as well.

Q456 Chairman: Can you give us an update on the progress you have made since the consultation on the Digital Inclusion Action Plan closed in January this year?

Mr Murphy: Yes, indeed. As you rightly say, the consultation closed then. We received about a hundred written responses. We held two events for stakeholders, in Birmingham and in London. I have met, as the Parliamentary Under Secretary for Wales, the Member for Caerphilly, has also met with stakeholders from the public, private and third sectors. Then the summary of the consultation responses was published, alongside the National Digital Inclusion Conference, a few weeks ago on April 27. There was very strong support for our key proposal to have an independent digital inclusion champion, supported by an expert task force to work across all sectors and to challenge all of us to drive towards this important goal of digital inclusion. You have, Mr Chairman, members of the Committee, very recently talked to Lord Carter about Digital Britain generally. I will be making an announcement about the digital inclusion champion in the very near future, and at the same time about the task force that will support him or her. Quite a lot has happened.

Q457 Chairman: Are there any particular themes or factors of importance for Wales with regard to digital inclusion?

Mr Murphy: For Wales, yes. You have already had a session with Leighton Andrews, my equivalent in the Welsh Assembly Government. The issues are broadly the same for Wales as for the rest of the United Kingdom, although there are some differences, which I think Leighton described, and on which I provided information in my written evidence, derived from research by the Office for National Statistics, Ofcom and the Oxford Internet Institute, which I had the great privilege of visiting some time ago. Most digital inclusion, so far as it affects socially excluded people, is in areas that are devolved to the Welsh Assembly, and I believe that the Welsh Assembly Government with its Community First Programme, similar to UK online, where they deal with socially as well as digitally excluded people, is very successful. In terms of the people that one needs to reach in Wales, bearing in mind, as it were, our social composition, particularly in the areas like you and I represent, it is absolutely vital that Welsh people are linked to the new technologies and to the Internet. It is as vital, if not more vital than in some parts of England.

Q458 Alun Michael: We asked Lord Carter how the work of the Digital Inclusion Plan would connect with the Digital Action Plan that Lord Carter is bringing forward, and he shared with us that you had not co-ordinated your responses, and he would be very interested to see what your reply to the question was! Seriously, digital inclusion and the question of the Digital Action Plan and its ambitions, especially as your report and plan came out first, are interrelated. How do you see that relationship working?

Mr Murphy: In terms of the remit of this Committee, of course, also how does that work in the Welsh context? I am sure that the things that Lord Carter outlined in the previous part of this
evidence session you would have found very interesting as so far as it applies to Wales. For example, I am sure you talked to him about the famous “not spots” with broadband where you cannot get it in various parts of Wales and about which I have been carefully questioned, but also of course the digital switch-over and other issues in so far as they affect broadcasting in Wales—all mixed up of course in a very important issue that will be dealt with initially when the Digital Britain Plan is brought forward in June. He and I, of course, have talked about how the digital inclusion programme of the government fits into Digital Britain. I suppose the best way we can describe the difference is that he tends to look after the technical side of things, and the digital inclusion side of it is very much about people. I suspect one of the reasons why the Prime Minister decided to give me this job was because I was not particularly technically orientated; but I hope that I am people orientated. As a silver surfer myself, in a category that needs to be addressed in terms of digital inclusion, older people, it struck me that there was a distinction between how we involve government at all levels, councils, the Assembly Government and ourselves, the third sector, industry and business, and how together you can achieve a better record of digital inclusion amongst the 17 million people in the UK and a fair number of them also in Wales who need to be addressed. Out of that 17 million are the 6 million who are socially excluded and whose lives would be enriched and made to be better by being able to link up to the new technology. In a way, they go alongside, in the same way that the ability to link up to the new technology . In a way, would be enriched and made to be better by being included.

Mr Murphy: No.

Q461 Alun Michael: How are you carrying that forward, and how will you make sure that that is neither duplicated by the work of the Digital Britain team, nor marginalised in both approaches, if you see what I mean?

Mr Murphy: I think you have to be very careful in co-ordinating that you do not lose some of the work that falls in the middle and can be forgotten about. That is a danger, and that is why I mentioned the Cabinet Committee. We are also working together at official level. There is an excellent digital inclusion officials team whose job is to ensure that things do not get lost like that, and media literacy and the importance of teaching keyboard skills and the other skills that are associated with using the Internet are very high on the agenda. In the Welsh sense, of course, that means that there has to be a close working relationship with the Welsh Assembly Government, not just with Leighton Andrews but with Jane Hutt, as well as the Minister for Education, and other ministers as well. I suppose—but obviously it is for the Welsh Assembly Government to work out who is responsible for what. Nevertheless, there should be good co-ordination between the Governments on that. In addition to that, Ofcom has a statutory duty to promote media literacy—they provided a report to Digital Britain, the final report of which comes out in June. In addition, there is the interest of all United Kingdom citizens who are socially excluded, but also those who are not socially excluded. You could have people not necessarily socially excluded—perhaps pensioners who are relatively well off in comparison with others, who still need the tuition in the necessary skills. A lot of departments are involved in that, both in Wales and in the United Kingdom; and it is the co-ordination of it that is so important. In addition, the Digital Action Plan makes reference to how you improve those skills. I have myself gone out to a UK online centre on a couple of occasions and watched older people, for example, being taught the skills from scratch. That is what is absolutely necessary, and we are very conscious of the questions, Mr Michael, that you have posed me.

Q462 Alun Michael: The access to information of local information as well as national information is important. Do you see StartHere as offering significant opportunities as far as we are concerned generally and in Wales?

Mr Murphy: Yes, I do. As you know, I met StartHere on two occasions. I look forward to going with yourself to a visit in some weeks’ time to see how they operate. I think the simplicity of the teaching of the technology but also the importance of how that can be linked in to people’s lives, in the health service in particular but others as well, is deeply impressive. A lot of this activity in the digital inclusion field is learning from best practice, and being able in Wales, for example—for StartHere I believe they might well have done by now—gone to Cardiff and talk about what they do in Wales too, so that there is a sharing of best practice, and across the border.

Q459 Alun Michael: In order to achieve that inclusion you have referred to, the acquisition of the right skills in the ability to use the technology is absolutely crucial.

Mr Murphy: Yes.

Q460 Alun Michael: You have rightly referred to the question of access and “not spots” and so on, but even if you get those people online, if they do not have the skills that will not get us anywhere.
Mr Murphy: The technical side, as I mentioned earlier on, is really a matter for Lord Carter and others. Nevertheless, I have an interest in it because if in parts of Wales, and indeed in parts of the rest of the United Kingdom, mainly but not exclusively rural areas, people there cannot have access to broadband, where in some respects they are in most need of it in terms of employment and access to things like telemedicine and NHS Direct and ways in which their lives can be improved, it is a big issue for us. We are fortunate in Wales in that the Welsh Assembly Government has this policy of working with BT and other providers to ensure that where it might be unprofitable for the provider to make the service available in areas that are rather remote, there can be partnerships in resources particularly—I think 35 at the moment telephone exchanges in Wales—which can remedy that particular issue. From my perspective, as Minister for Digital Inclusion, some of those areas too have a large percentage of socially excluded people, so it is an important issue for me. My job would be to press my colleagues in government and to work with our colleagues in Cardiff to address the issues of the “not spots”.

Mr Murphy: Perhaps eventually that would happen. In one part of South Wales, which I will not mention by name, a post office was kept open because the community there was very, very, very low in terms of activity on the Internet, and so the accessibility of government services and other services was virtually impossible because of the low take-up of new technology, and, oddly enough, the post office was kept there because of it. That is something that is probably quite common in Wales. There are large areas, certainly in the more deprived parts of Wales, where there is not access and therefore their lives are not as good as they could be because of it, so what happens in that respect? It is very much a joint working at the most local level in the first instance; but I think everything is local in this.

Mr Murphy: That is right. Local authorities have played their part in it, and various voluntary groups can as well, whether it is older people or whatever they might be, and the Welsh Assembly Government too and industry itself. For example, BT is another instance where they can give grants to local organisations in order to facilitate access to the Internet, particularly to those areas that are not so well off. I have seen excellent examples of that in Wales and in England. It is tackling it at the most basic level and then attracting people who we might not think would be interested in doing so. For example, in my own constituency an old-age pensioners’ warden scheme decided that they would apply for a grant for the communal room there in order to have computers put in and access to the Internet. The pensioners were helped for their skills to use the Internet, but it was interesting that the initiative itself came from the older people; they wanted to get there. Sometimes the initiative might come through entertainment; they go to the Internet—and also talking about younger people now who are not using it—and having done all that they move on to other things like the access to government services, to the fact that they can save money if they can shop online, or if they can book their holidays, through Saga and elsewhere online, because it is cheaper and better for them. It can open up horizons they never had before; they can talk to their relatives in California, or Australia, or wherever it might be. We used to call it “word of mouth” but that is a bit old-fashioned; but you know what I mean. It gets around the community.

Mr Murphy: The message gets around locally at ward level in local government terms, if you like, that this is a good thing for the community. You can get them in church halls or village halls or libraries and so on. The more that happens, the more people will be attracted to it.

Mr Murphy: Yes, I do share that view, and I share my enthusiasm and commitment personally, in the UK Internet Governance Forum, which you lead, where every member is very conscious that you have to protect people and give them reassurance, particularly more vulnerable people like older people. For example, they might think that if they put their credit card details and banking details online, within seconds it will be stolen; and there are other reasons obviously in terms of pornography; people are frightened of going on in case they pick that up and so on. All of these issues, most of which can be overcome, need to be addressed, and vulnerable people are the people that we are aiming for in terms of digital inclusion and so we do have to put in safeguards. I am conscious that there are various groups in our country which have looked at this, but in general terms Get Safe Online; there is the Byron Review, the UK Council for Child Internet Safety, the Police e-Crime Unit, which you have referred to, the Serious Organised Crime Agency.
and of course your own work on Internet crime and disorder. All those things need to be brought together to give those assurances. It is very important indeed.

Q468 Mr David Jones: Secretary of State, there have been a large number of interventions of different types to promote digital inclusion. Is it possible for you to say which are the most successful types, or does it depend on whom you are addressing?

Mr Murphy: Do you mean in Wales and/or in England?

Q469 Mr David Jones: Generally because I guess this is something that is pretty much the same wherever you go.

Mr Murphy: Yes, the issues are the same everywhere, and how important it is that you get people to intervene directly so as to ensure that people are digitally included. From a UK Government point of view, the Communities and Local Government Department has been supporting a number of authorities as exemplars of good practice. The City of Sunderland stands out amongst many others as one which does, and Barnsley does too. A number of local authorities are working through DCLG that directly want to ensure that their local communities are linked up in the way that we have all been talking about. There are research reports published regularly, the online “solutions4inclusion” with about a thousand examples of local good practice projects that people can search on health and older people—UK online centres, but ironically not applying in Wales, which I have always found odd as a title, but there you are. There is Community First in Wales, but UK online centres run 20 social impact demonstrator projects, and particularly in wards in England that are identified as especially disadvantaged—and you can find that detail in the UK online centres report; Citizens Online has something called Everybody Online Project right across the UK, and that does apply to us in Wales as well jointly with British Telecom, and 8,000 people benefit. In Wales there are RNIB Cymru Accessible Technology in Communities; Communities At One, which Leighton referred to, and the People’s Network Programme in Wales, which upgrades every public library in our country to provide free Internet access. That is a fair number of interventions.

Q470 Mr David Jones: Which would you say were the most successful types, because presumably not all are equally successful in achieving—

Mr Murphy: I think the ones that are most successful are those that are most local, as I said to Mr Michael earlier, and which are driven through their own communities. I would not like to put an order of priority on the ones I have just outlined, but those which go deep into the community and take the message there are most successful.

Q471 Mark Williams: You have highlighted 200 grass-roots projects supported through the Assembly’s Communities at One initiative. Have you detected concern about the sustainability of those projects when the fixed term funding from Europe—some are not funded from Europe—but when the funding under the Communities 2 programme runs out in 2015? They are working very well and are very good but they do need to be sustainable in the medium and long term.

Mr Murphy: I will make a general comment, and then Dr Provan will add a bit to that. The issue of sustainability in Wales from the old Objective 1 and now convergent project is not obviously one just about these issues but others as well. The trick, it seems to me, having dealt for quite a long time in Northern Ireland when Objective 1 was running out when I became Secretary of State there, was to make sure that you first acknowledge the fact sooner that it is going to happen, the money is not going to be there from Europe so you have to find something to plug that gap. It is not easy of course in these days of difficult economic pressures; but nevertheless it is hard work to be able to do that and to do it to ensure that you involve—and this is the key to the whole digital inclusion project, but it is not just about government; you have to ensure that you have good partnerships with business and local business if necessary, because much of this is local, and with the voluntary sectors as well, such as those bodies dealing with older people, for example. It is recognising the fact that sustainability is an issue and is a very important thing in the first place, not just closing your eyes and hoping it is going to go away, because it isn’t. It is going to happen and you need to prepare for it.

Dr Provan: To supplement that, from the Department of Communities’ point of view our concern is to ensure that digital technology is embedded in the everyday programme for health, education, worklessness, crime; so that local authorities understand the real benefits in terms of social outcomes and economic benefits from using technology, which is why we keep focusing on things like digital inclusion to spread the understanding of what is going on. I think sustainability is not trying to get extra money to provide more money for these projects; it is building the lessons of the project into the day-to-day activities of the authority. Equally, in the work on visible strategy we have been trying to put together different departmental activities around technology within health and DCSF to get a greater integration and a more efficient deployment of technology and more focus on using systems in the home which are for a health purpose or an education purpose as well or housing purposes. It is about making the efficiency and the social outcomes more visible, which is the way to produce this capability.

Q472 Mark Williams: I appreciate that, and that integrated approach is a valid one, particularly in education. However, there is still that need, and some of the Assembly Government’s projects have identified that, for a very targeted approach, which still needs to be recognised. I shall take the trick back to Ceredigion because it is an important message there, but there are concerns about the long-term
sustainability that needs to be recognised. It would be tragic if some of these projects were to disappear, albeit in six years’ time.

Mr Murphy: Yes.

Q473 Mark Williams: Turning to Welsh language provision, some representations have been made which have suggested the Digital Inclusion Action Plan has made no assessment of the needs of Welsh language speakers. What is your reaction to that? Do you share their concern and how can we remedy that?

Mr Murphy: Of course the responsibility for the Welsh language in so far as it affects devolved services, clearly, is one which Leighton Andrews would have made reference to and which needs attention from the Welsh Assembly Government perspective, but of course there are UK services that are applicable obviously to Welsh people. DirectGov is available in both English and Welsh. That is the official Government website. I think a good example of how Welsh is used is in NHS Direct Wales, where obviously services are available in both English and Welsh online. I visited NHS Direct in Cwmbran the other day, which deals with a very large area, and it is interesting to see it. I asked the very same question to them—not that there are an awful lot of people in my area who would be using the service in Welsh, but of course throughout Wales they would be, and they do have a very good system for that, including Welsh answering on the telephone. The Welsh Assembly has been involved with the media literacy strand of the Digital Britain Programme, and the establishment of a Welsh media commission has been put forward by the Welsh Assembly Government, by Ofcom’s Advisory Council for Wales, and the Institute for Welsh Affairs, whom I met yesterday in fact, about this very interesting area which would cover the sorts of issues we are talking about this morning.

Q474 Mark Williams: Do you feel that adequate consideration has been given to developing services online and do you feel satisfied that the needs of Welsh language speakers are fully taken into consideration?

Mr Murphy: I think people are now conscious that it is an important aspect of the Digital Inclusion Programme in Wales, especially, I suppose, if you are looking at people who are socially excluded again, whose natural language—older people, for example—would be in Welsh, and obviously services which can be provided in Welsh for those people are very important, although the digital inclusion brief is not simply about the provision of government and local government services; it goes well beyond that. Incidentally, as an aside, the British Irish Council, which came out of the Good Friday Agreement and which shares good practice between the Republic of Ireland, all of the countries in the United Kingdom and the Channel Islands and Isle of Man, has now embarked upon a study of digital inclusion, led by the Isle of Man, which would involve Ireland and Scotland. It was of interest to see how those other countries deal with the language issue, although of course we have the biggest percentage of Welsh language speakers than they have Scottish and Irish speakers—but nevertheless it is an interesting way of comparing notes on how languages are dealt with.

Q475 Mr David Jones: I would like to turn to the issue of media literacy, which appears to me to be an evolving concept. What was maybe media literacy a few years ago is no longer, as technology has advanced. Would you be able to give a definition of media literacy at this particular moment?

Mr Murphy: I am advised there is no agreed definition of it. I would not like to try to think that there might be, but I think all of us know, in our hearts so to speak, what it means. It is building up the skills and the awareness of the benefits of digital technology, and it is obviously keyboard skills and the way in which you can use the Internet in all its different forms. It is also about making people aware of the need to have the skills in order to improve their lives. Although different organisations may vary in how they define it, the principle is the same, behind everything else. I have touched on Ofcom, and they define it as the ability to access, understand and create communications in a variety of contexts. The Ofcom working group, which includes representatives from Wales of course, the BBC, education and the third sector, has a social marketing programme to encourage people to become more digitally engaged; and in Wales the Welsh Assembly Government’s report of 2008 described how it was developing an ICT strategy for schools. Their own Assembly Government’s e-learning strategy Online for a Better Wales, I think, is very good. I think that our colleagues in Cardiff are very conscious of the importance of the media literacy agenda in so far as it affects all people in society, including those in school and those studying in further education, and of course people like myself at the other end of the age scale.

Q476 Mr David Jones: It occurs to me that information technology is evolving constantly at a very rapid pace indeed, so to that extent is it necessary for the concept of media literacy to be kept under constant review to keep pace with the new technology?

Mr Murphy: Yes, I think it is important to train the trainers to be up to date in all of that. As you might have discussed with Lord Carter, some people need more help than others—the proxy users that you referred to. It may be a grandson or a granddaughter—often is in fact—teaching the grandparents how to use the Internet, but maybe a next-door neighbour or a friend, who themselves might be only one or two steps ahead of the person they are teaching, which is nevertheless sufficient for them both to engage in it. There is an obligation, I suppose, on local education authorities in Wales to ensure that this is part of their education agenda. In my area, in Torfaen, there is a huge push to make my valley a digital valley, both in schools and beyond that. I think that is working, in their case, with private industry and voluntary groups. That could be replicated through all the local authority areas in
Mr Murphy: It is acknowledging the fact that it has to be done. You cannot become a user of the Internet unless you are trained to do it with the basic skills; and again it is a co-ordinated affair really where you bring people together, from voluntary, from business and from government, to ensure that you deal with training of people and how to use it.

Q477 Nia Griffith: We touched earlier on the issue of vulnerable people but very much in the context of them being very timid about accessing services. I would like to ask you whether the Digital Inclusion Plan really does take sufficient account of the risks that new and vulnerable users might encounter. As examples of those risks, perhaps I could cite the more predatory uses of the Internet, for example marketing equity release products or gambling. Is there sufficient understanding? Perhaps there is a Highway Code or traffic light idea that is put into training packages to help vulnerable people when they are faced with this type of aggressive use of the Internet.

Mr Murphy: It is a similar question to the one Alun Michael raised. He has done a lot of work on the crime side of it, but you are quite right that it goes beyond that as well.

Q478 Nia Griffith: There is the legal side.

Mr Murphy: In my written evidence, to summarise it. I stated that the Government recognises that the application of technologies will bring associated risks; there is no question about that. We need to take action not just at a local level in this case but at a European and international level as well, in order to ensure that those risks are minimised. The important thing about the Digital Inclusion Programme is that if you are trying to tempt, encourage and persuade people to go online, then you have to take away the obstacles that you quite rightly describe. If they are frightened to do it—and you can quite understand why—it is not just about money because there are other issues too—but that is probably the biggest.

Q479 Nia Griffith: I am more worried, not about them being frightened but about them getting inveigled into things involuntarily because they do not respond with a defence mechanism to that aggressive marketing.

Mr Murphy: That, again, is a role for Communities at One, UK online, Citizens Online, local authorities, and those who are trying to persuade people that it is in their best interests to become engaged in new technology, and at the same time to be able to warn them how to deal with these risks without frightening them off, but is quite a difficult line really. If they think they are going to have all sorts of problems, then you have lost. In other words, it has to be made clear how safe it can be, whilst the Government itself has to ensure that it keeps up the pressure so they can ensure that it is a safe thing to do to go on the Internet. Again, Safe Online is very good, and the other issues that I mentioned.

Q480 Nia Griffith: You mentioned a number of providers. Who do you ultimately feel has responsibility for ongoing levels of media literacy, in other words keeping up media literacy amongst the population?

Dr Provan: It is a cross-government issue. The issue about the digital revolution, as Lord Carter mentioned, is that it pervades everywhere and consequently it is not a specific thing that one department deals with or one organisation. Every type of service is now becoming digital—medicine, being engaged in telemedicine and the form of understanding how to take advantage of remote monitoring blood pressure or remote education and crime understanding and the benefits, in other words for communities the use of technology to make the place safer. These are all elements of it which display the universalities, as Lord Carter said. It is about being online but it is also about social outcomes in every aspect of life, which makes it everybody’s responsibility to understand how technology can improve their position.

Q481 Nia Griffith: Do you therefore see that things which are not devolved are the UK responsibility, and things that are devolved are the Welsh Assembly’s responsibility in that context?

Mr Murphy: Yes, they would do, but I think it is also important that Cardiff and London work very closely together. You mentioned earlier about the importance of best practice. I know that Leighton Andrews is very anxious to work with the UK Government on these issues, and vice versa, because we can only get better if we learn from each other.

Q482 Chairman: Secretary of State, thank you very much for your evidence this morning, and also for your earlier written evidence, which was very helpful in preparing for this session.

Mr Murphy: Thank you indeed.
Written evidence

Memorandum submitted by Dr Ben Anderson

1 BACKGROUND

The Welsh Affairs Committee has agreed to undertake an inquiry to examine:

1. The recommendations of the Government’s Digital Inclusion Action Plan, with respect to their application to Wales;
2. The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups;
3. The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio);
4. The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad;
5. The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available;
6. The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).

This submission pertains to item 4 above and contains preliminary analysis of:

a) Trends in rates of ICT uptake in Wales as compared to the English regions and Scotland using the Family Expenditure/Expenditure and Food Surveys 1998–2006;

b) Trends in the usage of e-commerce in Wales as compared to the English regions and Scotland using the Family Expenditure/Expenditure and Food Surveys 1998–2006;

c) Estimated changes in household internet access at the small area (LSOA) level for Wales using the Expenditure and Food Surveys 2001–02 & 2005–06 and Census 2001.

2 ACCESS TO ICTS 1998–2006

The following analysis uses a weighted sample of 216,782 households (roughly 2,100 per year in Scotland, 1,200 in Wales and 2,300 in each English region) created by pooling the ONS’ Family and Expenditure/Expenditure and Food Surveys for 1998 to 2006. The analysis presented is mainly descriptive although some multivariate analysis has been carried out and is referred to where relevant.

In each chart the 95% confidence intervals for Wales only are shown to give a guide to the (non) existence of significant differences between Wales and Scotland and the English regions.

2.1 Fixed Line Telephones

Overall fixed line penetration is declining slightly and Figure 1 shows no significant difference in the uptake of fixed line telephony in Wales when compared to most of the English regions or Scotland by 2006. Multivariate regression suggests that social renters, those in terraced housing, young people and larger households were least likely to have a fixed line telephone.

2.2 Mobile telephones

In contrast overall mobile phone penetration has increased substantially since 1998 although the rate of increase has now slowed. Interestingly, and for no explicable reason, the penetration rate in Wales as measured in this data appears to have fallen in the last two survey periods. This is confirmed by multivariate analysis suggesting that even controlling for socio-demographics, households in Wales were less likely to have mobile telephones in 2005 and 2006. Overall however those without mobiles tended to be older households, single persons and the less well off although income becomes less important over time.

The proportion of households with only a mobile phone (no fixed line phone) has increased in all areas analysed. There are no clear differences between Wales and the English regions and Scotland. Irrespective of region, multivariate analysis suggests that those who only have mobiles are more likely to be younger households with fewer cars and to be in single parent/person or mixed (no couples) households. They are also much more likely to be renting in any form than home-owners and to have lower incomes.

1 Published in full at www.parliament.uk/welshcom
2 Using the FES/EFS’ ONS-supplied annual weighting variable ‘weighta’
2.3 Digital TV

Figure 4 (NOT PRINTED)

The proportion of households with a Digital TV receiver has increased in all areas analysed and Wales showed a slight lead in 2003–05 (confirmed by multivariate analysis) although this has now been subsumed by the growth in other areas. Irrespective of region, income and number of cars remain strong (positive) predictors of having a digital receiver whilst older age is a strong negative predictor as is being a single person and a private renter.

2.4 Household internet access

Figure 5 (NOT PRINTED)

The proportion of households with internet access has increased in all areas analysed and whilst Wales appeared to lag somewhat up to 2004–05, particularly when compared to the Eastern region of England, the South East and London, by 2006 the rate appears similar to the English regions. Multivariate analysis however suggests that it was only in 2003–04 that, controlling for demographic variables, being a Welsh household was a significant factor. In general, irrespective of region or country, high income and educational levels as well as the number of children and high employment status are all significant predictors of having household internet access. More recently income, as with mobile telephony, has become less important as has age. However low employment status and other indicators of deprivation such as social renting remain strong indicators of low internet uptake.

2.5 E-commerce

Turning to e-commerce we can see that in 2004–05 Welsh internet households appeared to be less likely to buy online than households in the English regions. However this affect was not seen in 2006 although Wales as well as many English regions lags both London and Scotland by some way. Multivariate analysis confirms this lag in 2004–05 but overall, controlling for region, younger households with higher incomes, fewer children and of high employment status are consistently more likely to buy online.

3 Spatial Distributions of Household Internet Access 2001/02—2005/06

Recent research carried out by the author and colleagues has developed was of estimating small area (ie lower than Local Authority) spatial distributions of variables not collected by census or other surveys. This work has included the creation of Lower Layer Super Output (LSOA) level estimates of income deprivation and time-use for England, Wales and Northern Ireland (Anderson, 2007a, 2007b, 2007c, 2007d, 2008a, 2008b, 2008c; Anderson, De Agostini, Laidoudi, Weston, & Zong, 2007).

Using the same approach we have produced estimates of the percentage of households in each English and Welsh LSOA who had internet access in 2001–02 and in 2005–06 for the Department of Communities and Local Government web-based Digital Inclusion mapping tool. The site, Community Maps: Digital and Social Geographies of Great Britain, is intended to support the national digital inclusion agenda by enabling local authority and partnership users to understand spatial patterns of social and digital disadvantage across Great Britain. This ground-breaking local analysis will then help underpin local initiatives to tackle social and digital exclusion.

These estimates were based on a spatial microsimulation of the Census 2001 & ONS Expenditure & Food Survey 2001–02 and of the Census 2001 & ONS Expenditure & Food Survey 2005–06 respectively and the results for Wales only are shown in summary form in Figure 7. The top map shows the estimated distribution in 2001–02 whilst the lower map the estimated distribution for 2005–06. As we can see in 2001–02 lower levels of internet access are found across Wales but are notably concentrated in the urban and more densely populated south. By 2005–06 however there has been substantial growth in household internet access across Wales with only a very few areas estimated as remaining below 40%, all of which are urban.

3 Data only available from 2003–4 onwards
4 The creation of both datasets was supported by the ESRC “Using Time-Use Data to Analyse Macro and Microsocial Change in an e-Society” project (RES-341-25-0004)
Table 1

WELSH LSOAS WITH SIMULATED HOUSEHOLD INTERNET ACCESS RATES OF LESS THAN 40% IN 2005–06

<table>
<thead>
<tr>
<th>LSOA Name</th>
<th>% household internet access 2005–06</th>
<th>Local Authority</th>
<th>Westminster Constituency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swansea 022D</td>
<td>31.77%</td>
<td>Swansea</td>
<td>Swansea West</td>
</tr>
<tr>
<td>Swansea 025A</td>
<td>31.89%</td>
<td>Swansea</td>
<td>Swansea West</td>
</tr>
<tr>
<td>Newport 018D</td>
<td>33.22%</td>
<td>Newport</td>
<td>Newport West</td>
</tr>
<tr>
<td>Flintshire 004B</td>
<td>34.18%</td>
<td>Flintshire</td>
<td>Delyn</td>
</tr>
<tr>
<td>Conwy 010C</td>
<td>34.29%</td>
<td>Conwy</td>
<td>Clwyd West</td>
</tr>
<tr>
<td>Cardiff 010D</td>
<td>35.79%</td>
<td>Cardiff</td>
<td>Cardiff North</td>
</tr>
<tr>
<td>Denbighshire 001C</td>
<td>35.94%</td>
<td>Denbighshire</td>
<td>Vale of Clwyd</td>
</tr>
<tr>
<td>Swansea 029C</td>
<td>36.99%</td>
<td>Swansea</td>
<td>Gower</td>
</tr>
<tr>
<td>Newport 017B</td>
<td>37.25%</td>
<td>Newport</td>
<td>Newport West</td>
</tr>
<tr>
<td>Newport 005A</td>
<td>37.97%</td>
<td>Newport</td>
<td>Newport East</td>
</tr>
<tr>
<td>Neath Port Talbot 017D</td>
<td>38.42%</td>
<td>Neath Port Talbot</td>
<td>Aberavon</td>
</tr>
<tr>
<td>Swansea 029D</td>
<td>38.74%</td>
<td>Swansea</td>
<td>Gower</td>
</tr>
<tr>
<td>Powys 013A</td>
<td>38.98%</td>
<td>Powys</td>
<td>Brecon and Radnorshire</td>
</tr>
<tr>
<td>Conwy 003D</td>
<td>39.46%</td>
<td>Conwy</td>
<td>Conwy</td>
</tr>
<tr>
<td>Merthyr Tydfil 001D</td>
<td>39.63%</td>
<td>Merthyr Tydfil</td>
<td>Merthyr Tydfil and Rhymney</td>
</tr>
<tr>
<td>Swansea 009A</td>
<td>39.64%</td>
<td>Swansea</td>
<td>Swansea East</td>
</tr>
<tr>
<td>Flintshire 004A</td>
<td>39.69%</td>
<td>Flintshire</td>
<td>Delyn</td>
</tr>
<tr>
<td>Wrexham 010B</td>
<td>39.91%</td>
<td>Wrexham</td>
<td>Wrexham</td>
</tr>
</tbody>
</table>

Figure 7 (NOT PRINTED)

That said there are still differences in rates for different LSOAs and these almost certainly reflect the persistent non-adoption of household internet access by the social groups discussed earlier and who may be geographically concentrated. This is confirmed by Figure 8 which shows the rural/urban distributions and Figure 9 which compares the LSOA estimates with the overall Welsh IMD 2005 score.

Figure 8 (NOT PRINTED)

As we can see urban areas tend to have both the least and most ‘connected’ areas in 2001–02 and 2005–06 although the effect is much less strong in 2005–06.

Turning to Figure 9 there is a strong negative correlation between a high IMD score and a high level of estimated internet uptake in 2001–02\(^5\) but this relationship has weakened substantially by 2005–06.\(^6\)

Figure 9 (NOT PRINTED)

Of course these estimates make no distinction between pstn-based and broadband-based internet access which, at present, cannot be estimated in this way due to the lack of suitable public survey data. Data on broadband coverage and (potentially) uptake and usage levels is however almost certainly held by BT as well as estimated by a number of consultancies such as Point Topic.

Our ongoing research is developing methods to produce similar estimates of household expenditure on a range of goods and services as well as small area indicators of income, health and social/civic well-being.

4 Conclusions

Overall we can see little evidence from this data for substantial digital exclusion in Wales compared to the English regions in terms of access (as measured here) to digital technologies nor to one aspect of participation, e-commerce. There is an unexplained recent reduction in mobile telephone penetration in this data for Wales which requires further investigation. In general patterns of exclusion as measured by access follow well-known patterns of social and economic exclusion and appear to be persistent in some respects. Further work would be needed to establish whether these patterns are substantially different in Wales.

The spatial estimates suggest that many areas of Wales are ‘catching up’ with the leaders in terms of internet access although as we have noted these results do not currently allow a distinction between dial-up and broadband access.

\(^5\) Spearman rank order correlation \(= -0.767\)
\(^6\) Spearman rank order correlation \(= -0.528\)
The data also has little to say about the usage to which these technologies are put largely because long
terms trends in ICT usage (as opposed to ownership) are not generally publicly available although analysis
of the ONS Omnibus Internet-user modules could help in this respect.

5 REFERENCES
Anderson, B. (2007a). Cash in, Cash out: Spatially microsimulating household income and expenditure at small

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Ipswich: Chimera, University of Essex.

Ipswich: Chimera, University of Essex.


Anderson, B. (2008b). Time to play: combining time-use surveys and census data to estimate small area


Space. Paper presented at the 1st General Conference of the International Microsimulation Association,,
European Centre for Social Welfare Policy and Research, Vienna, Austria, 20 to 22 August 2007.

6 BIOGRAPHY
Ben has a BSc in Biology and Computer Science (Southampton University, UK) and a PhD in Computer
Studies (Loughborough University, UK). He has used techniques from cognitive psychology, anthropology,
sociology and ethnography during his time as an academic and commercial research scientist engaged in user
studies, human computer interaction and applied social research.

Until 2002 he ran ‘Digital Living’, a BT programme of applied social science research based on a
longitudinal household panel which included quantitative surveys, time-use diaries, ethnographic studies
and customer data capture (call records, internet usage logs). The resulting analysis was fed to BT’s
consumer market research, consumer products, joint venture, strategy and R&D organisations. He has
consulted to UK Cabinet Office/Social Exclusion Unit and No 10 Policy Unit, Concert, and various BT
Corporate Clients on the subject of consumer telecoms market strategies.

From January 2001 to April 2004 he co-ordinated the three year, 2.75 M-euro EU FP5 project “e-Living:
Life in a Digital Europe” (IST2000-25409) which replicated the UK household panel study across a further
five European countries. He has also lead a EURESCOM project assessing the commercial value of strategic
social science research and was a participant in the EU FP6 project SOCQUIT which analysed the
relationship between social capital, ICT and quality of life. More recently he has focused on secondary data
analysis including the use of time-use diary data to analyse social change and on the use of spatial
microsimulation to produce small area estimates of ICT usages, household expenditure and income
depprivation.

Memorandum submitted by Apple

APPLE’S COMMITMENT TO ACCESSIBILITY

For more than 20 years, Apple has provided new and innovative solutions for people with disabilities,
allowing them access—and enjoying using—advanced technology products such as the Mac, iPod, iPhone,
and Apple TV.

In fact, Apple has built more accessibility solutions directly into its products as standard features.
VoiceOver, screen reading technology that’s part of Mac OS X, provides voice description and offers plug-
and-play support for Braille displays. For those who find it difficult to use a mouse, Spotlight search
technology makes it easy to launch applications and find files, images, calendar events, or Wikipedia entries
using the keyboard. And iPod, iPhone, Apple TV, and other products support closed captioning.
LATEST IN ACCESSIBILITY

iPod Nano

The new iPod nano 4th generation with spoken menus, launched in September 2008, has received a “Vision Free” award from US national leaders of blind advocacy such as Stevie Wonder, NFB, APH, Seeing Eye, Inc., and the Sendero Group.

Closed Captioning

Purchase or rent captioned movies from the iTunes Store and play them on iPod, iPhone, Apple TV, QuickTime, and iTunes (Mac and PC).

iTunes U

Users can now enjoy improved access to this huge resource of academic materials from the world’s leading universities using a Mac or PC screen reader.


March 2009

Memorandum submitted by Bangor University

INTRODUCTION

1. Bangor University welcomes the opportunity to contribute to the Welsh Affairs Select Committee inquiry into Digital Inclusion in Wales. This written submission provides an overview of the University’s current activity in assisting digital inclusion particularly in the context of Higher Education.

2. Bangor University has around 10,000 students and 2,000 members of staff. Its mission statement is:

“To be a world-class research university, to provide teaching and learning of the highest quality, and to contribute to the development of the economy, health and culture of a sustainable Wales and a sustainable world.”

Bangor University is committed to providing teaching of the highest quality, conducting research of the highest quality, taking good care of its students and playing a full role in the wider community of Wales.

We have over 10,000 students and 2,000 members of staff.

3. The University’s core business of teaching learning and research relies on the provision of digital services to its staff and student population. These services include access to the wider internet through PSBA/JANET, computing facilities for teaching and research, campus Wi-Fi access, a laptop loan scheme and shared file and printing facilities. Access is provided to a wide ranging suite of online resources including bilingual access to the University’s virtual learning environment, its digital repository as well as online resources including research outputs, journals and databases. Its administrative function is dependent on this infrastructure.

The recommendations of the Government’s Digital Inclusion Action Plan, with respect to their application to Wales

4. In paragraph 28 digital inclusion is defined as “The best use of digital technology, either directly or indirectly, to improve the lives and life chances of all citizens and the places in which they live”—There is a strong parallel with the University’s mission statement.

The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

5. The University values The Welsh Assembly’s vision, funding and ongoing development of the PSBA network, which provides vital internet services to the University, its collaborators in Wales, and a vital gateway to UK Higher and Further Education through Super Janet 5.

The University relies on this essential provision to undertake collaborative research activities with other HEIs in Wales, for example the Research Enterprise partnership with Aberystwyth University which is committed to the creation of four internationally competitive research teams: the Centre for Catchment and Coastal Research (CCCR), the Centre for Integrated Research in the Rural Environment (CIRRE), the Centre for Advanced Functional Materials and Devices (CAFMaD) and the Institute for Medieval and Early Modern Studies (IMEMS).

The University uses videoconferencing, which is reliant on fibre speed access, for collaborative activity between HEIs across Wales. (E.g. WHELF)
6. Bangor University relies also on pervasive broadband and in some cases high speed access to be able to collaborate with other partners in the local region such as SMEs as well as support local enterprise activity. The University particularly welcomes the advent of the FibreSpeed service in North Wales.

7. The University would welcome HEFCW’s involvement to further invest in the provision of infrastructure to promote digital inclusion in Wales.

The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio).

8. It is an essential part of University study to have access to on-line digital resources. Such access is provided by the University, via the PSBA network whilst students are “on campus”, but more than ever before students need access to University hosted and wider digital resources from wherever they are studying—at home, in a rural community, on placement in hospitals, community settings, schools and businesses. Within this context pervasive broadband in Welsh homes, public sector organisations and Welsh businesses is paramount to a rich educational experience.

9. The mobile 3G network across Wales is poor compared with England. Increasingly, the University’s business and education activities will be conducted at least in part over the mobile network. The University would support stimulation of pervasive and competitively priced mobile/3G provision.

10. The University has a disaster recovery policy for the loss of data but is susceptible to power outages in the region.

The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad

11. The University is restricted in its access to some SMEs because of the lack of infrastructure available to some businesses. Collaborative research activity which requires superfast access has therefore been impaired.

The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available

12. The University provides digital services and support in the medium of Welsh as part of its widening participation agenda and in support of the principles of the Welsh Language Act 1993. For example the development of bilingual access for the sector to the Virtual Learning Environment (Blackboard) as well as the provision of bilingual access to University resources online. There are cost implications to the University in providing this.

13. Evidence that the provision of high speed networks in rural areas can contribute to local regeneration activity (eg Gwynedd Council’s Penrhyneddudraeth call centre7)

14. The University is part of Linc y Gogledd which promotes the sharing of digital and physical resources for users between libraries in Anglesey, Conwy, Denbighshire, Flintshire and Gwynedd. Free public access is provided to journals and reference materials through the National Library of Wales.

15. The University provides remote access to students and staff to a broad range of software applications through its Desktop Anywhere service to ensure University students and staff can access key University software whilst away from the University (at home, in the workplace, on placement). All the students and staff need is a broadband connection from wherever they are located.

16. The partnership between The Welsh Assembly, Arts Council Wales, Wales European Funding Office and Bangor University to develop the DaVinci Centre will provide a digitally inclusive platform to explore innovation between the Arts and Sciences.

17. The University hosts a digital repository of research outputs which is freely accessible to the public online.

18. The University runs a digitisation programme for its Archives and Special collections for public access8

19. The University delivers a high proportion of professional training activity in the region for teaching and nursing. These groups need remote access as part of their placement. This has cost implications for the University.

7 http://www.caernarfonherald.co.uk/caernarfon-county-news/where-i-live/cifionydd-meirionydd-news/2008/12/18/gwynedd-council-s-penrhyneddudraeth-call-centre-is-delivering-the-goods-88817-22499993/
8 http://www.bangor.ac.uk/archives/web__collections.php.en?menu = 9&catid = 4835&subid = 0
The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).

20. The rising use of social networking sites such as facebook, myspace, bebo etc. bring challenges as well as significant opportunities. The guidance provided by the Information Commissioner in this respect is welcome, and used at Bangor to alert students to potential pitfalls and protective action. The University has had to undertake disciplinary action on occasion for the mis-use of Facebook.

21. There is a risk to the integrity of the University’s academic output through plagiarism of e materials, although the University uses tools to combat this.

22. It is increasingly important to be able to provide a fully resilient and reliable internet service to and within the University. The PSBA network is diverse routed (via a ring round Wales), but has the potential to suffer a single point of failure at the core connection sites such as the University. Development of further resilience of the PSBA at the core sites would be welcomed as a key future development.

CONCLUSION

23. The University is wholly supportive of the recommendations of the Government’s Digital Inclusion Action Plan, in particular in its application to Wales. Ubiquitous broadband to serve the wider community, the need to further develop the 3G network in the region and the provision of a resilient infrastructure are of paramount importance to support the University’s mission.

May 2009

Memorandum submitted by BBC Cymru Wales

1. OVERVIEW

The BBC has welcomed the UK Government’s Action Plan for Digital Inclusion and the Government’s interim Digital Britain report. It particularly welcomes their shared aim to ensure that all citizens, particularly those disadvantaged, realise the benefits of digital technologies.

The proposals to introduce a Charter for Digital Inclusion and appoint a Digital Inclusion Champion, supported by an expert taskforce, represent a positive step forwards, bringing together the UK Government and other stakeholders in the coordinated pursuit of common goals.

As the report outlines, the BBC is already committed to improving digital inclusion in the UK. Under its Royal Charter, the BBC must have regard for “the need to promote media literacy” and has a requirement under its sixth public purpose to help to “deliver to the public the benefit of emerging communications technologies and services and, in addition, taking a leading role in the switchover to digital television.”

What the BBC is doing to deliver this purpose is explained in more detail in the Emerging Communications Purpose Remit, published by the BBC Trust and the related Purpose Plan.9

This remit includes a commitment for the BBC to “help everyone in the UK to get the best out of emerging media technologies now and in the future” and to “work with other UK bodies to end the “digital divide” between those who enjoy the benefits of digital technologies and those outside that group.”

2. DIGITAL ACCESS IN WALES

The BBC is already playing a crucial role in delivering the benefits of the digital opportunity to all audiences in Wales through its contribution to digital TV switchover, beginning in Wales later this summer.

We believe that this role—supporting the BBC’s sixth purpose of building Digital Britain—is likely to become even more important over the coming years. There are two particular areas where the BBC, in partnership with UK and Welsh Government, Ofcom, ISPs and the other PSBs, can help make the most of the digital opportunity:

— Helping to close the broadband digital divide by bringing audiences online through the use of trusted brands, media literacy initiatives and attractive content; and
— Securing the future of digital radio (DAB) and helping to bring its benefits to the whole of Wales.

3. INCREASING BROADBAND AVAILABILITY AND TAKE-UP

Achieving a truly broadband Wales is increasingly important to the delivery of all of the BBC’s purposes:

— As an institution charged by the UK Government with “delivering to the public the benefit of emerging communications technologies and services”, the BBC is keen to help all citizens benefit from the internet whether for entertainment, information, education or democratic participation;
— As a major public service content provider, we want to ensure universal access to our services in the most convenient way consistent with a reasonable cost;
As a publicly funded technology innovator, we have a role in developing technologies that require cross-industry collaboration—such as multicast, allowing the delivery of linear channels over IP; and

As a producer of innovative public service output, we believe that extending the limits and speeds of networks will allow creativity to flourish.

3.1. Broadband take-up in Wales

Although the number of households connected to broadband in Wales passed 50%10 by late 2008, we still lag behind countries such as Canada (68%), the Netherlands (81%) and South Korea (76%). We should also be mindful that take-up across Wales varies significantly both by region and socio-economic background.

Though penetration of broadband in the UK is, on some measures, expected to grow to around 79% by 2012, this will still leave a significant proportion of the Welsh population unconnected. Audiences recognise this as a concern; in Ofcom’s research, 72% of those with broadband access agreed that it was important that the internet was available to everyone.

Over the last five years, regulatory intervention in the broadband market has grown the number of urban homes in Wales who benefit from local loop unbundling (LLU). This has resulted in significant investment in the network, raised headline speeds, kept costs down for consumers and created significant social value. BT’s 21CN will further increase headline speeds towards “Next Generation” levels.

Meanwhile, rural and remote homes are served largely by ISPs who rely on BT Wholesale (BTW). Recent Ofcom research has shown that connections to these homes are on average 13% slower.

3.2 The Digital Britain report

Distance from the exchange has meant that remote homes are also hampered by “last mile” infrastructure and left even further behind. The BBC welcomes the proposal in the Digital Britain report to move towards a converged solution to universal broadband access using fixed and wireless networks. We also welcome the policy of committing spectrum usage to deliver new services with universal coverage to audiences.

3.3. The BBC’s role in driving take-up

The BBC helps drive demand for broadband, including amongst those who are otherwise reluctant to adopt the internet. The elderly and socio-demographic group C2DE are those with the highest numbers unconnected.

This is concerning given that they are amongst the groups most likely to benefit from the social benefits the internet provides—including participating in public debate, learning new skills and engaging in communities of interest. The BBC believes strongly that the wider availability of high-quality connections would play a powerful role in reducing social exclusion.

Audience research indicates that the main barrier to internet take-up is its apparent lack of relevance. The main reason for not having the internet at home, for half of the unconnected, is that they think they have no need of it. The BBC can and does play a very significant role here; indeed a number of surveys have confirmed bbc.co.uk as an important reason given by people for connecting to the internet in the first place.

Many of our initiatives have targeted specific groups successfully. Both BBC Wales’ Coal House project and the pan-UK WW2 People’s War, for example, encouraged older users to go online for the first time—creating an important legacy of thousands of stories and photos. In all, some 60% of the Welsh population engaged with Coal House, and 90,000 over 65s said that they had started or would start to use the internet following attendance at a WW2 People’s War event.

In addition, there remain many opportunities to collaborate with others who provide internet-based services that harder-to-reach groups find attractive. Such opportunities could include, for example, assisting in improving findability for third-party content on financial guidance; access to local services; job centres; transactions with government; or access to public institutions’ websites (such as those of galleries and museums).

The BBC can also help people to become more confident, media-literate internet users. Already, the resources available on our Webwise service provide practical support to around 130,000 users a week. The BBC will also continue to encourage user-generated content, giving people growing confidence to participate in new media opportunities.

10 Source: Beaufort research for BBC Cymru Wales Autumn 2008
4. DELIVERING THE BENEFITS OF DIGITAL RADIO (DIGITAL AUDIO BROADCASTING)

DAB radio offers audiences a number of significant benefits over analogue radio, including a wider choice of stations, improved sound quality, ease of tuning, an Electronic Service Guide, and live text services.

Furthermore, the new generation of hybrid DAB/IP radios offers even more exciting ways for radio to engage audiences in the digital age, including enhanced interactivity and access to content on demand. The BBC believes strongly that digital radio adoption is therefore critical for radio to continue to play its central role in the social and cultural life of Wales, and the UK.

Audiences appear to agree too. Digital radio—in particular, DAB—offers the radio industry a proven means of improving the audience experience and increasing the breadth and quality of radio listening: 61% of DAB owners claim to listen to more radio since their purchase, and 73% listen to more stations.

4.1 DAB coverage in Wales

The economics of distribution in Wales means that coverage of DAB in Wales lags behind the UK. It’s estimated that the two UK-wide DAB multiplexes (one BBC-owned and one commercial) cover about 75% of households in Wales (the UK figure is approximately 86%). These provide UK-wide radio services, including all the BBC’s UK radio networks. By contrast, the rollout of local commercial multiplexes in Wales has been much slower, and actual household coverage in Wales is estimated at around 40–45%.

Under the 1996 Broadcasting Act, both BBC Radio Wales and Radio Cymru are reliant for carriage on the provision of spectrum on these local commercial multiplexes, licensed by Ofcom.

As a result, it is estimated that approximately 55–60% of people in Wales are currently unable to receive BBC Radio Wales and BBC Radio Cymru on DAB because there is no local commercial multiplex available to carry these services. The BBC is developing an action plan to address this poor provision.

4.2 Usage of DAB in Wales

The most recent BBC Wales-commissioned tracking survey showed that overall 28% of adults in Wales claim to have a DAB set in their home. Claimed ownership is highest among 45–64 year olds. Levels of ownership across the different regions of Wales naturally mirror the current coverage of DAB.

PER CENT RADIO LISTENERS IN WALES WHO CLAIM TO HAVE “EVER LISTENED” VIA DAB

<table>
<thead>
<tr>
<th>Region</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiff/Vale</td>
<td>27%</td>
</tr>
<tr>
<td>Gwent</td>
<td>19%</td>
</tr>
<tr>
<td>West South Wales</td>
<td>18%</td>
</tr>
<tr>
<td>NE Wales</td>
<td>12%</td>
</tr>
<tr>
<td>NW Wales</td>
<td>11%</td>
</tr>
<tr>
<td>Mid &amp; West</td>
<td>7%</td>
</tr>
<tr>
<td>The Valleys</td>
<td>4%</td>
</tr>
</tbody>
</table>

4.3 The future coverage of DAB

The interim UK Government Digital Britain report identifies extended DAB coverage as a linchpin of the switchover process for radio. The BBC is already committed to building out its own DAB multiplex to 90% UK population coverage and expects this work to be completed during 2011.

Furthermore, the BBC has pledged to work with partners to develop a plan to extend coverage of both BBC Radio Wales and BBC Radio Cymru, along with their sister stations in Scotland and Northern Ireland.

The BBC is also considering proposals to extend DAB coverage further towards FM equivalence, although the investment required to achieve this will represent a significant challenge in the context of increasing pressure upon BBC resources, within and beyond the current licence fee period.

Were funding for full network build-out on this scale not secured, there could be alternative means of providing digital radio services to the very small proportion of the population that lives in the most remote areas of the UK.

These digital alternatives could include high-speed wireless or wired broadband. In all scenarios, it will also be essential to ensure that DAB coverage of roads and highways provides a good level of support for in-car listening.

Source: Beaufort research for BBC Cymru Wales Autumn 2008.
5. Promoting Digital Inclusion

BBC Cymru Wales is committed to ensuring that everyone in Wales gets the best out of emerging media technologies now and in the future. Our activity in this area in recent years has been considerable.

Examples include:

**BBC Cymru Wales community strategy**

Over the past four years BBC Wales’s community strategy *Here for You/Yma I Chi* has visited fourteen locations the length and breadth of Wales—holding roadshows, workshops, talks and screenings, and working closely with local people who are represented on working groups as part of the experience. This helps BBC Wales forge stronger links with audiences across Wales and gives an opportunity for us to work with them on developing technologies.

**bbc.co.uk/wales and bbc.co.uk/cymru**

BBC Wales produces Wales’ most popular indigenous websites, providing coverage of news, sport, travel, weather, arts, history, children’s, education and a range of other subjects.

**Mosgito—bbc.co.uk/cymru/mosgito**

*Mosgito* is a Welsh language factual TV series and website for 10 to 15 year olds. It broadcasts live twice weekly on S4C. The primary objective is to offer younger people a voice and allow them to interact with the presenters and other guests regarding issues and matters that arise in each programme. Recent subjects covered include:

- Film production and uploading content to the website
- Animation production
- Mobile phones and their uses
- Safety on the web
- Cyber bullying
- A guide to using the web for parents who are technophobes

**BBC iPlayer**

This new online service enables people to catch up through the internet with TV and radio programmes from the last seven days on demand (users can navigate through the medium of either Welsh or English).

iPlayer is used by more than two million people a week in the UK (estimated from return-path data) and 57% of adults are now aware of iPlayer, bringing on-demand programming into the mainstream. iPlayer bring all BBC Wales’ content under one roof—with a dedicated sub-site for Wales offering instant access to all BBC Wales tv and radio content in English and Welsh.

iPlayer’s availability on mobiles provides greater opportunity for younger users and lower income groups to engage with the BBC’s content as both audience segments have strong relationships with this platform. It is also available on the cable TV platform, allowing access for non-internet users.

**Computer Tutor**

This service helps people to get started online—beginning with the most basic things like how to use a mouse. Feedback indicates this has benefitted a range of licence payers, including people wanting to start shopping online and grandparents wanting to use online chat to keep in touch with their grandchildren.

**Webwise Guides**

This is a series of online guides, developed by the BBC, using familiar presenters to demystify new technology, providing practical support to around 77,000 UK users a week. Questions answered include what is a podcast, how can I share photos, what is social networking and what can broadband do?

6. Building Partnerships to Accelerate Progress

There is clear evidence of the BBC making a difference: for example 9% of internet users agree that “the existence of the BBC’s website www.bbc.co.uk was one of the main reasons why I first accessed the Internet”.

However, the BBC recognises that there is still more to be done to drive media literacy and promote digital inclusion in the UK and it needs to consolidate and improve coordination of its activities to ensure a coherent and comprehensive offering of value to licence payers. The BBC also proposes doing more going forwards to achieve these goals through partnership.
The BBC has been exploring a number of opportunities involving partnership with other organisations around the UK as part of its engagement in Ofcom’s review of public service broadcasting.

This work resulted in the publication in December 2008 of the BBC’s Public Service Partnerships proposals, describing how the BBC, supported by the privilege of licence fee funding, can work with partners to help sustain public service broadcasting in the UK.12 The document outlines four areas in relation to the development of Broadband Britain in which the BBC and its partners can have a significant impact:

— Making the internet relevant for people who are not yet connected by providing attractive content, including video on demand, focused marketing and media information campaigns;

— Helping people feel more confident online by building on the BBC’s digital literacy campaigns;

— Improving discoverability by driving recommendations and click-throughs to other websites from the BBC’s website; and

— Using BBC content to support other public service institutions, such as museums, the NHS and other media organisations.

The BBC believes these partnership activities could provide a number of potential public service benefits:

— Through increased take-up and media literacy, the digital divide could be reduced with greater numbers of people taking up broadband-enabled services;

— Access to public service content—both online and offline—would increase, with greater traffic to partner sites, such as the NHS, museums and galleries or to community media; and

— Higher traffic to commercial PSBs would increase the reach and impact of their content, and would increase online revenues.

The BBC is now engaged in discussions with the UK Government, the Welsh Assembly Government, Ofcom and others to determine the best way to maximise public benefit from the types of partnership activity outlined above and is fully committed to delivering that. It is also reviewing and refreshing its media literacy strategy to ensure it uses its resources and its existing relationship with audiences most effectively to make a major contribution in this area, benefitting the whole UK.

March 2009

Supplementary memorandum submitted by BBC Cymru Wales

BBC Cymru Wales management response to the Welsh Affairs Select Committee for further information regarding the payments made to artists via PRS for playing their music on BBC Radio Cymru.

The debate about the level of payments made to artists, via PRS, for playing their music on BBC Radio Cymru has been ongoing since 2007 when PRS changed its payment policy.

BBC Cymru Wales is aware of the concerns of the Welsh language artists and record labels about the potential impact of lower payments for music on Radio Cymru compared to other UK-wide radio stations (such as BBC Asian Network which is available on DAB). However, the level of payment made for different radio stations is decided by PRS not the BBC and therefore how the level of payments are calculated is a matter for them.

The BBC has one agreement with PRS through one central licence which covers all the BBC’s public services throughout the UK. The PRS is a members’ organisation and the BBC does not have a say in how the PRS chooses to distribute its income to its members. We are, however, concerned that this dispute between PRS and its members in Wales has not been resolved and that it could have a negative impact on the Welsh music scene and therefore the service BBC Radio Cymru provides to its audience.

April 2009

Memorandum submitted by Broadband Stakeholder Group

The BSG welcomes the opportunity to input to the Committee’s inquiry into digital inclusion in Wales.

The BSG is the UK government’s leading advisory group on broadband. It was established as a cross-sector government advisory group in 2001 to help the UK lead the G7 in broadband penetration and connectivity. It provides a neutral forum for collaboration between organisations across the converging broadband value-chain with the ultimate aim of helping to create a strong and competitive UK knowledge economy. Further information about the BSG can be found at: www.broadbanduk.org

12 The full partnership proposals can be read at www.bbc.co.uk/thefuture
As a result of this remit, the BSG has taken, and continues to take, a keen interest in digital inclusion. It has advised government on the importance of addressing the digital divide through a number of reports published since its inception. It was also a key partner on the government’s Digital Challenge, which encouraged local authorities from across the UK to create innovative digital projects for their communities. This process led to the creation of DC10+, a group set up by the finalists of this competition that develop best practice on approaches to digital inclusion.

Digital inclusion is one of the central challenges facing every developed society across the world. As the Internet increases in its reach and importance, as new services are developed, and as technology gradually pervades every facet of our lives, ensuring that all citizens have the opportunity to benefit from these developments is an important concern for policymakers seeking to ensure fairness and equality across society.

Digital inclusion has received an increasing focus from government over recent years. Beginning with the government’s initial Digital Strategy, the issue has seen the creation of a ministerial post responsible for digital inclusion, and last year saw the publication of the government’s “Delivering Digital Inclusion: Action Plan” report. The issue is now being addressed by the government’s Digital Britain initiative, which will see further government action in this area.

While digital inclusion is an important issue for the whole of the UK, the issue is particularly pertinent to Wales owing to its demographics and geography. The reasons for digital exclusion are varied, but are exacerbated within Wales by its more rural geography, which impacts citizen’s ability to access digital services, and its lower income per capita. However, by the same measure Wales has much to gain by addressing digital inclusion.

The Committee's inquiry is wide-ranging and touches on many issues. While the BSG is active in many of these debates, most issues will have been covered by other stakeholders and respondents. Therefore, we are focusing our response on our core area of activity, broadband. In particular, we will review broadband infrastructure provision, take-up and usage, and the policy debates currently taking place within government, with a focus on the ongoing Digital Britain process.

In the rest of this submission, we provide an overview of the current and next generation broadband debates to set the context for our views, before moving on to discuss broadband in Wales. We then offer some thoughts on the government’s Digital Britain initiative and what this may mean for Wales, before providing our conclusions.

**First Generation Broadband**

The development of the UK broadband sector can be described as having had a slow start, followed by rapid take-up to the extent that, within a few years, it had become a world-leading broadband market in terms of coverage, take-up and price. This was facilitated by a regulatory framework that enabled competition and investment in the network, and driven by a competitive environment that saw a number of new entrants enter the market, along with competition provided by the cable network.

The last 12 months have seen the beginning of a slow-down in broadband take-up growth as the market nears saturation, coupled with the impact of the global recession. Penetration has reached close to two thirds of households.

13 http://news.bbc.co.uk/1/hi/technology/6447527.stm
14 For more information see http://www.dc10plus.net
16 http://www.broadbanduk.org/component/option,com_docman/task,doc_view/gid,1091/
17 http://www.broadbanduk.org/content/view/359/7/
18 Wales has a significant rural population—http://www.statistics.gov.uk/cci/nugget.asp?id=1081
19 Wales has the lowest GVA per capita of the UK nations and regions—http://www.statistics.gov.uk/pdffdir/gva1207.pdf—and a lower average weekly household income than the UK average—http://www.statistics.gov.uk/CCI/nugget.asp?ID=1158&amp;Pos=2&amp;ColRank=1&amp;Rank=278
20 The level of take-up at which the market will reach saturation depends on a number of variables. Previously, it was felt that PC penetration was a natural limit to broadband adoption. However, with the growth of the range of connected devices, this is no longer necessarily the case, and indeed broadband adoption could drive PC penetration. Further, there is also the issue of the number of homes within the UK that could take a service. A significant number of non-broadband homes are vacant or are second homes. For a fuller discussion please see http://www.rogerdarlington.me.uk/commswatch/2009/03/does_the_digital_divide_still.html
However, competition has continued to keep prices low, and network investment has enabled ADSL2+ technologies to be deployed, enabling even faster speeds for consumers.

The take-up of first generation broadband has created significant benefits for UK society and the economy. Within Europe, the UK has the most active online population, the largest e-commerce market, and the highest level of online advertising spend. UK citizens now have access to a wide range of public services online, and new commercial services are being created constantly. The positive impact of broadband on businesses and consumers has been reported in numerous studies, and broadband is now generally accepted amongst policymakers as a key enabler of a modern knowledge economy.

Broadband take-up and usage has also become a central tenet of creating a digitally inclusive society. The government’s digital inclusion team have recognised the benefits of broadband access as part of being a digitally included member of society, and the government’s recent interim Digital Britain report set out a vision for a broadband universal service commitment, to ensure that all citizens have access to broadband, in recognition of the importance of broadband access in modern life.

**Next Generation Broadband**

The success of broadband take-up, however, has led to a debate about how the UK should move to next generation broadband. The existing network is reaching its limits in terms of services it can deliver, while the volume of traffic is increasing year on year as more households move online and as new, more bandwidth-intensive services are launched. This has seen the policy debate shift over the last couple of years to next generation broadband, or superfast broadband.

The move to next generation broadband creates a range of issues for all stakeholders—the industry, government, regulator and consumer. These issues were clearly set out by the BSG’s 2007 report “Pipe Dreams? Prospects for Next Generation Broadband in the UK.” The report set out a number of recommendations for all stakeholders based on a series of issues relating to the regulatory framework, the role for policymakers and public sector intervention, and the commercial models required to support investment in the network. Overall, the BSG believes that progress has been made on all of the recommendations over the last two years.

In June 2008, the BSG undertook a study into the likely economic and social value of superfast broadband to the UK. This suggested that, although there would be significant costs to deploy next generation broadband, there would likely be significant benefits that would outweigh these costs. In particular, rural economies and societies would gain from those benefits that are based on travel and location substitution, which could be substantial.

During 2008, policy activity in the issue increased. In February 2008 Francesco Caio led an independent review for government into the barriers to next generation broadband deployment in the UK, which published its final report in September 2008. This was followed by the government’s Digital Britain initiative, which has identified superfast broadband as one of its key areas of focus. The government responded to the final Caio report in the interim Digital Britain Report in January 2009.

Although the Digital Britain process has yet to be completed, an emerging consensus between policymakers and other stakeholders is developing around the following view of superfast broadband in the UK. In the long term, it will be a key enabling infrastructure for the UK as a world-leading knowledge economy. In the near term, it is likely that private investment will deliver superfast broadband to UK consumers and businesses.

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22 http://www.broadbanduk.org/pipedreams
23 BSG, “A Framework for Evaluating the Value of Next Generation Broadband”
24 http://www.broadbanduk.org/content/view/304/7/
However, there will be limits to the extent of commercial deployment. A study published by the BSG last September as a contribution to the Caio Review suggested that, where a commercial case exists, it is likely to be applicable to 58% of UK households.25 The high cost of deployment will make private sector investment in the remaining 42% challenging. Further, these areas are likely to be rural and remote locations, because the nature of the costs of deployment means that the less densely populated areas are more expensive to rollout to.

It is therefore likely that some form of public sector intervention will be required in these areas to provide superfast broadband. The appropriate timing and exact nature of these interventions will vary from location to location, but what is certain is that policymakers need to begin thinking creatively now about how to address this issue. Given the civil works required to deploy networks, deployment can take a number of years. Waiting to address this issue until commercial deployment has been completed could mean waiting for many years, during which time we could see the development of a new and more serious digital divide than the one that currently exists.

BROADBAND IN WALES

Overview

Broadband adoption in Wales has shown growth slower than the UK average and that seen in the UK nations and regions, although it compares comparatively well to European peers. Welsh consumers experience speeds on average slower than consumers in the other UK nations. This can be largely explained by the greater proportion of rural households in Wales compared to other areas of the UK.

Broadband coverage and take-up has received significant attention from the Welsh Assembly, and has been on the policy agenda for a number of years. It will be important to maintain this policy commitment in the coming years, as there are significant prizes at stake for Welsh citizens, consumers and businesses.

The biggest of these prizes is that of superfast broadband, and the benefits this can bring. However, there is a real danger that, if it is not addressed by policymakers, an even greater digital divide could emerge as significant parts of Wales are left un-served by the market.

Current generation broadband

Broadband inclusion is produced through two related activities: creating the infrastructure to enable access; and stimulating demand for the access. Here, we will review Wales’ progress on these two sides of broadband inclusion.

As of June 2008, broadband penetration in Wales stood at 55% of households, which made it amongst the worst performing UK nations and regions.

PERCENTAGE OF HOUSEHOLDS TAKING A BROADBAND SERVICE

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However, it compares well against European peers, with take-up higher than in Italy and Germany. This is an important reminder that although relative performance may be worse than other UK nations, Welsh performance on the whole is still above the EU average of 48% of households.

![Broadband household take-up, Q2 2008](image)

**Source: Point Topic for BSG**

Within Wales, take-up was most prominent amongst the more densely populated conurbations in the South, with lower levels of take-up in central and northern Wales, predominantly rural areas. This urban-rural divide is an important part of broadband access debates, and something we shall return to later.

### PERCENTAGE OF HOUSEHOLDS TAKING A BROADBAND SERVICE BY LOCAL AUTHORITY

![Percentage of households taking a broadband service by local authority](image)

**Source: Point Topic for BSG**

Reasons for non-adoption are complex and diverse. In some cases consumers simply won’t be aware of the value or relevance of broadband to the way in which they live their lives, in other cases non-adoption will be closely linked to the complexities of social exclusion. This is supported by the most recent Ofcom Nations and Regions Communications Report, which stated that reasons cited by Welsh consumers for not purchasing a broadband service include cost (28% of non-users), no need (30%), and not having a computer (11%).

Addressing these varying reasons for non-adoption will require different approaches in each case.

However, this is broadly similar to results found across the UK. This would suggest that similar remedies to those put forward in existing policy debates in the UK are appropriate to Wales too, such as those outlined in the government’s report “Delivering Digital Inclusion: An Action Plan”. The BSG supports these proposals.

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26 [http://www.broadbanduk.org/component/option,com_docman/task.doc_view/gid,1003/]
A more localised issue for Wales, however, has been that of infrastructure provision. As referenced above, the rural-urban divide is a common theme within broadband access debates due to the technical characteristics of broadband, which mean that the service deteriorates with the length of the line—the longer the line, the worse the possible service. In rural areas, on average longer lines are used to serve homes from the exchanges. Those homes with very long line lengths will often not be able to receive a broadband service at all—and these “notspots” are more likely to be found in rural areas.

For Wales, this is a particular problem, given its greater proportion of rural homes than is found in other UK nations and regions. This is highlighted by the speeds achieved by consumers within Wales, with more homes being unable to achieve more than 2Mbps in Wales than any other UK nation or region, and similarly with fewer homes being able to achieve speeds of 8Mbps or higher than any other UK nation or region.

**Percentage of households achieving less than 2Mbps**

![Map showing percentage of households achieving less than 2Mbps](image1)

**Source: Point Topic for BSG**

**Percentage of households achieving 8Mbps or more**

![Map showing percentage of households achieving 8Mbps or more](image2)

**Source: Point Topic for BSG**
Within Wales, the impact of the urban-rural divide is further highlighted. The large conurbations in South Wales, surrounding Cardiff and Swansea, and to a lesser extent those in the North of Wales, are able to achieve faster services than those in the more rural areas of Wales.

Percentage of households achieving less than 2Mbps by Local Authority

Source: Point Topic for BSG

Percentage of households achieving more than 8Mbps by Local Authority

Source: Point Topic for BSG

Infrastructure provision has been a focus of Welsh government activity in the past. Previous activity has included providing funding to ensure all exchanges in Wales were broadband-enabled, and there is currently a scheme in place to register those who are in notspots that cannot receive any broadband service, with a view to addressing this lack of provision. The BSG advises that this scheme should work with, and be a part of, the government’s proposed broadband universal service commitment, currently being developed through the Digital Britain initiative.

However, the challenge of infrastructure provision for current generation broadband suggests that a bigger issue will be facing Wales in the medium to long term—that of next generation, or superfast, broadband.
Next generation broadband

The investment required to deploy next generation broadband in the UK is of an order of magnitude greater than the investment required to deliver first generation broadband. This is because deployment requires replacing part, or all, of the copper wire from the exchange to the home with fibre optic cables. This requires significant civil works. In comparison, first generation broadband required the installation of new electronics in exchanges and in homes, and no new cabling to be laid.

The BSG published a cost modelling report in September 2008 that demonstrated the costs of deploying next generation broadband in the UK. The report modelled three different fibre technologies: fibre to the cabinet (FTTC), which involves replacing the copper from the exchange to the street cabinet with fibre; and two different types of fibre to the home (FTTH), which involves bringing fibre from the exchange all the way to individual homes. For simplicity, only FTTC will be discussed here, as this is the solution due to be deployed to 40% of homes by BT by 2012.

The report estimated that deploying FTTC across the UK would cost £5.1 billion. However, the costs per home are heavily dependent on the household density in an area. This is due to the high level of fixed costs incurred during deployment—the more homes that are available to share this cost, the lower the cost per home connected.

The result of this characteristic of the costs of deployment means that, for the most densely populated areas covering the first 57% of homes (identified as AFTTC on the graph below) the cost per home is roughly the same. However, these costs increase for the following 26% of homes (BFTTC), likely to be rural homes, with the costs for the final 16% of homes (CFTTC) being almost as expensive as for the first 57% of homes.

For Wales, with its more rural population, the extent of commercial deployment is likely to be less than elsewhere in the UK nations and regions. Based on the cost modelling report, it is likely that only 40% of households in Wales will be within the least expensive AFTTC homes, to which market-led investment would be most likely. 34% of Welsh homes fall within the BFTTC category, with 26% of homes in the CFTTC area.

This would suggest that Wales could find that a larger proportion of its population are without superfast broadband access in the future than is the case across the rest of the UK. While this is clearly a concern for the digital inclusion debate, the impact of this could be heightened by the fact that it is rural economies and societies that could stand to gain the most from next generation broadband deployment.

This story is supported by previous commercial telecoms infrastructure deployment in Wales. The extent of the availability of local loop unbundling services, whereby alternative operators deploy their own equipment in BT’s exchanges, provides a useful indicator of where the market has found deployment to be commercially viable. As suggested by the map below, unbundling services in Wales are mainly available around the conurbations in the South. In June 2008, Wales had fewer homes connected to unbundled exchanges (64%) than any other UK nation or region except Northern Ireland.
A further indicator is the extent of the rollout of the cable network in Wales, which was the last time a civil works program to deploy telecoms infrastructure was undertaken in the UK. As with a commercial FTTC deployment, the cable deployment focused on the most densely populated areas, as the cost characteristics of this deployment are similar to that of next generation broadband.

As can be seen from the map below, the cable network again covers the dense conurbations in the South and the North of Wales. This is especially important, as Virgin Media are currently upgrading their network to achieve superfast broadband speeds of up to 50Mbps, comparable with FTTC. While their network covers almost 50% of UK households, so bringing next generation broadband to almost half the UK, it passes only 20% of households in Wales. Wales has the lowest cable coverage of any nation or region in the UK.27

27 It is also worth noting that, at the time of this submission, no exchanges in Wales have yet been enabled to provide ADSL2+ services. So far, 452 exchanges in the UK have been enabled, with the rollout continuing. http://www.samknows.com/broadband/btwbc-league.php
It is likely, therefore, that the size of the challenge facing Wales in the long-term, to create a fully inclusive digital society, will be greater than that facing the UK as a whole. The less densely populated environment of Wales is likely to be less attractive for market-led investment (although those areas that are densely populated, such as Cardiff and Swansea, are more likely to see market-led deployment).

This creates both a challenge and an opportunity for Welsh policymakers. While the size of the challenge is significant, Wales could provide a useful test-bed for establishing approaches to public sector intervention in next generation broadband. It should be noted that these approaches should not simply be on the supply side, but could also focus on demand-side stimulation. This is because higher levels of take-up reduce the costs per home for deployment—high take-up could make the difference in some areas between investment being commercially viable and not for the market.

Public sector intervention in next generation broadband

While a reasonable view exists of the likely extent of market-led investment, we are still at the early stages of market-led deployment of next generation broadband. Until this investment is complete the extent of commercial deployment will be unknown. Any approaches to intervention should therefore be mindful of their impact on market investment, and should be designed to be as efficient and effective as possible.

In June 2008 the BSG published a report that set out models for public sector intervention in next generation broadband, on both the demand and supply side. The report discovered a number of critical success factors for interventions:

- Interventions should not pre-empt the market, unless there are good grounds to do so;
- Interventions should use the open-access network model;
- Interventions should be designed to minimise the barriers to adoption by commercial retail service providers;
- Interventions should seek to stimulate and aggregate demand;
- Interventions should anticipate risks as far as possible via detailed planning;
- Interventions should comply with State Aid rules and other legal frameworks; and

The report also set out a number of recommendations, in order to ensure that interventions are efficient and effective:

- Interventions should follow the critical success factors as far as possible;
- Next generation broadband deployment should be encouraged in areas of new build, regeneration and redevelopment;
- Pilot next generation broadband projects should be coordinated with a clear goal;
- Interventions should seek to offer a standard set of wholesale products;
- Interventions should consider using the same commercial partners;
- Additional work should be carried out to help provide clarity on the commercial business case; and
- Interventions should define appropriate metrics for measuring success, which should be measured throughout the lifetime of the intervention.

Of particular importance is the need to ensure that interventions minimise the barriers to adoption for commercial retail service providers. The standardisation and harmonisation of interventions will have an important role to play in ensuring they are efficient and effective. Within this, a focus on developing standard wholesale products, using the same commercial partners, and aggregating demand (and projects) all have important roles to play.

Without harmonisation, commercial retail service providers are unlikely to provide services over these networks. This is due to their insufficient scale, and the costs service providers would incur through creating new systems to provide services over the network. This, in turn, would mean that consumers would not have the full choice of service providers.

An example of this occurring can be seen in the current generation broadband market, where Hull only have services provided by KCOM, the incumbent in the area. Commercial retail service providers do not provide services over this network as the cost involved in connecting to this network means that service provision is not commercially viable for them.

This issue, first raised by the BSG in its June 2008 report, has since been accepted by government through the Caio review and the Digital Britain Interim Report, and by the industry and regulator. As a first step to addressing this issue, the BSG is undertaking a project with the Community Broadband Network (CBN) to develop appropriate standards for local networks, to ensure that the barriers to service provision on these networks are minimised for commercial retail service providers.

It is the BSG’s position that any public sector intervention in Wales should follow the critical success factors and other recommendations set out in our report. Further, they should work with the standardisation and harmonisation process currently being developed by the BSG and CBN, as a way to achieving the most efficient and effective outcome.

**Digital Britain**

The government’s Digital Britain initiative is addressing a series of wide-ranging and interconnected issues facing the converging sectors of telecoms, media, and technology. The BSG has welcomed the process for its holistic approach, joining up thinking on a range of issues that had previously been addressed only as standalone challenges.

Within this framework, the government is examining approaches to increasing broadband take-up and coverage, and is re-examining the issue of next generation broadband.

On first generation broadband, government has proposed a broadband universal service commitment, to ensure every household in the UK has access to a broadband service, at a service level yet to be defined. The rationale behind this is to support online public service delivery, eventually allowing government to recover efficiency savings through the switch-off of “analogue” public services. It is anticipated that this will drive take-up amongst those who are currently non-adopters.

The BSG has welcomed this concept, and first proposed the concept of a broadband universal service commitment in November last year, in a speech made by BSG Chairman Kip Meek at the BSG’s Autumn reception. While the devil will be in the detail of how such a concept would work in practice, the goals of driving take-up and moving public service delivery online are supported by the BSG.

To further increase take-up, the government has reiterated its support for the conclusions set out in the “Delivering Digital Inclusion" report, has set out a process for creating a new national media literacy plan, and has suggested that the BBC be asked to play a role in increasing broadband take-up amongst the remaining non-adopters. The BSG has cautiously welcomed these developments, and has highlighted issues the government will need to consider with these ideas.

On next generation broadband, the Digital Britain Interim Report set out its strategic importance for the future of the UK’s knowledge economy. A series of actions were set out in order to assess whether there is a role for public sector intervention in next generation broadband, and to reconsider the conclusions drawn by the Caio review, which took place in very different economic circumstances.

All of these developments will have important impacts on digital inclusion in Wales. Future approaches to tackling digital exclusion in Wales should build on the progress made through the Digital Britain Report, when its final version is published in June this year.

Given the particular circumstances in Wales, however, there may be scope for the Welsh Assembly to consider its own approach to digital inclusion, particularly on the strategically important issue of next generation broadband. Given the likelihood that more public intervention will be required in Wales than elsewhere in the UK to bring next generation broadband to all, it may be that a different, more interventionist approach could be appropriate in Wales, particularly if the final Digital Britain Report finds no case for public sector intervention generally in the UK.

However, as discussed above we are still at the early stages of market-led deployment of next generation broadband, and any interventions should adhere to the recommendations set out above.

**Conclusion**

Digital inclusion is a wide-ranging issue, with links to the broader social inclusion agenda. While a range of measures are needed to tackle the various challenges of digital inclusion, increasing broadband take-up and coverage are important elements of any digital inclusion strategy. As this is currently the case for current generation broadband, so it is likely to be for next generation broadband in the future.

Within Wales, the issue is perhaps more acute than many other nations and regions in the UK as discussed above. While this may apply to many of the issues involved in digital inclusion, specifically here we have discussed the infrastructure challenges facing Wales, with a focus on next generation broadband.

Currently there is a comprehensive national policy debate taking place on these issues through the Digital Britain initiative, and stakeholders are waiting to see what will be in the final report when it is published in June this year. However, depending on the outcome of Digital Britain and given the circumstances in Wales, there may be scope for an approach tailored to address the specific issues facing Wales.

29 [http://www.broadbanduk.org/content/view/350/7/]
30 For the BSG response to the Digital Britain Interim Report see [http://www.broadbanduk.org/content/view/364/7/]
Where this is the preferred approach, any interventions should follow the recommendations of our June 2008 report on public sector interventions, and be aware of the ongoing standardisation work for local next generation broadband networks.

17 April 2009

Memorandum submitted by Mr Tom J. Brooks

My MP, Mr Hywel Williams, has suggested that I might provide some written evidence for your Committee’s enquiry into “Digital Exclusion In Wales”.

I have worked with digital and broadband systems for more than 20 years. As a pioneer in 1985, I edited a then definitive textbook for Prentice Hall of New York into network systems and was the principal consultant during the late 1980s for the Dept of Trade & Industry in the implementation of the first UK “wired” campus at Aston University. I have been a member of the Parliamentary IT Committee (PITCOM) for many years and have been assisting in the establishment of a new Welsh Assembly IT and Communications Technology Cross Party Group.

My comments address three relevant topics:

— Affordability by less affluent users;
— Quality of broadband service to users in Wales; and
— An internet community for Wales—the importance of the dotCYM initiative.

I am sure that the Committee will bear in mind the rapid pace of technological progress in the “digital world”. It is likely to be some three years before recommendations made by the Committee are fully implemented. By that time, technology will have advanced very substantially. It is as important, if not more so, that the Committee consider how to intercept the digital world from 2012 onwards, as it is for the Committee to recommend rectification of current failings.

Affordability by less affluent users

Developers of digital software of nearly all types adopt the presumption that the user will have access to high speed broadband networks. It is already difficult to keep security and operating system software up to date without access to a broadband service; by 2012, many pundits consider that it will be impossible.

No providers of network services in Wales currently provides a basic package of broadband based services that senior citizens and other people with modest incomes can afford. The Committee will need to decide what constitutes an affordable broadband package for lower income households. My personal view, based upon experiences from the USA, is that broadband service providers can deliver a useful no frills service for £1 per week and that this charge may be affordable to many lower income households. (Currently there are “first three months” fees of this scale available in the UK but no permanent affordable services).

As valuable as initiatives such as the recently announced communities 2.0 contract with the Wales co-operative centre are, they are no replacement for affordable services in the user’s own home.

Quality of broadband service to users in Wales

Usage of the Internet is changing. The volume of video transmissions is increasing rapidly; the success of You Tube is spawning many similar services. More and more web sites are using higher definition graphics and photographs.

There is a natural commercial desire by BT to extend the economic life of existing investment for as long as possible, particularly in the area of “local lines”. Deploying various technical enhancement improvements to existing infrastructure may be economically attractive to service providers but that approach to delivering “better” service risks “short changing” the users. The number of areas in Wales with no access to “broadband” services is reducing, although far too many still exist. Of equal concern are “broadband blighted areas” where the download and upload speeds are so slow as to create digital exclusion to various services that require higher bandwidths.

The distance of a user from the BT exchange is one major factor affecting the broadband performance that is available. Areas, such as in Cardiff West from Victoria Park in toward Canton, are “broadband blighted areas” where resident feel property prices are adversely affected by slow broadband internet access. An accelerated program of local fibre is considered necessary to reduce digital exclusion in such “broadband blighted areas”.
An Internet Community For Wales—the importance of the dotCYM initiative

The internet was devised on a “global community” basis. However the global dot.com demand has become “too big to succeed”. The organisation which controls the allocation of Internet identities is ICANN (The Internet Corporation for Assigned Names and Numbers). It has commenced the process of converting the internet into a “global federation of communities”, each of which will deliver substantial benefits to their community users, economic, cultural & linguistic and even crime minimisation.

Any significant community which does not successfully apply for its own internet identity, while the current opportunity exists, will be much disadvantaged throughout the next decade. Cultural communities, principal cities, even global commercial organizations are participating in the current round of applications for their own “Internet Top Level Domain” identity. Communities not succeeding will experience a further form of digital exclusion.

Following a widely supported community campaign in Wales, a not for profit company has been formed under the title dot.cym cyf to apply for an ICANN contract to establish a Welsh “Internet Top Level Domain” community identity. The ICANN application rules are rigid and complex: in essence government sponsorship is essential without ultimate government ownership emerging.

Members of the House of Commons from all parties have expressed support for dot.cym through two early day motions and the Welsh Assembly has approved supporting the dot.cym campaign in a formal plenary session motion. The advantages of a “cym” internet top level domain for Wales include:

— Economic: In 2007, UK on-line shoppers spent £42 billion, although the Welsh share was somewhat low, estimated at less than £1.5 billion. One objective of “.cym” is to open more of the £42 billion per annum of the UK ecommerce trade to the Welsh economy, which a Welsh community “Internet Top Level Domain” would permit;

— Cultural & Linguistic: a Welsh community “Internet Top Level Domain” would establish the Welsh Community of Interest as a distinct identity on the Internet, a means of branding things Welsh on what will be the world’s chief information medium for decades to come;

— Community Protection: No-one knows how much internet crime is committed by Welsh internet users, or the extent to which they are the victims of crime. Wales cannot police or protect Welsh internet users who have no option currently but to use American, European, UK, or even Russian internet services. A Welsh “cym” internet top level domain can provide a well policed protected environment for Welsh citizens.

Unfortunately, the Welsh Assembly Government’s financial support to dotCYM has been severely restricted to date and the campaign is in serious danger of failing, which will commit Welsh citizens to digital exclusion from the new internet “federation of communities world” for years to come.

I am content to expand further on any of these points should you wish it.

9 April 2009

Memorandum submitted by BT

INTRODUCTION

1. BT Wales welcomes the opportunity to contribute to the Welsh Affairs Select Committee inquiry into Digital Inclusion in Wales. This written submission provides a snapshot of BT’s current activity, as a partner of government and wider civil society, in assisting digital inclusion.

2. BT is the world’s oldest communications company, tracing our history back to the UK’s Electric Telegraph Company established in 1846. However, we have come a long way since then. BT’s story is one of transformation, a story of a company that has grown and prospered. Today we operate in 170 countries and employ over 100,000 people. We have one of the largest IP networks in the world and serve 18 million customers—from consumers and small businesses, to some of the world’s largest global companies.

3. Our products—which include home telephones, BT Vision (our television service), broadband and complex IT networks—help our customers communicate. Thanks to investment from BT, more homes in the UK now have access to broadband than have access to mains water and more than half of UK households are now connected to broadband.

4. As a social corporate citizen BT in Wales sees itself as a positive partner:

— supporting its communities—through schemes encouraging digital inclusion;

— championing the Welsh language—with an award-winning bilingual policy; and

— promoting competitiveness—by investing millions in the Welsh economy annually.

5. BT is helping Wales to take its place in the global knowledge economy. BT is equally as proud of its record in the field of Corporate Social Responsibility (CSR), playing a leading role on a range of issues, from tackling climate change to helping alleviate social exclusion.
6. In the specific field of digital inclusion, BT is committed to delivering on its corporate social responsibilities to bridge any barriers to an inclusive society. Examples of such activity carried out by BT include:

— over 99% broadband coverage in the UK means everybody can benefit from the opportunities of fast communication;
— we communicate with customers in ways that suit them, with available alternative formats including Audio CD, Data CD, Braille, E-Information and Large Print;
— our inclusive design toolkit encourages product designers to develop products that are accessible to as many people as possible;
— the BT Internet Rangers website provides tools for young people to teach older relatives how to use the internet;
— we are working with Age Concern to help transform their nationwide computer drop-in centres and access points into a network of Silver Surfer clubs; and
— we are similarly active outside the UK. For example, BT is working with Unicef on “Inspiring Young Minds”, a three year strategic programme in which BT is investing £1.5 million into projects that focus on bringing education, ICT and communications skills to disadvantaged children in South Africa (2007–08), Brazil (2008–09) and China (2009–10).

The recommendations of the Government’s Digital Inclusion Action Plan, with respect to their application to Wales


8. One of the key comments in that response was that whilst we agreed with much of the analysis concerning the types of people who are excluded (older people/those with disabilities), we would like to see further focus by the UK Government on pinpointing specific geographical communities. As noted in point 16 of our consultation response:

“There is a passing reference to Project Access in Cumbria (in Chapter 4 on page 31). The document also refers to stats from the ONS in the North East England. It would be interesting to know the picture in other areas. For example, there is a similar picture in the South Wales valleys, which are characterised by social deprivation—high levels of sickness/higher than average unemployment/low educational and skills levels/highest teenage pregnancy rates/high sickness levels. Access to broadband is high but take-up is very low—hovering above 30%. Focusing on geographic areas might provide a more rounded picture alongside the existing demographics information.”

9. BT Wales believe that in addition to targeting specific groups such as elderly people, specific targeting of areas in Wales with low broadband take-up, such as the South Wales valleys, may be the most effective means of increasing digital inclusion overall. At the time of writing, BT is currently involved with a leading Welsh think tank, The Bevan Foundation, in preparing the ground for a research project pinpointing reasons behind low broadband take-up in these South Wales valley communities.

The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

10. BT Wales believes that joint collaboration across sectors from public, private and the voluntary sector is a highly effective way to increase digital inclusion across the entire nation.

11. Over numerous years BT has worked in collaboration with both the Welsh Assembly Government and local authorities in order to increase digital inclusion in Wales.

Welsh Assembly Government—Communities@One.

12. In 2005 BT held initial discussions with several voluntary groups in Wales and with the WAG following three successful projects it ran working with Citizens Online. The three projects were in Rhyl West, Rhondda and Newport. The basic approach was to employ a full time community worker from each of the wards identified for the projects. The community worker became the ICT champion and encouraged take up of technology by identifying people’s interests and needs. The aim was to establish a Wales wide programme using the same methodology. The WAG saw the benefits of this approach and created the communities@one programme, which has been hugely successful. BT has remained involved with the project through the advisory board. Communities@one has been able to support many wide-ranging projects across Wales, some of which have also had BT involvement. Communities@One was recently shortlisted for the European e-inclusion awards. We understand the WAG intends to develop the programme into a new project to be called Communities 2.0 and to look specifically at the role of social enterprises in community regeneration.
**LOCAL GOVERNMENT—LOOKED AFTER CHILDREN PROJECT**

13. The Looked After Children project in Caerphilly, was launched in December 2007 and in Carmarthen in 2008. BT in Wales identified that Looked after Children are a particularly vulnerable group and often excluded from digital technology as they do not have consistent access to a computer or broadband connection at home. This is a contributory factor to their low educational attainment which in turn impacts on their employability and life chances. BT has worked with two local authorities, Carmarthen and Caerphilly, to provide computers and broadband connections at the homes of the families caring for Looked After Children. In Caerphilly the local authority was able to obtain funding from the Welsh Assembly Government to augment the funding received from BT and, therefore, has been able to reach more children, 90 in total across the borough. BT has also initiated a programme to provide work experience in BT for Looked After Children and we are in active discussion with the WAG Minister for Children and Young People on ways in which this can be developed further. We hope that other private sector organizations will join in offering a pan Wales work placement programme for looked after children and care leavers.

**VOLUNTARY SECTOR PARTNERSHIPS WITH BT IN WALES**

14. BT has worked with a number of voluntary organisations in Wales ranging from Barnardo’s Cymru to Valleys Kids, from Help the Aged to Childline Cymru. Some recent projects carried out in partnership with local community and voluntary sector groups, include:

- assisting both financially and free consultancy time with a community house in Holyhead, MORLO (Morawelon and London Road community project), to provide an ICT resource for digitally excluded people living on the estate and surrounding areas;
- creation of a digital inclusion programme, titled TARAN, in order to raise awareness for tenants and residents on the Treseifion council estate of the opportunities that arise when people have the required skills and access to ICT. To date the programme has been a great success drawing in new partners such as RNIB Cymru and Careers Wales.

The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio).

15. The future success of the Welsh and UK economies depends on them being ready for competition between knowledge economies. A knowledge economy requires world-class education, an environment that encourages entrepreneurialism, and a competitive cost base. We have to work at being world-class in all of these—we cannot presume to automatic leadership in any area. As is now almost universally accepted, the immediate competitive challenge is coming from Asia.

16. The next generation of global competition will, therefore, have a profound impact upon the competitiveness of the UK. Britain will need to take tough choices in the fields of education, innovation and productivity to take advantage of the major economic changes which lie ahead. The current economic turmoil adds a layer of complexity, of course. Broadband networks, fixed and wireless, are changing the nature of the economy, the way we do business, the way we learn, and the way we use our leisure time. Businesses will increasingly outsource activities across the world—this means skilled, financial and intellectual jobs. The UK needs to develop high-value skilled jobs and people to avoid the whole value chain being outsourced.

17. The UK has been at the forefront of the broadband revolution. We have moved from less than 150,000 broadband connections in 2002 to around 13 million now. At over 99% availability we are world leaders. Current take up levels for broadband are just over 60%, which puts the UK second in the G7 and on the fastest improvement trajectory.

18. As the leading private sector investor in broadband across the UK, BT broadband take-up among Welsh customers has been growing rapidly over the last year and currently stands at around 32%, compared with the national average take-up of around 29%. Our competitors also have broadband customers and the May 2008 Ofcom report suggests that overall broadband take-up in Wales was then around 45%. Already, approximately 60% of homes in the UK are connected to broadband and this is facilitating people working from home some or all of the time—for example, over 10% of BT’s own workforce works from home and a total of around 70% are equipped to work flexibly. BT take up figures for the counties of Anglesey, Ceredigion and Pembrokeshire are around 50%.

19. BT has completed its roll out of ADSL Broadband to 100% of telephone exchanges in Wales, bringing the benefits of broadband to nearly all communities, and with an active effort to rectify any existing areas in Wales which, for geographical or other reasons cannot presently receive broadband—the so-called “not-spots” areas. Openreach, the BT company which provides the connections between the customers and the local exchange on a wholesale basis to numerous communication providers, is proactively seeking solutions for a host of not-spots across Wales, both in partnership with the Welsh Assembly Government and, where commercially viable, at its own cost.
20. The UK Government’s Digital Britain work has, amongst many other things, raised the question of a universal service commitment for broadband. As noted in action 17 of the Digital Britain interim-report in January 2009:

“We will develop plans for a digital Universal Service Commitment to be effective by 2012, delivered by a mixture of fixed and mobile, wired and wireless means. Subject to further study of the costs and benefits, we will set out our plans for the level of service which we believe should be universal. We anticipate this consideration will include options up to 2Mb/s.”

21. We look forward to working in partnership with the UK Government over coming months to flesh out further “detailed proposals for the design and operation of a new, more broadly-based scheme to fund the Universal Service Commitment for the fully digital age—including who should contribute and its governance and accountability” (Action 18, Digital Britain interim-report, January 2009). The way this is implemented will clearly impact upon future activity to address broadband not spot though it is as yet unclear what percentage of coverage the UK Government will recommend in its final Digital Britain report.

22. UK businesses and public sector bodies that require significant bandwidth are already well served, with more than 200,000 companies in the UK already having fibre laid directly to their premises. BT is taking this one step further with plans to roll out fibre-based, super-fast broadband to as many as ten million homes by 2012. The initial £1.5 billion programme will deliver a range of services based on both FTTP (fibre to the premises) and FTTC (fibre to the cabinet) with top speeds of up to 100Mb, with the potential for speeds of more than 1,000Mb in the future. This investment forms part of BT’s wider strategy of delivering next-generation broadband services nationwide, available as a wholesale service that can be bought by a whole range of broadband retailers and ISPs.

23. Communication networks are a vital part of the nation’s infrastructure, and a critical component of the UK’s industrial competitiveness. Investment is vital to build long-term success in an increasingly competitive market place. In 2008, Whitchurch in Cardiff was chosen by BT as one out of two pilots in the UK to be at the vanguard of FTTC Super Fast Broadband enablement.

24. With BT’s 21CN investment, including WBC, the FTTC SFBB, as well as localised wireless technology Cardiff is well on its way to achieving its goal of being a major Digital City.

The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad

25. BT is aware of the Webb report on training and skills in Wales and of the ongoing activity, under the leadership of Sir Adrian, to address the key issue of skills in the workforce.

26. BT is an active member of eSkills (the ICT sector skills Council) in Wales and has supported activities such as Computer Clubs for Girls, (CC4G), which help young girls embrace ICT. Sessions have been held with Welsh schools at BT’s data centre in Cardiff.

The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available

27. BT in Wales is an active corporate citizen across numerous cross-cutting fields from supporting the Welsh language to the Climate Change agenda. Last year alone BT made a contribution of over £1 million to the communities of Wales. As a member of the “Per Cent Club” BT commits 1% of its annual pre-tax profits to not-for-profit causes (£22.3 million last year in the UK), that is made up of monetary and in-kind donations. It is this kind of contribution that can make a huge difference to some organisations and community groups.

28. As a commercial organisation operating in Wales, we believe that BT’s contribution to digital inclusion is unparalleled.

29. BT is an active member of Business in the Community in Wales and through that organisation has been involved in a variety of activities. These include:

— HRH the Prince of Wales’s climate change summits in 2007 and 2008;
— the Wales Seeing is Believing Programme which includes 4 visits by businesses to see specific community activities with a view to increasing their engagement thereby providing community groups and charities with practical support from business;
— hosting and sponsoring BITC events on climate change; and
— delivering, in partnership with BITC, 20 BT Internet Ranger sessions at schools in the Heads of the Valleys area to encourage children to show parents and grandparents the benefits of the internet.

30. Access to Information and Communications Technology (ICT) can improve people’s lives, opening doors to education, jobs and entertainment. But many people are still missing out because they don’t have the opportunity or necessary skills to use the technology. With this in mind BT has numerous ongoing Digital Inclusion Programmes which have allowed hundreds of community and voluntary organisations throughout Wales to benefit from the various digital inclusion schemes BT provides through its Corporate Social Responsibility (CSR) programme.
31. For example:
   — BT Community Connections—Awards of an internet-ready PC and a contribution towards a
     year’s broadband internet access through BT Total Broadband which is open to community and
     voluntary organisations. www.btcommunityconnections.com;
   — BT Internet Rangers—Awards and events that celebrate the inspiring young people who are using
     their internet skills to help bridge the digital divide. www.btinternetrangers.co.uk;
   — BT Silver Surfers—BT works in partnership with such organisations as Age Concern in order to
     access individual grants to fund projects providing support for older people in maximising the use
     of information and communications technology;
   — Crossing the Divide—Following the progress of eight new internet users in the “Crossing the
     Divide” trial. www.btplc.com/Societyandenvironment/Digitalinclusion/Digitalinclusion.htm;
   — Everybodyonline—Driving ICT uptake and use in communities across the UK. www.citizensonline.org.uk/conline;
   — Netmums—Helping parents to link up online. www.netmums.com; and
   — Free Website Builder—Free, easy-to-build websites for charities, schools and community groups.
     www.communitykit.co.uk.

32. These and other programmes are run by BT across Wales, offering a targeted approach be it to a
    specific geographical community or social group.

33. One example of targeting specific groups is the work BT has carried out in assisting deaf and hard of
    hearing groups in receiving equality of access to our products and services. An important part of this was
    making our information easier to use and understand. Our BSL on the Internet project is just one way that
    we are making information more accessible. In 2006, we were the first FTSE 100 Company to provide BSL
    information on our website, subsequently developing a website called BT Sign to assist in digital inclusion
    for those deaf and hard of hearing groups.

34. In 2008 BT replaced its existing schemes to help those on low incomes with BT Basic, which is aimed at
    those who receive Income Support, Income-based Jobseeker’s Allowance, Employment Support Allowance
    (Income based) or Guaranteed Pension Credit. The new service seeks to maximise digital inclusion for those
    worst affected in tough economic conditions.

35. BT is committed to providing the best possible protection for its customers and to do this BT not only
    offers a range of protection in the network but also a wide range of security features are provided as part of
    the email, narrowband and broadband ISP service to UK consumers. In any discussion of these issues,
    however, it is important to retain a sense of proportion and to weigh the huge benefits of using modern
    technology against potential risks.

36. There is no single solution to the issue of online safety. However, a combination of education and
    technical solutions will provide an environment in which all consumers and businesses can utilise a
    combination of protections that maintain a balanced approach. It is important for all users to maintain a
    sensible approach to using the technology, recognising the potential pitfalls and managing them in a
    sensible way.

37. Safe usage of the internet for children is the subject of many initiatives, recognising that children are
    less experienced in the ways of the world and may have a propensity to divulge more information about
    themselves to strangers than they ought. This, of course, is an issue much wider than just in the online
    environment.

38. BT provides comprehensive parental control protection to all its narrowband and broadband
    customers. The parental controls are provided by Yahoo! and enable parents to block websites considered
    to be unsuitable, restrict the number of hours and the times of the day that children access the Internet. The
    service has a Kids, Teens and Mature Teens setting to enable parents to protect their children. There are also
    controls to protect against Instant Messaging (IM) abuse, for blocking webcams, file transfer, voice
    communications, chat rooms and multi way conferencing.

39. Internet security is both a product issue and a user concern. Amongst other things, users should:-
   — understand the risks and safeguards available;
   — ensure firewall, anti-virus and anti-spyware software are installed;
   — keep these protections up to date;
   — keep their computer operating systems up to date;
   — protect personal and financial details; and
   — set up parental controls where children are computer users and move the computer to a family
     room.
40. To supplement the actions users should be taking themselves, ISPs can take additional measures on their behalf. For example, BT uses a spam detection system called “Spam Buster”, which not only tracks down “professional” spam emanating from the BT network but also protects individual PCs against being hijacked to produce more spam.

41. BT’s Internet Green X Code, in association with leading children’s charities, seeks to encourage parents and child to be vigilant of the dangers associated with the internet. The code teaches parents a number of safety precautions such as: “Teach them to be as careful about strangers online as they are on the street.” BT holds a bilingual Internet Green X Code (www.bt.com/education) promoted regularly in BT Internet Rangers events across the length and breadth of Wales.

42. BT in Wales also works actively with other organisations such as WISE KIDS in order to ensure that citizens (in particular children and young people) have a high level of competency when it comes to internet safety. WISE KIDS is a not-for-profit company, founded in October 2002 in part to promote innovative, positive and safe Internet use. In October 2008, BT was one of the main sponsors of the WISE KIDS organised Wales Internet Safety Partnership (WISP) one day national conference in Swansea. The one day conference provided an opportunity for key public, private and voluntary sector groups to come together to share best practice in fields such as eSafety. We plan to launch a Welsh Language Internet Safety project at the Urdd Eisteddfod in 2009, in partnership with Wise Kids and the Urdd to raise awareness and promote safe internet usage. Additionally two further one day conferences will be held by WISP during 2009 and we will co-fund these to ensure the safety agenda is visible and understood.

Conclusion

43. BT welcomes this opportunity to set-out its key activities in the field of digital inclusion in Wales. Working in partnership with all tiers of government we strive to ensure a Welsh citizenry educated and digitally included in all walks of life, both for their economic and social return.

February 2009

Annex A

Delivering Digital Inclusion, An action plan for consultation—comments from BT

Introduction

1. BT is one of the world’s leading communications service companies. Our vision is to help customers thrive in a changing world. BT has transformed itself in recent years and has grown and prospered through being competitive, customer focused and innovative. We have learned to compete and win against some of the world’s biggest companies to become a truly global operation. Our base and roots are, of course, here in the UK, where we have more than 16 million business and residential customers. We also provide network services to other operators to enable the thriving and very competitive UK communications industry.

2. Our 100,000 employees in the UK are drawn from a diverse age, ethnic and social background and many of them are very active within the communities in which they live and work in pursuit of an inclusive society.

3. BT itself is committed to delivering on its corporate social responsibilities to bridge any barriers to an inclusive society. For example:

   — over 99% broadband coverage in the UK means everybody can benefit from the opportunities of fast communication;

   — we communicate with customers in ways that suit them, with available alternative formats including Audio CD, Data CD, Braille, E-Information and Large Print;

   — our inclusive design toolkit encourages product designers to develop products that are accessible to as many people as possible;

   — the BT Internet Rangers website provides tools for young people to teach older relatives how to use the internet;

   — we are working with Age Concern to help transform their nationwide computer drop-in centres and access points into a network of Silver Surfer clubs;

   — we are similarly active outside the UK. For example, BT is working with Unicef on “Inspiring Young Minds”, a three year strategic programme in which BT is investing £1.5 million into projects that focus on bringing education, ICT and communications skills to disadvantaged children in South Africa (2007–08), Brazil (2008–09) and China (2009–10).
RESPONSES TO CONSULTATION QUESTIONS

Question 1: How far do you agree with the definition of digital inclusion and the nature of the problem set out in Chapter One?

4. The first chapter provides a good overview of the current evidence base which demonstrates a strong correlation between social and digital exclusion.

5. The action plan is about reducing the potentially widening divide between the “haves” and the “have nots”. The measurement of success of the Digital Inclusion action plan is the extent to which the number/depth of missed opportunities to improve the quality of life and life chances are reduced over time. We believe that the definition should focus on the “have nots”.

6. We support the definition from “The Digital Inclusion Landscape in England: Delivering Social Impact through Information and Communication Technology” Digital Inclusion Team, March 2007:-

“The best use of technology, either directly or indirectly, to improve the lives and life chances of disadvantaged people and the places in which they live.”

Question 2: How far do you agree with the analysis set out in Chapter Two? Is there other evidence we should consider as to why digital inclusion is an important social issue?

7. The analysis set out in Chapter Two provides clear and compelling evidence as to why digital inclusion is an important social issue.

8. For more than 10 years, BT has embraced flexible working for its employees through the use of communications technologies with startling results. Around 70,000 of our people work flexibly and more than 11,000 regularly work from home. Last year we eliminated over 800,000 meetings and saved at least 97,000 tonnes of CO2 on business travel through our employees’ use of audio, video and web conferencing/collaboration services from the workplace or home.

9. Since 1996, we have reduced our carbon emissions by 58% and have set ourselves a challenging target of an 80% reduction by 2020, worldwide. Enabling our people to harness digital technologies to carry out their day-to-day work is a key strand in our strategy to reach this target.

10. In relation to the section on Sustainable communities, BT has been an active member of the Global e-Sustainability Initiative since it was formed in 2001. If more information is needed on the steps being taken by the ICT sector to improve sustainability performance, go to www.gesi.org Whilst it is understandable that the focus of the digital inclusion action plan is on improving social outcomes, there are other longer term positive impacts from this work. For example, the increasing use of digital technologies will make a substantial contribution to the reduction in emissions of greenhouse gasses.

11. It is worth noting that in chapter 2, section 2, it says that “Contrary to the view that all young people are connected, or will be over the next few years, it is estimated that by 2025, there will still be 20 per cent of all 15-24 year olds not using the Internet”. Unfortunately, this statement is wrong. It is based on the UK Online commissioned report, Digital Inclusion: A Discussion of the Evidence Base. This report assumes a steady 11% exclusion rate for 16–24 year olds in order to make predictions about changes in internet use in other age groups as a result of demographic changes only. However, according to ONS data, published in August 2008, the percentage of 16–24 year olds who had not accessed the internet in the last three months, was down to 7%, from 10% the previous year.

12. As to other issues that might be considered, it might be worth the Government considering gender differences. On page 24 of the consultation document it says that 58% of women do not have internet access at home or elsewhere. It may be worth examining whether there are differences in skills levels, competence and confidence in using digital technology, and in the uses men and women make of digital technology. If there are differences, are these significant?

Question 3: How far do you agree with the analysis in Chapter Three of the main barriers which prevent individuals and communities from engaging in digital technologies?

13. We agree with the analysis which builds on the research report commissioned by UK Online Centres: “Digital Inclusion, A discussion of the Evidence Base”, which identified the main barriers as:

   Access—whether an individual has some means to access digital technologies

   Motivation—whether the individual sees some benefit from or has interest in accessing these technologies

   Skills and confidence—whether the individual is able to, and feels able to, make effective use of technologies
14. As part of BT support for the Everybody Online projects, we have commissioned independent research to measure the impact of these projects. For people who were non users of the internet, the main reasons identified were:

— Lack of interest.
— Not having the equipment
— Lacking the skills or confidence
— Feeling too old (predominantly amongst the 55+ age group)
— Concerns about the running costs
— Not having sufficient time

[Extract from RSM Annual Research review of Everybody Online projects for 2007–08]

15. BT has also contributed to the evidence base through the Crossing the Divide project where non users from a variety of different backgrounds were helped to develop computer and internet skills. As part of the project, cognitive neuropsychologist, Dr David Lewis, investigated the impact of going online on the brain and nervous system. For first time users, he found that going online can create the same level of anxiety as that found in a learner driver taking the wheel for the first time. In some cases the levels of fear were as high as those found on someone taking their first bungee jump.

16. Chapter 3 does a good job in analysing the types of people who are excluded (older people/those with disabilities) but we would also like to see some focus on geographical communities. There is a passing reference to Project Access in Cumbria (in Chapter 4 on page 31). The document also refers to stats from the ONS in the North East England. It would be interesting to know the picture in other areas. For example, there is a similar picture in the South Wales valleys, which are characterised by social deprivation—high levels of sickness/higher than average unemployment/low educational and skills levels/highest teenage pregnancy rates. Access to broadband is high but take-up is very low—hovering above 30%. Focussing on geographic areas might provide a more rounded picture alongside the existing demographics information.

17. In addressing those people who have no current interest in taking up broadband/the internet and/or are put off by the need to own and use a computer, initiatives such as Project Canvas, BT’s recently announced partnership with the BBC and other broadcasters, are important in introducing people to broadband via their television set. This will be enabled by a new generation of broadband-ready TV and Freeview boxes.

Question 4: What are the most effective ways to remove these barriers and ensure that all individuals can exercise an empowered choice about their use of digital technologies?

18. We agree with the comment in the paper that to be most successful: "engagement programmes (must) focus on the individual needs of participants; the actual applications and their benefits rather than the ICT itself. Focus must lie on specific targeted benefits"

19. The third sector has an important role to play as independent trusted organisations. For example, it makes sense for Age Concern and Help the Aged to play a leading role and be involved in silver surfer type activities to help older people realise the benefits of digital technologies.

20. People who have taken part in BT’s Crossing the Divide project, starting as non users, have been surprised how easy it is to use digital technologies, and wonder why they hadn’t made use of it before. With equipment, internet access and support, all participants quickly gained the skills and confidence to benefit from the experience. People who have made the transition from non users to users, make good ambassadors/role models to encourage others to take the first steps.

21. There are groups of vulnerable people which can be identified as needing direct support to gain access to digital technologies. For example, BT runs a scheme in Wales partnership with some local authorities to provide computers, broadband access and printers to Looked After Children. Statistically, such children have extremely poor life chances, and the purpose of the Computers for the Looked After Children programme is to provide these children with access to digital technologies in their home environment, to enable them to do research for school work on the internet and social networking. In this case, it is usually not the lack of skills and confidence in using digital technologies that excludes the children, but rather the lack of direct and easy access.

Question 5: What are the risk factors and benefits for different communities associated with current and next generation access?

22. These important issues are being considered now by all industry players, not just because of potential digital exclusion implications, but because of the need to fully understand the potential market for Next Generation Access. Targeting digital inclusion should be integral to plans for the roll out of NGA. The Digital Britain work led by BERR is the right forum for immediate consideration of these issues.
Question 6: What should be done to empower communities and local partnerships to address these risks and benefits?

23. The consultation paper correctly says that there are a very large number of initiatives and organisations engaged in efforts to reduce the digital divide. Through BT’s funding of Everybody Online projects, we target support for disadvantaged communities. We also sponsor the Age Concern Digital Inclusion Network and through BT Internet Rangers, we also support and recognise young people who help older people go online. We have recently launched an initiative in partnership with the Football Foundation called “Communicating for Success” which mainly focuses on disadvantaged youngsters.

24. BT welcomes Government funding for initiatives such as the Local Authority, Digital Challenge. Grant schemes, channelled through third sector organisations can be very effective. Many examples are featured in UK Online Centre’s “Digital Inclusion, Social Impact” research report, published September 2008.

Question 7: How far do you agree with the summary of issues around the direct use of technology presented in Chapter Three? Are there any other important issues we have not mentioned?

25. We agree with the summary of issues around the direct use of technology. There are no obvious omissions, although it might usefully have reinforced the importance of engagement programmes focusing on the individual needs of participants, which will vary greatly between different disadvantaged groups.

Question 8: How far do you agree with the assessment of risks and opportunities around the indirect benefits of technology presented in Chapter Four?

26. We agree that better use of technology can make an important contribution in delivering real benefits, particularly to communities and people who are disadvantaged. As an example, BT is currently working with North Lincolnshire to develop a homeshoring element of an e-clinics trial which aims to improve the effectiveness of mental health support.

Question 9: How can we raise awareness of the indirect benefits of technology for service design, planning and delivery across all sectors?

27. Information sharing networks, such as DC10 plus, the Alliance for Digital Inclusion and the National Digital Inclusion team, play a very important role in raising awareness of the indirect benefits of technology. Award schemes also make a valuable contribution in recognising and promoting best practice.

Question 10: Does the way in which services, particularly public services, are currently delivered adequately support individuals and groups who are socially disadvantaged? What more could be done to ensure they do?

28. BT has a number of arrangements to work with others to deliver services to the socially disadvantaged. In addition to things mentioned elsewhere in this input, for example, BT has 80% ownership of Liverpool Direct Ltd, the largest public/private partnership of its kind in the UK, providing services to and with Liverpool City Council.

29. Of course, some public services deliver adequately but there is more that could be done, particularly in joining up the programmes; or at least better co-ordination between them, ensuring they deliver outcomes, that there is follow through, and that they utilise the full skills and capabilities—and leverage the integrated resources—of the public, private and third sectors.

30. There is a shift in education at the moment, with a desire to build learning communities such as the planned Manchester Community Academy which BT is supporting, including providing innovative thought-leadership. The trend is towards greater use of technology in taking down the walls of the school and encouraging all ages to learn (anywhere, anytime, any device) which could potentially increase the digital divide without consideration of equality of access. The capability to connect home to school, school to school, library to school etc will be essential and this is our vision in partnership for Manchester. Avoiding “silo thinking” is key to joining up public/private resources, so as to offer real opportunity to drive up skills and improve access to and efficiency of public services.

31. Whilst parts of local government are doing a good job in engaging in private partnerships with companies like BT to provide more modern and effective services to citizens using digital technologies, this is not the norm and perhaps government needs to provide a stronger steer in this regard. For example, the Agile Working/Workstyle Transformation partnership we have with Aberdeenshire Council not only has the benefit of providing the Council with substantial cost savings over the medium to long term, but will also contain elements of digital inclusion—for example, the role of digital technologies in enabling disabled people to work, widening the talent pool, etc.
Question 11: Are you aware of any other examples of good practice not mentioned in Chapter Five?

32. We are pleased that BT supported activities: BT Internet Rangers, Everybody Online projects and the Age Concern Digital Inclusion Network have been identified as examples of good practice in Chapter 5.

33. We believe that these approaches will be very effective in engaging with specific groups who are digitally excluded.

34. But there are many other activities that deal with digital inclusion in one way or another. For example, as mentioned earlier, BT has recently launched an initiative in partnership with the Football Foundation called "Communicating for Success", and in Wales we operate the “Computers for Looked After Children” programme.

35. Other examples include the successful Liverpool Kensington Vision & Liverpool Alt Valley Vision projects, which have harnessed local talent in creating community portals and digital content to give people a voice and foster community cohesion. Liverpool 8 EverybodyOnline has improved ICT skills and access through inter-generational programmes with schools and community organisations, providing the local community with the means to take full advantage of skills, employment, and personal and neighbourhood empowerment opportunities. BT is pleased to have been instrumental in creating and supporting these exemplar digital inclusion projects, which have been visited and applauded by Ministers. For example, Digital Inclusion Minister Huw Irranca-Davies visited the BT Liverpool 8 EverybodyOnline project in June 2008.

36. Many parents have purchased a computer and have Internet access at home available to their children for learning. However, over 1m school age children in the UK lack access to a computer at home for their formal and informal learning, and over 2m school age children cannot go on-line at home. The Universal Home Access Programme aims to ensure every learner in England (five to 19 years old and in maintained education) has access to increased educational opportunities via ICT resources at home. The programme is led by the Home Access Taskforce and aims to consider and advise on ways in which home access to learning via technology can be delivered for all school-aged children in England; and to ensure that any plans are sustainable, offer value for money, and include and promote safe and responsible use. The aim is to raise educational standards, narrowing the achievement gap between learners, and increasing participation of pupils and their parents/carers.

37. Although the key target for Universal Home Access is children and improving their educational attainment, there are associated benefits for families as a whole, including parents who might otherwise be excluded because of the lack of IT skills and experience. This, of course, implies that there is more to be done than just provide access—there needs to be help with skills and training as well. If this happens then individuals who are currently disadvantaged will be able to play a greater role in society and contribute more to the economy.

38. BT has contributed to the work of the Task Force, providing deeper understanding of the underlying causes and impact of digital inclusion. Equally, BT has contributed to the group’s understanding of the opportunity that universal access offers for improving life chances for individuals and for their contribution to their communities. The group’s main task is to develop a sustainable business model, which, addresses all eligible children beyond 2011, and represents value for money with the best educational and social returns possible. The group has developed a set of feasible alternatives for determining eligibility criteria, and developing functional, delivery and funding models.

39. It would perhaps have been worthwhile for this chapter to include examples of good practice from outside of the UK.

Question 12: What aspects of previous or current digital initiatives and strategies have been most successful in tackling digital exclusion?

40. The competitive communications marketplace in the UK has been a key factor in the rapid take up of broadband. BT is the leading private sector investor in broadband Britain and we are proud of our role in ensuring that access to, and take up of broadband in the UK is amongst the best in the world. Broadband is available to over 99% of UK homes, the best availability of broadband access of any major nation. BT has announced plans to invest up to £1.5 billion in superfast broadband, to up to 10 million homes by 2012, subject to the right regulatory conditions providing a reasonable expectation of making a proper return on that investment. Current take up levels for broadband are just over 60%, which puts the UK second in the G7 and on the fastest improvement trajectory.

41. In situations where a commercial approach would have left gaps, the targeting of EU and/or Government funds, for example Actnow Cornwall, has proved very successful. The development of UK Online Centres has been particularly successful in helping to tackle digital exclusion.

42. However, there are still some customers—fewer than 1%—who live in locations current BT broadband cannot reach. We continue to search for cost effective ways to minimise this problem. Where policy makers decide to use public funds to address this issue BT considers on a case by case basis whether it can craft a solution using the funding available. Our general expectation is that in the majority of cases the most efficient use of public funds would result in local and bespoke solutions based on satellite or radio technologies rather than BT’s portfolio. For those who do not have broadband for other reasons, the
economic impact of addressing digital exclusion—for example for geographic communities that are economically deprived such as the South Wales Valleys—may have tangible benefits that meet public policy objectives.

43. The Digital Britain work has, amongst many other things, raised the question of a universal service commitment for broadband. BT is keen to explore this issue fully and believes that a proper, and widely-drawn, funding mechanism would be needed, including contributions from all fixed and mobile operators, broadcasters and content/application owners.

*Question 13: What actions need to be taken to support better partnership approaches?*

44. From the outset of BT’s Digital Inclusion programme, we have recognised the importance of working with other organisations to achieve maximum impact. We were a founder member of the Alliance for Digital Inclusion which acts as a forum for Government, Local Authorities, Third sector and businesses to work together.

45. The Digital Inclusion Champion may have a role in promoting better partnership working.

*Question 14: What should be the extent of Government’s intervention in tackling digital exclusion?*

46. Aside from issues captured elsewhere in this response (para above) relating to Digital Britain, Government has a key role in deciding national priorities, setting targets and funding programmes. Both central and local government should act as a Digital Inclusion role model for other organisations to follow. Intervention should be limited to circumstances where the normal operation of the competitive market would lead to inequalities.

*Question 15: How else can the impact of current activity be maximised?*

47. Clear national targets are needed for specific disadvantaged groups, such as the e-Inclusion commitments made by EU ministers. There also needs to be clear leadership with either individuals or organisations taking responsibility for delivering the improvements which would enable the UK to meet these targets.

48. Because of the rapid rate of technology development and its widespread use in all areas of society, it is inevitable and important that a diverse range and large number of initiatives/projects are sustained at any one time. To maximise impact, collaboration and knowledge sharing needs to be encouraged.

*Question 16: How far do you agree with the proposed principles outlined in the Charter? Are there others we should consider?*

49. Whilst the proposed principles are helpful in defining the key focus areas, BT is not convinced that these need to be enshrined in a Charter. However, if there is a wider consensus that it is important to have a Charter, more detailed commitments are needed and there needs to be greater clarity in which organisation or organisations will be approached to sign the Charter.

*Question 17: How far do you support the actions which underpin the principles? Are there others we should consider?*

50. We support the identified actions.

*Question 18: What issues need to be considered in determining a baseline measure for digital inclusion?*

51. The headline figure in the executive summary: “17 million people in the UK still do not use computers and the internet” is a good baseline measure for digital inclusion.

52. The UK Online commissioned report, *Digital Inclusion: A Discussion of the Evidence Base*, highlighted the need not only to consider the number of excluded people but also the depth of exclusion. As technology continues to develop, the range of services and benefits from the use of digital technologies will also grow. Further work is required to develop a measure which takes into account depth of exclusion. The measure of depth also has to take into account that benefits achieved by the “average user” will change over time.

*Question 19: What should be the brief of the Digital Champion role?*

53. The role may be better described as the Champion for the Digitally Excluded. Precise details of the role and responsibilities need to be considered in the light of market and social developments and we look forward to contributing to this debate in the future.
Question 20: What would be the single most effective thing government could do to drive its digital inclusion agenda?

54. The clear assignment of responsibility and sufficient budget for delivery of agreed, desired and timetabled outcomes, with regular (perhaps annual) reports against targets.

Question 21: Are there any other issues you would like to raise in relation to this consultation?

55. The decision to cut back funding for adult education, non accredited learning should be reviewed as this provides a stepping stone for digitally excluded people to gain sufficient confidence to move on to more formal types of training course.

January 2009

Supplementary memorandum submitted by BT

I am surprised that Mr. Chris Smith has written to you regarding the evidence I gave on 10 March as he and I have been in correspondence about this and I thought we had resolved the issue.

I am surprised that Mr Smith should have written to you and said “BT has confirmed in writing to Geo that it has no plans to make their fibre available to other communications providers in Wales or indeed anywhere else in the UK”. This is simply not the case. As my response to the Committee and to him made clear, BT’s fibre is made available on a wholesale basis to any operator in the UK that wishes to use it. This approach ensures there is a reliable, resilient, and accessible wholesale service available to all. It is an approach endorsed by the current regulatory framework and it underpins the highly competitive UK telecommunications market.

I hope this explains the situation but would be happy to discuss further if you wish.

April 2009

Memorandum submitted by Lord Carter

I promised to write to you regarding 3G coverage in Wales, and the licence obligations of the operators in providing coverage.

As I mentioned on 19 May, the five operators which provide 3G services, have all exceeded their 3G spectrum licence obligations to exceed 80% coverage by population across the UK and that we are seeking to extend that coverage in achieving the goal of universal broadband coverage. In addition we are also looking to promote faster roll out of next generation services. The final Digital Britain report that will set out our policy direction in these areas will be published on 16 June.

In response to your question on 3G coverage in Wales, the latest official figure we have is that 68% of the population of Wales live in an area where 3G is available, this was the figure published by Ofcom in May 2008. Although this figure is now a little dated, I am aware of at least one operator with plans to increase coverage in Wales that would double its present urban coverage (by population) and treble its rural coverage. I am confident that action by the market, regulator and government will continue to improve the services that are provided in Wales in the period up to 2012.

4 June 2009

Memorandum submitted by CBI Wales

The CBI welcomes the opportunity to input into the Committee’s examination of the Government’s Digital Inclusion Action Plan as it relates to Wales. We support the Government’s conclusion that access to broadband is a key instrument in enabling economic growth and future competitiveness of UK business. 31

The current economic climate makes it both challenging and vital to secure the necessary investment in telecoms infrastructure to make this a reality. In this respect, we would like to comment to the Government’s Action Plan in relation to two topics which we regard as particularly important for businesses: regulation and media literacy.

31 The 2008 CBI report on “UK Competitiveness, the Role of IT services” found that businesses are increasingly user IT to gain overseas market and respond to customer demands: http://www.cbi.org.uk/pdf/TherolesofITservices.pdf
Building an Appropriate Regulatory Framework

It is important for companies throughout the country to have access to reliable broadband. The regulatory framework governing the provision of this infrastructure is a fundamental driver of digital telecoms provision. Regulations controlling the provision of telecoms infrastructure should be proportionate to facilitate the growth and innovation of this important sector.

Planning regulations are a good example where it is essential that policies and processes deliver balanced decisions to ensure the smooth roll-out of new infrastructure. An effective planning system is a key enabler of economic growth, particularly in the area of telecoms. The CBI has long campaigned for a more efficient and transparent planning system, where information requirements are proportionate to scale of proposed development and decisions are linked to robust nation and local plan policies. Improving the certainty of the planning system should be a priority.

Investing in Media Literacy

Finally, we also welcome the increased efforts to improve media literacy and enhance digital inclusion in Wales and across the whole of the UK. As the Action Plan notes, the Caio Review found no evidence that people are missing out on essential public services due to infrastructure differences. Instead, the gap is often the result of differences in familiarity with Information and Communication Technologies (ICT). This is an issue both for citizens in a social sense as consumers but also in their role as employees. The CBI’s 2008 education and skills survey proved that this is a great barrier for business competitiveness, with 56% of employers showing concerns about the IT skills of their workforce. We support a government strategy which addresses this gap and promotes a change in behaviours associated with new technologies, particularly in areas that are crucial for the future of innovation in the UK (for instance, with a view on reducing copyright infringement).

23 January 2009

Memorandum submitted by Citizens Online

Citizens Online services 5,850 UK organisations and individuals on our database and a further 2,500 EU contacts, who are kept up to date with news, awards and funding opportunities. We have an average of 32,665 hits per month on our website. 789 local media stories have been generated (including for our awards schemes) and 28 items nationally, including TV and radio broadcasts.

Our main grass roots programme is EverybodyOnline (EOL). EOL projects last for three years and include a full time, community based project officer. Since 2003 23 projects have been in operation throughout the UK: 11 in England, three in Scotland, three in Wales and six in Northern Ireland.

The EOL programme has produced value of around £29 million (based on the eGEP model, NEF’s model on employment and secured added value).

This is a return on investment of £4.50 for every pound spent on the programme (without estimating e-government usage, social inclusion and softer outcomes, which might make our calculations too “finger in the air”).

We have more than doubled the increase in internet take up compared to national ONS figures (an average of a 20.3% increase for EOL projects compared to 9.6% for ONS; over the nine projects where we have complete figures).

Our EverybodyOnline Hub is a sharing resource and has 17 toolkits available. There have been over 5,489 downloads of these toolkits. 132 people have been trained in toolkit usage and we estimate over 1200 indirect beneficiaries. Our marketing campaigns for these materials reached of order 50,000 people.

We monitor our projects by tracking key outputs on a monthly basis. Quarterly reports are given to our main funder BT. At the start of a project, an area assessment is made based on local data and a final report is made at the end of summarising successes and lessons.

RSM undertake an independent evaluation, including baseline data on internet usage and community attitudes to technology (age and socio-economic aspects are measured). Subsequent data sets are taken throughout the project and at the end.

The following results have been achieved (December 2008):

1,850 Community partners
203 case studies developed
82,998 attending events and taster sessions (21,858 unique individuals)
A conservative estimate of 110,000 new internet users
443 volunteers
£2,415,308 additional local funding applications received with support
75 items of new ICT donated
174 people into employment
15,586 people with community skills development
58 community websites developed
751 people in sheltered housing schemes introduced to the internet

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<td>Older people at home</td>
</tr>
<tr>
<td></td>
<td>Thematic 2</td>
<td>Older people in care</td>
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<tr>
<td></td>
<td>Thematic 3</td>
<td>Learning disabilities</td>
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<td></td>
<td>Thematic 4</td>
<td>Physical disabilities</td>
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<td></td>
<td>Derry/Londonderry</td>
<td>Disadvantaged community</td>
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<tr>
<td></td>
<td>Fermanagh &amp; South Tyrone</td>
<td>Disadvantaged community</td>
</tr>
</tbody>
</table>

March 2009

Memorandum submitted by Emeritus Professor Peter Cobbold

I write from the rural broadband blackspot of Derwen in Denbighshire. This month, fed up with 28k dial-up and a mobile signal only capable of supporting speech not data (if I stand in the porch), I decided to use my scientific skills to resolve the problem myself.

As scientist I was aware of the capabilities of point-to-point wireless broadband and contacted a local IT company (BoynsNet, Ruthin). With Robert Boyns (BSc Physics, MSc Digital Eng.) we devised a simple extension to his own ptpwb system that would meet the bb needs of 10–12 properties in the digitally excluded south Clwyd valley.

The dwellings are all on ageing/ancient 10 km-long phone lines from the Clawddnewydd. The dwellings are spread over a 2.5 km diameter with differences in elevation ariels 100 m. Despite the terrain I had, in a few hours, devised line-of-sight layouts that would give these properties up to 8Mbps. I am currently finessing the detailed location of each building.

These dwellings come within the remit of the WASC, and include: several with teenage school pupils who are given homework that demands broadband access (eg Google Earth for Geography); several small businesses—in tourism, IT and farming, and two medical doctors (whose capabilities in on-line triage are denied the nation through lack of bb) are all severely disadvantaged. One professional home-worker is disadvantaged to the point of having to spend £250 per month on satellite broadband.

The point I wish to emphasise is that point to point wireless bb technology is simple, unobtrusive and does not need a broadcasting licence. The equipment is all off-the-shelf and costs around £500–700 per dwelling plus wiring and setting up the software. So why is BT/Open Reach not implementing ptpwb in an area such as ours?
In order to better inform their deliberations the WASC would I believe greatly benefit from a practical demonstration of the ease of building a ptpwbb network. So I propose that I provide that demonstration by linking the dwellings (excepting Cilgoed and Fawnog Rydd) with point to point wireless broadband with a target completion date of the deadline for submissions to WASC of 23 January. I would contract to supply WASC with a full description of the design and implementation of the project and a further report on the network’s performance and customer feedback after three months operation. The grant I would require to do this for ten dwellings, including groundwork and wiring in each building is £10,000. (ie £1,000 per dwelling). As a scientist I cannot conceive of more effective evidence that WASC could use by way of persuading BT/Open Reach that simple technology is available now to provide remote rural properties throughout Wales with real broadband, up to 8 Mbps.

November 2008

Memorandum submitted by Community Broadband Network

CBN is active in the debate about next generation broadband both at the policy level through BSG, links with RDAs/DAs, central government and industry.

In November we ran a major conference bringing together key stakeholders in the next generation broadband debate, with keynote speeches by Wayne David MP, Francesco Caio and David Campbell (head of NGA, Openreach). Manchester Town Hall was selected as the venue since the city is developing an important next generation broadband initiative. We are working on a number of other projects. These were referenced in the recent OFCOM Communications Panel report:

http://www.communicationsconsumerpanel.org.uk/Local%20initiatives%20on%20next%20generation%20access%20in%20the%20UK.pdf

Our approach is to focus on community action to develop next generation broadband schemes. We helped set up around 200 local schemes during the roll-out of first generation broadband. In the context of NGA we have close links with the highly successful Ons Net project in Nuenen, Netherlands and detailed knowledge of successful projects in other parts of Europe and North America.

The private sector is unwilling to invest in next generation broadband beyond key areas where commercial returns are likely to be highest.

Consequently large areas of the UK—and Wales in particular—will be devoid of next generation broadband access, unless the public sector and local communities intervene. This will have significant negative impacts on economic & community development. We are developing a model that will enable interventions to be focussed successfully, minimising public funding whilst maximising impact. Our approach involves creating a national framework supporting local schemes with two elements—a new association of local nextgen projects—the Independent Networks Co-operative Association (INCA), enabling them to speak with one voice to government and industry; and a Joint Operation Network (JON) to set technical and operational standards for local projects. These recommendations were accepted by the Digital Britain team and referenced in Lord Carter’s Interim report: ACTION 5—The Government will help implement the Community Broadband Network’s proposals for an umbrella body to bring together all the local and community networks and provide them with technical and advisory support.

Currently we are putting flesh on these bones in dialogue with public and private sector actors and BERR. We would be very happy to discuss our approach with you and see how we might contribute to the inquiry.

February 2009

Memorandum submitted by Digital UK

INTRODUCTION:

The switchover in Wales will make it the first of the UK’s nations to be fully converted from analogue television to digital television. Digital UK is responsible for managing the switchover, which takes place in stages across Wales between August 2009 and March 2010. This is a complex programme involving co-ordination between several key strands: the technical roll-out of a high-power digital terrestrial television network, extensive communication with TV viewers about switchover to ensure they know what to do and when to do it and liaison with industry and stakeholders to ensure understanding of switchover.

TECHNICAL BACKGROUND:

Around 1.3 million households in Wales will be switching to digital over the next 12 months. Some households in Wales receive a signal from transmitters in England in order to get all the possible channels. Digital TV switchover will, for the first time, make it possible for viewers in Wales to receive both S4C and Channel 4 from all Welsh transmitters. The new Storeton relay transmitter in the Wirral will improve general access to Welsh television services. Many viewers based in north east Wales will receive these services for the first time.
There are eight main transmitter groups in Wales with around 200 relay transmitters:

- The Kilvey Hill transmitter group with its 10 relay transmitters, serving c.132,000 homes in the Swansea area, which switches in two stages on 12 August and 9 September 2009
- The Preseli transmitter group with its 27 relays, serving c.82,000 homes in much of south west Wales, which switches in two stages on 19 August and 16 September 2009
- The Carmel transmitter group with its 18 relays, serving c.114,000 homes in parts of south and central Wales, which switches in two stages on 26 August and 23 September 2009
- The Llanddona transmitter group with its 22 relays, serving c.113,000 homes in north west Wales which switches in two stages on 21 October and 18 November 2009
- The Moel-y-Parc transmitter group with its 20 relays, serving c.166,000 homes in north east Wales which switches in two stages on 28 October and 25 November 2009
- The Long Mountain transmitter group with its 14 relays, serving c.25,000 homes in parts of east and central Wales which switches in two stages on 4 November and 3 December 2009
- The Blaenplwyf transmitter group with its 12 relays, serving c.32,000 homes in parts of west and central Wales which switches in two stages on 10 February 2010 and 10 March 2010
- The Wenvoe transmitter group with its 75 relays, serving c.662,000 homes in Cardiff, Newport and south east Wales which switches which switches in two stages on 3 March 2010 and 31 March 2010

TV Channel Availability

Across Wales as a whole, 63% of households can currently get digital TV through an aerial (Freeview). After digital switchover, the figure will increase to 98%. Of these households, 73% are predicted to receive more than 40 TV channels. Elsewhere, approximately 20 channels will be available (source: Ofcom 2008).

Households served by Long Mountain or any relay transmitters, currently only receive analogue channels. Switchover means that Freeview services will be added to all the local relay masts, making approximately 20 of the most watched channels available for the first time.

Viewers who want more channels may choose from a range of free or subscription satellite services offering 90 to 400 TV channels. The BBC and ITV have launched Freesat; Sky, in addition to its subscription service, has freesat from Sky.

The Switchover Process

Switchover is a two-stage process. Stage one sees analogue terrestrial BBC Two switched off overnight and replaced with digital BBC Two along with all the other digital BBC channels. Stage two, four weeks later, sees the remaining analogue services switched off and replaced with digital services. For most analogue viewers this will mean the number of services they can receive free via an aerial increases from four or five to more than 40.

Viewers watching the Ferryside relay transmitter will need to re-tune on 19 August 2009 and 16 September 2009 to continue receiving their digital services.

Viewers watching the Moel-y-Parc main transmitter will need to re-tune on 2 December 2009 or some channels will be lost, due to ongoing works to adjacent transmitters.

Public Knowledge of Switchover

Digital switchover in Wales is on track and on time. According to the Digital UK/Ofcom Switchover Tracker Survey Q4 2008, which provides a snapshot of public opinion until the end of December 2008:

- Nine out of ten households in Wales (90%) have already connected their main set to digital TV;
- Six out of ten households (67%) in Wales have converted every set in the home to digital TV; and
- Seven out of ten people in Wales (71%) know what to do for switchover against 72% across other regions yet to switch.

However, Digital UK and our key partner, the Switchover Help Scheme realise that there is still much to do. From UK figures, we know that older people, particularly those aged 75 and over who are eligible for the Government’s Help Scheme, show markedly lower levels of conversion to digital TV (71% v 87% across the remaining switchover regions) and understanding of what they have to do to get ready (53% v 72% across remaining regions).

32 The Digital UK/Ofcom Switchover Tracker Survey (a door-to-door quantitative survey operated by GfK NOP) interviews over 2,800 households nationally each quarter, and a current minimum of 500 households in Wales each quarter. The sample is collected according to quotas and weighted to ensure it is fully representative of the area.
The Digital Switchover Help Scheme

The Switchover Help Scheme began operations in the Whitehaven area of Cumbria in 2007. The Help Scheme was established by the BBC at the request of the Government and provides help, including the conversion of one television, to eligible individuals. The Help Scheme communicates directly with people entitled to help in the months running up to switchover and is committed to increasing general awareness and understanding of the Scheme.

People are eligible if they:

— Are aged 75 or over, or
— Have lived in a care home for six months or more, or
— Get (or could get):
  — Disability Living Allowance, or
  — Attendance or Constant Attendance Allowance, or
  — Mobility Supplement, or
— Are registered blind or partially sighted

Eligible people will be asked to pay £40 towards:

— Easy-to-use equipment that suits their needs
— Help with installing the equipment
— Fitting a new dish or aerial where it is possible and if it is needed (in some cases there may be an extra charge for this service).
— A demonstration and someone they can call for help for twelve months after their receipt of the equipment

This service is free if eligible people are:

— Getting pension credit, income support or income-based jobseeker’s allowance

In Wales the standard offer will be a Freeview box or a freesat box for those who cannot receive Freeview. But other options will also be available for those who wish to pay extra (eg to receive Sky, or an integrated digital television). Everyone eligible for help will be contacted by the Help Scheme and over the next few months they will receive a letter and booklet, in English and in Welsh, setting out their options. For further information on the Help Scheme, visit www.helpscheme.co.uk

The Information Campaign

Digital UK commenced its national communications campaign in Wales in 2006. Owing to the number of transmitters, we have broken down activity into the following groups:

— West Wales (Kilvey Hill, Preseli and Carmel switching in August and September 2009);
— North Wales (Llanddona, Moel-y-Parc and Long Mountain switching between October and December 2009);
— Blaenpwyf, (switching in February and March 2010); and
— South Wales (Wenvoe switching in March 2010).

The early steps of the campaign included contacting key partners, the housing and retail trade, alerting stakeholders, including local government and the voluntary sector, and providing basic information for people in libraries, citizens’ advice bureaux and public places. There are three main strands to Digital UK’s public information campaign:

— Leaflets, media advertisements, outdoor advertising (including lamp posters), roadshows, analogue TV captions and website alert viewers to when switchover is coming and what they have to do to get ready and a call centre provides reactive help;
— Housing sector and trade support, informing businesses and public bodies who will guide viewers through switchover; and
— Local community support, including a four-strong Digital UK team, led by Gwenllian Carr, the Wales National Manager.

Consumer Communications

— Leaflets—distributed on a national basis in September 2006 and January 2009 and on a transmitter group basis three months before switchover from May 2009. All bi-lingual.
— Advertisements—press, radio, poster and TV in the 14 months leading up to switchover. Advertisements will match the language of the station or title in which they are running, except in the Blaenpwyf and Llanddona transmitter group areas where ads will run in both English and Welsh in all media.
— Captions—run on analogue televisions in each transmitter group area six, five, three months and one month before switchover taking up more room on the TV set screen as switchover moves closer.

— Website—further information about the switchover in Wales available online at www.digitaluk.co.uk/wales and in Welsh at www.digitaluk.co.uk/cy
— Call Centre—Viewers can access experienced advisors at Digital UK on 0845 6 50 50 50 and in Welsh on 0845 8 48 48 48

RETAIL SECTOR

Retail Sector

The digital tick logo has been designed to help shoppers identify products that are designed to work through switchover and is displayed on approved products which are ready for switchover. Digital UK has developed a switchover training scheme (Ask Digital) for retail staff; trained staff can be identified by badges with the digital tick logo.

— There are 282 retail outlets registered with the Digital Logo Scheme in Wales.
— Staff from many of the major retailers in the area have attended training sessions on switchover (Currys, Comet and Tesco). Currys, Comet and Argos include Digital UK approved content on their internal e-learning systems.

— Retail/Installer briefing days are planned:
  — Swansea—25 February 2009
  — Wrexham—2 April 2009
  — Aberystwyth—15 September 2009
  — Cardiff—16 September 2009

— The first newsletter was sent to all registered retailers in Wales in September 2008 (around one year from the first transmitter switchover) and there are regular updates up to switchover.
— Two Digital UK Retail Support Executives are working in Wales to visit stores, train staff and check in-store messages on switchover.

HOUSING AND PROPERTY

Digital UK has contacted all social housing providers in Wales and invited them to a housing meeting. We wrote to them again in August 2008, one year before the start of switchover in Wales. We wrote to care homes and tourism providers in February 2008 and will be writing again in February 2009.

There are 115 social housing providers in Wales:

<table>
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<tr>
<th>Status</th>
<th>No. Of Organisations</th>
<th>Over 1000 Homes</th>
<th>Over 500 Homes</th>
<th>Fewer than 500 Homes</th>
<th>Numbers Not Known</th>
<th>Total % Of Housing Stock</th>
</tr>
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<td>23</td>
<td>2</td>
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<td>77.04%</td>
</tr>
<tr>
<td>Yellow Programme in place or plans advanced</td>
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<td>6</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>14.92%</td>
</tr>
<tr>
<td>Red No plans</td>
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<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
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</tr>
<tr>
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<td>30</td>
<td>3</td>
<td>54</td>
<td>36</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

CHARITY PARTNERSHIP WORKING

Digital UK has awarded a contract to Digital Outreach Ltd., a consortium of charities to provide information, advice and support to those who may need extra support with switchover, but who are not eligible for the Switchover Help Scheme or who choose not to take it up.

For delivery purposes Wales is divided into three geographically: West Wales, north Wales and South Wales. In West Wales, two lead charities have been appointed—Age Concern Neath Port Talbot (Kilvey Hill area) and RSVP Wales (Preseli and Carmel areas). A community outreach pack will be sent out in the middle of February to the third sector. In North Wales, planning is well-advanced and on course. The likely lead charities have been identified and their names will be confirmed in due course.

The services provided by Digital Outreach are:

— The distribution of information and advice materials to local charities, community and volunteer organisations and their clients in the months before switchover;
— The provision of training on switchover and the Help Scheme for charity staff and volunteers;
— The integration of information and advice into local voluntary and community sector activities and existing home visits where appropriate;
— Access to a small grants programme to encourage further presentations, events and one-to-ones; and
— The organisation of drop-in sessions at the time of switchover.

**KEY DATES — THE CRITICAL PATH TO SWITCHOVER:**

**2006**
May: TV, radio and press campaigns running at intervals from this date on to inform viewers about the date and their options for digital TV switchover
September: First switchover leaflet to every home

**2007**
January: Mailing to social housing providers sent and group meetings held

**2008**
August: First Retail Support Executive appointed for Wales
August-November: First round of roadshows

**2009**
January: Second switchover leaflet to every home
January: The Help Scheme launches a campaign (TV and outdoor posters) to raise awareness of the Help Scheme
February: The Switchover Help Scheme begins writing to eligible people to offer them help
February: Local charities commence a programme of presentations and distribution of materials
February: Start of captions broadcast on analogue televisions in the Kilvey Hill, Preseli and Carmel transmitter group areas
February-September: Retailer/Installer briefing days planned
11 March: A national briefing for Assembly Members is being held in the Senedd
24 March: A national briefing for Parliamentarians is being held in the House of Commons
April: Start of captions broadcast on analogue televisions in the Llanddona, Moel y Parc and Long Mountain transmitter group areas
May: The start of final leaflet mailing to every home sent approximately three months before each transmitter switchover.
July-October: Second round of roadshows (North and West Wales)
August-September: Start of captions broadcast on analogue televisions in the Blaenplwyf and then Wenvoe transmitter group areas
August-March: Eight transmitter groups switching between these dates

**2010**
January-March: Third round of roadshows (South Wales and Blaenplwyf)
After switchover: Digital UK and the Switchover Help Scheme will continue to be available to offer information, advice and support

*February 2009*

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**Memorandum submitted by dotCYM Cyf**

**DIGITAL INCLUSION**

While digital inclusion is not the primary driver for the bid for a domain name for Wales, we nonetheless believe that winning .cym would have a positive effect on the work to increase digital inclusion in Wales.

The Equality Commission believes that local identity helps to bring hard to reach groups online and the strengthening of local SMEs would also provide greater incentives for internet usage by local communities. Also, a Welsh-controlled domain would make it possible for the Welsh Assembly Government to provide a personal domain name to potentially excluded categories, such as each Welsh schoolchild, at cost.
The need for a .cym internet Top Level Domain for Wales

In the information era the internet is a vital part of a nation’s infrastructure. As a result countries, communities and spheres of interest are clamouring to obtain the best possible foothold in the internet to advance the cause of their nation, language or community of interest. Wales, the Welsh language and Welshness must do everything possible to seize the opportunities that this technology presents.

Securing an internet Top Level Domain (TLD) .cym for everything connected with the Welsh cultural and linguistic community would provide:

— An worldwide internet identity for Welsh culture and language in a world of exploding generic top level domains;
— An infrastructure asset that can assist the growth of Welsh businesses and brand that growth; and
— A major step forward for the presence and usage of the Welsh language in the online environment, underpinning the Assembly Government’s progressive language policy as well as its promotion of e-commerce.

Currently the global internet is served by just 21 generic TLDs (gTLDs), such as:
— country codes like .co.uk;
— commercial codes like .com;
— special interest codes like .org or .museum

But now the internet is running out of space and a worldwide consultation has confirmed that an increased number of gTLDs is needed not only to create more capacity on the internet but also to better reflect the diversity of the internet’s 1.5 billion users. ICANN,33 the body responsible for controlling domain names is, therefore, inviting applications for new generic top-level domains (gTLDs).

In December 2009, there are likely to be thousands of applications to ICANN, resulting in the creation of hundreds of new gTLDs and a massive increase in domain names, reflecting different scripts (eg Chinese), new country codes, city codes (eg .nyc), single company commercial codes (eg .cocacola) and, like our application, several cultural and linguistic groups including .scot (Scotland) and .bzh (Brittany). After this round, it is expected that there will not be another round of applications for five to eight years.

What is dotCYM proposing?

We wish to register and market the generic TLD .cym

— to establish the Welsh community of interest as a distinct identity on the internet
— to be a means of branding things Welsh on the world’s chief information medium for decades to come
— to place Wales, in the internet context, on a par with many economically successful communities
— to achieve the next critical milestone for the Welsh language in a key technological context
— to advance the implementation of the linguistic objectives of the “One Wales Delivery Plan”

We also believe that the .cym TLD has potentially significant economic benefits. It will:

— profile Wales internationally, providing a brand and identity that would take decades of 20th century marketing programmes to achieve
— assist the prioritisation of Welsh businesses by internet search engines
— consolidate Welsh domain references, assisting the clustering of Welsh product and service providers for clients
— provide particular benefit to tourism in general, and cultural tourism in particular, as well as related cultural and internet-based industries that trade on Welsh identity
— forge closer links with Welsh communities overseas, notably in the USA and Australia
— assist the development of e-commerce within the Welsh community through unambiguous identification of a Welsh domain
— incentivise Welsh firms and people to develop Welsh internet-related businesses
— encourage, within Wales, more local purchasing from identifiably Welsh companies and, linked to this, increased broadband penetration among SMEs. The .cym domain will become synonymous with locality giving businesses and organisations a tool to highlight their product and commitment to their locality unlike other more generic domains.

33 ICANN is Internet Corporation for Assigned Names and Numbers.
LINGUISTIC BENEFITS FOR THE WELSH LANGUAGE

A community without its own top level domain is handicapped linguistically. The Internet is a vital catalyst for delivering the next critical milestone for the Welsh language, following on from the Welsh Bible, Welsh language schools and Welsh broadcasting as the next key landmark for Welsh language development. The dividends from the establishment of a Welsh Internet top level domain include bringing the Welsh language visually fully into the 21st century. The .cym will help include Welsh as an international language—a status from which is mostly excluded at the present time.

The lack of a top level domain also leads to a lack of status, which can have damaging implications. Users of Google Translate—which has followed in the footsteps of the firm’s maps, images and news functions—have spotted one significant flaw: it won’t translate into Welsh. Anthony House, communications and public affairs manager for Google UK, has confirmed that Welsh is not available, and not likely to be in the near future.

The 40 languages Google does offer all relate to communities with a top level domain, except one, Galicia. In Galicia the regional government has publicly announced that it is following the lead of Catalonia by funding an ICANN top level domain application.

ECRIME AND INTERNET SECURITY

No-one knows how many people in Wales are victims of eCrime—or perpetrators. It is not possible to gather any credible statistics. Wales has no primary level presence on the internet, so every Welsh user is limited to using international or out of country domain registers. Many of these are contracted through domain name sellers throughout all parts of the world and there is little proactive control over who buys a domain or how they use it.

A dotCYM domain would be restricted in its sales of name identities and, being a comparatively small register, will be well-placed to impose rules to combat internet crime by dotCYM registered users, including refusal to issue a domain name to anyone who is not positively identified and subjected to vetting checks as the English & Welsh law will permit. dotCYM will also continually monitor the uses of its domains for breaches of rules and will immediately disconnect any user who is suspected of fraudulent activity.

Parents will be able to allow their children safer access to the internet if they are restricted to the use of dotCYM domain websites, while Welsh businesses will benefit from being part of what will become a trusted brand. dotCYM will have crime detection and prevention measures that will be very much greater than those exist across the internet in general.

ECONOMIC BENEFITS FOR WALES

dotCYM will also provide an economic spin-off for Wales. For example, according to the data provided by CyberSource 40% of Britons avoid online shopping from considerations of personal information security. The research showed that more than 1/3 of those polled know someone who was defrauded on the Internet.34

Investment in the Internet infrastructure in Wales to support the Welsh economy is vital to put Wales on a par with other economically growing communities because the Internet is amongst the most important drivers to the economy. The Internet is the key modern engine for economic growth and Wales needs top level access to deliver the innovation that it needs.

A YouGov survey found that 62% of Internet users believe that .uk, as a country code, shows a local company and .com/.org/.net shows one that is likely to be international. Internet users are six times more likely to choose their country code than a .com/.org/.net address when looking at search engine results. This is an important consideration in focusing Welsh consumer spend on Welsh organisations.

The sums involved are already huge. UK on-line shoppers spent £42 billion in 2007, although the Welsh share was somewhat low at an estimated £1.5 billion. Currently there is an economic outflow from Wales in e-commerce, with many Welsh shoppers using “out of Wales” sites and fewer “outside Wales” buyers purchasing from Welsh firms. That is something that Wales needs to reverse and .cym will give Welsh businesses a choice, which they presently don’t have, to brand their products and services with a distinctively Welsh/local domain (.cym) or a more generic one (.co.uk, .com, .net, .biz).

Accurate figures are not available for Wales, nor is the Office for National Statistics apparently seeking such figures. It is embarked on an international benchmarking of e-commerce development but only using the UK as a unit and not Wales.

**Support for dotCYM**

dotCYM has already received full cross-party support in the National Assembly, and was part of the coalition government’s One Wales policy document. It has also received over 7000 signatures from members of the public in support of the bid as well as support from hundreds of organisations including businesses, community organisations, community and county councils, Welsh national institutions and sports clubs. The latest high-profile support has come from Cardiff City Council.

*April 2009*

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**Memorandum submitted by E-Crime Wales**

The E-Crime Wales Manifesto will help fulfil a pledge of the Welsh Assembly Government to reduce the burden of crime against business in Wales. The need for action was confirmed by the E-Crime Summit, held in Cardiff in February 2005, which raised a significant amount of interest in, and awareness of, the risks to businesses and the Welsh economy posed by e-crime. Those participating in the Summit gave the E-Crime Wales Steering Group a mandate to prepare an E-Crime “manifesto”. This manifesto and the accompanying action plan will be presented to the E-Crime Wales Summit in January 2006.

The E-Crime Summit emphasised to the Welsh Police Forces that e-crime is a criminal activity that affects all areas of society and particularly impacts on the profitability and development of all businesses in Wales because all businesses are affected by it in some form. All businesses must bear their share of the increased costs of insurance and other business services to compensate for losses from e-crime amongst the business community as a whole. The extent and complexity of the challenges posed by e-crime are developing rapidly and the Welsh Police Forces recognise that Wales must take action quickly. While the National High Tech Crime Unit (NHTCU)\(^{35}\) and the Welsh Police Forces are already targeting high tech business crime, and most notably the criminal opportunities presented through rapid advancements in technology, the need for a coordinated multi-agency approach is now widely accepted.

Wales is a country where the opportunity for co-ordinated, effective and multi-agency action is clear and therefore businesses will particularly benefit from e-crime reduction measures.

By fulfilling their pledge to make Wales safe from e-crime, the Welsh Assembly Government expects not only to improve the profitability of “Wales plc” but also to encourage more businesses to do business in, and from, Wales.

**The Case for Action**

For the general public and businesses, ICT has become an ever-present feature of everyday life with a large majority of private households increasingly employing the Internet for conducting activities ranging from communication (via instant messaging and e-mail) to online shopping and Internet banking. In the UK in 2004, 90% of businesses regularly sent email across the Internet, browsed the web and had a website, with the number of businesses depending on electronic systems and information increased to 87%.\(^{36}\)

With increased ICT use, the threat posed by e-crime has also grown. It is estimated that, in 2004, two thirds of businesses in the UK suffered a premeditated or malicious incident through electronic means. Furthermore, the average UK business is expected to suffer one electronic security breach per week.\(^{37}\)

It is clear that Wales and Welsh business must do everything that can be done to protect itself from e-crime. Wales can offer an exemplar of how concerted and integrated action amongst business, government agencies and the police forces can create a relative “haven” for business from the worst and most damaging impact of e-crime.

**Setting Out the Approach**

In view of the importance and potential negative impact of e-crime, the E-Crime workshops and subsequent E-Crime Summit called for an integrated approach to e-crime detection and prevention in Wales.

The E-Crime Wales Steering Group has considered the results of the Summit, commissioned the development of the Manifesto and Action Plan and, further, has enhanced and expanded its membership to include a range of public and private sector representatives. The Steering Group will continue to take the lead in ensuring that the Manifesto commitments are met and the Action Plan implemented, reporting to Ministers as required.

Several key issues emerged from the discussions at the E-Crime Summit:

1. the need to understand the impact of e-crime on Welsh business
2. the need for a pan-Wales approach to e-crime
3. the need for a multi-agency partnership approach

\(^{35}\) The National High Tech Crime Unit will become part of the Serious and Organised Crime Agency (SOCA) in April 2006

\(^{36}\) DTI: Information Security Breaches Survey 2004, p.2—this is an increase in the figure of 76% from 2002

4. the need for education of business about e-crime
5. the need for access to high quality advice and support for business

Understanding the Impact of E-Crime

Accurate statistics that measure the level and impact of e-crime on businesses are required.

Across the UK, accurate and reliable statistics that can measure both the level and impact of e-crime on business are generally unavailable and Wales is no exception to this situation. Relying on anecdotal evidence or extrapolations based on the estimates of levels of e-crime across UK business will not be sufficient. Urgent action is needed to improve information on, not only the level of e-crime affecting Welsh business, but also to make an assessment of its economic impact and to identify those elements of the economy that are most at risk or are being most affected already. In this way effective action can be planned and then taken.

A Pan-Wales Approach

E-crime affects all users of ICT and consequently businesses in Wales are at risk as much as the average UK business. A Welsh response to e-crime is therefore required.

Dealing with e-crime is the subject of much activity at a national UK level at present and will be increasingly important in the coming years. Whilst appreciating this work, Wales has the opportunity to apply a regional approach that integrates with the approaches being adopted at a national and international level. Wales has a distinctive advantage in this because of the short lines of communication and the long-term relationships between institutions under the general responsibility of the Welsh Assembly Government. This is a key lever for the E-Crime Wales Manifesto and Action Plan for Wales and therefore needs to be at the core of its implementation.

A Partnership Approach

Many organisations are already involved in e-crime detection and prevention activities in Wales, but these will benefit from greater coordination and leadership.

In order to ensure that the existing activities are capitalised, built upon and used to their full potential in Wales, a regular process of exchange needs to be at the heart of the implementation of the Action Plan. The E-Crime Wales Steering Group will promote partnership and collaborative approaches to the fight against e-crime in Wales, involving police forces and legal authorities, government departments and agencies, business groups and businesses and communities as well as the general public. A multi-agency management unit, reporting to the E-Crime Wales Steering Group, and partly staffed by secondees from the relevant Welsh stakeholder bodies will be established and will take ownership of the implementation of the activities that will be contained in the Action Plan. The E-Wales Steering Group will provide a continuing forum for exchange and cooperation and will be a key implementation tool for the E-Crime Wales Action Plan.

E-Crime Education for Business

Educating business about e-crime through a range of approaches will be essential to underpin the actions.

Governments throughout the world are promoting the use of ICT as a key to future prosperity and the strategic goal of many is to equip their workforce with the skills necessary to deal with increasing demands of ICT. This applies to all aspects of ICT but crucially to the issue of e-crime also. Beyond simply having an awareness of the nature of the threat and guidance on the initial steps necessary to prevent e-crime, more thorough skills training is needed to tackle some of the root causes of e-crime.

In specialist areas such as law enforcement, ICT advice and e-procurement, additional efforts will be taken through the E-Crime Wales Action Plan to provide the awareness and skills required to better prepare organisations and businesses to deal with e-crime.

Access to High Quality Advice and Support

Welsh business needs access to high quality advice and support to deal effectively with the threat from e-crime

The Welsh economy is dominated by small and medium sized enterprises (SMEs). These typically lack the specific, specialist knowledge necessary for implementing their own comprehensive strategies to secure their use of ICT and therefore tackle e-crime effectively. Welsh businesses require access to high quality advice and support from a business support infrastructure able to provide the tools and resources to tackle these issues.

Delivery mechanisms that reach Welsh business with advice and support on ICT are already in place but the E-Crime Summit identified a number of important areas where current ICT initiatives can be enhanced in order to empower them with additional skills, tools and approaches to reach businesses in Wales with enhanced e-crime advice and support.
The E-Crime Manifesto translates into a series of principles that will guide the implementation of the Action Plan.

The Action Plan will be implemented through:

— an integrated approach across the public, private and voluntary sectors (see figure 1);
— a consistent and persistent effort supported by adequate and appropriate resources;
— a balance of technical, business and social solutions to e-crime;
— embedding opportunities to take action in Welsh businesses;
— adopting international good practice in reporting; technical and business advice and engagement of the general population and of business; and
— a programme of targeted actions with clear objectives and responsibilities set out.

The E-Crime Wales Action Plan will respond to e-crime in the key areas identified from the discussions held across Wales in late 2004 and early 2005 including, crucially, at the E-Crime Summit in February 2005. These have been further refined in the strategy development work undertaken by the E-Crime Wales Steering Group.

The E-Crime Wales Steering Group will play the key role in monitoring implementation and will report to the 2nd E-Crime Summit in January 2006 on initial progress and further plans, and to the Minister for Economic Development and Transport and other Ministers as required.

The 4 areas dealt with in the Action Plan are:

1. Establishing a Multi Agency E-Crime Wales Unit
2. Supporting business to combat e-crime
3. Raising awareness about e-crime
4. Reporting and monitoring of e-crime
The E-Crime Action Plan will provide, for each of these areas for action, a series of practical and tangible action points. In all cases, costed proposals will be made and responsibility for taking the action assigned.

**Figure 1**

**TAKING FORWARD AN E-CRIME MANIFESTO & ACTION PLAN**

March 2009

**Memorandum submitted by Family Online Safety Institute**

**OVERVIEW**

The Family Online Safety Institute works to make the online world safer for kids and their families by identifying and promoting best practice, tools and methods in the field of online safety, that also respect free expression. We do this through the development of public policy, technology, education and special events. FOSI is a trusted convener, bringing together leaders in government, industry and the not-for-profit sectors to collaborate and innovate new solutions in child safety in a Web 2.0 world.

The Family Online Safety Institute is an International, non-profit membership organization dedicated to working to develop a safer Internet. There are four pillars to the work of the Institute; these are events, public policy, technology and education.

With offices in the US and the UK, we are uniquely placed to reflect the wider International context in which the push for a safer Internet is being played out. The breadth and depth of our membership reflects this. Our current members include: AOL Europe, AT&T, Blue Coat, British Telecom, Cisco, Comcast, CompTIA, Crisp Thinking, France Telecom, Google, GSM Association, Loopt, Microsoft, Motion Picture Association of America, Mpower Media, MySpace, NCTA, Ning, Kingston Communications, Privo, RuleSpace, Sentinel, Sprint, StreamShield, Symantec, Telefónica, Telmex, The Wireless Foundation, Verizon and Yahoo!

**THE GLOBAL CONTEXT**

With focus on the harms and risks associated with the use of technology the Family Online Safety Institute can provide a unique insight not only into how industry is dealing with these challenges, but the broader global context in which this is being dealt with.

FOSI’s membership comes from across the technology spectrum, from traditional Internet service providers, search engines, mobile operators, social networking vendors and combinations of all of these. The one thing however they all share and address is a global marketplace.

38 These designations are by example are not intended to be either definitive or limiting of those individuals and organisations with a role to play in helping to combat e-Crime
Wales and indeed the United Kingdom as a whole are fortunate enough to be in the vanguard of developed countries that benefit from this new digital society. The rapid emergence of the Internet has pushed boundaries and created new challenges, but it would help by putting this in a global context:

- Only one billion of the world's five billion people have access to the internet;
- Significant sections of the population in the United Kingdom share that lack of access;
- Globally there are four billion mobile handsets; and
- Asia is now the leading region in terms of broadband access and in some of these countries internet is accessed primarily through wireless devices.39

As you can see from these figures, we are at the very beginning of the internet age. It is also clear that the increasing use of mobile devices means access to the internet will become ubiquitous. Although currently technology developments like the internet will outstrip our ability to regulate it there are signs that the pace of online change will slow in the future as our increasingly digital society matures.

THE DIGITAL GENERATION GAP

Many of the harm’s and risks that face families in particular are a function of what can only be described as a digital generation gap. This is a term to describe the gap between parents, and for the most part, their more computer literate children. For children, the ability to be anonymous online and the lack of parental supervision for many, create a number of risks:

- Accessing inappropriate content
- Cyber bullying
- Predation
- Gaming Addiction

This gap is compounded by the fact that children use the Internet and technologies in a different way than adults. A parent may consider identity theft and virus protection to be obvious areas of danger online, so might take extra steps to stay secure, not realising that the risks their children are facing online are quite different. Unfortunately, parents can be slow to pick up on what these are.

Today’s parents are considered “digital immigrants” and their children “digital natives”. It is children that have created the market and growth in social networking, instant messaging and music downloads. It is those same “digital natives” that have been the early adopters of many new types of technologies, while their parents see the internet as a means to shop or find useful as a business productivity tool. Children use the Internet to communicate, live out their social lives and help shape who they are.

ONLINE SAFETY IS “OBSOLETE?”

FOSI believes that much of what has been done in the name of child safety is obsolete* and rooted in the past history of Web 1.0. Until now (and quite rightly so) law enforcement and increased regulation has taken a leading role in dealing with many of the extreme child abuse content.

However, until the media and the atmosphere of “technopanic” becomes less prevalent it will be hard to enter a new phase with a more balanced perspective that places the safety and support of children as a priority. Parental over reaction in an already cocooned world where we don’t allow our children to play outside, means they will take more risks online in pursuit of finding their adult identity.

Children too have become content creators in what is rapidly becoming described as a Web 2.0 environment. The user-generated content of social networking web sites is a fundamental shift away from an adult’s perspective of searching or receiving content. Filtering software is based on a received content model, when in fact teenagers are more likely to be posting content.

There is growing evidence that children and young adults are already developing codes of conduct amongst their peers that suggest they are fully capable of having a fulfilling and safe existence online. If we can educate today’s children and young adults to make the appropriate decisions about what they do and say, then with the aid of the right tools and measured parental supervision society can begin to see the internet in particular as more a force for good.

A NEW CULTURE OF RESPONSIBILITY FOR ONLINE SAFETY

FOSI believes that industry self-regulation with reasonable government oversight and support is the key to a better Internet. In conjunction with fully resourced law enforcement, tech-savvy teachers, and empowered parents the digital divide will recede over time. Children must be taught how to make wise choices online and when digital citizenship, critical thinking and media literacy are acknowledged part of a broader personal safety message for this new digital generation, we will be much nearer a lasting solution to the harms and risks.

The good news is that governments and industry around the world are beginning to respond to the needs of families. The economic benefits of universal broadband access is reflected in the UK with the Digital Britain initiative, which through the UK Council for Child Internet Safety (UKCCIS), has made online safety a key component of its strategy due to the groundbreaking work of the Byron Report. Similar initiatives in France (Numerique 2012) and elements of President Obama’s economic stimulus package in the United States are likely to include important initiatives to reduce the risks and harm currently associated with internet access.

Trends in new technology, as well as a concerted effort from industry, means that the tools and guidance are in place for parents to help better bridge the current digital generation gap. Educating parents to embrace these tools is vital if harm is to be avoided and risks greatly reduced. However, industry must strive to make these tools easier to use and provide the guidance to enable parents to make the correct decisions. Dramatic shifts in the way technology is being used and deployed will make the internet even safer. These shifts and trends include:

- Devices becoming more appliance-like (Apple iPhone/Blackberry), less configurable and safer by design.
- A move to more network-based filtering (seen in the mobile industry) will make it much more difficult to circumvent filtering software
- There will be significant move toward greater age verification.
- The pace of internet development we slow dramatically so that the barriers to innovation will increase and a safer internet emerge.
- That today’s children will become the adults of tomorrow. They will never have known a world without the Internet or a mobile phone. They must be taught to make wiser choices today so that their children can thrive in an always-connected digital society of the future.

February 2009

Memorandum submitted by the Federation of Small Businesses in Wales

The Federation of Small Businesses (FSB) is the UK’s largest business organisation which represents the interests of over 215,000 members across the UK, more than 10,000 of which are located in Wales. The FSB’s membership is diverse and is therefore a sound reflection of the majority of SMEs in Wales. We welcome the opportunity to submit evidence to the Welsh Affairs committee, as we feel that as the vast majority of businesses in Wales are SMEs, it is important for the views of this sector to be strongly represented.

It is also important to stress that amongst the membership of the FSB in Wales around 36% of members have their main business premises located in a small village, a farm or in a rural area so the adequacy of the infrastructure of the digital network in Wales is one of great importance to our SMEs.

Infrastructure

In our most recent comprehensive members survey we point to the fact that as 68.8% of small businesses operate a website, there is a need to make sure that small businesses have access to effective broadband so that they have the ability to work flexibly and meet the demands of customers and clients. There is also a need to improve the use of existing broadband and bandwidth for firms in certain sectors.

It is also important to note that in Wales our SMEs estimate that around 13.4% of their trade is derived from e-commerce compared to just an 11.6% average figure for SMEs in the UK.

In terms of the use and take up of ICT amongst SMEs, the headline findings from that survey showed that:

- Almost 31% of companies in Wales did not have a website;
- A very small proportion of Welsh companies made full use of ICTs-only 0.8% linked their website to their suppliers and 1.9% linked to suppliers and sold online;
- One of the key reasons for the lack of take-up of more sophisticated Internet tools could be the lack of access to broadband generally with only 81.1% of SMEs stating that they had access to broadband at their company premises. Furthermore the lack of high-speed broadband access is also a factor. Only 32.3% of businesses indicated that they had access to broadband of more than 4Mbps;

40 Putting the Economy Back on Track: Transport, Environment and ICT, FSB, November 2008
— Home-based business and retail/shops were the least likely to have a website or use it to advertise. This was confirmed by the large proportion of owner-only firms that did not have a website; and
— There were strong links between educational level and Internet adoption. Those with qualifications were much more likely to have adopted the Internet and to use it to advertise and sell their products or services.

In light of these findings, the FSB makes two key policy recommendations in regards to basic ICT services and infrastructure:

1. Given that 31% of small businesses in Wales do not have a website, the full benefits of maximising the use of websites should be clearly communicated to the business community, particularly with regard to the opportunities that buying and selling online present. The results show that 43% of those businesses which used their website to advertise had increased turnover by more than 20%.
2. The results show a clear difference in access to fast broadband in rural and urban areas, whilst usage is about the same. Broadband service providers should provide the most effective service to all small businesses across the country to ensure that the existence of digital exclusion is minimised for SMEs in Wales.

FRAUD AND ONLINE CRIME AGAINST SMES

Fraud and online crime is on the rise and is a growing concern for small businesses particularly in the current economic climate. In volume terms, instances of low level crime against a business such as vandalism or criminal damage are more frequent, however, the issue with fraud and online crime is that one event can be highly disruptive and even force a business to close.

The FSB surveyed its members in 2008 about the issues of fraud and internet crime and it is of huge concern that 54% of businesses have been a victim of fraud or online crime and a significant 26% of businesses are deterred from buying and selling online because of the fear and risk of online fraud. Small businesses make up over half of UK GDP, are the primary job creators and are more likely to be able to respond flexibly to the current downturn in the economy. Small businesses need to take steps to protect themselves but are also relying on an effective response to fraud and online crime from the police, banks and other relevant organisations.

The key findings from this survey were that 54% of businesses have been a victim of fraud or online crime over the last twelve months, whilst a significant 37% said that phishing emails had been a problem. 15% had been targeted by card-not-present fraud (where card details are fraudulently used for transactions over the phone or internet), and 15% said that IT systems issues (such as viruses, hacking, denial of service attacks) had been an issue.

Other key findings were that:
— One third of businesses currently do not report fraud or online crime to the police or banks, 23% believe that it would not achieve anything;
— Businesses are positive about the options for improving the response to fraud: 53% want clearer information about how and where to report these types of crime, and 44% want a specifically named contact in their local police force responsible for tackling fraud and online crime;
— Overwhelmingly, 85% of businesses in England and Scotland said that they would report fraud if a designated reporting centre was set up which would gather data and use it to fight fraud (Wales already has a reporting centre);
— Businesses understand that the best form of protection is prevention with 84% opting for a firewall between the computers/network but only 6% accessing guidance and training on prevention through regional fraud forums or websites such as www.getsafeonline.org;
— In over half of cases (54%), the cost of online crime and fraud was negligible to businesses. However, fraud also seems to hit businesses between the £500—£4999 brackets (12%), which, over a twelve month period, are significant sums to small businesses;
— Only 6% of businesses have had their corporate identity stolen, however 60% believe that there should be more awareness raising and education on how they can protect their business;
— A significant 29% of businesses have been a victim of card not present fraud where 22% had received a chargeback (most frequently below £1000). 52% think that the bank/payment company should take greater responsibility for the chargeback fee, particularly where authorisation has already been given; and
— Where it is relevant to their business, 13% are implementing the Payment Card Initiative Data Security Standard (PCI-DSS) (which ensures that businesses securely store information on their customers and clients) but the most common feedback was that the initiative was not well tailored to small businesses.

41 Inhibiting Enterprise. Fraud and Online Crime Against Small Businesses. FSB. February 2009.
With these findings as the background, the FSB makes the following key recommendations in relation to online crime and fraud:

1. Businesses need a central, accessible and well-advertised reporting centre for both fraud and online crime to enable them to report these types of crimes in a straightforward way;

2. The National Fraud Reporting Centre and Police Central e-Crime Unit (PCeU) must work hand in hand in order to set up an effective system of gathering intelligence which feeds into investigation and prosecution;

3. Businesses that report fraud would appreciate feedback on how the information is being used to tackle fraud and online crime with information about successes;

4. Businesses are keen to have access to a local police contact on fraud and e-crime to answer queries. There is clearly a need for the National Fraud Strategic Authority and Police Central e-Crime Unit to work on rolling out effective training to all police forces; and

5. All Regional Fraud Forums should devise effective strategies to engage and communicate with small businesses and offer advice on fraud prevention.

Training and Skills

Finally, of vital importance to ensure true digital inclusion in Wales, the issue of training and skills needs to be addressed.

The FSB has consistently said that, in order for the UK to meet the productivity challenge, it is crucial that the size of the workforce should increase and that the skills of the workforce should improve.

However, from our survey results, it is clear that the recurring basic skills problem continues to rear its ugly head. Many businesses continually struggle to recruit staff with adequate literacy, numeracy, communication and customer service skills. Schools, colleges and universities must ensure that all learners are equipped with these skills so that they can enter, and progress through the labour market.

Basic skills should not be the responsibility of the employer. Employers want to focus staff training on the skills relevant to the job in hand and not on the readressing of a failure within the education system.

It is also critical for policymakers to realise that micro and small businesses are not condensed larger businesses—they have contrasting training needs. Small businesses require training that is more accessible through short, local, affordable courses. Informal learning is by far the most common approach to training for small businesses; however, this remains unaccredited and rarely appears in official statistics; the FSB believes that informal training must be recognised by Government.

In the current economic climate it is vital for government, employers and employees to invest in skills that are vitally important for both supporting small businesses and getting people back into work during these difficult times.

With particular reference to IT skills, basic skills deficiencies in numeracy and literacy appear to be a consistent theme and one of concern for policymakers, however, in addition, the importance of technical skills reinforces the findings in the FSB survey (2006) and the potential importance of training in overcoming these deficiencies. Overall, the 2008 survey has highlighted a continuing trend from previous surveys and that a higher percentage of small businesses find skills shortages in IT, management and sales and marketing in their existing employees than when trying to recruit new staff, in particular, respondents in Wales found a greater problem with the lack of basic IT and technical skills amongst the over 25s in their workforce.

The government must take steps to ensure that micro and small businesses are at the forefront of skills and training policy. Currently, failures within the education system and irrelevant qualification design are damaging the competitiveness of the small-business sector.

Based on our survey, the FSB recommends:

1. A policy focus on the needs of smaller businesses—realising that the majority of smaller employers use informal, unaccredited methods of training, which should be as valued as recognised paper qualifications;

2. Greater representation of micro and small businesses at board level across all SSCs. The Commission for Employment and Skills (CfES) is charged with relicensing SSCs and we encourage the CfES to be firm with any Sector Skills Council that ignores the training needs of micro and small businesses;

3. Greater joined-up working and sharing of information across awarding bodies to limit the overlap of courses; and

4. Increased visibility of SSCs amongst existing business networks to help raise the awareness of the Councils in the small-business community.

Taken together, and with a specific focus on IT skills, these measures should further enhance full digital inclusion within Wales amongst the SME sector.

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In conclusion, the FSB feels that these three issues, of infrastructure, online crime and fraud, and skills and training, are the three most important areas for SMEs when considering digital inclusion in Wales.

If the Committee requires, we can provide full copies of all the reports cited in this evidence, and we would be pleased to expand on any points raised if required and we look forward to presenting oral evidence to the Committee.

March 2009

Memorandum submitted by Geo Networks Limited

DIGITAL INCLUSION INQUIRY

1. EXECUTIVE SUMMARY

1.1. The October 2008 research report from Communities and Local Government states:

“The increasing use of online technologies for access to retailing, banking, travel, entertainment and government services means that online access to these services is fast becoming a utility. We expect them to be there—in the way we expect clean water, electricity or telephones to be part of the fabric of society and the economy. In turn, expectations of reliability and availability will match the growing dependence on these technologies”

1.2. The economic and social benefits of digital inclusion have been spelled out in the government report “Delivering Digital Inclusion” with emphasis on how the next generation of digital services must ensure that those economic and social benefits are shared among the rural as well as urban areas of the UK, with emphasis on how access to such services can sustain communities as well as individuals in their economic and social activities. The EU investment programme for ubiquitous broadband follows the same line of argument.

1.3. In the case of Wales, this is particularly apposite—although the initial fears of a “digital divide” during first generation deployment of broadband may have been narrowly avoided, there is a real threat that the deployment of the next generation of super-fast, optical fibre based networks may, through market failure, leave vast tracts of the country dependent upon out-moded technology.

This paper examines the current situation, comments on the opportunity for Wales, and shows, through the example of the FibreSpeed project in North and North East Wales, how innovative partnering between government, non government agencies and the commercial sector can open up new opportunities.

2. SCOPE

2.1. The Welsh Affairs Committee’s agenda is set out as follows:

— The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

— The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio).

— The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad.

— The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available.

— The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).

2.2. This paper will address comment to the second and fourth items above, with particular reference to cases where innovative and proactive partnering can meet emerging opportunities and create the investment in service infrastructure which addresses directly the issues of access to new digital services.

2.3. Geo has unrivalled expertise in delivering fibre network infrastructure both for the private sector and on major public sector projects in the UK. Geo’s national and London networks are the newest non-legacy networks in the UK and our business is focused on providing dedicated networks built on optical fibre for our customers. Our strong focus on infrastructure means that we have a unique insight into the intricacies of high speed infrastructure creation, sharing and access to enable next generation network services.

2.4. We are partnering with the Welsh Assembly Government to build, operate and commercialise the new FibreSpeed network in North Wales as part of that body’s strategy for improving access to high speed networks for the Welsh business community and wider economy. Geo won a competitive tender to build and operate a new 320km optical fibre network through from Holyhead and Caernarfon to Manchester. Funded jointly by the European Regional Development Fund, the Welsh Assembly Government and Geo, this initiative was notable from the outset by the Government’s insistence that the successful supplier should operate the network on an open access basis.
2.5. The business model that was ultimately created in negotiation with Geo was for an operating business (FibreSpeed Ltd.) which sells exclusively to service providers on a wholly transparent and equivalent basis, with benchmarked prices comparable to the most competitive parts of the UK, including critically, open access to passive network components. The service providers in turn use FibreSpeed’s services and their own value-added services to retail to the end-user community and sell network-based services and solutions. The network, launched by the Deputy First Minister of Wales at the end of November 2008, will be fully available from Spring 2009.

2.6. The example of FibreSpeed demonstrates one way in which government can address issues of under-investment and market failure in the provision of high speed Next Generation Access (NGA) for regions of the UK to bring them the benefits of access to Information and Communications Technology (ICT)—enabled services and economic growth. FibreSpeed was referenced in the joint dti/Ofcom report, Public Broadband Schemes—A Best Practice Guide, 2007(page 4) (http://www.ofcom.org.uk/media/mofaq/telecoms/pbs/dti_pbs.pdf). The report described the project as an example of a well-targeted public sector scheme which could result in significant benefits to consumers, businesses and regional economies, without damaging competition between broadband suppliers.

3. Broadband in Wales

3.1. The latest (2008) Ofcom market report for Wales states ‘broadband take-up in Wales has increased by 3 percentage points to 45%.’ Wales now has the lowest broadband penetration of the UK nations. This contrasts with significant growth in other parts of the UK; in England take-up rose from 44% to 57%; in Scotland from 46% to 57% and in Northern Ireland from 42% to 52%. However, Welsh Assembly Government survey data, collected in 2008, suggests that take-up of broadband by households in Wales stands at 56% and is therefore on a par with the UK take up figure. According to Ofcom, the ‘digital divide’ between urban and rural access to broadband is reversed, with rural Wales having had higher take-up of broadband (51%) than in urban areas of Wales taken as a whole (77% and 43% respectively). This must be taken against the fact that broadband penetration of the major conurbations of Swansea and Cardiff is 56% and 58% respectively.

3.2. The Welsh broadband infrastructure has not been as affected by Local Loop Unbundling (LLU or competitive access presence in BT exchanges) as much as has been the case in most English regions; however, Scotland and Northern Ireland (comparable in terms of having large rural areas) lag further behind. The most recent statistics show that

- 132, or 30.4% of exchanges have been unbundled—this compares with 16% in Scotland, 28% in Northern Ireland, and an average of 37.3% of England (excluding London where the figure is 98%);
- The average number of operators per LLU is 1.04 per exchange, the lowest in the UK;
- The highest number of alternative operators per exchange is 9; and
- In rural Wales, LLU is negligible: Gwynedd 8.7%, Ceredigion 10%, Denbigh and Pembroke, 22% each.

3.3. This would suggest Wales has received approximately £4 million of upfront capital investment in LLU by alternative Internet Service Providers (ISPs) (this figure is derived from information from Office of Government Commerce which estimated initial investment in opening up exchanges for LLU to be £30k/exchange in 2006—operating costs would be incremental to this and dependent upon user take-up).

3.4. Other initiatives in Wales are contributing to the decline in the previously feared digital divide between rural and urban Wales, and between the ‘have and have nots’ in terms of broadband access:

- The Regional Innovative Broadband Support Scheme (RIBS)—The purpose of this scheme is to broadband enable as many broadband “notspots” as possible within the constraints of the available project budget. The Welsh Assembly Government took the step in 2002 of defining broadband in this context as a minimum of 512Kbps downstream and 256Kbps upstream (ie not NGA to faster broadband). This included a project to upgrade 35 exchanges in rural Wales previously excluded by BT on economic grounds;
- Public Sector Broadband Aggregation (PSBA)—The PSBA Network is a unique voice, video and data communication network integration scheme as opposed to an infrastructure build scheme that has been purchased as a cross sector initiative to deliver improved communication services to the public sector across Wales. The 7-year contract was signed with Logicalis UK on the 31 August 2007. It delivers a wide range of broadband, voice, video and data services connecting health, higher and further education, unitary authorities and other organisations funded by the public sector. This activity has caused some local loop unbundling in exchanges beyond the natural economic footprint, to reach GP surgeries, etc. However, this unbundling is specific to the public sector and does not offer opportunities for commercial/domestic network traffic.

3.5. The exchange enablement phase of the RIBS programme was completed in July 2007. Now seeking to address broadband notspots. A recent announcement to address notspots in Pembrokeshire, Cardiganshire and Carmarthenshire marks the start of this process.
3.6. Recent Ofcom surveys in Wales suggest the average speed is 3.6 Mbs and can decline by up to 30% in periods of peak usage, even more if the ISP's own network is capacity constrained through lack of bandwidth. However it should also be noted that the reality of broadband access experienced at many of the exchanges is affected by a number of factors:

- the presence of carrier equipment/DACs in cabinets/on telephone lines (allowing a single phone line to serve two customers—this prevents broadband operation);
- the use of aluminium cabling;
- badly maintained cabling or poor quality copper;
- the presence of line concentrators; and
- distance from an exchange (usually the biggest reason for poor or no broadband connectivity).

3.7. In terms of network infrastructure, the map below indicates that the vast majority of investment in high speed fibre core networks has been made to serve the relatively densely populated areas of South Wales and very limited coverage in the North Eastern Dee estuary area. Recent enquiries of Other Licensed Operators (OLOs) in South Wales suggests that the services offered are limited to active network services, with generally no passive network available for sale.

3.8. This argues that much of Wales outside these areas will lack the alternative core network capability needed to allow competition at the wholesale level in the delivery of super fast broadband via fibre optic networks unless there is considerable new investment in infrastructure.
3.9. The ability of Virgin Media to roll out its own 50Mbs service will be constrained by its footprint of cable TV franchise operation as shown below.

3.10. If we take into account mobile investment in third generation high speed data networks, the situation is almost uncannily paralleled with the current coverage being restricted to the same areas of the Welsh geography. The state of mobile infrastructure in Wales, and the associated poor accessibility outside urban areas, with particular reference to the lack of assurance over emergency calls, is already a concern for the Ofcom Advisory Council for Wales and local MPs and AMs. Coverage would be greatly improved by cost effective roaming agreements between operators.
3.11. The make-up of the Welsh economy displays a bias towards micro-enterprises (see graph below), with a high proportion of these situated in rural areas of Ceredigion, Powys and Pembrokeshire, where they account for the vast majority of employment. Altogether micro-businesses account for a third of employment in Wales. The fact that the majority of these businesses lie in areas which suffer from poor connectivity will affect their ability to participate in the global digital economy, and threatens the spectre of a second digital divide created as the isolation of these communities, businesses and economic activity from access to high speed services will ensure they fall further and further behind those areas of both Wales itself, the UK and Europe which are better served with investment in the next generation of digital infrastructure.

3.12. It may be argued that Wales will continue to suffer from the effects of market failure in the provision of the next generation of superfast broadband services. This will affect the ability of the Welsh economy to both grow indigenously and attract incremental new investment from outside. Such services are recognised by the EU, Her Majesty's Government and the Welsh Assembly Government as critical to the creation and sustaining of employment and economic growth over the next decade. The desirability, indeed the eventual necessity, of higher speed broadband in the UK is beyond dispute; in the words of the European Commission: “Equipping Europe with this modern infrastructure is as important as building the railways in the nineteenth century”. In the UK, the Broadband Stakeholders Group and Caio Reports have set out in detail the benefits for business, education, health and leisure services that will accrue from super-fast broadband. The benefits to individual consumers, companies and the country as a whole were recognised as substantial and ranging widely; from the potential for radical new uses for broadband to lessening the country's impact on the environment. Geo, like the other major players in the industry, is looking to national and regional government and, of course, Ofcom, to set the regulatory picture and to support government initiatives, such as Digital Britain and Digital Inclusion, to encourage competitive, efficient deployment of next generation networks.
3.13. Whereas it may be argued that the market will provide enhanced services in the current areas of provision, there is a strong argument for innovative and fresh approaches to addressing other areas where there is not the same simplicity of investment calculation. For this to happen there will need to be “smart investment” by government to “accelerate the transition towards a knowledge-based and low carbon economy” including the proposed €1 billion from the EU Recovery Plan for fibre networks investment in the 2009–10 period. However, we understand that this is to be distributed via the “EU Agriculture Fund for Redevelopment”, and that the likely Wales share of this €1 billion could be in the region of €1.5 million. This will significantly dissipate the impact and not support well-defined projects such as the FibreSpeed future phases project, which has been developed between FibreSpeed and Welsh Assembly Government, as shown in the map below:

3.14. It is how governments and commercial operators can create value together in building new, open networks that deliver services to the community that will see the transformation of broadband, and indeed the whole communications landscape, including the meshing together of access via wireless, mobile networks, satellite and fixed lines. Public intervention is appropriate in geographic areas where private investments will not be viable or timely. In Geo’s view, it is quite likely that we will continue to see the market fail to deliver competitive optical fibre infrastructure in many of the UK’s regions and metropolitan areas (even in parts of the largest cities). Existing European, National and Regional government funds should be directed carefully and in a planned way to address this gap and help reduce the Digital Divide.

4. **The FibreSpeed Case: Innovation and Partnership**

4.1. FibreSpeed Ltd. and Geo Networks would like to bring to the attention of the Committee their innovative partnership with the Welsh Assembly Government in North Wales. The FibreSpeed project is a truly innovative collaboration between the public and private sectors that will enable world-class business communication services to be delivered to businesses across Wales. The partnership will provide an optical fibre network serving North Wales, linking into Manchester and will deliver modern broadband communications. The £30 million contract is jointly funded by the European Regional Development Fund, the Welsh Assembly Government and Geo. The network will link 14 strategic business parks in North Wales, potentially expanding to additional locations across Wales.

4.2. FibreSpeed is expected to have a positive impact on the telecoms market by making available an alternative infrastructure that could be used by other network operators, such as local loop unbundlers, fixed network operators, system integrators and wireless and mobile network operators. In the longer term it will have a transformational impact on Wales, helping economic growth through development of the ICT industry, increased foreign investment, new firm creation, increased productivity, formation of new industry clusters and the promotion of new ways of working. This new network will also act as the springboard for critical urban and rural broadband initiatives which can be deployed using fixed and wireless local access technologies to radically increase the number of connected users.

4.3. Expansion of the current project will depend upon securing further sources of funding within the partnership structure, but early indications are that such projects can and do succeed in creating vehicles for the creation of critical new infrastructure underpinning the next generation of digital services for Wales for both businesses and consumers.
5. **Conclusion**

5.1. The opportunity to enhance the relationship with the Welsh Assembly Government and develop new partnerships with local government and agencies in Wales is an area where we believe there is much scope for innovative ways of working and the creation of new groups of capabilities which can work together to both create the appropriate infrastructure for the next generation of broadband, and to create the services and the environment within which the digital divide can be addressed and significantly diminished, if not eliminated.

5.2. There are a number of commercial regulatory and public policy areas where action will be needed to ensure successful projects can be conceived and brought to fruition. This encompasses areas such as duct regulation to give fair and open access to infrastructure bottlenecks; reform of laws relating to practice and standards relating to highway installation and traffic management laws; reform of business rates pertaining to telecoms network infrastructure; and private land wayleaves and acquisition for network build. None of these are insuperable if clear legislative reform is undertaken quickly.

5.3. It is recognised that such projects should by their very nature be specific in their objectives and bring together sources of funds from the EU, national and regional government. A critical aspect to such investment must be the open nature of access to infrastructure rather than have infrastructure investment dedicated to active services. If that case prevails we would argue innovation in services will be stifled and the investment potential artificially capped.

5.4. In conclusion, Geo welcomes this opportunity to propose to members of the Welsh Affairs Select Committee that the approach to Digital Britain and the Digital Divide may be addressed through partnership between commercial expertise and strategic government funding, as in the current example of FibreSpeed, and that such partnerships are the best way forward for rural areas such as much of Wales where otherwise market failure might hold back the potential development of a thriving economy, and lead to a second generation threat of a growing digital divide. Most importantly, Wales is leading the delivery of Open Access publicly funded networks (as noted by Ofcom and DTI, paragraph 2.6) and should seek to maintain this leadership.

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**Memorandum submitted by Get Safe Online**

**Summary**

Get Safe Online (GSO) is the UK’s national internet security awareness initiative. Launched in 2005, it is a joint programme between the UK Government, Serious and Organised Crime Agency (SOCA) and private sector sponsors (including eBay, HSBC and Microsoft). The aim is to help consumers and micro-businesses to be aware of how to protect themselves against internet security risks, primarily through advice provided through its website, [www.getsafeonline.org](http://www.getsafeonline.org).

The site focuses on providing clear, trusted, uncomplicated, independent and up-to-date advice. This is supported by activities designed to raise awareness amongst the target audiences; these include an annual awareness week, grass roots events, media relations campaigns, speaking at conferences and events, as well as wider influencer engagement.

Today, approximately 60,000 people visit the GSO website each month, with the initiative directly engaging internet users through a range of awareness-raising activity, as well establishing itself as a recognised and independent commentator on internet safety advice.

**Description**

GetSafeOnline.org is a not-for-profit organisation with its online presence the main property. In addition to providing, neutral, jargon-free advice and timely updates on the latest technical threats, it also addresses wider issues, such as identity theft and the risks associated with emerging trends such as social networking, wireless networks and online dating. It is unique as an initiative, sponsored and supported by Government, law enforcement and private sector sponsors.

GSO is bolstered by an annual awareness week held since the campaign’s launch in 2005. The most recent “Get Safe Online Week”, in November 2007, included a high-profile influencer event held in Westminster, which brought together representatives from across the public, private and voluntary sectors. The Week also directly engaged the public through grass root events in six major UK cities; using volunteer support from all the sponsor organisations, this included hosting free workshops (at UK Online centres, Age Concern branches, public libraries and universities), distributing leaflets, and engaging Lord Mayors and local media personalities (eg Ed Doolan in Birmingham). Activity was underpinned by a high-profile media campaign.

GSO is led by a small core team, all of whom work part time: managing director, Tony Neate, spent 30 years in police service, including an industry-liason position within the National Hi-tech Crime Unit in London; marketing director, Vivien Quinn, is an experienced leader of large-scale public awareness
campaigns, including the Home Computing Initiative. They are supported by a technical/content director and a programme manager. With limited resources and funds, GSO works hard to maximise its impact and reach through strategic partnerships and other initiatives, such as:

- Engaging micro-business influencers (eg Business Link) to raise awareness amongst this difficult-to-reach audience, including a sector-wide forum, plus individual engagement to deliver joint initiatives such as training events.
- Hosting free seminars at industry body events whose members consist of a high number of micro-businesses and sole traders, eg Federation of Master Builders.
- Strategic partnerships with other organisations addressing similar issues, eg Trades Union Congress (TUC).
- Carefully-targeted direct marketing, eg last September, GSO partnered with the Student Loans Company to provide free information leaflets to all new university students.
- Regular media campaigns for sustained awareness, eg on online dating before Valentine’s Day, plus provision of expert commentary to media.
- Carefully targeted online campaigns (eg on shopping and social networking websites) designed to reach vulnerable audiences, but avoiding intrusive “spam”-type activity.

In achieving its aims, GSO does face challenges:

- Despite the increasing complexity and frequency of online crime, the campaign’s messages of vigilance and safety are relatively static. As a result, GSO tailors its campaigns to reflect emerging trends, as well as always looking for new ways to keep the topic “fresh”.
- Limited resources make reaching a wide range of people—with different levels of knowledge, awareness, vulnerability and lifestyle—difficult. Hence, every activity is carefully justified, targeted and executed.
- As a source of neutral advice, GSO has to take a responsible approach that strikes the balance between capturing interest and not deterring people from using the internet; it also avoids exploiting commercial relationships, which can make it difficult to be “heard” amongst all other messages being directed at consumers.
- GSO also co-exists alongside specialist organisations such as the Child Exploitation and Online Protection Centre (CEOP), meaning its efforts must be synergised but avoid duplication.

Chaired by Sharon Lemon, head of eCrime at SOCA, GSO’s sponsors take an active role in steering the organisation, as well as providing access to industry expertise and volunteers for larger campaigns, such as the awareness week. Nevertheless, GSO has established a robust reputation for ensuring the unbiased and commercially-neutral stance that is essential to the success of such an organisation.

OUTCOMES

Get Safe Online has delivered notable benefits:

- A single portal for consumers and small businesses to get trusted, neutral and up-to-date information and advice about being safe online.
- Easy-to-understand advice, enabling all audiences to enjoy using the internet safely and with confidence.
- Constantly updated advice on the latest threats and increased awareness of new risk areas, such as social networking or online dating.
- Direct engagement with the public, eg through free local workshops.
- Specialist advice—directly or through influencers—for micro-businesses that cannot afford dedicated IT security support to protect their businesses.

The size and nature of the challenge means that success metrics and overall impact are difficult to measure because it would be unreasonable to claim these purely as the result of GSO’s efforts alone. However, market research conducted after the first year of the initiative revealed that 62% of people identified and understood campaign messages, and as a result, 30% now take steps to keep their personal details safe.43 In addition, the results of the November 2007 awareness week provide a strong indicator of the type of success achieved:

- Events during the week quadrupled traffic to www.getsafeonline.org and encouraged 88,000 users to visit the website for the first time.
- 24,975 people took the GSO “How safe are you?” quiz online.
- Grass roots activity reached over 21,400 people.

The stakeholder summit event brought together 86 significant influencers from 55 organisations, kick starting various joint initiatives designed to help extend the reach of GSO; for example, partnerships with organisations such as Business Link built from here. Each of these influencing organisations takes the message back to their audiences, achieving scalability through collaboration.

Media interest during the week created over 380 million impressions.

The online campaign delivered over 3,257,200 impressions.

In summary, since the inception of GSO in 2005, a dedicated team has maximised limited resources and leveraged numerous, cross-industry partnerships to place internet security (as it relates to consumers and micro-businesses, not just large corporates with major IT resources) high up on the public agenda, as well as taking a positive, responsible approach to highlighting the risks and showing people how to use the web with confidence.

February 2009

Memorandum submitted by Mrs Sandra Hilton

My Member of Parliament, Mr Hywell Williams has suggested that I contact you because of my many problems over the years with failure of my internet access.

I live on a mountain track 1,000 feet up on the side of Cilgwyn Mountain in North Wales. This area gets a great deal of bad weather, ferocious gales (which have blown down the lines many times) and heavy rain but we also have a great deal of sunshine because the property faces south. We don’t get snowfall a lot but we have had a lot of snow at times, for instance this winter the line was taken down again after a gale and heavy snowfall, which I believe was in January.

I understand that our exchange is a few miles away from us, in Penygros. There are no other properties beyond us on this section of the phone line and the nearest junction with the other part of the line seems to be around 1/4 of a mile away. We had this phone line installed after we bought the property in 1991.

I had my name down for a Broadband account with BT well before the service was available in this area and was delighted to be able to use Broadband after being used to a dial up service for so long, even though we could not then—and still can’t—get anywhere near the maximum speed on our internet service that is available to other users, which I have been told is because we live so far away from the exchange.

Our main problem here has been when the Broadband service goes down. There has never been any problem with getting our phone line sorted out if the phone has ever been disconnected or if the lines have been blown down, but if the Broadband has failed yet the phone has stayed connected, then it is very difficult to get anyone to repair the fault This fact is the main reason why I left BT originally, I hoped that it would be easier with a different provider and until Tiscali took over Pipex, it was! There were 0800 numbers to ring to report a fault. The call centres were in the uk and everyone spoke excellent English and could understand me and I could understand them. Once Tiscali bought out Pipex, they changed the 0800 numbers to 0871 numbers and the call centres moved overseas. Without appearing to be racist I am afraid that most of the very polite operatives have no idea what I am talking about when I say that I live on the side of a mountain in North Wales, they do not understand the weather that I am describing to them, or what is wrong with the phone lines here. They also seem to have to read from an auto-cue and have to ask the same questions in a set order, no matter what I am trying to say to them. I hope that I am not being unjust, it isn’t my intention so to be.

I have had an intermittent fault on my line now since 24 February. This causes a very noisy phone line at times, although as yet I have never been cut off. It is my Broadband Service which is of most concern to me again at the moment I have been cut off from the internet for around a week at a time or just about any variation of time up to mat point. I asked Pipex to send an internet trained engineer out, but was told that it was best to report the fault as a phone line fault. So a phone trained engineer came out on 27 February could find no noise—hence no fault on the line and because he was not internet trained he could not diagnose the fault which meant that I could not get online still on the day that he came here.

The second engineer came out on 12 March. He was internet trained. That morning I had been cut off the internet a few times already, but when the engineer got here I was online and so of course he could not find a fault! Although he seemed surprised that the speed on the line was only something like 1.3 megabytes per second. I have been told in the past that this slow speed is because we are so far away from the exchange here.

The problem that we have here I have been told by engineers in the past who have arrived is with the line. The line is degrading, the insulation around the wire is becoming brittle with age but also because of the weather conditions here. The insulation cracks and the Broadband signal is not able to pass along the line where these cracks are. The phone line can usually pass along the line because it seems that the phone signal isn’t quite so sensitive somehow, but the slightest crack in the insulation, however small, seems to have the potential to disconnect us from the internet immediately—that is as I understand it but then I am a grandmother not an outreach internet engineer. So at times, particularly when the weather is good and the lines are not being blown around, I have a very good phone line and the internet connection can be perfectly
steady all day long, albeit slow. The lines only have to move slightly, opening up one of these hairline cracks in the insulation and we can get cut off from the internet and we can’t get online again unless by happy accident, the hairline crack is closed again by some movement of the telephone line, or by it rubbing against some object, or whatever. As there is no one else beyond our house who could also be affected by the same problem, it is not in the ISP’s interest to spend money getting the line up to a decent standard, for one user only.

So it seems to me that the only way to guarantee that rural customers such as myself, who pay their bills on time—by Direct Debit, which is their ISP’s preferred payment method—is for some Government initiative which will ensure that we are treated well by our ISP’s so that we can expect at least a reasonable service, one that isn’t interrupted constantly for differing periods just because the telephone lines are not receiving the maintenance which they so obviously need. If an ISP cannot guarantee a reasonable service should they be allowed to promise same to customers who approach them for service?

If the telephone lines are not capable of connecting customers at speeds of 8 megabytes—particularly likely for rural dwellers who live some way away from an exchange—then should these same ISP’s be allowed to charge the same rates for a service which is only capable of running at up to two megabytes for example? Does this seem reasonable? It certainly seems to be reasonable to me.

I live where I live from choice. I understand and accept that the distance that we live away from an exchange is the reason why we have slow speeds on our internet service. I do not accept that we have to pay the same rates as people who are getting four or more times the speed that we get. Neither do I accept that an ISP can shirk it’s duty of care to me because I live in a rural area. If this is the case then they should not be allowed to accept such customers surely?

March 2009

Memorandum submitted by Hutchison 3G UK Ltd

Many thanks for inviting 3 to make a written submission to the Welsh Affairs Committee inquiry into digital inclusion in Wales.

The Mobile Operators Association (MOA) have already provided a written submission for your inquiry. MOA represent the five UK mobile network operators on radio frequency health and safety and associated town planning issues. Its submission represents 3’s views on the following:

— The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio); and
— The ways in which commercial and non-governmental organizations contribute to digital inclusion in Wales, and the opportunities available.

Our submission therefore represents 3’s views on our provision of technological infrastructure in Wales, and planned future developments.

INFRASTRUCTURE IN WALES

3 is currently the UK’s biggest 3G network with 99.5% of the population covered for calls and texts.

At the end of 2007, 3 and T-Mobile signed an agreement to share their 3G access networks. This ground-breaking collaboration will create the largest UK mobile broadband network with 13,000 sites live (up from approximately 7,600 today), and 99% mobile broadband population coverage by the 3rd quarter of 2010.

Across the UK this network share agreement will increase in-building coverage, outdoor coverage, and mobile broadband user speeds.

In Wales we expect the network share agreement following percentage increases in coverage*:

<table>
<thead>
<tr>
<th></th>
<th>Before Consolidation</th>
<th>After Consolidation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban coverage in urban areas</td>
<td>22%</td>
<td>44%</td>
</tr>
<tr>
<td>Suburban coverage in suburban areas</td>
<td>38%</td>
<td>76%</td>
</tr>
<tr>
<td>Rural coverage in rural areas</td>
<td>21%</td>
<td>66%</td>
</tr>
</tbody>
</table>

*“Urban”, “suburban” and “rural” are measures of signal strength with “urban” being the strongest, so suitable for higher usage and built-up areas. As we do not hold a population split (how many people are living in urban/rural areas etc) we cannot predict how many people will be affected by each percentage increase.

For Welsh consumers this will result in greater mobile broadband speeds and significant increases in both indoor and outdoor coverage, equating to roughly a doubling of urban and suburban geographic areas and a trebling of rural coverage.
Many consumers and businesses that are unserved by fixed line access to the internet are digitally excluded through no fault of their own. Our network consolidation programme will allow greater access to a simple, always-on, 3G mobile broadband service.

By extending our reach and consolidating our network, 3 is working to increase digital inclusion in Wales and free customers to access the internet wherever they choose.

The recent Digital Britain interim report called for the implementation of a Universal Service Commitment to broadband to be effective by 2012, delivered by a mixture of fixed and mobile means. 3 believe that we are well placed to meet this challenge and are accordingly expanding our network reach in Wales considerably in the near future.

I hope that this submission is of use to your enquiry and compliments that made by MOA. If you need any further information please do not hesitate to get in touch.

13 February 2009

Memorandum submitted by ITV Wales

INTRODUCTION

Since the late 1950s, ITV in Wales has played an important role in delivering a national news and programme service to Welsh viewers. More recently, ITV has had an integral role in the digital switchover process. This has involved massive on-screen marketing, working alongside other public service broadcasters (PSBs) and the wider industry as part of Digital UK—the independent, not-for-profit organisation leading the process of digital TV switchover in the UK. Alongside other PSBs, ITV has substantial roll-out obligations for digital which means that ITV will broadcast to virtually the whole of Wales post switchover.

ITV was a founding partner of Freeview, which remains the most popular form of digital television across the UK and continues to grow in popularity. More recently, ITV, in joint partnership with the BBC, launched Freesat, a free HD digital TV satellite service which is available to 98% of UK households, including around 25% of those households out of Freeview reception. In summary, ITV is ensuring its family of channels are available to the widest possible audience across Wales.

There are, however, uncertainties regarding ITV’s longer term role as a public service broadcaster. This is because the switch to digital is radically undermining the traditional model for commercial public service broadcasting. The value of ITV’s PSB licences are declining which means the cost of ITV’s public service obligations will outweigh the benefits very shortly.

There is an important debate taking place now about the future of PSB in the digital age, and ITV’s role within the new landscape. Ofcom’s Review of Public Service Broadcasting and the Government’s Digital Britain report both set out possible options, including those for ITV.

PUBLIC SERVICE BROADCASTING

As digital switchover completes there has been a debate about the value of the ITV Wales licence. In effect, digital switchover in Wales has already occurred with 84% of households already having access to digital TV. These households now have hundreds of channels to choose from. With audiences and advertising revenue fragmenting across these additional channels, as well as online, the value of the Channel 3 licence is declining. ITV has been arguing for its PSB obligations to be brought in line with the reduced value of its licences.

The Regulator agrees with this analysis and for the need for urgent regulatory reform. On 21 January, 2009, Ofcom published its final report on the Future of Public Service Broadcasting. It said that the benefit of holding the Wales and West licence will be less than the cost of making news and non-news programmes as early as 2009. Therefore, Ofcom has agreed to ITV producing four hours a week of news in Wales (which will include the weekly news programme, Wales Tonight, and bulletins during the week and at weekends) and one and a half hours a week of non-news programmes.

For the medium to long-term, there is uncertainty about our precise future PSB role and, given that Ofcom acknowledges that our Welsh licence is in loss, things will have to evolve further. ITV is currently in discussion with the BBC about sharing facilities and technology as a means of reducing the cost of regional news.

Beyond this, Ofcom recommends that Government should plan in parallel for an alternative way of securing news for the English regions and the devolved nations from 2011. Their alternative proposal is for a series of “independently funded news consortia”, based on competitive tender processes, with a non-BBC broadcaster (probably Channel 3) providing slots in its schedule. Ofcom identifies “unused funds currently allocated towards digital switchover before 2012 and the Licence Fee switchover surplus after 2012 (if retained)” as a credible option for funding these new arrangements.
ITV in Wales

ITV news programmes regularly reach 500,000 viewers in Wales every day (taking into account Wales Tonight and the other bulletins). Other popular programmes, such as, Fishlock’s Wild Tracks, The Ferret and Wales This Week regularly attract 200,000 viewers each episode. ITV, therefore, reaches much of the Welsh viewing public with our Welsh programming.

In the Welsh language, ITV produces the current affairs programme, Y Byd ar Bedwar, and a current affairs series for young people, Hacio. ITV also makes one of the most popular series on S4C, Cefn Gwlad, we produce S4C’s weather service as well as a number of documentaries and drama series.

ITV also has the ability to use its well loved brands to engage people online in large numbers— nationally and locally. UK visitors to ITV.com have increased by 270% since its re-launch in August 2007.

ITV Local, ITV’s local news and information service, provides up-to-date stories and information from around Wales. 2008 saw the launch of a number of new channels including Your News, the fastest growing channel where citizen journalists upload their own reports, and My Europe, dedicated to disseminating information about European politics and the impact of the EU on the UK regions.

ITV has also developed an on-line service in conjunction with S4C, ITV Local Cymru, which carries the best of ITV’s Welsh language programmes, plus highlights from the Welsh language archive.

Increased usage of the internet will provide the catalyst for further investment in broadband.

Background: History of ITV in Wales

ITV in Wales was launched in 1958 with the TWW service. TWW covered Wales and the West of England and that franchise area remains the same today. The matching of Wales with the West of England was, at the time, for commercial and transmitter reasons.

TWW in its first few years covered mainly South Wales, although as more transmitters were built the whole of Wales was covered.

In 1962 another channel was created, WWN (Wales, West and North) which was designed to cater mainly for Welsh speakers in West and North Wales. The service folded after barely a year and was taken over by TWW creating an all Wales channel for the first time. By then TWW had two separate services, one for the West Country and one for Wales.

In 1968, TWW lost the franchise to Harlech Television, which later became HTV. It continued to make English and Welsh language news and programmes about Wales. At that time there were only three television services in Wales, BBC1 Wales, the newly launched BBC2 and HTV.

This changed in 1982 with the creation and launch of S4C, a channel dedicated to making Welsh language programmes about Wales. Welsh language programmes were then taken off HTV and shown on S4C.

It was decided that the BBC would supply S4C with Welsh language news and HTV would supply current affairs programming. This ensured there was plurality of voice in Wales.

HTV also provided a range of other programmes, including drama, documentaries and long-running popular series, such as Cefn Gwlad. By the 1990’s, while HTV was making less programmes for S4C, it continued to make current affairs, drama, documentaries and Cefn Gwlad. It also made 12 hours a week of news and non-news programming in the English language for Wales.

In 1997 HTV was taken over by United News and Media who were eventually taken over by Granada. In 2000 the HTV franchise was sold to Carlton and, in 2003, when ITV plc was created with the merger of Carlton and Granada, HTV became ITV Wales.

February 2009

Memorandum submitted by Professor Sonia Livingstone,
Department of Media and Communications at LSE

Implications of Digital Inclusion for Children’s Internet Safety

1. Overview

— What risks does the internet pose to children? EU Kids Online has classified the array of risks to children, as shown in the table below. While the specific risks that fall into each cell may change over time, the categories are more enduring.

— The vertical dimension recognises that risks to children derive from the three modes of communication afforded by the internet: one-to-many (child as recipient of mass distributed content); adult-to child (child as participant in an interactive situation predominantly driven by
adults); and peer-to-peer (child as actor in an interaction in which s/he may be initiator or perpetrator). The horizontal dimension acknowledges four main forms of risk to children’s development and well-being—commercial, aggressive, sexual, and value threats.

<table>
<thead>
<tr>
<th>Content Child as recipient</th>
<th>Commercial</th>
<th>Aggressive</th>
<th>Sexual</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising, spam, sponsorship</td>
<td>Violent/hateful content</td>
<td>Pornographic or unwelcome sexual content</td>
<td>Racism, biased or misleading info/advice (e.g., drugs)</td>
<td></td>
</tr>
<tr>
<td>Tracking/harvesting personal information</td>
<td>Being bullied, harassed or stalked</td>
<td>Meeting strangers, being groomed</td>
<td>Self-harm, unwelcome persuasion</td>
<td></td>
</tr>
<tr>
<td>Illegal downloads, hacking, gambling</td>
<td>Bullying or harassing another</td>
<td>Sending or posting porn, sexual harassment</td>
<td>Providing advice (e.g., suicide/adolescent chat)</td>
<td></td>
</tr>
</tbody>
</table>

— Millwood Hargrave and Livingstone’s recent review of the research literature (Harm and Offence in Media Content—Intellect Press, 2006) was updated in 2008 on request by Ofcom as part of its contribution to the Byron Review. Overall, this reveals relatively little published research about these potential harms as yet, for the delivery platforms and the possibilities of content manipulation are still too new for the research community—both researchers and research funders—to have considered them in detail.

— However, although the body of rigorous and independently conducted work is still insufficient in specific areas (regarding, for example, suicide, anorexia or race hate websites), there is recent and mounting evidence regarding children’s access to pornographic and violent websites—it seems, now fairly commonplace, though varying in severity, and children’s experience of online bullying and harassment—also now commonplace and, it seems, fuelled by children’s own contributions in some cases.

2. Incidence of risk

— Much of the available evidence does not offer firm conclusions about the risk of harm to children from the internet but it is indicative, showing that there is likely to be some harm, particularly to “vulnerable” children.

— Specifically, current research shows that some of the risk derives from the greater range of content, and forms of contact and conduct, available on the internet than the public is familiar with from broadcast and print media.

— Further, much of the risk comes from the nature of the delivery mechanisms which offer far greater accessibility, convenience and anonymity to media contents that were less easy to find previously, especially by children and young people.

— In mapping the expanding knowledge base, the EU Kids Online network has identified and coded over 400 distinct empirical studies in 21 countries concerned with children’s online experiences. Notwithstanding considerable cross-national variation, it appears that:
  — giving out personal information is the most common risk (approximately half of online teenagers);
  — that seeing pornography is the second most common risk at around 4 in 10 across Europe;
  — that seeing violent or hateful content is third most common risk (at approx one third of teens);
  — that being bullied/harassed/stalked affects around 1 in 5 or 6 teens online;
  — that receiving unwanted sexual comments is experienced by between 1 in 10 teens (Germany, Ireland, Portugal) but closer to 1 in 3 or 4 teens in Iceland, Norway, UK and Sweden, rising 1 in 2 in Poland; and
  — as regards meeting an online contact offline, this is the least common but arguably most dangerous risk, showing considerable consistency in the figures across Europe at around 9% (1 in 11) online teens going to such meetings, rising to 1 in 5 in Poland, Sweden and the Czech Republic.

— In several countries, a degree of distress or feeling uncomfortable or threatened was reported by 15%–20% of online teens, suggesting, perhaps, the proportion for whom risk poses a degree of harm. For example, in the UK, Ofcom’s Media Literacy Audit on Children (2006) found that 16% of 8–15 yr olds have come across “nasty, worrying or frightening” content online.

— It can be argued that there is little new about the content of online pornography, and the policy concerns about the effect of such material remain the same in any medium. However, the change is in the availability of such material offered, easily accessed, at times more extreme in nature, thus expanding the market’s potential in several ways.
In the UK Children Go Online project—based on a national survey of 9–19 year olds conducted in 2004, I found that, among those who used the internet at least weekly, 57% had seen online pornography, 31% had seen violent and 11% had seen racist content. Further, 31% had received sexual comments online and 28% had been sent unsolicited sexual material. A third had received bullying comments online and 8% had gone to a meeting with someone first met online.

For social networking sites, the issue of verifiability and anonymity is a problem. A significant proportion of young people communicates with strangers online and post material about themselves which would be considered “private” in most circumstances. The ability to restrict access to sites is known about but not always used. Thus, knowingly, some young people give away inappropriate (private) information publicly (allowing access to “anyone”). However, it seems likely that many more also do so inadvertently, as a result of limitations in both internet literacy and interface design.

Research suggests young people may be aware of the risks, especially regarding social networking sites, but this awareness of these issues and problems is not always translated into action.

It is likely that when children receive hostile, bullying or hateful messages, many are generally ill-equipped to respond appropriately or to cope with the emotional upset this causes; similarly, parents are unclear how they can know about, or intervene in, risky behaviours undertaken—deliberately or inadvertently—by their children.

Not all forms of online communication are the same: the above findings for cyberbullying tend not to distinguish email, text, chatroom, instant messaging or social networking.

Ybarra et al (2007) have recently argued that the simple act of sharing personal information is not necessarily a risk factor; rather, it is those teenagers who seek out opportunities to talk about sex with unknown people, who have unknown people in their buddy lists and who communicate in many different ways online who are specifically at risk of online victimization. While 33% of 10–15 year olds contacted in the US reported being harassed online in 2007, they were more likely to be harassed through instant messaging or chatrooms than via social networking sites.

Similarly, Valkenburg and Peter (2007) found that it is among teenagers who seek opportunities to talk to strangers online that more online communication is associated with lower self-esteem and well-being. They argue that chatrooms favour such interaction with strangers more than instant messaging; for social networking, a key factor might be whether the profile is set to public or private and whether the teenager is careful or casual in accepting unknown contacts as friends.

3. European comparisons

Although generally European children are gaining access to the internet, differences in access and use remain, enabling a country classification based on the percentage of children who use the internet. Also striking is the diversity of online risk figures obtained across countries, suggesting a classification of countries based on the likelihood of children’s experiencing online risk.

Putting these two classifications together, EU Kids Online produced the table below:

<table>
<thead>
<tr>
<th>Children's internet use</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>France</td>
<td>High</td>
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<tr>
<td></td>
<td></td>
<td>Italy</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Greece</td>
<td>Austria</td>
<td>Belgium</td>
</tr>
<tr>
<td></td>
<td>Portugal</td>
<td>Ireland</td>
<td>Denmark</td>
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<tr>
<td></td>
<td>Spain</td>
<td></td>
<td>Sweden</td>
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<tr>
<td>High</td>
<td>Bulgaria</td>
<td>Czech R.</td>
<td>Estonia</td>
</tr>
<tr>
<td></td>
<td>Poland</td>
<td>Netherlands</td>
<td></td>
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<tr>
<td></td>
<td>Slovenia</td>
<td>Norway</td>
<td>UK</td>
</tr>
</tbody>
</table>

This suggests that:

(i) high use of the internet is rarely if ever associated with low risk;
(ii) low use of the internet may be associated with high risk but not vice versa;
(iii) high use, high risk countries are, for the most part, wealthy Northern European countries;
(iv) medium use, high risk situations are characteristic of new entrants to the EC; and
(v) Southern European countries tend to be relatively lower in risk, though there are differences among them.
— Putting this another way around, we conclude that, as a broad generality, (i) Northern European countries tend to be “high use, high risk”; (ii) Southern European countries tend to be “low use, variable risk”, and (iii) Eastern European countries can be characterised as “new use, new risk”.

4. Parenting

There is much talk of parental responsibilities in this field. As a panellist on the “Options for Regulation” session of the Westminster eForum’s conference, “Taming the Wild Web—Online Content Regulation” on 11 February 2009, I argued as follows:

— Lord Carter’s recent “Digital Britain” report follows last year’s “Byron Review” in calling for a one stop shop for internet safety information, better parental control software and improvements to parents’ e-safety skills. As Secretary of State Andy Burnham said in the House of Commons, when debating Digital Britain, we must “give parents the information and tools necessary to protect children from harmful or inappropriate content”.

— In the USA, the Internet Safety Technical Task Force, which reported last December, stated that parents should educate themselves about the internet and the ways their children use it, explore and evaluate the effectiveness of the available technological tools, and be conscious of the common risks youth face.

— What does this mean for parents? It seems that we need to think hard about the difference between empowering parents (which everyone surely wholeheartedly supports), and relying on parents to mediate their children’s internet use and safety (about which research suggests serious reservations).

— For any media, including now the internet, research finds that parents try to do three types of management:

   — 1. They impose rules and restrictions
   — 2. They use technical tools—filtering, monitoring
   — 3. They use social approaches—watching, sharing, talking about the internet with their children

— Parents prefer social solutions: for younger children, because they wish to share their experiences; for older teens, because rules don’t work with them; and for all children because they wish to trust their child, to treat them with respect and not check up on them, invade their privacy or act the heavy authority figure.

— So—rules and restrictions don’t fit well with the ethos of modern parenting. Further, when researchers interview both parents and their children, they find that parents claim many more rules than their children recognise. And last, perhaps surprisingly, it remains to be seen whether rules and restrictions really reduce risk. At present, we only have evidence that they reduce opportunities.

— What about technical solutions? Five years ago, the UK Children Go Online survey found that a fifth of parents said the child’s computer has no filtering or monitoring software installed—though only 15% of parents said they were good at installing such software. Last December, a Eurobarometer survey conducted by the EC’s Safer Internet Programme found that 88% of UK parents claim to have safety software installed—an improvement over recent years, putting the UK at the top of the EU for use of safety software, against an EU27 average of 59%.

— But, among those who don’t have it, 1 in 5 say they don’t know how to install it. The persistent difficulties in use of filters is confirmed by the EC’s Safer Internet programme’s recent evaluation of filters on the market—they show some year on year improvement, but are still fairly difficult to install and use. Moreover, filters are better for online pornography and violence (especially if searched for in the English language) than they are for anorexia, gambling or self-harm sites, especially if searched for in Polish or Urdu; and they do not address what the child posts, only what they may receive. Last, as is often stated, the suspicion—little researched—is that those determined to get around them will do so.

— So, that leaves the social solutions—the ones parents prefer. The good news is that across Europe, the Eurobarometer survey shows that British parents are among the most likely to stay nearby, sit with their child or check the computer afterwards. This is especially the case among parents who use the computer themselves. So, the safety messages are getting across.

— Moreover, worries are most common among those who don’t use the computer themselves. Since worries remain fairly high—the Eurobarometer survey shows that 59% of UK parents are worried about their children seeing sexual or violent content, 48% worry about online grooming, 42% about children accessing information about self-harm, suicide or anorexia online, and 39% worry that they’ll be bullied online—getting all parents online themselves is a good move.
However, there are some problems with the social solutions:

— It relies on parental surveillance. But the 2008–09 Childwise survey finds that 37% of children go online in their own bedroom, including more than a quarter of 5–10 year olds. Given this, parental monitoring is difficult.

— It requires trust. The Eurobarometer survey found UK parents are least likely to report that their children ask them for help with online problems—only 15%, compared with an EU27 average of 32%—although when children do ask for help, they are most likely to ask about bullying/harassment/strangers etc rather than, say, technical problems.

— It assumes responsible parents. As the ISTTF report made clear, it is unfortunate but true that vulnerable children may be least likely to have parents who help them online—or, arguably, offline. So, relying on parents may further disadvantage those already “at risk”, perpetuating cycles of disadvantage.

— To conclude: we must empower parents, to improve their use of all the available solutions; but we must not rely on them, especially expecting them to provide the stop gap solution where other regulatory strategies are found to be insufficient.

The author

Sonia Livingstone is a Professor of Social Psychology in the Department of Media and Communications at the London School of Economics and Political Science. She is author or editor of twelve books and 100+ academic articles and chapters on media audiences, children and the internet, domestic contexts of media use and media literacy. Having recently directed the research project, UK Children Go Online, for the ESRC’s e-society programme, she is now directing a 21 country thematic network, EU Kids Online, for the EC’s Safer Internet Plus programme. She serves on the UK Council for Child Internet Safety, the DCSF’s Ministerial Taskforce for Home Access to Technology for Children, Ofcom’s Media Literacy Research Forum and, until recently, the Internet Watch Foundation.

February 2009

Memorandum submitted by Mobile Operators Association

INTRODUCTION

The Mobile Operators Association (MOA) represents the five UK mobile network operators—3, O2, Orange, T-Mobile and Vodafone—on radio frequency health and safety and associated town planning issues.

This submission provides the views of the UK mobile network operators on:

— The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio); and

— The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available.

SUMMARY

Mobile broadband should be considered as a vital part of the overall solution to digital inclusion in Wales. While there are some constraints to investment due to the topography and population density of Wales, mobile broadband is a viable alternative to more traditional fixed networks, especially in urban areas. With the right policies in place, including ensuring an appropriate planning regime remains in place, ensuring that mobile communications is a fundamental part of the digital inclusion strategy could help Wales deliver its citizen engagement objectives and wider economic plan.

The provision of mobile communications services is only possible through the deployment of the infrastructure that supports the networks. This infrastructure can only be easily deployed if the planning system does not put in place unnecessary barriers to development. Any assessment of the telecoms planning regime should take account of the economic and social benefits of high quality communications services in Wales. Policy makers in Wales must ensure that the planning system does not act as a disincentive to investment in infrastructure.

TECHNOLOGICAL INFRASTRUCTURE PROVISION IN WALES

The mobile phone industry has made a significant contribution to technology and communications infrastructure in Wales in the past 20 years. Each of the five UK mobile network operators has invested heavily in mobile networks infrastructure in Wales, particularly in those areas of heaviest mobile phone use, including the main urban centres of Cardiff, Swansea, Neath-Port Talbot and Bridgend.
A wide variety of services are now provided through the mobile networks in Wales—voice and data (including SMS and MMS) provision through the second generation (2G) networks, to larger data transfer, including mobile broadband, through the third generation (3G) networks.

According to data available on the Welsh Assembly web site the overarching infrastructure strategy to date in Wales appears to have been to provide fixed line broadband access. However, Ofcom recently reported in its *Mobile Citizen, Mobile Consumers* consultation that evidence about the rapid take-up of mobile broadband services is striking. We therefore believe that mobile broadband, where practical and profitable to roll out, should also be considered as part of the overall solution.

There are many factors which contribute to the availability of mobile network coverage across Wales. These include license requirements, population density, topography and availability of potential mobile base station sites as well as the ability of the operators (or their planning agents) to obtain planning permission to build new sites. Therefore in considering mobile broadband as part of the overall solution, the following factors also need to be understood.

1. License
   
   The mobile operators have met their regulatory obligation of providing third generation (3G) network coverage for 80% of the UK population. In Wales in 2007, 98% of the population were living in postal districts where at least one operator reports at least 75% 2G area coverage. At the same time, 68% of the population in Wales were living in postal districts where at least one operator reports at least 75% 3G area coverage. Therefore, the mobile operators are an established sector in Wales and have demonstrated their commitment to invest.

2. Geography and population density
   
   As acknowledged in the Ofcom *Mobile Citizens, Mobile Consumers* consultation, providing coverage in areas of mountainous and hilly terrain can incur higher costs for operators than in other areas. If population densities in these challenging environments are low (and as a result there is a low demand for mobile communications services) it may not be commercially viable for operators to build radio base stations and extend coverage to these areas.

   In addition, radio signals can be affected by hills, trees, and tall buildings, and because they are low powered the radio waves cover a limited area—no more than 2–5kms for larger “macro” base stations and only a few hundred metres for the smaller sites. Due to the topography of Wales, with its hills, mountains and valleys, there are many radio engineering challenges to address in order to build good quality mobile networks.

   This is why operators have initially concentrated their efforts on those areas with the highest population density and therefore the highest levels of mobile phone usage. Mobile phone base stations need to be located relatively near to where people want to use their phones, handsets and other devices. This is why the networks are currently concentrated in urban areas and main transport routes.

3. Planning system
   
   To continue to enable the deployment of radio base station sites, it is vital that the planning system in Wales continues to enable efficient and cost effective delivery of communications services to communities across the country.

   The current telecommunications planning system in Wales, as in England, provides three categories of development—full planning, prior approval and permitted development.

   **Full planning**

   Full planning permission is required for masts more than 15 metres high and the operator is expected to provide a range of supporting documentation to justify the application.

   The local authority is expected to deal with the application within 56 days and applications can be refused on a number of grounds including siting and appearance or loss of amenity.

   Full planning permission is required for any mast, of whatever height, in National Parks, Areas of Outstanding Natural Beauty, Conservation Areas and other designated areas.

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44 *Mobile citizen, mobile consumers, adapting regulation for a mobile wireless world*, Ofcom, August 2008, para 3.101

45 *Ofcom Communications Market Report 2008*
General Permitted Development Order (GPDO)—Prior Approval

GPDO covers ground-based structures up to 15 metres at the base of the antenna and antennas on rooftops that exceed the height of the building by more than four metres.

Operators are required to submit an application for prior approval which, as with full planning applications, must be accompanied by supporting documentation.

The local authority can refuse permission on grounds of siting and appearance but they must let the operator know within 56 days, or approval is deemed to have been granted.

Permitted Development

This category includes installations that have little impact on the environment in areas which are environmentally non-sensitive. This would include, for example, rooftop antennas less than four metres high or ancillary developments like cabling or small dish antennas. Operators inform local authorities one calendar month before installing the equipment. The local authority can comment on siting and design but they cannot refuse permission.

Code of Best Practice

In addition to the statutory planning regime, the operators have, since 2000, put in place a system of voluntary pre-application consultation, called the Ten Commitments to Best Siting Practice. The Ten Commitments is established in Wales as part of the Welsh Assembly Government’s Code of Best Practice on Mobile Phone Network Development. The key aim of the Code is to ensure that local communities are consulted on proposals for new base station sites and are provided with information on issues related to network deployment ahead of the submission of a formal planning (or prior approval) application.

The operators approach is to try to ensure that networks are deployed in the most appropriate manner with as little disruption to local communities as possible. However, it is important to remember that base stations must be located close to where people wish to use their mobile phones and other mobile devices.

We believe that the current planning system in Wales offers the flexibility required to enable the mobile operators to respond speedily to increases in demand for mobile network coverage, capacity and services, while providing the correct controls on development that has the highest visual impact. It is vital that the planning system retains its current flexibility and that additional and unnecessary restrictions are not put in place that would affect the ability of the operators to continue to improve mobile coverage and capacity in Wales. Any further restrictions on permitted development rights for telecoms operators in Wales would be a disincentive to invest and could put Wales at a competitive disadvantage to the rest of the UK.

The Ways in Which Commercial and Non-Governmental Organisations Contribute to Digital Inclusion in Wales

The rapid growth of mobile telecommunications usage across the country has made a significant contribution to digital inclusion Wales. With the deployment of the 3G networks has come a significant increase in the number of services that can be provided through the mobile networks. The clearest example of innovation in the mobile networks is the provision of 3G wireless broadband access.

Mobile broadband internet is a broadband-speed internet connection accessed via the 3G mobile networks offered. It enables users to access the internet via a laptop or desktop computer anywhere there is 3G network coverage.

This means that users do not need to have access to copper telephone wires or fibre optic cable used in most home internet connections and means that it is not necessary to pay line rental in addition to a broadband internet package. It also means that it is not necessary to install expensive telephone or cable lines into the home or office to access the internet.

Access is provided through a mobile broadband USB modem—providing a wire free way to connect to the internet at home, in the office and on the move.

As the recent Ofcom Mobile Sector Assessment notes: “a new wave of data-based services, including mobile broadband, promises to bring together two of the most significant features of modern communications: the flexibility of the internet and ease and immediacy of mobility.” By continuing to innovate, the mobile network operators are making a significant contribution to digital inclusion in Wales.

It should be remembered that all of this is only possible through the provision of the infrastructure that supports mobile services. This infrastructure can only be easily deployed if the planning system does not put in place unnecessary barriers to development. Any assessment of the telecoms planning regime should take account of the economic and social benefits of high quality communications services in Wales. While the mobile operators cannot guarantee network coverage in areas of low (or even no) profitability, the planning system should not act as a disincentive to investment.

Anecdotal evidence provided to the MOA from the annual conference of One Voice Wales in 2008 suggested that in many parts of Wales, not only was there no mobile phone signal but that BT phone boxes were also being taken away. This left some communities at risk from lack of means to call for help in emergencies, and was damaging to local businesses that needed the accessibility provided by mobile phones.
Councillors at the conference pointed out that the lack of broadband coverage in rural areas is hampering local and small businesses. Lack of communications links is a barrier to maintaining sustainable communities.

**Examples of Innovation in the Mobile Sector—Enabling Digital Inclusion**

There are many examples of the ways in which access to mobile communications enables an increase in digital inclusion across the UK (including Wales), while improving the efficiency and performance of many public services.

For example, through access to the mobile networks, ambulance services across the UK have been able to equip front-line crews with reliable connections to their central control unit and other emergency agencies. Mobile web-based links have helped to greatly increase ambulance crews’ ability to access information instantly, without having to call back the central command centre. Mobile communications are helping to enable rapid response vehicles to coordinate emergency operations far more effectively.

*January 2009*

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**Memorandum submitted by NIACE Dysgu Cymru**

**Introduction**

**About NIACE**

i. The National Institute of Adult Continuing Education (NIACE) is the national, independent organisation for adult learning in England and Wales. As a registered charity, founded in 1921, NIACE both represents and advances the interests of all adult learners and potential learners—especially those who have benefited least from education and training. NIACE aims to improve opportunities for adult learners across all sectors with a particular focus on those adults who have not had successful access to learning in their initial education.

ii. NIACE Dysgu Cymru (NIACE DC) the Welsh arm of NIACE, conducts work in Wales supported by a Management Group, which is elected by NIACE members in Wales. The membership of NIACE DC comprises almost all further education colleges, all Local Authorities, most higher education institutions, individuals, Careers Wales, TUC, UfI and other representatives of a range of organisations whose focus is specifically on responding to the needs of adult learners.

**Overview**

iii. NIACE DC welcomes the Government’s proposals in the Digital Inclusion Action Plan. NIACE’s formal response to that consultation is attached for information.

iv. NIACE DC particularly welcomes the Welsh Affairs Committee’s inquiry into the impact of this Action Plan in Wales. We hope that the points outlined below will be useful to the Committee.

**Recommendations of the Government’s Action Plan and their application to Wales:**

NIACE welcomes the recommendations outlined in the Action Plan (as indicated in our attached response). There are a number of issues of particular importance to Wales that the committee may wish to consider further:

- The Action Plan makes a number of important points. Any actions arising from the plan need to take account of differing policy in the devolved administrations. Similarly, they need to be sensitive to and aware of good practice in all the countries of the UK (some examples from Wales are provided below).

- While many of the actions arising from the plan may be relevant to England in the first instance, NDC would encourage continued constructive dialogue with Welsh Assembly Government to ensure that any benefits are also realized in Wales. In particular we would welcome the introduction of a Cabinet Committee on Digital Inclusion and expert panel for digital inclusion in Wales.

- The Action Plan highlights why digital inclusion is important, and there are a number of reasons why this is particularly pertinent in Wales. For example:

  1. Rurality and access to communications services: People in Wales, particularly in the large parts of rural Wales lag urban areas in terms of take up of many communications services. In particular, the perceived availability of communications services is lower in rural areas in Wales when compared with urban areas. Furthermore, the demand for services to be made available is highest in Wales (and Northern Ireland). For further information see Ofcom’s 2007 Communications & Market Report: Wales.
2. Socio-demographic features: Wales has a higher number of demographic indicators that point to higher levels of deprivations and financial exclusion than the UK as a whole. These factors can affect levels of take up and exclusion. Wales also has a higher proportion of C2Des (51%) than the UK average (45%).

NIACE Dysgu Cymru would welcome the opportunity to develop an action plan for Wales, which could build on the good practice that already exists. While this is broad and varied, examples include:

— The Communities@One initiative funded by the Welsh Assembly Government, which provided support to community and voluntary organizations to engage with technologies—helping the most deprived communities in Wales access technology; and

— The Wales Media Literacy Network, facilitated by NIACE Dysgu Cymru and funded by Ofcom which aims to bring together stakeholders from across Wales to ensure a better public understanding of the benefits of media literacy; to share good practice and work in partnership on all matters relating to media literacy; co-ordinate events (such as on E Democracy in March 2009) and to provide a “match-making” service between learners, learning providers and media professionals.

January 2009
1. Wales’ Communications Infrastructure

Television

Wales’ topography presents significant engineering challenges and in order to secure near universal coverage for television services, the country is served by a network of 214 main transmitters and relays.

10 sites currently transmit digital terrestrial television (DTT) alongside analogue television, providing coverage to 63% of households in Wales. Following digital switchover, which is due to start in August 2009 in west Wales, coverage of the three public service multiplexes transmitted via DTT service will reach 98% of households in Wales by the time the process is completed in spring 2010 (with coverage of the commercial multiplexes reaching around 73% of households). This will provide at least 17 digital television channels to viewers in Wales rather than the four (or sometimes five) provided by the existing analogue services.

Digital satellite, including the new BBC/ITV Freesat service, offers an alternative way to receive digital television and is available across the whole of Wales. However, Virgin Media’s cable network, which also carries digital television services, is only available in parts of south east Wales, reaching around 23% of households in Wales (compared to the UK average of 45%).

Digital television take-up in Wales is already at 84%, although take-up has slowed over the past year. Paying television customers in Wales are the largest adopters of satellite services in the UK, possibly because Wales has the lowest levels of cable and DTT availability in the UK.

Ofcom research shows that, due to the popularity of digital television, particularly digital satellite, the proportion of households in Wales viewing services from England only is by now relatively small with around 39,000 households in Wales receiving only England channels. The largest number of these are located around Wrexham (almost 16,000), followed by Cardiff (around 10,000). However, if those who could view Wales and England channels but choose to watch mostly England channels are included, the number of households affected rises to around 74,000.

In addition to the digital satellite and cable platforms, DTT will also carry high definition services, with three channels becoming available in Wales by 2010. However, viewers will need a high definition ready television and a new set top box.

Digital switchover will release spectrum capacity, known as the digital dividend, which can be used for other purposes as digital television transmission is more efficient than analogue and uses up less capacity. This spectrum, in the UHF band, is the most commercially valuable and highest quality that is likely to be released in the UK in the next 10 or 20 years. After extensive consultation, Ofcom has decided that market mechanisms are the most effective way to manage this spectrum and Ofcom will be shortly starting a round of auctions which will release it to the market. The spectrum released through the digital dividend is suitable for a wide range of uses including, ultra-fast wireless broadband services, mobile television, more DTT services, local television, wireless microphones and low-power applications developed from wi-fi.

An auction of geographic interleaved spectrum for Cardiff will be held on 18 February and one potential outcome could be the creation of a digital local television service for the Cardiff area, reaching some 300,000 viewers.

Radio

Currently in the UK, analogue and digital radio services exist side by side and although there are no firm proposals for digital switchover, the Digital Radio Working Group, (DRWG) in its final report suggested that the UK could be ready to migrate to digital radio as early as 2017. This issue will be further explored by the forthcoming Digital Britain report.

Digital Radio is already broadcast on a variety of platforms in the UK, combined with digital television: DTT, Digital Satellite and Digital Cable. It is also possible to listen to digital radio on line either via a computer or through portable devices such as Internet Radios. However, the main portable platform for digital radio is Digital Audio Broadcasting (DAB), which is the platform generally regarded by the radio industry as the main replacement for analogue radio in the UK.

Ownership of DAB sets in the UK has already grown and cumulative sales of sets passed the 8.5 million mark by the beginning of 2009. In Wales, around 14% of listeners own a DAB radio compared to the UK average of 22%.

Although coverage of DAB radio services have significantly improved to around 74% of the population in Wales, the coverage of BBC Radio Wales and Radio Cymru is still currently limited to south and east Wales. For technical and licensing reasons, the BBC’s services for Wales are carried on local commercial multiplexes and in order to extend their reach, Ofcom has, over the past two years, awarded local multiplex licenses covering most of the rest of Wales.

The development of a common European standard, will become available during 2009 that will support a range of technologies including FM, DAB, DAB+ and DMB Audio. This development will create a European-wide market which will help to sustain digital radio.

DRWG recommended in its final report published in December that the UK Government should make a clear statement on the future of digital radio and agree a set of criteria and timetable for migration to digital. It suggested in order to trigger radio digital migration, at least 50% of total radio listening would be to digital platforms, UK multiplex coverage will be comparable to that of FM coverage and that local multiplexes should cover at least 90% of the population. DRWG also recognised that the BBC’s nation services, eg Radio Wales and Radio Cymru, would also have to match the current coverage levels on FM.

Community radio services, licensed by Ofcom through five year licences have started to develop with licences awarded to nine stations across Wales. In addition, Rhondda Cynon Taf Council have been running a community based radio project, as a series of one-month Restricted Licence Services, licensed by Ofcom.

Fixed Line

Fixed telephone services are available to all of the UK population as a result of the universal service obligation (USO) which is provided by BT (and Kingston Communications in Kingston-upon-Hull).

Under the USO all UK households have access to a landline at a standard charge, although additional charges for connection apply where the cost of installation is in excess of £3,400. The USO does not, however, cover access to broadband services.

The USO mandates BT and Kingston to provide affordable telephone services for less advantaged members of the community in the form of special pricing schemes.

As a result of the USO, there are no significant issues relating to the availability of fixed voice telephony services in Wales.

Mobile

Geographic 2G mobile coverage in Wales is the second lowest among the UK nations at 97%, while it was highest in England (over 99%). The majority of postcode districts in the UK (98%) have 2G area coverage from one or more mobile networks. Wales has the second lowest level of geographic 2G coverage from all four providers at 46% of postcode districts. There are sizeable areas of mid-Wales where coverage from 2G services is only available from one or two mobile networks.

Wales has the second lowest 3G coverage where 68% of the population live in a postcode district that has at least 75% area coverage with from one or more 3G networks, compared to a UK average of 90%.

22% of people in Wales live in an area with 3G coverage from four or more networks, the second lowest among the UK nations.

In January 2008, Ofcom commissioned a survey of mobile telephony coverage on the A470 in Wales to provide an insight into the level of service availability on this main road which runs the full length of Wales. The results highlight that coverage in these less populated routes is significantly less than in population centres.

Broadband

Broadband access over the existing copper telephone network is limited in practice to premises situated up to around 5km from an exchange.

Openreach, a division of the BT Group, is responsible for managing and maintaining BT’s existing copper lines and infrastructure running from exchanges to premises (also known as the “Local Loop”) which are used by around 400 communications providers in addition to BT Retail to provide broadband services, either via wholesale capacity from BT or through direct infrastructure investment at individual exchanges.

Virgin Media operates a separate hybrid fibre-coaxial network access network, which has uses fibre instead of copper, running from its core network to street cabinets. But, in Wales, access to this network is only available in the urban areas of south east Wales, Cardiff, Newport, Swansea and parts of the Vale of Glamorgan.

Despite the wide availability of broadband services, not-spot areas still exist, although the exact scale of the problem is difficult to quantify. BT estimates that 99.6% of premises are connected to its network and are able to obtain broadband speeds of up to 512 Kbits/s. But in practice access may not be possible because:

- The length of the copper line from the telephone exchange to the site is too long, there may be poor connections and its quality may be poor;
- Line sharing devices prevent broadband from working; and
- Aluminium cabling as well as copper may have been installed over the years which can have a significantly impair the broadband signal.

However, significant increases in broadband speeds can be achieved in premises and homes by improved domestic wiring.

Through its Regional Innovative Broadband Support (RIBS) contract with the Welsh Assembly Government (WAG), Openreach has been working on a programme of line concentrator and DACS removal in order to enable more lines to provide a broadband service. In December 2008, WAG announced
an initiative with Openreach to broadband enable the lines serving the West Wales communities of Reynoldston, Saundersfoot, Llanpumsaint and Bronwydd Arms, Cilcennin in Ceredigion and Gwytherin in North Wales.

In June 2008, BT announced an ambitious £1.5 billion programme, over four years, to replace its copper network with fibre, at least to the street cabinet, connecting 10 million homes. This is described as next generation access and will enable the provision of super fast broadband with much higher speeds than currently available via DSL. BT has recently selected the Whitchurch area of Cardiff as one of the two first pilot sites for Super Fast Broadband roll-out.

Broadband take-up is currently 45% of the population in Wales (compared with a UK average of 57%). Consumer responses suggest that the gap in broadband take-up between Wales and the rest of the UK will not close significantly during 2009. Only 15% of those without broadband in Wales said that they were likely to get it in the following year; 53% were unlikely to and 33% were unsure.

Ofcom research, published on 8 January this year, revealed that UK consumers receive an actual average broadband speed of 3.6Mbit/s. This compares with an average maximum possible speed of 4.3Mbit/s across the UK. Among consumers on the most popular “up to 8Mbit/s” package (which over 60% of UK broadband consumers subscribe to), one in five subscribers receives an average speed of less than 2Mbit/s and on average the actual speed consumers receive is 45% of the advertised headline speed.

Overall, dissatisfaction with broadband is higher for rural users (14%) than urban users (8%). Within the nations and regions, consumers in the North East, Eastern and South West English regions are significantly more satisfied than users in East Midlands, Wales and Scotland.

Since 5 December 2008, over 95% of people choosing a broadband service have been covered by the Ofcom broadband speeds Code of Practice which requires ISPs to provide an accurate estimate of the maximum speed they can expect when signing up to a service.

FibreSpeed—Open Access Networks for Wales—is a key initiative within the Welsh Assembly Government’s Broadband Wales Strategy which aims to provide affordable broadband connectivity (with a minimum of 10Mbit/s symmetric broadband service) to business parks/locations in north Wales.

In 2004, BT announced that the roll-out of its £10 billion UK 21st Century (21CN) next-generation network would start in South Wales. This investment is essential in the core networks operated by BT that eventually feed local exchanges.

BT estimates that it has already laid more than 2,300 kilometres of fibre optic cable in South Wales as part of the upgrade process. 21CN is capable of delivering high-bandwidth services to the exchanges that can be accessed by households and businesses in Wales. Linked to the development of 21CN is the future provision of ADSL2+ technology which will offer maximum download rates of up to 24Mbit/s over the existing copper infrastructure for premises located within 2 km of an exchange. However, the development of super-fast broadband and fibre to the cabinet may over take the development of ADSL2+ in some areas.

2. Promoting Digital Inclusion in Wales

Society is becoming increasingly reliant on digital communications technology which is becoming an integral part of everyday life. Knowledge of its use is increasingly a prerequisite to effective participation in society and in the economy. As the traditional models of content regulation become less effective in minimising potential harm and offence, parents, carers and individuals must take more responsibility for what they, and children, see and hear on television, radio and online.

This increasing importance of media literacy is reflected in important initiatives such as the recent formation of the UK Council of Child Internet Safety (UKCCIS). It is also likely to form a key priority of the UK Government’s Digital Britain Report and Ofcom looks forward to working with the Government on this new initiative.

Ofcom is charged with the promotion of Media Literacy and following an extensive consultation in the summer of 2004, Ofcom set out its definition as follows:

“Media Literacy is the ability to access, understand and create communications in a variety of contexts.”

In November 2004, Ofcom published its Media Literacy Strategy which proposed the following activity:

— A wide ranging research programme to assess the extent of media literacy in the UK;
— The development of a common labelling system to support greater consistency in presenting information related to possible harm and offence and to protect young and vulnerable people from inappropriate material; and
— Support for related and relevant work undertaken by other organisations across the UK.

47 Maximum possible speed is the highest speed that a line is capable of (defined in this research by the highest speed ever achieved in the 30 days of data collection). Headline speed is the download speed at which an internet service is advertised.
48 Section 11 of the Communications Act 2003
Ofcom’s statement of strategy and priorities for the promotion of media literacy can be found at http://www.ofcom.org.uk/consult/condocs/strategymedialit/ml_statement/

No single organisation can be effective in reaching all sections of society—and different people will have different media literacy needs. Ofcom has demonstrated over the last four years (2004–2008) that a range of partnerships can be effective in addressing people’s media literacy needs. Ofcom has therefore established effective partnerships throughout the UK with key stakeholders in government, education, the voluntary sector and the creative industries.

Wales Media Literacy Network

Ofcom established the Wales Media Literacy Network (WMLN) in March 2007 as a direct response to a consultation exercise conducted the previous year. The Network is funded by Ofcom and administered by NIACE Dysgu Cymru. It includes representatives from a range of organisations from across Wales—each with an interest in some form of media literacy or another. A Committee (chaired by Karen Roberts in the Ofcom Wales office) meets four times a year to set the agenda for network activity. Committee Members act as a central point of contact for their organisation/sector, facilitating two-way dialogue and sustaining the flow of information between that organisation/sector and the Network itself.

The WMLN also:

— ensures that Network members are made aware of all relevant media literacy activity as soon as is practicably possible;
— identifies media literacy issues in Wales, both collectively as a Committee and individually as Members, with particular reference to the areas where they have particular knowledge or expertise;
— provides advice to the Network about general and specific issues concerning media literacy matters as they arise within Wales;
— provides comment as required on matters brought to the Committee by other Network members;
— responds appropriately to consultations on media literacy undertaken by other bodies; and
— actively promotes media literacy to the wider public in Wales.

Since its creation, the WMLN has endeavoured to:

— identify media literacy activity in Wales and help to plug the gaps where inactivity is prevalent;
— share good practice and work in partnership on all matters relating to media literacy;
— co-ordinate events to promote media literacy;
— provide a “match-making” service between learners, learning providers and media professionals;
— collate and distribute information; and
— develop a Wales Media Literacy Strategy to establish a clear vision for promoting media literacy in Wales.

There are many organisations that have a key role to play in the promotion of media literacy skills, knowledge and understanding—amongst both adults and children. These include content producers, broadcasters, platform and network providers, learning providers, academics, Government, parents, the voluntary sector and others. Membership of the network is free and organisations and individuals with a particular interest in any aspect of media literacy are welcome to join.

Network events and activity

A number of high profile Network events have already been held in Wales to increase membership of the Network, and promote the work of Network members as they relate to media literacy. These include events at the National Eisteddfod in Mold in 2007 and in Cardiff in 2008 in conjunction with the Royal Television Society; a seminar held at the University of Glamorgan in October 2007; a seminar on e-democracy held at the National Assembly in January 2008 and a seminar on Digital Literacy in a Web 2.0 World, held at Aberystwyth University in June 2008.

Ofcom Research

As an evidence-based regulator, we use our portfolio of research to define priorities for action, both for Ofcom and for our stakeholders. Research helps us identify the skills gaps and issues, directs our activity and measures our progress towards achieving our goals. Ofcom has commissioned and published a wide range of Audits on media literacy activity which can be found on the website at: http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/
Media Literacy Audit

Ofcom carried out an audit of media literacy across the UK and in March 2006 published its first report, which details the audit’s findings across all UK adults.

Report on media literacy in the nations and regions—April 2006

This report focused on results across the nations and English regions and should be read in tandem with The Communications Market: Wales report, which examines availability, take-up and consumption of communications services across the UK.

Key findings for Wales were:

— Self-reported take-up of mobiles and the internet in Wales were lower than the UK average; self-reported access to digital radio services was at similar levels and take-up of digital TV was significantly higher;

— Picture quality was a key driver in digital television take-up. Levels of general concern about television services were low, in keeping with the UK average;

— Internet users in Wales were significantly happier to give out personal details online than the other nations; and

— People in Wales were more likely to cite emergency use and text messaging as reasons to obtain mobile phone services compared to the UK average. People in Wales used fewer sources of news than the other nations. Overall, they were more likely to say they distrust newspapers than the UK average. They were more likely to trust BBC News 24, and appear more likely to trust the other UK-based 24-hour news channels.

The full Audit can be found at: http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/nations_regions/

Our Adult Media Literacy Audit for 2008 showed the following findings for Wales:

— Take-up of digital television and mobile phones has increased significantly since 2005, although internet ownership in Wales (53%) was lower than in the UK as a whole (62%);

— Compared to the UK, adults in Wales were more likely to regularly listen to music on a hi-fi/CD/tape player, and less likely to regularly use the internet;

— People in Wales were also more likely than people in the UK in general to say they would miss their television the most;

— 61% of adults in Wales use another device at the same time as watching television compared with the UK (69%);

— 63% of adults in Wales use another media device while using the internet compared with the UK (74%);

— People expressed a similar level of concern about media content and devices in general, with the exception of what is on television; people in Wales were more likely than the UK average to have concerns about what is on television; and

— Levels of trust in television and internet content were lower in Wales than in the UK in general.

Our Children’s Media Literacy Audit for 2008 showed the following findings for Wales:

— As in the whole of the UK, households with children in Wales had high levels of ownership of key media, and had experienced a significant increase in children’s use of the internet since 2005. Since 2005 children in Wales had also increased their use of a CD player, an MP3 player and a digital camera;

— Children in Wales were more likely than children in the whole of the UK to have a television and a portable DVD player in their bedroom. Children in Wales were more likely to have internet access in their bedroom than they were in 2005 (an increase from 7% to 13%);

— In each of the UK nations there has been an increase since 2005 in children saying they would miss the internet the most;

— Children in Wales watched fewer hours of television and listened to more hours of radio in a typical school week, and were less likely to use media other than a television to watch video content;

— Children in Wales tended to be confident using the internet and were more likely than children in the UK as a whole to say they can always find what they’re looking for online;

— Parents in Wales were more likely to say their child’s mobile phone use and radio listening were a concern;
— Children in Wales were more likely to agree with attitudes towards gaming relating to the consequences of violence in games, the value of settings on consoles preventing access to games with certain age ratings, and the wider use of skills learned playing games; and
— Compared to the UK average, children in Wales were less likely to say they have lessons at school about the internet.

Other Ofcom Media Literacy Activities

We plan to undertake the following activity through our partnerships with key stakeholders across the UK:

Promotion of Content management systems (including filters and PINs) provide the potential to empower people to control the content they access on television, over the internet and on mobile services.

Promotion of Content information

Ofcom will encourage and support industry members such as the Broadband Stakeholder Group to raise people’s awareness of these sources of information to manage their viewing experience and protect against harmful or offensive content.

Critical awareness

We will establish partnerships with those stakeholders, particularly in education and in broadcasting, who can promote greater critical awareness of media.

Learning

Jointly with the Department for Children, Schools and Families (DCSF) we have undertaken an audit of government departments and relevant agencies to map the policy agenda and priorities for the promotion of media literacy in the education sector.

Safety and security

We will support the work of the UK Council for Child Internet Safety (UKCCIS). We will work closely with Get Safe Online to support its provision of information to people on how to protect their PCs and transact safely and securely online.

Mapping activity to promote media literacy

Ofcom is trialling a resource to provide a public, searchable, web-based database of organisations, projects and activities that promote media literacy in the UK.

Evaluating activity

We continue to support the work of the Media Literacy Task Force and will publish an evaluation toolkit for media literacy projects and activity.

Supporting citizens and consumers

We will provide information for those audiences who are not connected to the internet—and for other hard-to-reach audiences. This information will be made available through existing support networks such as Citizens Advice, UK online centres, libraries and museums.

3. Online Protection

Ofcom believes that it would not be appropriate or effective to attempt to translate existing regulatory structures onto the internet. The internet was created as an essentially open access network and the existing lack of regulation has contributed to its very success and the innovation it has engendered. In the future, it will therefore be important to maintain the benefits of this open approach as much as possible in order not to cause undue negative impact on consumers as well as businesses.

Ofcom is a member of the Wales Internet Safety Partnership (WISP) Committee. WISP was established in 2007 to raise awareness of Internet safety, which aims to assess current trends in young people’s use of the Internet and mobile phones, and the safety challenges these present. WISP is also developing innovative targeted programmes to ensure that young people and parents have an informed understanding of the Internet and mobile technologies, and the risks that these can present including issues relating to online social networking sites, messenger services, accessing inappropriate content online, and grooming.

The partnership is keen to stress the many positive benefits the Internet presents and aims to engage and inform the public so they have a better understanding of the online world and are able to handle their personal safety online. WISP held its second conference “Young People, Mobile and Internet Technologies 2008—Maximising Opportunities, Addressing Challenges in Swansea in October”. The Welsh Assembly
Government/WISP eNetwork was also launched at the conference, which will link and enable educators, youth professionals and others with an interest in the digital literacy of young people across Wales to share ideas, resources and good practice. Details of the conference can be accessed at http://www.wisekids.org.uk

As legitimate use of the internet has grown, so have the scale and impact of its fraudulent and criminal uses. The international nature of the internet has generated new opportunities for consumers but it has also put them within easier reach of those seeking to take advantage of them.

The internet has given rise to many new types of crime—for example, identity theft by phishing, malicious virus dissemination via SPAM, and online grooming of children. It has also made it easier for criminals to circumvent judicial systems by taking advantage of the impersonal nature of the internet to misrepresent or disguise their true identity.

From our survey of different approaches to regulating some of the key consumer protection issues that the internet raises—such as privacy and security, and protection from illegal or inappropriate content, or from malicious software—we make four observations about the effectiveness of regulation relating to the internet and the services delivered over the internet:

— The attempts at consumer protection on the internet at both national and international level have met with varying degrees of success to date;
— Successful consumer protection on the internet has generally involved a much higher degree of co— and self-regulation than has been the case for other media;
— Effective consumer protection on the internet requires more significant levels of international cooperation than currently exist; and
— The internet inevitably places a much greater responsibility on consumers to take action to protect themselves.

SECTION 3
WALES’ DIGITAL LANDSCAPE: TELEVISION, RADIO, FIXED LINE, MOBILE AND BROADBAND

i) Digital Television

Digital Terrestrial Television Service Availability

3.0 Historically, the hills and valleys of Wales presented significant engineering challenges to the goal of securing ubiquitous television reception within the country. This is illustrated by the fact that although Wales has around 5% of the UK’s population it has about 20% of the UK’s transmitters.49 Television is broadcast from six main sites in Wales: Wenvoe, Carmel, Preseli, Blaenplwyf, Moel-y-Parc and Llanddona, which currently broadcast both analogue and digital services. But since the early days of black and white television, due to its topography, Wales has relied on a network of relay stations to bring reception to households based in valleys and mountainous areas, where direct reception from the main transmitter sites is not possible.50 Figure 1 below illustrates how relay transmitters receive signals from a main transmitter and then re-broadcast them into an area where direct reception is not possible. Wales is currently served by 208 relay transmitters51 and the total analogue coverage, provided by transmitters based in Wales is 96.7%. This figure rises to 97.4% if reception from neighbouring transmitters in England is also taken into account.52

49 These relays will be converted to carry digital terrestrial television through the digital switchover process, due to start in Wales in Q3 2009 with completion in Q1 2010.
50 Originally, 405 line television, which was monochrome only, was broadcast on the VHF bands, and these signals travelled further than the current Colour UHF system, so fewer relays were required.
51 Including relays serving Wales based in England.
52 In some areas of the mid Wales borders, it is only technically possible to provide television signals from relays dependent on the Ridge Hill transmitter, based in England.
Digital Terrestrial Television Coverage

3.1 Digital Terrestrial Television (DTT) services in Wales are currently broadcast from the six main sites, Wenvoe, Carmel, Preseli, Blaenplwyf, Moel-y-Parc and Llanddona, along with the Aberdare, Pontypool and Kilvey Hill relays. In addition, the Ferryside relay near Carmarthen was converted to DTT following a trial conducted by the DCMS after which the local community voted to retain the digital service. Unlike analogue television, which broadcasts a single service per 8 Mhz UHF channel, the same space (or “bandwidth”) can be used to broadcast a digital multiplex which can contain around eight digital television channels (the exact number depends upon the compression mode used by the multiplex operator). DTT transmission therefore makes more efficient use of spectrum capacity compared to analogue transmission and further technological developments such as DVB 2 and MPEG 4 in the near future will enable even greater capacity to be created for the same amount of spectrum, allowing high definition services to be transmitted.

3.2 When DTT was first rolled out to 81 transmitter sites across the UK in 1996–97, each transmitter broadcast six multiplexes (three public service and three commercial) alongside four (or five) analogue channels. Digital switchover will switch off the analogue services and convert the remaining relays across the UK (around 1073 transmitters) to carry the three DTT PSB multiplexes (but generally not the commercial multiplexes). This will mean that communities that receive DTT services from a relay will generally receive around 17 digital television channels (along with a number of digital radio services) after switchover, instead of the four or sometimes five analogue television channels received currently. However, households served by a main transmitter will receive around 40 digital television services.

3.3 Currently, core DTT coverage in Wales (where all six multiplexes can be received) is around 63% of households (compared to the UK average of 73%). However, it is anticipated that core coverage for the three public service DTT multiplexes will reach 98% of households after the digital switchover process is completed in Wales in spring 2010 (with coverage of the commercial multiplexes increasing to around 73% of households). Maps of the transmitter sites in Wales are available on the Ofcom web site at: http://www.ofcom.org.uk/tv/if/tech/transmaps/

3.4 Digital satellite services are available to around 98% of households across the UK.53 Reception is possible in most parts of Wales except where there are local obstructions or where the nature of the location causes difficulties, for example, steep valley slopes. Reception of the service is not possible in places where a dish can not be pointed at the relevant part of the horizon to obtain signals from the Astra group of satellites (which carry the Sky Digital services). As well as the subscription based satellite service provided by Sky, viewers can also obtain a free satellite service from Sky. In addition, the Freesat service, launched by ITV and BBC in 2008, provides a free service with no need for an initial subscription (although viewers will have to buy a set-top box and install a satellite dish).54

3.5 The Virgin Media cable television network (formerly NTL) is only available in the urban areas of south east Wales, mainly in Cardiff, Newport, Swansea and parts of the Vale of Glamorgan (corresponding to the areas where cable broadband services are available) serving 23% of the population (compared to the UK average coverage of 45%). Virgin Cable is largely a digital service, but according to the Q3 2008 RSMB/

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53 There is no figure specifically for Wales but coverage is comparable to the UK.
54 Viewers that previously subscribed to Sky Digital and free to air sky viewers could use their existing dish in most cases.
BARB research there are around 20,000 homes in Wales still using analogue cable. (By Q3 2008, across the UK as a whole, only around 169,000 homes had analogue cable, which is less than 1%). Virgin Cable also provides super fast broadband (with speeds up to 50 mbps) and telephone/voice services.
Fig 2

AVAILABILITY OF VIRGIN MEDIA CABLE SERVICES
Self Help Television

3.6 There are also 25 registered licensed analogue Self-Help-Schemes operating in Wales, which provide fill-in coverage to an estimated 1,032 homes. It may be possible for some of these schemes to be converted to digital transmission and Ofcom has issued a guidance note to scheme operators.

Digital Television Take-up

3.7 In Wales, pay and free to view satellite combined account for around 50% of the total digital television platform take-up. Given the current limited availability of DTT and cable, the satellite platform is currently the only option for most viewers in Wales who switch to digital television.

3.8 In 2008 digital television (DTV) penetration stood at 84% in Wales. Historically, take-up in Wales has run ahead of the UK average, possibly explained by poor analogue television reception in parts of the country and the availability for the full Channel 4 service on digital television platforms (The full channel 4 service is not broadcast on analogue in Wales). But DTV growth in Wales has slowed recently with take-up rising only 2% between 2006 and 2008, compared to an average UK increase of 10% over the same period.

3.9 In comparison to other nations, Wales DTV penetration fell slightly behind England (86%) and Scotland (85%), but remained ahead of Northern Ireland (79%). Within Wales, the areas with the highest levels of take-up were Cardiff (95%), Newport (88%) and Swansea (88%), while take-up in other areas in the urban south region was below 80%. Overall, there was little difference in take-up between urban and rural areas.

3.10 Penetration figures for the Mid Wales and North Coastal regions should be treated with caution as the base sizes were relatively small, below 100 respondents.

Individuals’ take-up of digital television at home, 2008

PROPORTION OF INDIVIDUALS WITH A TELEVISION (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Analogue</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>Wales</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>England</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>Scotland</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Cardiff</td>
<td>95%</td>
<td>5%</td>
</tr>
<tr>
<td>Newport</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Swansea</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Wrexham &amp; Urban North</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>Other Urban South</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Mid Wales*</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>North Coastal</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>Rural North</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>Rural South</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Wales Urban</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>Wales Rural</td>
<td>83%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Ofcom
*Base size less than 100. Apply caution.

3.11 Over half of all homes in Wales (52%) paid for their television services in 2007—3% higher than the UK average (49%). Of these, 79% received satellite and 15% cable. Proportionally, this made paying television customers in Wales the largest adopter of satellite services in the UK—possibly because Wales has the lowest levels of cable and DTT availability in the UK.

Television “Overlap Viewing”

3.12 The 2007 Ofcom Communications Market Report for Wales included the findings of a research project, commissioned by Ofcom, into the extent to which viewers living in households Wales watch television in England, described in the report as “overlap viewing”. The research showed that although the proportion of households in Wales viewing services from England only was relatively small it estimated that 39,000 households in Wales receive only England channels, with the largest number of these being located around Wrexham (almost 16,000), followed by Cardiff (around 10,000). If those who could view Wales and England channels but choose to watch mostly England channels are included, the number of households affected rises to around 74,000. The figures are consistent with BBC data, which suggest that the proportion

55 Ofcom consultation document, Self Help Television Relays and Digital Switchover, 7 December 2006
56 The remaining percentages are those homes that have Freeview with free channels plus paid-for top-up channels.
of viewing of BBC One from England in Wales fell from 25% in 1998 to 10% in 2006. It is likely that increases in digital satellite and cable take-up in Wales will have had a major impact as these platforms already give prominence to Wales’ Public Service Broadcasting (PSB) television channels. The full research is available at: http://www.ofcom.org.uk/about/nationaloffices/OfcomWales/walespublications/Info/wales/

The Digital Switchover Timetable

3.13 The body responsible for co-ordinating and promoting the switch over process is Digital UK. Digital switchover involves converting 198 relays based in Wales which currently only broadcast the analogue terrestrial television channels to transmit DTT.

3.14 Currently the six main transmitters and four relays in Wales broadcast three public service multiplexes and three commercial multiplexes (which together make up the full “freeview” service). The commercial multiplex operators have no plans to extend their networks beyond the existing 10 sites in Wales from where they are currently broadcast but the coverage of these multiplexes will also increase at switchover because they will be able to transmit at higher powers than at present.

3.15 The switchover process occurs in two stages. Initially, overnight, the BBC 2 analogue service is switched off and that frequency is used to broadcast the BBC digital multiplex, which carries digital versions of BBC 1 Wales and BBC 2 Wales, along with other BBC services. Then around a month later the remaining three analogue channels are switched off overnight and replaced with the two additional PSB DTT multiplexes. Viewers will therefore need to scan for new channels on their DTT equipment twice during this period.

57 See http://www.digitaluk.co.uk/
58 Digital Switchover Transmitter Details, Wales, Ofcom, 24.10.07. The relays dependent on Ridge Hill will be converted in 2011.
59 Digital television is also already available via digital satellite (SKY) and digital cable (Virgin Media).
60 The Ferryside relay carries the 3 PSB multiplexes and one commercial multiplex.
The DSO schedule for the Wales transmitter groups is as follows:

<table>
<thead>
<tr>
<th>Transmitter Group</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilvey Hill</td>
<td>12 August</td>
<td>9 September</td>
<td>2009</td>
</tr>
<tr>
<td>Preseli</td>
<td>19 August</td>
<td>16 September</td>
<td>2009</td>
</tr>
<tr>
<td>Carmel</td>
<td>26 August</td>
<td>23 September</td>
<td>2009</td>
</tr>
<tr>
<td>Llanddonna</td>
<td>21 October</td>
<td>4 November</td>
<td>2009</td>
</tr>
<tr>
<td>Moel-y-Parc</td>
<td>28 October</td>
<td>18 November</td>
<td>2009</td>
</tr>
<tr>
<td>Long Mountain</td>
<td>25 November</td>
<td>3 December</td>
<td>2009</td>
</tr>
<tr>
<td>Blaenplwyf</td>
<td>10 February</td>
<td>10 March</td>
<td>2010</td>
</tr>
<tr>
<td>Wenvoe</td>
<td>3 March</td>
<td>31 March</td>
<td>2010</td>
</tr>
</tbody>
</table>

3.16 Detailed transmitter maps for Wales can be found at: http://www.ofcom.org.uk/tv/ifi/tech/transmaps/

High Definition Television (HDTV)

3.17 In November 2007, Ofcom published a consultation on proposals to re-configure the DTT capacity on the public service multiplexes to enable high definition television services to be carried within existing capacity. The opportunity exists to upgrade the DTT platform over the next few years by introducing new technologies that will greatly increase the capacity available. This upgrade will in turn enable the platform to offer a wider, richer and more varied set of services—including the potential for services in High Definition (HD). This goal was achieved, through discussions with the broadcasters, without requiring additional spectrum, while protecting viewers with existing equipment.

3.18 On 17 October, 2008, Ofcom announced its decision to reserve capacity for Channel 4 together with S4C, and Channel 3 licensees (ITV plc, Channel TV, stv and UTV) to broadcast new High Definition (HD) services on digital terrestrial television (DTT). The announcement followed a tender process and means that these public service broadcasters will join the BBC in launching three HD services on DTT, expected to start from late autumn 2009, with UK-wide coverage by the end of digital switchover (DSO) in 2012. To access the HD programmes and new services on DTT, viewers will need an HD Ready TV set and a new HD set-top box that is capable of receiving the new services. Ofcom also believes that a fourth HD service could be launched on DTT as soon as 2010.

Channel 4/S4C HD

3.19 Channel 4 made a joint proposal with S4C which involves a simultaneous broadcast of the HD version of the Channel 4 service across the UK. In Wales, viewers will receive an HD version of the S4C Digidol service. Channel 4 and S4C have stated that their service will also include a strong film component (4HD expects to broadcast over 150 hours of films in HD during the first twelve months, with the majority shown in peak-time). Additional programming will include drama, comedy, science programmes, documentaries made in the UK in HD and programmes imported from the US such as Desperate Housewives.

3.20 Viewers of S4C HD will be able to watch Welsh-language children’s programmes and European Cup Rugby games in HD. In addition, the joint Channel 4/S4C proposal may, in future, offer an on demand service or sub-let during overnight hours. (Channel 4 already broadcasts a HD service on Sky).

ITV HD

3.21 ITV plc, Channel TV, stv and UTV have stated that they will simultaneously broadcast the current peak-time (18.00–23.00) ITV1 schedule in HD. The new ITV HD service will also include sport programmes, such as the FA Cup and the 2010 Football World Cup, in HD; newly-commissioned drama series such as Miss Marple in HD; and programmes about the UK’s nations and regions in place of the early evening and late night regional news services. In addition, ITV proposes to offer on-demand services and sub-let services outside of peak-time hours to allow other broadcasters to offer HD or other services on DTT. ITV already broadcasts a HD service on the BBC and ITV free satellite service, Freesat.

BBC HD

3.22 The BBC Trust will decide on the service to be carried on one of the three slots currently available. A BBC HD service is currently available on BSkyB, Virgin Media and Freesat which includes programmes such as Torchwood and Strictly Come Dancing.

Availability of HD programmes and switchover

3.23 The services will become available across the UK on DTT as each region completes digital switchover. We expect that the first region in which the HD services will be made available will be the north west of England in 2009, followed by Wales in 2010. As part of their applications the broadcasters have included proposals to ensure that consumers are properly informed about the new services as digital switchover takes place region by region.
Upgrading DTT for HD services

3.24 An upgrade of the DTT platform to new and more efficient technologies will allow the broadcasters to free-up capacity in order to offer new HD services. The upgrade includes using two new broadcasting standards, known as MPEG-4 and DVB-T2 which are not available on current DTT devices. Many of the leading UK and international manufacturers are now developing receivers that include these new standards. Although compatible receivers are not yet available we are aware from discussions with manufacturers that they are now developing suitable equipment with the intention of launching products in time for digital switchover in the north west region in late 2009.

3.25 DTT programmes are broadcast on six distinct multiplexes (each using a group of radio frequencies). Ofcom will reorganise existing services onto five of the multiplexes, freeing the sixth multiplex to be upgraded to MPEG-4 and DVB-T2 for the new services. This multiplex is currently licenced to BBC Free to View Ltd (known as Multiplex B).

Digital Dividend Review

3.26 Following an extensive consultation during 2007, Ofcom announced in December 2007 that the radio spectrum that will be freed-up through digital switchover (112 Mhz) in the UHF band will be awarded for new uses for the benefit of citizens and consumers in the UK. Spectrum is a finite resource that is the essential ingredient for all wireless communications. Demand for spectrum is growing continually with changes in technology and consumer trends. Spectrum is used throughout the economy and society, from the emergency services and defence, to radio and television broadcasting, and mobile phones and wireless internet, and underpins 3% of the UK’s GDP.

3.27 The digital dividend spectrum is in the sought-after UHF band currently used by the terrestrial television broadcasters. Transmissions in this band cover large geographical areas with relatively few transmitters, and penetrate buildings well. This makes the digital dividend the highest quality spectrum likely to be released in the UK in the next 10 or 20 years. The spectrum released through the digital dividend is suitable for a wide range of uses including:

— ultra-fast wireless broadband services;
— mobile television;
— more digital terrestrial television channels in either standard or high-definition;
— local television;
— wireless microphones; and
— low-power applications developed from wi-fi.
Spectrum Available for DDR award

<table>
<thead>
<tr>
<th>Channel</th>
<th>Frequency Range</th>
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<tbody>
<tr>
<td>21-22</td>
<td>470-500 MHz</td>
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<tr>
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<tr>
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<tr>
<td>60-61</td>
<td>1030-1060 MHz</td>
</tr>
<tr>
<td>62-63</td>
<td>1060-1090 MHz</td>
</tr>
</tbody>
</table>

Interleaved: 470 MHz to 550MHz and 630 MHz to 790 MHz,
Cleared: 550–630 MHz and 790–854 MHz

Maximising the benefits for citizens and consumers

3.28 Ofcom’s objective is to ensure that the digital dividend is used to deliver the maximum benefit for citizens and consumers in the UK. Following consultation and an extensive programme of research, Ofcom concluded that the most effective way to maximise the value to society is to take a market-led approach, giving users the freedom to decide how spectrum is used and clear incentives to use it efficiently. This approach will create the maximum flexibility for different services. It will also allow the use of the spectrum to change over time, as demand develops, technology evolves and new services become available. This approach of awarding spectrum to those who will make the most of it and value it most will deliver significant benefits to society, including:

- innovative technologies and services that will be launched using the digital dividend;
- more competition in wireless services which could lead to greater choice and lower prices; and
- a significant contribution to the UK, as the overall benefit from the use of the digital dividend is estimated to be £5 billion to £10 billion of added benefit to the economy over 20 years.

3.29 To maximise these benefits, Ofcom plans to auction most of the digital dividend spectrum in 2009–10, offering licences that will allow users to decide which the technologies and services they wish to deploy and the spectrum awarded will also be tradable so that market mechanisms can determine that can be traded after award.

Specific spectrum uses

3.30 There are two distinct categories of spectrum in the digital dividend: Cleared Spectrum, the spectrum that by 2012 will be totally cleared of television transmissions, and Geographic Interleaved Spectrum, spare capacity available within the spectrum that will be used after DSO to carry the six existing DTT multiplexes. For each channel within this spectrum there are geographic areas where it will not be used for DTT. In those areas, the unused channels may be used for other services (for example UHF Channel 30 in the Cardiff area).

3.31 Ofcom has considered whether a market-led approach could prevent important spectrum users from getting access to this spectrum. One compelling case has been identified where spectrum should be reserved for a particular use, to avoid the risk of market failure in an auction. Spectrum will therefore be awarded by “beauty contest” for the programme-making and special events sector (usually referred to as PMSE), who principally use the spectrum for wireless microphones.

3.32 The consultation also identified a number of potential uses of the digital dividend in which citizens, consumers and industry expressed a keen interest. Ofcom will therefore package the spectrum to make it suitable for these uses. This relates to the cleared spectrum (the frequencies that will be cleared of
broadcasting as a result of digital switchover) and the interleaved spectrum (the “white spaces” that exist geographically between television transmitters to prevent interference between them). These decisions create new opportunities for a wide range of uses:

- **UK-wide digital terrestrial television services (in standard or high definition):** Ofcom has already demonstrated that new High Definition and Standard Definition channels can be delivered on Freeview without the need for any digital dividend spectrum. This was the subject of proposals published by Ofcom on 21 November 2007. In addition, Ofcom will package the cleared spectrum in a way that makes it suitable for more digital terrestrial television, but it will not be reserved for this use.

- **Cognitive radio:** This is a new wireless technology that shares spectrum use with other services by detecting when frequencies are not being used. It is hoped that cognitive radio devices will be able to work together to create so-called “mesh networks” that can support a range of wireless applications such as high-speed broadband access across urban and rural locations. Ofcom is proposing to allow cognitive radio to use the interleaved spectrum provided it can be shown this does not cause interference to other spectrum users.

- **High speed mobile broadband and mobile television:** Ofcom’s market research has found keen interest in high speed mobile broadband. Cleared spectrum will be packaged in a way that makes it suitable but not reserved for these uses.

- **Local television:** Ofcom will auction packages of interleaved spectrum suitable but not reserved for local television in some 25 locations across the UK where there is evidence of demand to provide this type of service.

- **PMSE spectrum users:** Ofcom will award most of the available interleaved spectrum by “beauty contest” to a band manager who will be required to manage spectrum for PMSE users. This process will be designed to ensure that the licensee’s interests are aligned with those of PMSE users. The licensee will earn revenue by charging for access to the spectrum but will be required to meet reasonable demand from PMSE users on fair, reasonable and non-discriminatory terms. These measures will ensure that PMSE users can continue to access spectrum while moving towards a more market-based approach over time.

Auction of Geographic Interleaved Digital Dividend Spectrum for Cardiff

3.33 On 28 October 2008, Ofcom published a statement and notice of an auction process for the frequency band 542Mhz–550Mhz (UHF Channel 30) for the Cardiff area. The auction for Cardiff will be held on 18 February and one potential outcome could be the creation of a digital local television service for the Cardiff area, reaching some 300,000 viewers.

3.34 The consultation on the award of the cleared spectrum was published on 6 June and closed on 15 August 2008; the consultation on the award of geographic interleaved spectrum awards was published on 12 June and closed on 21 August and the consultation on the award of spectrum to a band manager with obligations toward PMSE was published on 31 July and closed on 16 October 2008. In the June consultation we proposed a phased approach to the award of the geographic interleaved spectrum: In the first phase we would award spectrum lots for areas where DSO is before spring 2010 and where there are existing local TV stations, operating under restricted television service licences (RTSLs), ie Carlisle, Cardiff and Manchester. These awards will take place in early 2009.

3.35 This would be followed by the combined award of spectrum lots at about 25 transmission sites that cover population areas likely to be large enough to support a broadcasting station, or where there are existing RTSLs and that may be suitable for aggregation. The indicative list in the June consultation included lots that could cover areas including Manchester and Cardiff. The final phase would involve individual awards of spectrum lots in other areas for which we receive convincing expressions of interest and/or there is an existing local television service (known as Restricted Television Service Licences, RSTLs) already operating a service.

ii) **Digital Radio**

3.36 Currently in the UK, analogue and digital radio services exist side by side and although there are no firm proposals for digital switchover, the Digital Radio Working Group, (DRWG) in its final report suggested that the UK could be ready to migrate to digital radio as early as 2017. Digital Radio is already broadcast on a variety of platforms in the UK, combined with digital television: DTT, Digital Satellite and Digital Cable. It is also possible to listen to digital radio on line either via a computer or through portable devices such as Internet Radios. However, the main portable platform for digital radio is Digital Audio Broadcasting (DAB), which is the platform generally regarded by the radio industry as the main replacement for analogue radio in the UK. However, in Europe DAB is likely to be replaced by newer technologies such as DAB+ and DMB Audio which offer superior sound quality, more robust reception characteristics and make more efficient use of spectrum capacity. But the development of these new standards will present major

challenges to the UK because, for example, it will not be possible to upgrade the current generation of DAB sets to the DAB+ standard. This is an important consideration as ownership of DAB sets in the UK has already grown and cumulative sales of sets passed the 8.5 million mark by the beginning of 2009.

3.37 However, DRWG argued that in the future, through the development of a common European standard, sets will become available during 2009 that will feature both FM, DAB, DAB+ and DMB Audio. This development will create a European-wide market for digital radio. According to DRWG, Germany has plans to launch DAB+ in 2009, while France will launch DMB audio services at around the same time. Other countries around Europe are also considering launching either DMB Audio or DAB+ in the near future, while Australia will launch DAB+ services in early 2009.

3.38 Traditional radio policy in the UK, as set out in legislation and implemented by regulators, is for the BBC to be the focus of UK wide broadcasting and commercial radio to be the focus of local broadcasting. In addition, in England, from the early 70s, the BBC began to roll out local radio services. However, in Wales, and also in Scotland and Northern Ireland the BBC’s approach was to develop nation based services and in Wales it established BBC Radio Wales and BBC Radio Cymru. More recently the Radio Authority (and now Ofcom) has licensed three UK-wide commercial radio services, Talksport, Absolute Radio and Classic FM. In addition, the recent award of an FM licence for mid and north Wales to Real Radio offers the potential to create for a new commercial radio service serving the whole of Wales.\(^61\)

DAB Radio in Wales

![DAB Radio in Wales diagram]

3.39 Unlike conventional AM and FM radio which provides one radio service per frequency, DAB is delivered via a multiplex which uses one frequency to provide a number of digital radio services. DAB radio is currently delivered across Wales via the UK BBC multiple\(^62\) and the Digital One multiplex, owned by Global and Arqiva (which serves around 74% of the population in Wales). The BBC multiplex carries all of the BBC’s UK based radio services, Radio 1, 2, 3, 4, 5 live, 6, 7, BBC Asian Network, 1Extra and 5 Live Sports Extra, while Digital One carries Classic FM, talkSPORT, Absolute Radio and Planet Rock. For technical reasons, as single frequency networks operating across the UK, it is not possible to vary the service line-up on these multiplexes to carry services specifically for Wales and consequently the BBC UK multiplex does not carry Radio Wales and Radio Cymru. A second UK wide DAB commercial multiplex licence was awarded to in July 2007 to the 4Digital Group, but plans for this service are currently uncertain following withdrawal of Channel 4 from the consortium. In total coverage of UK based DAB services in Wales is estimated at 74%.\(^63\)

3.40 In the UK, DAB services are also delivered via local commercial multiplexes which in addition to commercial digital radio services are also obliged to carry the BBC’s local radio services.\(^64\) Ofcom advertises these multiplexes according to agreed timetables driven in part by commercial demand from prospective applicants. In England, this arrangement has worked reasonably well (although the existing coverage areas for some local multiplexes does not always exactly fit BBC local radio coverage areas).

\(^61\) Note that the two licence areas, south Wales and Mid & North Wales will continue to have separate licence obligations even if Real Radio decided to share programming to form a Wales wide network.

\(^62\) The BBC does not have a public figure for the coverage of its UK DAB multiplex in Wales.

\(^63\) Ofcom Communications Market Report, Wales, 2008

\(^64\) Under Section 49, 1996 Broadcasting Act, the BBC can secure carriage for its nations and local services on the local commercial DAB multiplexes operating in the UK.
3.41 Extending the coverage of Radio Wales and Radio Cymru on DAB in Wales therefore depends upon the spread of local commercial DAB multiplexes. To date, in Wales, two DAB local commercial multiplexes are currently on-air, serving Cardiff/ Newport and Swansea. The Cardiff and Newport multiplex is operated by Now Digital (owned by GCap Media) and broadcasts, Red Dragon FM, Gold (Cardiff and Newport) along with BBC Radio Wales and Radio Cymru. The Swansea multiplex is operated by UTV-EMAP Digital and it carries The Wave, Swansea Sound along with BBC Radio Cymru and Radio Wales). Together the licence areas of these multiplexes cover around 56% of the Welsh population.65

3.42 DAB technology continues to be significantly more expensive than analogue and in business operating terms it favours economic models based on transmission to densely populated areas. However, in response to concerns expressed by The Welsh Assembly Government, the former BBC Broadcasting Council for Wales (and now the BBC Trust’s Audience Council for Wales) and Ofcom’s Advisory Committee for Wales, regarding the coverage of Radio Wales and Radio Cymru on DAB, Ofcom has, over the past two years, prioritised the advertising of local commercial multiplexes for other parts of Wales.66

3.43 In February 2007, Ofcom advertised a DAB multiplex for north east Wales and west Cheshire, including Wrexham and Chester, and in September announced its award to MuxCo Northeast Wales and West Cheshire Limited. The key shareholders in this bid include Town and Country Radio, and UTV. The company is proposing seven local digital sound programme services including Wales Live, in addition to BBC Radio Wales and BBC Radio Cymru. Ofcom estimates that this licence could achieve coverage of an area with an adult population of around 647,000 (of which 231,000 of these are based in north east Wales). The multiplex was due to start broadcasting in late summer 2008 but due to the commercial uncertainty surrounding the recent development of the DAB platform, the group informed Ofcom that it had postponed its roll-out plans. Under the terms of its licence MuxCo has until September 2008 to bring the service to air.

3.44 Similarly in November 2007, Ofcom advertised a local DAB radio multiplex licence to cover Mid and West Wales. Originally this multiplex had been planned to cover Pembrokeshire and Carmarthenshire (reaching an adult population of up to 234,000), but it was extended to cover Ceredigion and Powys (potentially reaching up to 400,000 listeners) to enable provision of Radio Wales and Radio Cymru across as much of Wales as possible. By the closing date of 20 February 2008, Ofcom had received one application, from MuxCo Wales Ltd., which is 70% owned by Town and Country Broadcasting. The company proposes to provide Radio Pembrokeshire, Radio Carmarthenshire and Wales Live, in addition to BBC Radio Wales and BBC Cymru, on this multiplex, and initially aims to be on air by Q1 2010, with an estimated “outdoor” coverage of 55.8% of the adult population of the licensed area (reaching around 220,000 listeners). MuxCo’s technical plan adds that “we have not identified an efficient and viable commercial model to launch DAB within Ceredigion and Powys from launch”. It goes on to state that “we would arrive at a decision [regarding expansion in this area] in conjunction with the BBC and Ofcom, and after discussion with the Welsh Assembly and other regional bodies, such as the Welsh Language Board, as to financial grants to support this development.” However, MuxCo has identified a medium-power transmission site to cover Aberystwyth should it wish to expand coverage into this area in future.

3.45 On 24 August, Ofcom announced the award of a DAB multiplex licence for the rest of north Wales to the only applicant, MuxCo. The multiplex covers the area not already served by the north east Wales and west Cheshire multiplex, including the counties of Gwynedd, Anglesey, Conwy and most of Denbighshire (with estimated coverage of up to 311,146 adults within the licensed area). This multiplex will also have capacity reserved for BBC Radio Wales and BBC Radio Cymru. However, the timing of the service roll out is conditional on the Republic of Ireland releasing frequencies in VHF Band 3, currently used for analogue television, but which are used in the UK for DAB radio. The achievable coverage of the North Wales service may therefore be significantly constrained until June 2015 (at the latest) under the terms of international spectrum agreements.

3.46 Following Ofcom’s licensing activity during 2007–8 most areas of Wales will eventually be served by a local commercial DAB multiplex but currently, coverage of Radio Wales and Radio Cymru on DAB is still limited to parts of south and east Wales.

3.47 South Wales is also served by the Severn Estuary DAB multiplex (which also broadcasts to the West of England). This multiplex, operated by MXR, whose service line-up includes the following programme services67 Kiss 101, Heart, Real Radio, The Arrow, and LBC.

Digital Radio Working Group

3.48 The Digital Radio Working Group was formed by the by the Secretary of State for Culture, Media and Sport in November 2007. Its purpose was to bring together senior figures from the radio industry and related stakeholders under an independent Chair, to consider three questions:

What conditions would need to be achieved before digital platforms could become the predominant means of delivering radio?

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65 (Adults 15+) Not everyone living within these areas will be able to receive a service. Actual coverage depends on local topography and transmitter roll-out and varies by multiplex between around 70% and 95% of the licensed area.

66 Policy Implications arising from the Communications Market, Ofcom, 12 October 2006

67 This multiplex does not carry Radio Wales and Radio Cymru.
What are the current barriers to the growth of digital radio?
What are the possible remedies to those barriers?

3.49 The DRWG final report published in December made the following recommendations:
- The UK Government should make a clear statement on the future of digital radio and agree a set of criteria and timetable for migration to digital;
- The future radio landscape should at least in the medium term be a mixed ecology with:
  - DAB as the primary platform for UK wide, regional and large local stations;
  - FM capacity for small local and community radio stations; and
  - IP delivery to complement the above and provide opportunities for greater interactivity.
- Future receivers should be capable of receiving FM, DAB and the other main variants of the Eureka 147 family (which includes DAB+ and DAM Audio).
- A long term plan should be developed to move all services to digital; and
- The UK government should conduct a cost benefit analysis of digital migration.

3.50 DRWG suggested three broad criteria that have to be met in order to trigger the digital migration process:
- That at least 50% of total radio listening is to digital platforms;
- That UK multiplex coverage will be comparable to FM coverage by time of digital migration; and
- That local multiplexes will cover at least 90% of the population and, where practical, all major roads within their licensed areas by the time of digital migration.

3.51 DRWG carried out its work against a backdrop of a radio sector under pressure. In February 2008, as part of a change to its digital strategy, GCap announced the closure of UK DAB stations theJazz and PlanetRock, although the latter was subsequently sold and remains on air. A few weeks later GCap was sold to Global, making Global Radio the largest UK commercial radio company. In October, Channel 4 decided to abandon its plans to launch three new DAB services because of economic pressures.

3.52 In its final Report, DRWG recognised that, “the BBC has a duty to provide its services to the maximum number of licence fee payers; in effect it has a duty to provide for universality. At a national level we interpret this to mean it must, at the very least, ensure its existing UK-wide and Nations services (Radio Scotland, Radio Wales, Radio Cymru, Radio nan Gaidheal and Radio Ulster) match existing FM population and geographic coverage by the time of migration. As the BBC’s new digital services are carried on the BBC’s own multiplex, they too would benefit from universal coverage”.

3.53 DRWG noted that the current economic downturn has had a severe impact on the commercial radio industry, with advertising revenues falling around 15% during 2008. The group suggested that in this context the problem of dual transmission costs, remained significant and that switch off of analogue radio would benefit the industry. It is anticipated that the Digital Britain Report will build on DRWG’s work and set out specific proposals for the future of the UK digital radio industry.

4 Digital Group

3.54 On 10 October 2008, Channel 4 informed Ofcom of its decision to withdraw from 4 Digital Group, the consortium which was awarded a licence for the second UK commercial DAB radio multiplex in 2007. Ofcom recognises that the economic environment is very challenging and that all organisations need to make decisions in light of the circumstances they face. Ofcom and the UK Government have supported DAB through the licensing of services and Ofcom continues to believe that DAB offers listeners real benefits.

3.55 Ofcom subsequently met the other members of 4 Digital Group to discuss how they propose to take matters forward. Ofcom has also held discussions with other multiplex operators and the BBC, to consider how best to secure a viable outcome which is in the interests of radio listeners and the industry.

Ownership of DAB digital radio sets in Wales

3.56 By Summer 2008, 14% of individuals in Wales owned a DAB digital radio set, which was lower than in England (22%) and Scotland (21%), but slightly higher than in Northern Ireland (13%). Ownership in Wales remained generally stable over 2008, against the UK average growth of 4%. Awareness of DAB digital radio in Wales was generally in line with the other nations, with around 73% of people having heard of the term ‘DAB digital radio’ compared to the UK average of 75%. Around 15% of respondents in Wales said that they were likely to acquire a DAB set over the next six months, the same as in Scotland and Northern Ireland but slightly lower than in England (18%).

Ownership of DAB digital radios

PROPORTION OF RESPONDENTS (%)

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<tr>
<th>% point change from 2006</th>
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Source: Ofcom Base: All who listen to radio

The Commercial Radio Market

3.1 Competition for stations of all sizes has increased dramatically in recent years, not only from within the medium but from outside it as well. These pressures are as evident in Wales as elsewhere in the UK, although the commercial radio market has historically been less developed in Wales than in other parts of the UK. Consequently there has been some rapid expansion of commercial radio in Wales in recent years. For example, when Ofcom advertised the licence for a second regional FM service for south Wales, it was hotly contested, with applications received from eight radio groups. The licence was awarded in May 2007 to XFM, but following the financial difficulties faced by its owner GCap Media and a take-over of the group by Global, the service was sold to Town and Country Broadcasting who re-located the station out of Cardiff and re-branded the service as Nation Radio.

3.2 Local programming is expensive to deliver and the commercial realities of increasing competition mean that it is no longer as sustainable to the extent as it used to be. So there is significant pressure on commercial radio, which is primarily a local broadcasting system. However in Wales, it could be argued that there is still significant demand for local programming and several of the radio groups serving Wales continue to demonstrate a strong commitment to this as a core element of their business strategies. For example, Radio Pembrokeshire, (owned by Town and Country Broadcasting), is the most popular station in Wales reaching 56% of its target population, drawing 59,000 people per week.

3.3 However, the economic changes in the radio environment have had a more rapid and profound impact on the industry than was foreseen just a few years ago when the existing legislation was put in place. As a result, the familiar ways of regulating radio, designed for a largely local analogue radio system, which have served listeners and the industry well, may be ineffective and disproportionate in the digital era.

3.4 But the problems faced by commercial radio are not all due to the way the system is regulated. Some are structural, to do with changing business models and competing claims on advertising spend, and some are due to commercial stations not always having made the most of the business opportunities they had. There are two main pressures for change in the structure and regulation of the industry:

— The first is that increasing competitive pressures mean that existing programming commitments may no longer be sustainable. A healthy, sustainable commercial radio industry is necessary to deliver the public policy objectives which help Ofcom to meet its statutory duties. The current level of regulation of the sector is heavy compared to that applied to other media, and the cost to the commercial radio industry of this current level of regulation arguably is high, and may be disproportionate. This argues for a general reduction in the level of regulation of the analogue commercial local radio sector; and

— The second is that an increasing proportion of listening is on digital platforms, which are expected to account for the vast majority of radio listening in ten years’ time. As digital platforms are significantly less regulated than traditional analogue (AM and FM) local radio, this argues for an alignment of analogue and digital regulation.
Changes in regulation alone cannot secure the future of commercial radio—much of that is up to the industry itself—but they may help. Ofcom has reduced the regulatory burden on analogue radio and has attempted to align the analogue and digital regimes more closely, taking into account three aims, set out by Parliament:

- The desire for a diversity of programming on commercial radio, catering for different tastes and interests;
- The desire for local programming to cater for local tastes and interests and fulfil the need of citizens for news about their local community to ensure informed debate; and
- The desire for plurality to ensure access for different voices and viewpoints on both local and national radio.

However, in creating a long-term plan for the radio industry, it has to be recognised that the future is far from certain. There is a general trend towards digital listening replacing analogue, with increasing take-up of DAB but new technologies are emerging all the time, which could gain widespread public acceptance and uptake. Similarly other pressures on the industry are increasing, such as a reported move of advertising spend from traditional media to the internet. In response some major radio groups have expressed doubt about the long term viability of the DAB platform.

Ofcom has also introduced community radio which aims to provide a new tier of radio broadcasting. In addition Ofcom also issues restricted service licences (RSLs) for radio which provide short term, one month licences. These can be used to cover local events and act as a testing ground to gauge interest in establishing community radio services.

Service Availability

As set out above, listeners in Wales can access radio services through a variety of platforms and technologies as in other parts of the UK. The BBC provides two national services for Wales, Radio Wales in English and Radio Cymru in the Welsh language. In addition, there are 19 local and regional commercial radio stations serving Wales along with nine licensed community radio stations.

The BBC’s Services for Wales: Radio Wales, Radio Cymru

The British Broadcasting Company obtained its licence to broadcast in 1923 and public service broadcasting in Wales began in the same year with the opening of a radio station in Cardiff. The BBC Welsh Region was given its own separate frequency for sound broadcasting in 1937 and it became known as BBC Wales in 1964. The BBC’s radio service for Wales broadcast some Welsh language programming (as early as 1923) in addition to English language programmes. However in 1977, separate English and Welsh language radio stations were established—Radio Wales and Radio Cymru. At that time the majority of radio listening was on Medium Wave and so the BBC’s AM frequencies were allocated to Radio Wales. Radio Cymru therefore began broadcasting exclusively using FM on VHF and at the time many listeners had to buy new radio sets to receive the service.

Today, BBC Radio Wales continues to be broadcast on the Medium Wave (882 Khz and 657 Khz AM), and this service can be received across most of the country. However, listener demand for Radio Wales to be broadcast on FM has gradually increased over the years, due to its superior sound quality. But as most of the available VHF frequencies in Wales had already been allocated to Radio Cymru, it was difficult to accommodate Radio Wales as well and its VHF coverage remains limited currently to around 62% of Wales’ population. Radio Wales is also available on digital audio broadcasting (DAB) on the Cardiff/Newport and Swansea local commercial DAB multiplexes and on other digital platforms, Sky satellite across the UK, Virgin Media cable in Wales, DTT (Freeview) in Wales and on line via the BBC’s web site.

The Welsh language service BBC Radio Cymru was launched in 1977, specifically as a VHF/FM service (on 96–105 Mhz) and currently broadcasts around 20 hours a day of Welsh language content. Radio Cymru’s FM coverage is very good, reaching 94.8% of the population in Wales. As with Radio Wales the service is also available on DAB in Cardiff/Newport and Swansea and other digital platforms in Wales.

Radio Wales is currently the most popular Wales based radio station within Wales with a total reach of 465,000 people per week in 2006. When combined with Radio Cymru this figure reaches 584,000.
3.13 Wales is currently served by the following local and regional commercial radio stations:

### Wales: Commercial Radio Stations

<table>
<thead>
<tr>
<th>Station</th>
<th>Area</th>
<th>Group</th>
<th>Population Coverage (000s)</th>
<th>Reach (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiss 101</td>
<td>South Wales/SW England</td>
<td>Emap</td>
<td>2,505</td>
<td>354</td>
</tr>
<tr>
<td>Real Radio</td>
<td>South Wales</td>
<td>Global</td>
<td>1,943</td>
<td>388</td>
</tr>
<tr>
<td>Red Dragon FM</td>
<td>Cardiff/Newport</td>
<td>Global</td>
<td>1,082</td>
<td>369</td>
</tr>
<tr>
<td>Gold (Cardiff and Newport)</td>
<td>Cardiff/Newport</td>
<td>Global</td>
<td>1,082</td>
<td>30</td>
</tr>
<tr>
<td>Marcher Sound</td>
<td>Wrexham and Chester</td>
<td>Global</td>
<td>668</td>
<td>94</td>
</tr>
<tr>
<td>The Wave</td>
<td>Swansea</td>
<td>UTV</td>
<td>591</td>
<td>165</td>
</tr>
<tr>
<td>Swansea Sound</td>
<td>Swansea</td>
<td>UTV</td>
<td>591</td>
<td>64</td>
</tr>
<tr>
<td>Valleys Radio</td>
<td>south Wales valleys</td>
<td>UTV</td>
<td>506</td>
<td>74</td>
</tr>
<tr>
<td>Gold (Wrexham and Chester)</td>
<td>Wrexham and Chester</td>
<td>Global</td>
<td>484</td>
<td>22</td>
</tr>
<tr>
<td>Swansea Bay Radio</td>
<td>Swansea</td>
<td>T&amp;C</td>
<td>302</td>
<td>–</td>
</tr>
<tr>
<td>Bridge FM</td>
<td>Bridgend</td>
<td>T&amp;C</td>
<td>186</td>
<td>44</td>
</tr>
<tr>
<td>Radio Carmarthenshire</td>
<td>Carmarthenshire</td>
<td>T&amp;C</td>
<td>144</td>
<td>39</td>
</tr>
<tr>
<td>Coast 96.3</td>
<td>North Wales Coast</td>
<td>Global</td>
<td>139</td>
<td>57</td>
</tr>
<tr>
<td>Champion 103</td>
<td>Caernarfon</td>
<td>Global</td>
<td>137</td>
<td>53</td>
</tr>
<tr>
<td>102.5 Radio Pembrokeshire</td>
<td>Pembrokeshire</td>
<td>T&amp;C</td>
<td>106</td>
<td>59</td>
</tr>
<tr>
<td>Radio Ceredigion</td>
<td>Ceredigion</td>
<td>Murlin Media</td>
<td>57</td>
<td>–</td>
</tr>
<tr>
<td>Radio Maldwyn</td>
<td>Montgomeryshire</td>
<td>T&amp;C</td>
<td>950</td>
<td>–</td>
</tr>
<tr>
<td>Nation Radio</td>
<td>South Wales</td>
<td>T&amp;C</td>
<td>200</td>
<td>–</td>
</tr>
<tr>
<td>Sunshine</td>
<td>Herefordshire and Monmouthshire</td>
<td>Laser</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Wales: Commercial Radio Ownership—Main Radio Groups

3.14 **Global (formerly GCap Media Plc):** This group is the UK’s largest commercial radio broadcaster created following the merger of the GWR Group and Capital Radio. In Wales Global owns, Red Dragon Radio and Gold (Cardiff/Newport) in south Wales and Champion FM, Coast FM, Marcher Sound and Gold (Wrexham/Chester) in north Wales. The group also owns the Now Digital DAB multiplex, serving Cardiff/Newport. Across the UK the group owns 74 analogue licences and over 100 digital radio services and has an overall share of 13.1% of the UK’s radio listening. Global announced in September 2008 that it would re-brand its north Wales stations to Heart along with other local stations owned by the group in England as part of a transformation into a UK network of 32 stations. The new Heart network of stations will retain their own breakfast and drive-time shows, but much of the rest of the content will be syndicated across the entire network as Global, the UK’s biggest commercial radio group, attempts to take on the BBC.

3.15 **Emap:** The group owns Kiss FM a specialist dance music station serving south Wales and the west of England. Across the UK it operates 40 local and 8 UK-wide stations, representing around 10.1% of all radio listening in the UK.

3.16 **Guardian Media Group (GMG):** In Wales this group owns Real Radio, an FM station providing adult mainstream music and speech, serving south Wales and is the most listened to commercial station in Wales. The group also has a share in the MXR DAB multiplex which serves south Wales and the West of England. Across the UK the group owns Real Radio stations in Yorkshire and Central Scotland and it operates Smooth (music aimed at the over 50s) in London, East and West Midlands, North West England and Glasgow. The group has created three news-hubs in Manchester, London and Glasgow to provide a news service for its network of stations. On 9 December 2008, Ofcom awarded an FM licence for mid and west Wales to Real Radio which could achieve coverage of around 600,000 adults (aged 15 +) although the exact coverage will be determined by the location of the transmission sites and other technical characteristics. Real Radio is required to begin broadcasting no later than two years from this award date.

3.17 **UTV Radio:** The company is a subsidiary of UTV Plc which owns the ITV Channel 3 licence for Northern Ireland and a range of radio services across the UK. In Wales it owns Swansea Sound, The Wave and Valleys radio, and also has a share in the Swansea DAB multiplex. Following acquisition of the Wireless Group in 2005, UTV also owns the UK-wide AM station talkSPORT. The group is part of 4Digital Group.

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69 All stations are FM except Radio Maldwyn, Valleys Radio and Swansea Sound which are AM stations. Swansea Sound is also carried on DAB radio.
70 Adults (15 +): Source: RAJAR. Not all stations in Wales are included in the RAJAR survey.
71 Kiss FM’s licence area covers south Wales and the West of England.
72 Due to be re-named as Heart, (along with Champion and Coast) during 2009.
73 The Radio Carmarthenshire licence includes Scarlet FM which serves Llanelli.
74 Laser is currently in receivership and Sunshine radio is likely to be acquired by another radio group.
which was awarded the second UK-wide DAB licence but following Channel 4’s withdrawal from this group the future plans for this service are unclear. During 2008, the group unsuccessfully applied for co-location of its Valleys Radio base in Ebbw Vale with a new site designated for Swansea Sound and The Wave in Neath.

3.18 **Town and Country Broadcasting:** Wales only indigenous radio group has become one of the largest commercial radio operators in Wales. It owns Radio Pembrokeshire (named as commercial radio station of the year for the second year running in June 2006), Scarlet FM, Radio Carmarthenshire, Swansea Bay Radio, Bridge FM and Nation Radio (covering south Wales) giving continuous FM coverage from the Pembrokeshire coast to Cardiff and an overall potential audience of almost 1 million listeners. The group acquired XFM South Wales from GCAP/Global in May 2008 and subsequently re-branded the service as Nation Radio.

3.19 **Laser Broadcasting:** The group is the largest shareholder of Sunshine Radio which broadcasts on FM to Herefordshire and Monmouthshire, (including Abergavenny and Monmouth) along with AM stations under the Sunshine brand in the west midlands.

3.20 Of Wales’ smallest commercial stations, Radio Ceredigion, based in Aberystwyth, is owned by the Tindle Newspaper Group (which is separate from the Tindle Radio Group) while the largest shareholding in Radio Maldwyn, based in Newtown and serving Powys in mid Wales, is held by Murfin Media Ltd.

**Community Radio**

3.21 Community radio licences are issued for small-scale, not-for-profit radio stations operated for the good of members of the public, or of particular communities, and in order to deliver social gain. The DCMS Community Radio Order 2004 sets out a wide range of requirements which broadcasters must comply with in order to be awarded and subsequently retain a community radio licence. In Wales there are currently nine licensed services, with five services currently on air.

**Community Radio Stations: Wales**

<table>
<thead>
<tr>
<th>Station</th>
<th>Area/Town</th>
<th>On Air date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTFM</td>
<td>Pontypridd</td>
<td>01/01/2006</td>
</tr>
<tr>
<td>Afan FM</td>
<td>Port Talbot</td>
<td>20/04/2007</td>
</tr>
<tr>
<td>Radio Cardiff</td>
<td>Cardiff</td>
<td>25/10/07</td>
</tr>
<tr>
<td>BRFM</td>
<td>Blaenau Gwent</td>
<td>18/10/2007</td>
</tr>
<tr>
<td>Radio Tircloe</td>
<td>Swansea valley</td>
<td>01/12/2008</td>
</tr>
<tr>
<td>Calon FM</td>
<td>Wrexham</td>
<td>01/03/2008</td>
</tr>
<tr>
<td>Bro Radio</td>
<td>Barry</td>
<td>Not yet on air</td>
</tr>
<tr>
<td>Point FM</td>
<td>Rhyl</td>
<td>Not yet on air</td>
</tr>
<tr>
<td>Tudno FM</td>
<td>LLandudno</td>
<td>12/07/2008</td>
</tr>
</tbody>
</table>

Community radio characteristics of service

3.22 Community radio is intended to be clearly distinct from commercial broadcasting and the BBC. In order to ensure this, the UK government has imposed some specific “characteristics of service” requirements which such stations must adhere to. The detailed nature of these commitments derive from the statutory requirements for community radio, as set out in Article 3 of the Community Radio Order 2004, which state that all such services must:

(a) Be provided primarily for the good of members of the public or of particular communities and in order to deliver social gain, rather than primarily for commercial reasons or for the financial or other material gain of the individuals involved in providing the service;  
(b) Be intended primarily to serve one or more communities (whether or not it also serves other members of the public). (A community is defined as either people who live or work or undergo education or training in a particular area or locality, or people who have one or more interests or characteristics in common);  
(c) Not be provided in order to make a financial profit, and uses any profit produced as a result of the provision of the service wholly and exclusively to secure or improve the future provision of the service or for the delivery of social gain toembers of the public or target community;  
(d) Offer members of the target community opportunities to participate in the operation and management of the service; and  
(e) Be accountable to the target community.

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75 GTFM was one of the original access pilot stations licensed by the Radio Authority.
Selection criteria

3.23 In addition to the above, the statutory criteria to which Ofcom must have regard when deciding whether or not to award a licence are more numerous for community radio than for commercial radio. In awarding community radio licences, Ofcom must take account of the seven selection criteria, under section 105 (1) of the Broadcasting Act 1990 (as modified). These selection criteria are as follows:

(a) The ability of each of the applicants for the licence to maintain, through the period for which the licence would be in force, the service which he proposes to provide;

(b) The extent to which any proposed service would cater for the tastes and interests of persons comprising the relevant community, and, where it is proposed to cater for any particular tastes and interests of such persons, the extent to which the service would cater for those tastes and interests;

(c) The extent to which any proposed service would broaden the range of programmes available by way of local services to persons living in the area or locality in which it would be provided, and, in particular, the extent to which the service would be of a nature or have a content distinct from that of any other local service for which would overlap the licence for the proposed service;

(d) The extent to which there is evidence that amongst persons living in that area or locality, there is a demand for, or support for, the provision of the proposed service;

(e) The extent to which the provision of any such proposed service would result in the delivery of social gain [see paragraphs 6.83–6.84 below] to the public or relevant community;

(f) The provision that each of the applicants proposes to make in order to render himself accountable to the relevant community in respect of the provision of the proposed service; and

(g) The provision that each of the applicants proposes to make to allow for access by members of the relevant community to the facilities to be used for the provision of the service and for their training in the use of those facilities.

3.24 Not only are the output requirements of community radio services defined in great detail by the legislation, the same applies to operational inputs, in particular those of ownership and funding. In respect of both the characteristics of service and the selection criteria, “social gain” is further defined in the Community Radio Order as being the achievement, in respect of individuals or groups of individuals in the community that the service is intended to serve, or in respect of other members of the public, of the following objectives:

(a) the provision of sound broadcasting services to individuals who are otherwise underserved by such services;

(b) the facilitation of discussion and the expression of opinion;

(c) the provision (whether by means of programmes included in the service or otherwise) of education or training to individuals not employed by the person providing the service; and

(d) the better understanding of the particular community and the strengthening of links within it.

3.25 In addition, the Order recognises that community stations may also deliver a wide range of additional (non-mandatory) types of social gain, including the following:

(a) the delivery of services provided by local authorities and other services of a social nature and the increasing, and wider dissemination, of knowledge about those services and about local amenities;

(b) the promotion of economic development and of social enterprises;

(c) the promotion of employment;

(d) the provision of opportunities for the gaining of work experience;

(e) the promotion of social inclusion;

(f) the promotion of cultural and linguistic diversity; and

(g) the promotion of civic participation and volunteering.

Financial requirements

3.26 Community radio licensees must operate within strict financial constraints, requiring that they be funded from a variety of sources, with no one source of funding comprising more than 50% of the cost of providing the service within each financial year. Licensees must also operate on a non-profit-distributing basis, ploughing any excess revenues back into the operation of the service.

3.27 The majority of community radio services are allowed to generate up to 50% of their funding from on-air commercial sources (spot-advertising and sponsorship opportunities taken together). But a small number of community radio services are banned from obtaining any income from such sources in order to protect the interests of nearby small-scale commercial stations which serve more than 50,000 but fewer

76 Of the 107 community services awarded licences in the first round of licensing, five had restrictions placed in their licences to prevent the generation of income through on-air commercial activities.
The Measured Coverage Area of a radio station is defined by the technical characteristics of its transmission. It is the area within which the signal available for reception is of above a specified signal strength.

implemented within three Communities First areas in Rhondda Cynon Taff, in South Wales. Funded by Communities@One, the project created the opportunity to introduce local residents to ICT, often for the first time, and to support Digital Inclusion objectives within RCT. The three communities taking part in the project were Treherbert, Penrhys, and Penywaun each located within a separate valley in Rhondda Cynon Taff. The aim was to recruit volunteers from the immediate vicinity to staff each radio station. 3.4 Support was provided to the project by the local Community Anchor Organisations within each community. These organisations supplied the physical space to set up the radio studio and office, and key workers to help support the project.

3.35 The communities of Treherbert, Penrhys and Penywaun were each given the opportunity to operate their own radio station for two separate 28-day sessions. Technically although these were regarded by the Council to be “Community Radio” they were in fact licensed by Ofcom as 28-day RSLs. The stations were on air 24 hours a day, seven days a week with live broadcasts from 10 am to 10 pm via transmitters located in each community, enabling the individual stations to broadcast to residents within their own local area. Each station was also able to broadcast via broadband, creating the potential to reach residents located in the other two communities and, of course, to reach an audience located anywhere in the world.

3.36 According to the Evaluation report published by RCT, the RCT Community Radio Project has successfully met its objectives in terms of project outputs:

— 84 volunteers were recruited to the project across the three communities and received ICT training on a one-to-one basis;
— As a result of the ICT training, three separate community radio stations were set up and run by volunteers living within three different Communities First areas in RCT;
— Six 28-day broadcasts were delivered during the project period, with each community responsible for running a radio station for two of the six sessions;
— Each of those communities now has a fully functioning up-to-date radio station which can be used for future broadcasts, training and recording; and
— 87% of the volunteers surveyed agreed that they planned to use the skills they had learned on this project in the future.

Ofcom’s Future of Radio Review


Commercial Radio: Local Content

3.38 Ofcom decided to protect a minimum amount of local radio programming as it was not convinced by the argument that the market alone would provide this content without regulatory intervention. New research conducted by Ofcom found that listeners perceive radio to be the default medium for delivering key local information such as local traffic and travel, weather and news. Furthermore, listeners took the view that the quality of information would suffer if it was not made and delivered locally. Ofcom is therefore proposing that:

— All FM local radio stations should provide at least ten hours of locally-made programming each weekday (including breakfast) and at least four hours on Saturdays and Sundays; and
— All AM local radio stations should provide at least four hours of locally-made programming during weekdays and weekend daytime. At least ten hours of programmes during weekday daytime should be produced within the nation where the station is based (ie if the minimum four hours is locally-made, a further six hours should be produced from elsewhere in that nation).

3.39 At the same time, Ofcom recognises the importance of increased flexibility for industry, and is therefore proposing that:

— smaller stations may be able to share a large proportion of this programming (outside breakfast) with other nearby stations; and
— outside of locally-made programming requirements, stations may choose to broadcast network programming for a maximum of three hours a day during weekdays at day time and more at weekends.

3.40 Ofcom’s revised proposals on local programming were subject to a further Consultation, which closed on 21 December 2007. Ofcom subsequently updated the localness guidelines.

Simplifying Radio Content Regulation

3.41 Formats set out the type of programming that should be broadcast and form part of each station’s licence. Following the Future of Radio Review, Ofcom simplified format regulation of analogue radio licences, to bring it in line with DAB format regulation. The revision removed the detailed requirements from analogue radio formats while maintaining the diversity of radio services for listeners.
Simplifying Ownership Rules

3.42 Ofcom has recommended that the UK Government considers a simplification of current ownership rules applying to radio, to allow for further consolidation within the industry, while protecting plurality within local commercial radio.

Radio’s Digital Transition

3.43 In parallel with the creation of DRWG in November 2007 (within which Ofcom played a major role) Ofcom also began the work of re-awarding commercial radio licences, which were due to expire, under existing statutory legislation, for a five-year period or with an expiry date of 31 December 2015 (whichever constitutes a longer period). The aim of this process was to establish broadly similar end dates for the licences in anticipation of any re-organisation and conversion to digital that may be required by the UK government in future.

Community Radio

3.44 Ofcom has also recommended that the UK government should:

— Simplify the statutory criteria for community radio licences to allow Ofcom greater flexibility in considering licence applications;

— Allow community radio licences to be eligible for a five-year licence extension; and

— In addition, community radio stations will be allowed to recognise volunteer time as part of their income.

New Radio Technologies: Digital Radio Mondiale

3.45 One new broadcasting technology which is capable of using medium wave spectrum is DRM (Digital Radio Mondiale). It offers much improved sound quality over AM on medium wave, long wave or short wave spectrum and many international broadcasters are already taking up the technology. The technical characteristics of DRM coverage are similar to AM. It would be relatively easy to convert an AM transmitter to DRM. Coverage areas can be anything from a few kilometres radius to half a continent, depending on transmission power and frequency. Medium wave is generally considered to be a cost-effective way to offer terrestrial radio coverage to rural and remote areas—therefore DRM could be a complement to DAB, rather than an alternative.

3.46 One advantage of DRM over AM is that DRM can use single frequency networks (SFNs), which means that rather than using two high-power frequencies plus a number of filler frequencies to cover the whole UK, DRM signals on the same frequency at adjacent transmitters do not interfere with each other—in fact, they reinforce one another—so DRM could cover the whole UK with a single frequency. However, like AM, DRM on medium wave offers less good coverage in cities, particularly within steel-framed buildings. A single medium wave frequency can offer a single good sound-quality DRM service plus data, or two lower sound-quality services.

3.47 Other countries are either experimenting with or implementing DRM services. For example, RTE in Ireland is converting some of its main AM transmitters to broadcast DRM, and the Dutch regulator has recently given all Dutch AM stations the choice of converting to DRM under their existing licence if they so wish. China and Australia are among other countries planning or already broadcasting DRM services. In the UK, the BBC conducted a year-long DRM trial, closing the AM transmitters of BBC Radio Devon in Plymouth and using them to broadcast DRM services instead. However, the results were disappointing and the BBC has no plans to launch domestic services using this technology in the UK. However, the BBC World Service plans to make use of DRM for some of its broadcasts.

3.48 Ofcom notes that the spectrum currently used for UK-wide AM radio services could instead be used to provide a greater number of DRM UK-wide stations plus a range of local or regional DRM services, assuming the spectrum is used for radio broadcasting.

3.49 DRM could also provide a potential digital migration path for those stations which have no other obvious transition route to digital, such as small-scale commercial radio stations and community radio stations (subject to there being public policy justification for reserving spectrum for such services), and, again subject to public policy considerations, may also provide a means to provide digital radio services to remote areas where the technical characteristics of DAB mean that it may never be viable.

3.50 Other than AM radio and DRM, we are not currently aware of any other uses for medium wave spectrum. However, the advocacy for widespread use of power-line communications could be regarded as mutually exclusive with use for radio communications in certain frequencies, because of the unintended but significant radiation of radio waves from power line transmission (PLT) systems. To that extent, it is an alternative use of the frequencies.

3.51 DRM on medium wave (and long wave) generally occupies 9kHz of spectrum per channel, because this is the way that medium wave and long wave spectrum has been allocated in Europe by international agreement. It could operate as wider channels, which would give it more of the characteristics of a multiplex—ie a number of services could comfortably be accommodated within a single DRM channel. As
it is, a 9 kHz DRM block is on the cusp of being a single service and a multiplex. It could offer one high quality audio service, with some data services attached, or it could offer two lower quality sound services, say for speech.

3.52 The problem in licensing terms is that current UK legislation is not designed to be able to deal easily with this hybrid (it is only recently that this technology has emerged). A single audio service (with no data) is licensed under the terms of the Broadcasting Act 1990, while a multiplex is licensed under the terms of the Broadcasting Act 1996. The award processes use different criteria and different licence conditions result. It would not be practicable to license a DRM service offering a single programme stream under the current legislation, although DRM could be licensed as a service offering two programme streams as a multiplex. This would severely restrict the licensee’s (and Ofcom’s) flexibility. The current legislation also does not allow for single-stream terrestrial radio services (UK-wide or local) to be licensed in circumstances where the spectrum to be used by those services has been acquired independently, or where the services are not to be regulated for public purposes. In other words, the current statutory framework does not allow for a terrestrial national or local radio service to be provided unless the licence to provide such a service (and the spectrum required to deliver the service) is advertised for this purpose and awarded by Ofcom. This means that, under current legislation, analogue radio broadcasting services can be provided only using spectrum that has been specifically reserved (and planned) for the purpose by Ofcom.

3.53 By contrast, radio programme services provided on satellite platforms are currently able to be licensed (as radio licensable content services) without being specifically regulated for public purposes such as diversity or localness. Ofcom considers that a similar ability should apply to all platforms capable of providing radio services. Thus, Ofcom suggests that Government may wish to consider breaking the current link between broadcasting policy (as manifested in the licensing regime and subsequent regulatory intervention) and spectrum allocation, such that analogue radio services can be provided by those who acquire spectrum through means other than applying for a broadcasting licence advertised by Ofcom. There may still be public policy reasons (eg relating to the technology to be used, the coverage to be achieved, or the nature of the programme service to be provided) for continuing to allocate some spectrum in the way that it is currently allocated, but Ofcom suggests that the current statutory framework does not provide sufficient flexibility to allow for spectrum to be allocated for radio services in a less interventionist manner, where there are no public policy justifications for reserving spectrum for this purpose.

Local Radio News Provision in Wales

3.54 Around eight commercially based news providers currently serve the commercial radio industry in the UK including Independent Radio News (IRN) and Sky News radio. However, these agencies are mainly based in London and are generally not resourced to provide specifically Wales based news content. There is currently no Wales based commercial radio news agency and as most major areas of domestic government have been devolved to the National Assembly, many radio stations in Wales are looking at what provision can be made for pan-Wales news provision in the future. Currently the only option is to adapt or edit news material provided from the London based agencies.

3.55 In Wales a lower number of people cited radio as their source of local news. Only 4% of respondents in Wales claim to use radio for local news, compared to the UK average of 11%. People in Scotland (10%) and Northern Ireland (9%) were also more likely than those in Wales to use radio for local news.
iv) Fixed Line Telecommunications

Availability

3.1 Fixed telephony services over the public switched telephone network (PSTN) are available to all of the UK population as a result of the universal service obligation (USO) which is provided by British Telecom (BT) and Kingston Communications in Kingston-upon-Hull. Under the USO all UK households have access to a landline at a standard charge, although additional charges for connection apply where the cost of installation is in excess of £3,400. The USO mandates BT and Kingston to provide affordable telephone services for less advantaged members of the community in the form of special pricing schemes.

3.2 As a result of the USO, there are no significant issues relating to the availability of fixed voice telephony services in Wales or anywhere else in the UK, although a small number of single dwellings in remote locations may have difficulty in connecting to the network.

Narrowband internet

3.3 The availability of narrowband internet services (defined as an internet connection achieved by means of dial-up over a twisted copper pair or coaxial cable at speeds of less than 128kbit/s) is the same as that of fixed-line voice services, as the only equipment required to access narrowband services (apart from a standard fixed-line) is a suitably equipped personal computer.

3.4 Over recent years the use of narrowband internet services has declined rapidly as the availability of broadband internet services has increased and as prices for these faster services has fallen. According to the Office for National Statistics,79 at the end of 2007 less than 10% of UK internet connections were narrowband, compared to 56% three years earlier.

iv) Mobile Telecommunications

Mobile availability

3.5 In order to evaluate the availability of mobile telephony services across the UK Ofcom examined the number of mobile networks with second generation (2G) and third generation (3G) coverage in each postcode district. For an operator to be counted as having coverage its network footprint has to cover at least 75% of the postcode district, and by using this data conjunction with population figures we are able to calculate the proportion of people living in such postcode districts. The 75% threshold is different to those used in the 2007 report (when we used 95% for 2G services and 50% for 3G) for the following reasons:

— to allow direct comparison of 2G and 3G coverage levels;
— to reflect that the availability of 3G services is now widespread; and

3.6 It is important to note that just because a postcode district does not have 75% mobile coverage it does not necessarily follow that mobile services are not available there. 2G services we identified postcode districts where a) at least one and b) all four of the 2G networks had area coverage over the 75% threshold. It is important to note that the figures for Q1 2008 are not directly comparable with those published in the 2007 report as a result of the changes to the area coverage threshold outlined above.

3.7 The data shows that across the UK almost all of the population (over 99%) lived in a postcode district where there was at least 75% 2G area coverage from one or more of the mobile networks in Q1 2008 (Figure 3.58). The data shows that in Wales the proportion living in an area with 2G coverage from at least one operator was, at 98%, slightly lower than those in the other nations. There was greater variation in the proportion of people living in a postcode district with at least 75% coverage from all four 2G mobile networks. Across the whole of the UK 90% of people lived in such an area, while in Wales more than two-thirds (69%) did. This was identical to levels in Scotland and Northern Ireland but lower than in England (93%).

2G mobile phone population coverage

Source: GSM Association/Europa Technologies; Q1 2008

Note: Figures show the percentage of population within postcode districts where at least one or four operators had at least 75% 2G area coverage; data not directly comparable to that published in the 2007 report.

3.8 In addition to population coverage we also calculated geographic 2G coverage (using the same 75% area coverage threshold) in order to understand where there were gaps in coverage. Figure 3.59 below shows that, although 2G mobile geographic coverage was high across most of the UK in Q1 2008, it was not as high as population coverage. This is a result of the networks concentrating network build in areas of higher population density.

3.9 The majority of postcode districts in the UK (98%) had 2G area coverage from one or more mobile networks (Figure 3.59). Geographic 2G coverage in Wales was the second lowest among the UK nations at 97%, while it was highest in England (over 99%). The lower geographic coverage in Scotland (92%) reflects the fact that large areas of the sparsely populated Highlands and Islands are without coverage.

3.10 The proportion of postcode districts with 75% area coverage from all four 2G networks varied across the UK nations and English regions. In all of the nations except England (89%) less than two-thirds of postcode districts had 2G coverage at a 75% area threshold from all four 2G networks. Wales had the second lowest level of geographic 2G coverage from all four providers at 46% of postcode districts.
3.11 The maps below show that although most of the UK was covered by 2G services there were still sizeable areas where coverage was less than 75% or where 2G services were only available from one or two mobile networks. These regions included the Scottish Highlands and Islands, areas of mid-Wales and the west of Northern Ireland, many of which have poor coverage as a result of topographies that limit the range of cellular masts. The areas affected by lower levels of network 2G coverage in Wales include mid-Wales and parts of the border with England.

Map of 2G mobile phone geographic coverage by number of operators

Source: Ofcom/GSM Association/Europa Technologies; Q1 2008
Note: Maps show the number of 2G operators with at least 75% area coverage; not directly comparable to those published in the 2007 report.
3G availability concentrated around urban areas

3.12 The 75% postcode district network footprint threshold was also used when analysing 3G mobile availability. In the 2007 report a 50% area threshold was used for 3G services to reflect ongoing network rollout ahead of the end 2007 deadline for achieving 80% population coverage as stipulated in the five 3G licences. This means that that the data in this year’s report are not comparable to those published last year.

3.13 Similarly, it should be noted that the methodology used to derive the coverage data in this report is different to that which was used to ascertain whether the 3G networks had met the coverage obligations outlined in their 3G licences earlier this year. The data in this report are based on postcode district coverage estimates provided to the GSM Association by the mobile networks, while the methodology used to establish whether the 3G licence coverage obligations had been met can be found at: http://www.ofcom.org.uk/consult/condocs/3g_rollout/3GRolloutobligation/

3.14 In the case of 3G services there are five network operators (rather than four as there are for 2G) and we identified postcode districts where a) at least one and b) at least four of the 3G networks had area coverage above the 75% threshold.

3.15 Across the UK, 3G coverage figures were lower than those for 2G services, the only exception being in London where the proportion of postcode areas with 2G and 3G coverage from at least one network at the 75% threshold was the same (over 99%) and the proportion with 3G coverage from four or more networks at the same threshold was higher than for 2G.

3.16 The data show that 90% of the UK population lived in a postcode district with at least 75% area coverage from one or more 3G networks, and the proportion among the UK nations varied from 44% in Northern Ireland to 95% in England (Figure 3.61). Wales had the second lowest 3G coverage at 68% of the population.

3.17 Across the UK, 60% of people lived in postcode districts with 75% 3G area coverage from at least four mobile networks. The proportion living in these areas was highest in England (65%) and lowest in Northern Ireland (13%). In Wales 22% of people lived in an area with 3G coverage from four or more networks, again the second lowest among the nations.

3G mobile phone population coverage

![Graph showing 3G mobile phone population coverage](image)

Source: GSM Association/Europa Technologies; Q1 2008

Note: Figures show the percentage of population within postcode districts where at least one or four or five operators had at least 75% 3G area coverage; data not directly comparable to that published in the 2007 report.

3.18 Analysis of geographic 3G coverage showed that in Q1 2008 over three-quarters (77%) of UK postcode districts had 75% 3G area coverage from one or more of the mobile networks (Figure 3.62). Among the UK nations the geographic 3G coverage was highest in England at 89%, while it was lowest in Wales at 39%.

3.19 Across the UK, just under half of postcode districts (47%) had 75% 3G area coverage from at least four of the UK 3G networks. The proportion in England (57%) was, again, much greater than in the other nations, where it was highest in Scotland (22%) and lowest in Wales (12%).
3G mobile phone geographic coverage

Source: GSM Association/Europa Technologies; Q1 2008

Note: Figures show the percentage postcode districts where at least one or four or five operators had at least 75% 2G area coverage; data not directly comparable to that published in the 2007 report.

3.20 Figure 3.63 shows where the mobile operators have implemented their 3G networks. Across the UK 3G network rollout has been concentrated in urban areas to enable the networks to meet the population coverage obligations outlined in the 3G spectrum licences. The result of this is that there are still large areas with a low population density where 3G services are not available. 3G coverage in Wales is concentrated around Cardiff, Swansea, Newport and the Cheshire border area.

Map of 3G mobile phone geographic coverage by number of operators

Source: Ofcom/GSM Association/Europa Technologies; Q1 2008

Note: Map shows the number of 3G operators with at least 75% area coverage; not directly comparable to that published in the 2007 report.
A470 case study

3.21 Following discussions with the Ofcom Wales Advisory Committee, we commissioned a drive-by survey of the A470 as a case study of mobile availability during 2008. The A470 is one of Wales’ main trunk routes, connecting North and South Wales, but is not currently surveyed by the mobile phone providers. The results show that there are some locations on the route where mobile reception is significantly less than in population centres. The research data will be used in the cost benefit analysis work relating to telecommunications service provision to be carried out as part of Ofcom’s Access and Inclusion project.

A470 Mobile coverage survey

3.22 In January 2008, Ofcom commissioned a survey of mobile telephony coverage on the A470 in Wales to provide an insight into the level of service availability on this main road which runs the full length of Wales, from Llandudno in the North to Cardiff in the South. Using an automated test rig, calls were made from mobile handsets mounted in a car which was driven the entire length of the route. Call attempts were made every 2 minutes and successful calls lasted 90 seconds; where there was no coverage calls were re-attempted every 10 seconds.80 Handsets from each of the four mobile network operators were used for the GSM (2G) test and all five operators for 3G.

3.23 Of the calls made with GSM handsets, 32% of call attempts failed because there was insufficient signal quality. Where there was a good signal, 89% of calls made were completed successfully, with the majority of failures due to calls dropping after being established successfully. Sections of the road north and south of Dolgellau, including the Coed Y Benin forest park, and over the Brecon Beacons proved particularly problematic for some operators.

3.24 With calls made with dual mode 3G/GSM handsets, 39% of call attempts failed because there was insufficient GSM or 3G signal quality. Where calls could be made, only 17% were made using the 3G network, with the majority of phones falling back to the more widely available GSM networks. Once a call was established, 81% of calls completed successfully.

3.25 Whilst the methodology used was not suitable for drawing direct comparison between different mobile operators, the results provide a good overview of service availability on this route and highlight that coverage in these less populated routes is significantly less than in population centres.

v. Broadband Availability

Introduction

3.26 Internet delivered via broadband is rapidly establishing itself as an essential utility for modern life in Wales. However, access at sufficient data speeds of at least 2 Mbit/s, for example for higher bandwidth applications such as streaming near standard definition television, is limited in practice to premises situated up to around 5km from an exchange.81 The two main technologies used to supply broadband services in the UK are digital subscriber line (DSL) supplied over a standard copper twisted pair connected to a local telephone exchange and cable modem technology over Virgin Media’s hybrid fibre-coaxial network.

3.27 Ofcom’s Strategic Review of Telecommunications in the UK in 2004 resulted in the creation by BT of Openreach, a division of the BT Group, with responsibility for managing and maintaining the telecommunications access network—BT’s existing copper lines and infrastructure running from exchanges to premises (also known as the “Local Loop”) which are used by around 400 communications providers. In addition BT Retail, either by buying capacity from BT wholesale or through the provision of their own services through infrastructure investment at individual exchanges, for example through a process known as local loop unbundling.

3.28 Virgin media operates a separate access network, which has uses fibre instead of copper, running from its core network to street cabinets. From the cabinets, coaxial cable runs to cabled premises and the service currently offers far higher speeds that DSL service via copper wire. But, in Wales, access to this network is only available in the urban areas of south east Wales, Cardiff, Newport, Swansea and parts of the Vale of Glamorgan.

3.29 Internet delivered programming is currently provided by the BBC, via its I-Player and Channel 4 (via 4OD) and through the use of Windows Media Player/proprietary software from S4C and ITV Local Wales on their web sites. In addition, BT has launched BT Vision, a video on demand service, delivered via broadband and Inuk Networks, based near Newport, provide the broadband based “Freewire” Internet television service to a number of university campuses across the UK.

3.30 DSL broadband can now be provided from all exchanges in Wales, providing broadband services to users based up to 5km from the exchange. (Generally the service level reduces in speed the further a customer is from an exchange). According to Ofcom research, commissioned in 2006, 16% of premises in

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80 Note that up to 12 failed call attempts could occur in the 2 minutes that it took to make a successful call.
81 Broadband speed is measured in Megabits per second (Mbit/s)—an industry-standard measure of data transfer over the internet.
Wales are situated further than 5km from an exchange (compared to the UK average of 13%), while 19% of premises in Wales are within 2km of an exchange (allowing users to take advantage in the future of significantly higher broadband speeds) compared with a UK average of 17%.

3.31 Despite the wide availability of broadband services, not-spot areas still exist, where provision is not possible although the exact scale of the problem is difficult to quantify. Almost all households in Wales are now connected to an ADSL enabled exchange and BT estimates that 99.6% of premises connected to its network are able to obtain broadband speeds of up to 512 Kbits/s. But in practice there still remain premises where it is not possible to get a broadband service for a number of reasons including:

— The length of the copper line from the telephone exchange to the site is too long;
— There is a line sharing device (also known as DACS—Digital Access Carrier System) or Line Concentrator on the line. Broadband will not work over these line sharing devices;
— Existence of aluminium cabling in the line—Over the years there may have been several repairs undertaken on the line, and the repairs might have been carried out using a length of aluminium cable. The existence of aluminium cable does not totally prevent the delivery of a broadband service but it can have a significant impact on the quality of the broadband signal;
— Poor quality copper cabling—The copper cabling may have badly corroded over time, so broadband would have difficulty in travelling over the cable; and
— Poor connections in the line—The connections between cables or repairs are also a place where some of the broadband signal can be lost.

3.32 However, it also worth noting that significant increases in broadband speeds can be achieved in premises and homes by improved domestic wiring. The I-Plate, a simple self install filter developed by BT, which is fitted to the master telephone socket, can in some circumstances, improve the broadband service and increase speeds by filtering out electrical interference picked up by telephone lines.82 The device can be purchased on-line at the BT shop: www.shop.bt.com

3.33 Through its Regional Innovative Broadband Support (RIBS) contract with the Welsh Assembly Government, Openreach has been working on a programme of line concentrator and DACS removal in order to enable more lines to provide a broadband service. Since January 2008, Openreach claims that the number of line concentrators and DACS units deployed in the network has been reduced by 50% and it has plans to reduce the number of line concentrators to under 5% by June 2009.

3.34 Replacing BT’s copper network with fibre, at least to the street cabinet is described as next generation access, and will enable the provision of super fast broadband with much higher speeds than currently available via DSL. On 15 June 2008, BT announced its intention to spend £1.5 billion building a super-fast broadband network across the UK over the next four years. The plan would connect 10 million homes, around 40% of the UK, to a new fibre based network, replacing the copper wires that link most homes today.

3.35 BT has recently announced that the Whitchurch area of Cardiff has been selected as one of the two first pilot sites for Super Fast Broadband roll-out.

DSL broadband availability

3.36 Almost all UK households (over 99.9%) were connected to a DSL-enabled BT local exchange at the end of December 2007, although not all of these will be able to obtain broadband services. DSL availability is higher than that of cable modem services in all areas of the UK, therefore the availability of DSL can be used as a model for overall UK broadband availability.

Cable modem broadband availability

3.37 Data from Virgin Media show that at the end of 2007 almost half of all UK households (49%) were passed by its broadband-enabled cable network; although a small proportion of these will not be able to receive cable broadband services (Figure 3.52). The proportion of households passed by Virgin Media’s broadband-enabled cable network was lowest in Wales, at 24% of households, and highest in England, at 52%.

82 Communicate, BT Public Affairs Quarterly Newsletter, Issue 14, January 2009. Customers need to have a BT NTE 5 master socket and extension wiring in their home to fit an I-Plate—easily identified by the horizontal split in the face plate and BT logo.
PROPORTION OF HOUSEHOLDS PASSED BY VIRGIN MEDIA BROADBAND

Source: Ofcom/Virgin Media, December 2007 data

Note: The basis on which figures have been calculated is different to that used in the 2007 report

3.38 When rolling out their networks the original cable franchisees concentrated network build in areas with high population density, in order to maximise the potential return on their investment. The viability of Virgin Media cable broadband services is therefore concentrated in large urban conurbations and in Wales it is only available in south east Wales.

Local loop unbundling broadband availability

3.39 Local loop unbundling (LLU) involves an alternative operator leasing the twisted copper pair between the BT or Kingston Communications local exchange and a customer’s premises, and placing its own equipment in the exchange. This allows the LLU operator to connect the end-user to its own network and to provide voice and DSL services without investing in an expensive access network over the “last mile”. Unbundling an exchange allows operators to offer services without being tied to BT or Kingston’s wholesale products, enabling greater differentiation in services and tariffs. It can also give operators economies of scale which are not available to them when purchasing wholesale products on a per-unit basis.

3.40 Consumers living in an unbundled exchange area are likely to have access to a wider range of suppliers and retail propositions than those living in an area which has not been unbundled, and in the last quarter of 2007 LLU services were responsible for over 85% of the growth in the total number of non-corporate UK broadband connections. At the end of 2007 80% of UK households were connected to an unbundled local exchange, up from 67% at the end of 2006. The proportion of households connected to an unbundled exchange was highest in England among the nations at 84%, and lowest in Northern Ireland at 51%. In Wales, almost two-thirds (64%) of households were connected to an unbundled local exchange at the end of 2007, the third highest among the nations.
3.41 The high fixed costs associated with unbundling a local exchange (installing the equipment in the local exchange, the equipment itself and providing connectivity to the LLU provider’s network) and the low rental cost per line (currently £1.30 a month for DSL services and £6.67 per month for DSL and voice services) mean that in order for an exchange to generate per-unit cost savings over the use of BT’s wholesale products it must have a certain number of unbundled customers.

3.42 LLU operators have therefore tended to unbundle exchanges serving a large number of delivery points, and typically these are found in urban areas. As a result, 90% of households in urban areas across the UK are connected to an unbundled local exchange, compared to just 40% in rural areas. This was also the case in Wales where households in urban areas (77% availability) were almost twice as likely as those in rural areas (41% availability) to be able to receive LLU-based services.

![Graph showing proportion of households connected to an unbundled exchange](image)

Source: Ofcom/BT, December 2007 data

3.43 Figure x shows the UK distribution of areas able to receive LLU-based voice and broadband services. In Wales these are concentrated in the south of the country (Cardiff, Swansea and Newport) and the north-east (Wrexham).

![Graph showing proportion of households in urban and rural areas connected to an unbundled exchange](image)

Source: Ofcom/BT, December 2007 data. Note: The urban/rural split for Northern Ireland is based on the location of the local exchange rather than the area which it covers (as is used for the other nations). As such, the rural figure is likely to be understated and data are not directly comparable to those for the other nations.
Broadband Growth

3.44 Broadband take-up growth in Wales has slowed since 2006, with an increase of 3 percentage points. This contrasts with significant growth in broadband in the UK in general, with take-up increases of 10 percentage points or more observed in England, Scotland and Northern Ireland.
3.45 Consumer responses suggest that the gap in broadband take-up between Wales and the rest of the UK will not close significantly during 2009. Only 15% of those without broadband in Wales said that they were likely to get it in the following year; 53% were unlikely to and 33% were unsure. Within Wales, interest in getting broadband was lower in urban than in rural areas. Take-up of broadband was highest in the main population centres with little difference between Cardiff (58%), Swansea (56%) and Newport (62%). In Mid-Wales take-up was comparable (at 65%), but it is lowest in smaller urban areas in the south (34%) and Wrexham and other urban areas in the north (44%).

3.46 The most common online activities among broadband owners in Wales were sending and receiving email (86%), general surfing/browsing (73%), purchasing goods/services (70%) and finding/downloading information for personal use (54%). Around half said that they used the internet for banking, and for watching TV/video clips (49%). Overall, there was little difference in use of online applications between consumers in Wales and the UK average.
Use of online applications among Wales broadband users

Source: Ofcom

Base: Adults aged 15+ with a broadband connection at home

Broadband Speeds and Consumer Expectations

3.47 Ofcom research, published on 8 January this year, revealed that UK consumers receive an actual average broadband speed of 3.6Mbit/s. This compares with an average maximum possible speed\(^3\) of 4.3Mbit/s across the UK. The finding comes from one of the most sophisticated and thorough research programmes undertaken into the real broadband speeds experienced by UK consumers. Over a 30 day period approximately 7,000 tests were run through monitoring units connected to around 1,500 homes’ broadband routers, resulting in over 10 million separate tests of a range of suppliers’ services. The research was conducted in association with broadband performance specialists SamKnows and market research company GfK Ltd.

3.48 3.6Mbit/s is sufficient for many internet applications, including audio and standard definition video. However, the speeds achieved are significantly below advertised headline speeds. Among consumers on the most popular “up to 8Mbit/s” package (which over 60% of UK broadband consumers subscribe to), one in five subscribers receives an average speed of less than 2Mbit/s and on average the actual speed consumers receive is 45% of the advertised headline speed.

3.49 Ofcom took measures to address this concern last month by requiring all Internet Service Providers (ISPs) signing up to the Broadband Speeds Code of Practice to provide an accurate estimate of the maximum speed they can expect when signing up to a service.

Speeds vary by distance from exchange and time of day

3.50 The research shows how DSL (Digital Subscriber Line) broadband speeds depend in part on distance from the local BT exchange. Largely because of distance, consumers living in urban areas received speeds which were on average 15% faster than those in rural areas. Consumers in London received the fastest average speeds, with those in the north east of England, Wales and Scotland receiving on average the slowest speeds.

3.51 DSL and cable broadband speeds vary by time of day due to differing traffic levels on ISPs’ networks. Across the UK, speeds were slowest between 5pm and 6pm on Sundays, when use of the internet is at its highest.

\(^3\) Maximum possible speed is the highest speed that a line is capable of (defined in this research by the highest speed ever achieved in the 30 days of data collection). Headline speed is the download speed at which an internet service is advertised.
Consumer satisfaction with broadband services

3.52 The research also found that most consumers surveyed are reasonably happy with their broadband service, with 9% expressing dissatisfaction overall. However, speed was the most commonly cited cause of dissatisfaction.

3.53 Although 93% of consumers were satisfied with their experience of web browsing, satisfaction rates were lower among users of applications which typically benefit from faster speeds or more consistent performance. For example, only two thirds (67%) of those who use their broadband connection to watch or download TV programmes were satisfied with the experience.

3.54 The research also revealed that, while 91% of consumers said that speed was an important consideration when signing up with their current broadband provider, 28% of them were unaware of the headline speed package they purchased. Overall, dissatisfaction with broadband is higher for rural users (14%) than urban users (8%). Within the nations and regions, consumers in the North East, Eastern and South West English regions are significantly more satisfied than users in East Midlands, Wales and Scotland.

Broadband speeds Code of Practice and consumer guide

3.55 Ofcom has taken a number of steps to ensure that consumers get better information about broadband speeds. Since 5 December 2008, over 95% of people choosing a broadband service have been covered by the Ofcom broadband speeds Code of Practice which requires ISPs to provide an accurate estimate of the maximum speed they can expect when signing up to a service.

3.56 Under the code, in addition to providing an accurate estimate of the maximum speeds consumers will be able to receive, ISPs must also explain to customers the factors which determine the actual broadband speeds they can receive and give guidance on how to improve speeds.


Welsh Assembly Government Initiatives

3.58 Significant progress was made during 2006 towards ensuring DSL broadband is available to all Welsh homes, thanks to the EU-approved Regional Innovative Broadband Support Scheme (RIBS). Following the Welsh Assembly Government’s announcement in March 2006 that BT had been awarded the contract to upgrade a final tranche of 35 exchanges in Wales, 33 of these exchanges were broadband-enabled by October, extending broadband access to a further 9,259 premises. All exchanges upgraded under the RIBS scheme will deliver ADSL Max services, offering bandwidths up to 8 Mbit/s with the result that 433 exchanges in Wales are now capable of supporting ADSL Max. The enabled exchanges will also be able to support future upgrade programmes, for example to ADSL2+, when these are rolled out.

3.59 Following implementation, by the Welsh Assembly Government, of its EU-approved Regional Innovative Broadband Support Scheme (RIBS) contract, which was awarded to BT, the 35 remaining exchanges in Wales have been upgraded to offer DSL broadband including ADSL Max, with the capability of supporting ADSL2+ roll-out in the future. The first part of the RIBS contract was completed when the last two exchanges, Rhos and Llawhaden, were upgraded in summer 2007, allowing an additional 7,500 premises to be served by broadband-enabled exchanges.

3.60 However, there are still a number of “not-spot” areas in Wales which (due to localised technical issues such as the presence of line concentrators or aluminium rather than copper cable) are not able to receive ADSL services, or can access broadband services only at very low bandwidths.

3.61 In November 2007, the Deputy First Minister asked officials to consult the wider telecommunications industry to seek affordable and economically viable solutions to enable households in the “not spot” areas to access broadband. A wide cross-section of broadband providers and equipment manufacturers were consulted and following this assessment of the market, the Deputy First Minister announced, in April 2008, that the Welsh Assembly Government would undertake a Wales-wide procurement to seek a telecommunications provider or consortium to enable access in broadband not-spots across Wales. In addition, the Welsh Assembly Government continues to work with BT to explore options for addressing a number of significant not-spot areas (which were not therefore included in the above procurement) and details of these areas will be published at a later date.

3.62 On 18 December, 2008 The Deputy First Minister and Minister for the Economy and Transport Ieuan Wyn Jones has announced that six not-spot areas in Wales are to be tackled as part of the RIBS contract with BT with BT’s access network division, Openreach, funding half of the project. Preparatory work has already started to broadband enable the lines serving the West Wales communities of Reynoldston, Saundersfoot, Llanpumsaint and Bronwydd Arms, Cilcennin in Ceredigion and Gwytherin in North Wales. Completion of the work will allow more than 1,000 residents and businesses to enjoy access to broadband services for the first time.
FibreSpeed

3.63 FibreSpeed—Open Access Networks for Wales—is a key initiative within the Welsh Assembly Government’s Broadband Wales Strategy which aims to provide affordable broadband connectivity (with a minimum of 10Mbit/s symmetric broadband service) to business parks/locations in Wales. The network will be “open access”, comprising local access networks along with a backbone network interconnecting these locations to other telecoms networks and points of presence distributed across the network. A range of wholesale products and services will be made available to service providers on an open and equal basis.

3.64 The project, launched on 27 November, 2008, will initially deliver connectivity to business parks in north Wales: Parc Cybi on Anglesey, Parc Menai (including CAST Technium), Parc Bryn Cegin and Victoria Dock, Caebronion, in Gwynedd, Llandudno Junction and Parc Caer Seion in Conwy, St.Asaph Business Park (including OPTIC Technium) in Denbighshire, St. David’s Park, Deeside Industrial Park, Hawarden Business Park and Warren Hall, in Flintshire, Wrexham Industrial Estate and Wrexham Technology Park. Discussions continue with private sector developers about the possibility of connecting other sites in the near future.

3.65 Subsequent phases are being developed to cover other parts of Wales, with an estimated 50 strategic sites in total throughout Wales. However, in the future, FibreSpeed has the potential to support other public sector broadband initiatives. This investment is the first phase of a long term Assembly Government programme to transform high bandwidth availability and pricing across Wales and is the first Government—supported network of its kind to be delivered anywhere in the UK.

3.66 Part of the financing for the Assembly Government project will come from European Structural Funds managed by the Assembly Government’s Wales European Funding Office. The Assembly Government estimates that the presence of the new North Wales network alone will add up to £29 million a year to the Welsh economy by boosting the productivity of existing companies and attracting inward investment by new companies seeking to take advantage of the network.

3.67 The provision of a FibreSpeed network funded by the Assembly Government will also help to bring prices of high bandwidth Internet services within a wide area of North Wales down to a par with those charged in London and the South East of England. Following a competitive, Europe-wide procurement process, the contract to design, build, operate and maintain the FibreSpeed network for a 15-year period has been awarded to Geo, which is part of the Hutchison Whampoa Group and has a strong record in delivering fibre optic networks for major customers. The company currently delivers networks for three of the UK’s mobile phone operators and carries approximately 35% of Britain’s broadband Internet traffic.

3.68 While FibreSpeed’s initial focus is on serving key strategic business parks the project is also expected to benefit many businesses outside those areas as well as communities and the public sector across the whole of north Wales. FibreSpeed will also have a positive impact on the wider telecommunications market by making available an alternative infrastructure that could be used by other network operators and other electronic communications operators as they extend their own network footprints in Wales, where previously it had been uneconomic to do so.

WiFi Hotspots

3.69 WiFi “hotspots” provide convenient mobile broadband access for both business and personal use. However, in Wales hotspots often duplicate broadband coverage in urban areas that are already well served, for example via DSL. Because WiFi hotspots are rare in rural areas, they are not generally considered as a practical way of extending broadband coverage. In December 2006 there were 539 WiFi hotspots operated by BT Openzone and its partner providers in Wales, out of a total of 9,833 in the UK. BT Openzone and partner networks provide 95% of all UK hotspots. The number of WiFi hotspots in Wales decreased marginally between July and December 2006. This decrease may signify saturation in the high density conurbations and it is possible that under-utilised hotspots have been closed down.

Mobile broadband

3.70 Several 3G providers, including 3, T-Mobile and Vodafone have introduced mobile broadband services for use with laptop computers and other portable devices, offering speeds over their 3G networks of up to 2.8 Mbit/s, with contract prices starting from £10 per month. In Wales, the full benefit of these services is limited to areas, primarily on the north and South Wales coastal areas, where 3G reception is currently possible. In other areas of Wales, where 2G mobile coverage is available, speeds are limited to “up to 48 Kbit/s”.

21CN

3.71 In 2004, BT announced that the roll-out of its £10 billion UK 21st Century (21CN) next-generation network would start in South Wales. This investment is essentially in the core networks operated by BT that eventually feed local exchanges. As such it does not directly impact on the future upgrading of lines from the exchanges to premises and end users (known as the access network or “last mile”). Currently significant problems still remain in some isolated communities in Wales, for example where, historically, limited line connections (via line concentrators) have been installed to compensate for infrastructure limitations.
3.72 On 28 November 2006, BT customers in the village of Wick in South Wales became the first in the UK to be migrated to the 21CN network, in what will be a five-year, 20 million line, UK-wide migration programme. BT originally stated that it would aim to migrate 350,000 domestic lines in South Wales to the new core IP-based network by the end of summer 2007, but following software problems at Wick, relating to the migration of legacy telephone systems from the old PSTN network, the roll out schedule has been delayed. In all, 1.23 million customer lines will eventually be migrated in Wales (4.8% of the total lines in the UK), involving a capital investment of £460 million.

3.73 BT estimates that it has already laid more than 2,300 kilometres of fibre optic cable in South Wales as part of the upgrade process. 21CN is capable of delivering high-bandwidth services to the exchanges that can be accessed by households and businesses in Wales. Linked to the development of 21CN is the future provision of ADSL2+ technology will offer maximum download rates of up to 24Mbit/s over the existing copper infrastructure for premises located within 2km of an exchange. However, the development of super-fast broadband and fibre to the cabinet may overtake the development of ADSL2+ in some areas. BT launched a Cardiff based trial of ADSL2+ towards the end of 2006. Working with BBC Wales, BT demonstrated the transmission of high-definition television pictures over the new network using, as an example, the Wales-produced BBC Drama, *Torchwood*.

**Next Generation Access or Super-Fast Broadband**

3.74 "Next generation broadband is defined as broadband access services that are capable of delivering sustained bandwidths significantly in excess of those currently widely available using existing access infrastructures and technologies". Enabling next generation broadband is a priority for Wales. Broadband has already resulted in significant private, social and economic benefits for the UK as a whole, including inclusion for rural communities. Innovation in service provision is also likely to drive demand for additional bandwidth capacity.

3.75 At present, unprecedented changes can be seen in the telecoms industry right across the globe. The current networks and technologies, on which most telecoms operators rely, have used the same fundamental elements for decades. These fundamentals are now changing with a move to completely next generation networks. The results of these changes and the impact they have on consumers will be well within the wide horizon of many years. In the UK, a number of new entrants are entering the Next Generation Access (NGA) market including H2O (targeting specific towns and cities using fibre via the duct network). Various incumbents such as Virgin Media are upgrading their existing networks. Openreach is beginning to offer wholesale customers fibre products for new build projects and next generation ADSL wholesale access products.

3.76 Investments are likely to use a mixture of technologies in different locations and each has its own advantages and drawbacks. Schemes such as digital region in South Yorkshire are aimed at remote areas or those with less appealing commercial cases for investment. Although the private sector has provided broadband to over 90% of UK households it is uncertain as to whether the same will apply to next generation networks.

3.77 However there is a major dilemma between the need for significant investment to improve Wales' competitive position and the need for a clear commercial return. These networks may generate substantial private value for consumers and businesses and where this is true, consumers and businesses may be willing to pay for these investments. Such willingness to pay can negate any need for public intervention, favouring private sector investments instead.

3.78 Where this is not the case, there may be a role for public intervention. This is already true in some areas for current generation broadband, where the public sector has intervened to pay for delivery of broadband service. The first case for intervention in next generation access may be in exactly those areas where broadband is already unavailable or the public sector had to intervene to deliver it.

3.79 We are increasingly seeing the attraction of public sector investments proceeding in some areas at the same time as the private sector invests where it sees the most commercial potential. This twin-track approach offers the prospect of next generation broadband being rolled out in a more even way across the UK, without public investments leading to a distortion of market decisions.

3.80 As a result, Ofcom will work with and help guide the public sector to understand how and where it can most usefully invest in next generation access. It will be best if these schemes are co-ordinated to reduce unnecessary differences that could limit their overall effectiveness. We will be engaging with the Assembly Government and the private sector to explore how public schemes can help improve broadband connectivity in the most remote or under-served areas.

3.81 Next generation access remains an uncertain world for a range of reasons. Many network operators, service providers and content providers continue to see substantial uncertainty on the commercial case for investment, resulting in incremental investments. As already discussed, there is significant uncertainty within the public sector—and when—in next generation access. Eventually, there remain some areas for decision on the most appropriate way to regulate next generation access deployment.

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84 *Pipe Dreams? Prospects of next generation broadband deployment in the UK*, Broadband Stakeholder Group
3.82 The existence of any regulatory uncertainty is clearly one of the core concerns for us. In order to support planned investments, we need to address this head on. This is important to companies that have market power, as well as those that rely upon access to the network assets of those with market power. Ofcom’s aim has been to provide clear and consistent signals on the regulatory approaches to next generation access over the past three years, adding more detail and clarity as new issues emerge. To achieve this, we outlined our principles for regulating next generation access in September 2007. Following our consultation, we believe these principles remain correct.

3.83 Part of a regulators role is to limit any potential abuse of market power by a communications provider that would result in significant consumer detriment and to deliver choice for consumers. We believe that, similar to today’s access network, elements of next generation access are highly likely to constitute enduring economic bottlenecks. As a result, regulation may be necessary to address potential positions of market power held by owners of the access infrastructure. In determining any approach to regulation, we must bear in mind the dual aims of regulation—to constrain abusive behaviours and to deliver consumer choice. These outcomes are best served by promoting competition.

3.84 At the same time as developing our approaches to promote competition and consumer choice, we must consider what else regulation should do to promote investment. Going forward we must:

- provide flexibility in trialling and piloting—to help development and testing of new technologies, commercial relationships, business models and customer propositions;
- support experimentation by any organisation with new ideas or thoughts on how to deploy or run these services, including new entrants, the public sector and community broadband projects; and
- provide clarity, consistency and greater detail on regulatory approaches. This has come across as one of the key requirements from the private sector to promote investment. In response to this, we will clearly outline how Ofcom will react in a consistent way to a range of market conditions and situations that could emerge.

3.85 To effectively support next generation access developments, a wide range of regulatory issues must be considered. This includes: application of the USO in next generation access; consumer information; the Openreach Financial Framework; Business Connectivity Market Review; spectrum release; the Undertakings; and new products supported by BT’s 21CN.

3.86 These regulatory issues affect a wide range of communications providers. To ensure we take into account all points of view relevant to next generation access, we held the first of a range of industry roundtable meetings on 2 September 2007. This was a productive session that has fed directly into this consultation. We look forward to continuing an active engagement with all our stakeholders on these issues over the coming months. All stakeholders should feel able and willing to enter into such discussions openly and proactively so we can reach the best outcomes for the UK.

3.87 Wherever there is significant market power (SMP), there is a need to promote competition through a range of regulatory remedies, including wholesale products. These may include a mixture of both passive and active products. A mixed approach of multiple regulatory remedies is the most appropriate at this time, both because of geographic variations in the prospects for competition and because of the complementary nature of different remedies.

Developments and Ofcom policy

3.88 Ofcom’s approach to these changes sets out to balance the need to remove any unnecessary barriers to investment in the new networks with the need to ensure they deliver positive outcomes, where appropriate by ensuring the continued presence of strong competition. When considering next generation networks, they are often logically divided into two separate components, because these have very different implications for operators, regulators and consumers. The first is the backbone or core networks, often simply known as next generation networks (NGNs) for example, BT’s new 21CN network. There is considerable industry debate already underway on how NGNs will affect telecoms markets in the UK. The second component, next generation access networks (NGA), are formed from the section of the operator ‘s network which links end customers into the operators’ backbone networks.

3.89 The current generation of consumer broadband services were launched in earnest in the UK around the turn of the millennium by BT and the cable operators. These had a slow start, with the services having limited geographic coverage and with the absence of sufficiently strong competition between providers. The regulatory approach to broadband has had an important role in shaping how the market developed. This approach is based on principles which Ofcom established in our Strategic Review of Telecommunications. The most relevant aspects for the broadband market have been:

- contestability: making the opportunity for entering the market accessible to a wide range of companies;
- innovation: allowing the maximum scope for innovation by the promotion of competition at the deepest level at which it will be effective and sustainable; and
- equivalence: the requirement for operators with market power to make the inputs used by their downstream businesses available to their competitors on the same basis.
3.90 Partly as a result of this approach, since its slow start, the market has developed rapidly in terms of competition, coverage and customer take up. By August 2008, over 58% of households in the UK have broadband, up from 41% two years ago, and over 99% can access at least one access network. In Wales, broadband take-up has increased to 45% by May 2008.85

3.91 The development of the broadband market is far from complete. In particular, the desire for operators to offer ever faster speeds, and for customers to purchase them, shows no sign of slowing. New high speed services, such as high definition video will place increasing demands on current networks. We are already seeing some upgrades to current cable networks, and they continue to offer the opportunity to deliver very high bandwidths to end customers.86 At the same time, there is also no doubt that upgrades to copper based broadband networks will continue. However, there is likely to be a point beyond which the today's access networks will no longer be able to address increasing speed and coverage requirements. Next generation access networks are designed to overcome these limitations and, as with current broadband networks, their deployment will accelerate the development of exciting new services that can take advantage of them.

3.92 Ofcom believes that the deployment of next generation access networks has the potential to be very positive for consumers. We are keen to see investment take place at the right time and in an efficient manner. This will involve removing any unnecessary regulatory barriers which might delay this investment. One important factor to achieve this is sharing our policy framework and clearly setting out the practical options for the regulation of these new networks where ex ante regulation may be appropriate at the earliest opportunity possible.

3.93 Next generation access networks may take many forms. They may be based on upgrades to BT’s existing copper access network or Virgin Media’s cable network, or a completely new deployment of wired or wireless infrastructure, each of which has different advantages and disadvantages. BT has direct copper connections between the exchange and almost every customer premise in the UK. In contrast Virgin’s network covers around half of all households, and offers a shared access network using very high capacity fibre and coaxial copper cables. However, cable deployment in Wales is well below the UK average.87 Wireless networks have obvious advantages for delivering mobile services but new technologies may also have a role in delivering very high speed access over large areas in the future. The organisations that deploy next generation access networks may also vary, and could include: communications providers; utilities; building developers; community broadband projects; other new entrants; and, in some instances, the public sector.88

3.94 In the UK, we are seeing the first signs of next generation access deployment, for example the Digital Region project in South Yorkshire and a new housing development in Ebbsfleet Valley, part of the Thames Gateway project in Kent. In some countries, next generation access networks are already being deployed more widely. This has required operators to make risky investments, often relying on the predicted success of the new, untried, products that the networks will support. In each case however, there are commercial, geographical or political factors which are not features of the UK context that have led operators to deploy new access networks. These include:

- current generation broadband services which appear less able to meet most customer’s needs at the moment compared to the UK;
- greater scope to generate additional revenues from services such as pay TV, whereas the market is already relatively mature in the UK; and
- relatively lower deployment costs of next generation access than in the UK, in part due to more densely populated urban areas.

Differences between new build and existing telecoms infrastructure

3.95 Existing telecoms infrastructure is almost exclusively based on copper lines from the exchange to cabinets and on to the home: there is a direct and in general dedicated connection between each home and the exchange as illustrated below. At the exchange, the traffic on these copper lines is aggregated onto shared backhaul and routed around the network. The copper lines to the home also carry electrical power, enabling traditional telephones to operate without the need for a separate power supply.

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85 Ofcom, Communications Market Report, Nations and Regions, Wales, 22 May 2008
86 Size:XL from Virgin’s high-end Broadband deal, provides fast net access connection speeds of up to 20Mbps. After the £30 installation fee, Size:XL costs just £26 a month or £125 a month for Virgin’s complete package which bundles Virgin Media broadband, Cable TV, phone and mobile. Size:XL Broadband has no restrictions on downloading making it an attractive service for heavy net users and large families.
87 Virgin Media cable's network covers 24% of households in Wales, compared with the UK average of 49%. (p72, Communications Market Report: Wales, May 2008.)
88 The Department of Trade and Industry (DTI) and Ofcom have published advice for public bodies who may be considering the use of public funds to support the provision of higher speed broadband networks in particular areas of the UK see: http://www.ofcom.org.uk/media/mofaq/telecoms/psb/.
Typical current infrastructure

3.96 Where operators wish to use as much as possible of the existing infrastructure while delivering substantially higher bandwidth services, this can be achieved through the deployment of fibre to the cabinet (“FTTC”), while retaining the copper “sub-loop”, as illustrated below. We are also seeing FTTC deployments in the US as well as Germany and Holland.

Fibre-to-the-cabinet (FTTC)

3.97 In a FTTC next generation access deployment, active electronics are installed within the street cabinet, which is connected to the exchange with a fibre link. The existing copper sub-loop from the cabinet to the subscriber premises is retained. This shorter portion of copper loop, compared to exchange-based DSL broadband, allows higher bandwidths to end customers. Depending on deployment choices, speeds of up to 100Mbit/s can be achieved. However, as with other copper based DSL deployments, actual performance will vary according to the length and quality of the copper loop being used.

3.98 Current generation cable networks use a similar architecture to this for the delivery of broadband and TV services. However, rather than using individual pairs of twisted copper wire and DSL to connect to each house, they use a shared co-axial arrangement.

3.99 In new build deployments there is no pre-existing copper, so fibre may be deployed all the way to the home. These deployments may be based on different technologies and architectures; these are described in overview in the next section. What they have in common is the use of fibre optic cable to carry the voice and/or data traffic between the home and the exchange or another point of aggregation.

3.100 The most significant differences between fibre optic cable and copper are summarised in the following table:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Copper</th>
<th>Fibre optics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity</td>
<td>The capacity of copper depends on the</td>
<td>The capacity of fibre optics depends on the</td>
</tr>
<tr>
<td></td>
<td>modulation employed and the length of the</td>
<td>modulation and architecture</td>
</tr>
<tr>
<td></td>
<td>line, typically the upper limit is</td>
<td>employed but ranges from 10Mbit/s to</td>
</tr>
<tr>
<td></td>
<td>between 8 and 24 Mbit/s, and more for</td>
<td>virtually unlimited</td>
</tr>
<tr>
<td></td>
<td>sub-loops. It decreases as line length</td>
<td></td>
</tr>
<tr>
<td></td>
<td>increases.</td>
<td></td>
</tr>
<tr>
<td>Distance</td>
<td>The bandwidth performance of copper</td>
<td>Fibre optics delivers consistent</td>
</tr>
<tr>
<td></td>
<td>decays significantly with distance</td>
<td>bandwidth up to 20km and potentially</td>
</tr>
<tr>
<td>Line powering</td>
<td>Copper supports line powering easily</td>
<td>beyond</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Line powering is generally considered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>impractical over fibre</td>
</tr>
</tbody>
</table>
Different technologies and architectures used in FTTH deployments

3.101 Fibre-to-the-Home ("FTTH") deployments involve the complete replacement of copper loops with fibre all the way to the customer’s premises as shown in outlined below.

Fibre-to-the-home (FTTH)

3.102 There are a number of technologies to deliver FTTH, but the most basic distinction is between point-to-point technologies and shared infrastructure technologies. The most prevalent shared infrastructure technology is a passive optical network (PON):

— In a PON a single fibre from the exchange serves multiple customers, by having its capacity divided or “split” (typically to 32 customers in current systems), into two separate fibres for the final drop. Sharing the capacity equally (which can be up to 2.5Gbit/s for a “Gigabit PON” (GPON) system), each customer will receive around 80Mbit/s; however, much higher peak speeds can be achieved; and

— In point-to-point ("PtP") fibre each consumer has a dedicated fibre connection from the exchange to their premises. This architecture allows virtually limitless access speeds to be offered.

3.103 Across Europe and the world both shared and PtP deployments are underway, although in general most incumbents are choosing to deploy variants of PON networks, such as GPON, while new entrants may be more likely to deploy PtP fibre. The choice between infrastructure based on PtP or PON has significant consequences for the number of fibres that need to be laid: PON requires significantly few fibres than to an equivalent PtP fibre roll-out. In its recent consultation on Ebbsfleet, BT Group outlined its view that PON architecture is a more cost effective technology for new build deployments, mainly because of the significant savings in fibre and associated space and power in the exchange. Its intention is therefore to deploy PON-based FTTH networks to new build developments. Elsewhere, some investors continue to consider the options provided by PtP fibre.

3.104 Technology selection raises implications for regulation, both in terms of the promotion of competition and for existing regulation: for example, it is more difficult to unbundle a PON architecture than a PtP architecture. Investors in new build require clarity on regulatory requirements to assess whether their technology choice enables them to meet their obligations. As we outlined in our consultation on Future Broadband, we do not believe it is Ofcom’s role to recommend any one technology architecture over another. However, we do feel it is important that the selection of technology should be an issue for broad industry discussion and debate in advance of deployment, and we welcome Openreach’s intention to consult on its choice of technology choice and the implications.

3.105 There are a number of examples of successfully deployed next generation networks across Europe, some on an individual basis and others on an institutional basis. One of the key drivers of next generation access is likely to come from public institutions such as research and education networks.

SECTION 4
PROMOTING DIGITAL INCLUSION IN WALES

Media Literacy—background information

Ofcom was charged with the promotion of Media Literacy as set out in Section 11 of the Communications Act 2003. When Ofcom assumed its responsibilities in 2003, there was no agreed definition of “media literacy”. Following an extensive consultation in the summer of 2004, Ofcom set out its definition as follows:

“Media Literacy is the ability to access, understand and create communications in a variety of contexts.”

In November 2004 Ofcom published its Media Literacy Strategy which proposed the following activity:

— A wide ranging research programme to assess the extent of media literacy in the UK;

— The development of a common labelling system to support greater consistency in presenting information related to possible harm and offence and to protect young and vulnerable people from inappropriate material; and

— Support for related and relevant work undertaken by other organisations across the UK.

Ofcom’s statement of strategy and priorities for the promotion of media literacy can be found at http://www.ofcom.org.uk/consult/condocs/strategymedialit/ml_statement/
So why promote media literacy?

Society is becoming increasingly reliant on digital communications technology. The world around us is changing rapidly; the various media and communications technologies are becoming an integral part of everyday life. Knowledge of their use is increasingly a prerequisite to effective participation in society and in the economy.

When the traditional models of content regulation become less effective in minimising potential harm and offence, parents, carers and individuals must take more responsibility for what they, and children, see and hear on television, radio and online.

This increasing importance of media literacy, not just for individuals but for society as a whole, is reflected in important initiatives such as the recent formation of the UK Council of Child Internet Safety (UKCCIS). In addition, one of the priorities of the Government’s Digital Britain Report is to take a fundamental look at media literacy in the UK and Ofcom looks forward to working with the Government on this new initiative. Our future media literacy programme will be informed by its conclusions.

Ofcom’s work to promote media literacy is intended:

— to give people the opportunity and motivation to develop competence and confidence to participate in digital society; and

— to inform and empower people to manage their own media activity (both consumption and creation).

Ofcom’s approach has been to provide leadership and to influence stakeholders—including policy makers, education, industry and the voluntary sector—to promote media literacy for all members of society.

Developments in Europe also affect Ofcom’s delivery of media literacy. In some cases this is because Directives become enshrined in UK legislation. In others, EC Communications and Recommendations set a wider European context, within which the UK is an active player.

Access, Understand and Create

Ofcom has defined media literacy as: “the ability to access, understand and create communications in a variety of contexts”. Our focus is on electronic media, although there are obvious parallels with traditional literacy skills. Media literacy is the ability to “read” and “write” audiovisual information rather than text. At its simplest level media literacy is the ability to use a range of media and be able to understand the information received.

At a more advanced level it moves from recognising and understanding information to critical thinking skills such as questioning, analysing and evaluating that information. This aspect of media literacy is sometimes referred to as “critical viewing” or “critical analysis”—skills that need to be further applied to the ways we access information as technologies evolve and media converge.

Table 1 below outlines some of the key competences which define media literacy.

<table>
<thead>
<tr>
<th>Definition</th>
<th>Example Competences</th>
</tr>
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<tbody>
<tr>
<td>Use</td>
<td>Evaluate and use technology</td>
</tr>
<tr>
<td>Access</td>
<td>Use an electronic programme guide and web browser</td>
</tr>
<tr>
<td>Navigate</td>
<td>Access, store, retrieve content and services</td>
</tr>
<tr>
<td>Manage</td>
<td>Search effectively and safely</td>
</tr>
<tr>
<td>Read</td>
<td>Customise applications</td>
</tr>
<tr>
<td>Understand</td>
<td>Use firewalls and filters</td>
</tr>
<tr>
<td>Deconstruct</td>
<td>Recognise editorial, advertising &amp; sponsorship</td>
</tr>
<tr>
<td>Underdeact</td>
<td>Understand media contexts and motivations</td>
</tr>
<tr>
<td>Evaluate</td>
<td>Use technology to communicate ideas, information and opinions</td>
</tr>
<tr>
<td>Create</td>
<td>Make informed choices about media and services offered</td>
</tr>
<tr>
<td>Produce</td>
<td>Contribute to the democratic process using electronic media</td>
</tr>
<tr>
<td>Distribute</td>
<td>Post and transact online</td>
</tr>
<tr>
<td>Publish</td>
<td>Use and create media responsibly and ethically</td>
</tr>
</tbody>
</table>

The story so far

Ofcom has put media literacy clearly on the agenda of all stakeholders by providing leadership and stimulating debate at conferences and events throughout the UK, in Europe and beyond. We also add value to existing media literacy activity, catalyse new work, and promote and direct people to advice and guidance on new communications technologies. Ofcom has established effective partnerships throughout the UK with key stakeholders in government, education, the voluntary sector and the industries.

We prioritise those areas where we consider we have a statutory responsibility, followed by areas where we should partner, and then areas where we can facilitate activity (such as providing evidence from research) without formal partnership funding.

No single organisation can be effective in reaching all sections of society—and different people will have different media literacy needs. Ofcom has demonstrated over the last four years (2004–2008) that a range of partnerships can be effective in addressing people’s media literacy needs. Much of this work has been behind the scenes, with partners and stakeholders. We will continue to invest in the development of effective partnerships.

Going forward

We plan to undertake the following activities through our partnerships with key stakeholders:

Content management

Content management systems (including filters and PINs) provide the potential to empower people to control the content they access on television, over the internet and on mobile services. An area of particular concern is the ability of these systems to provide adequate protection to vulnerable members of society, such as children.

Ofcom, in partnership with the Home Office and industry, has developed a British Standards Institution (BSI) standard for internet content control software (Internet safety—Access control systems for the protection of children online (PAS 74:200890)). The award of the first Kitemark, expected in 2009, will provide an opportunity for the industry, in association with Ofcom and the Home Office, to launch a campaign to raise awareness of the availability of these tools, as well as those already deployed on other platforms, such as PINs on television broadcasts and age verification and filtering on mobile phones.

Content information

It is important that viewers and listeners can access adequate information about content, so that they can choose whether it is appropriate for them, or those in their care, to watch or listen to. The Broadband Stakeholder Group and the UK’s top broadcasters and content providers, with the support of Ofcom, have developed a set of common principles91 for providing viewers with information about content which may contain potentially harmful or offensive material.

Ofcom will encourage and support industry members to raise people’s awareness of these sources of information to manage their viewing experience.

Critical awareness

Our research suggests that young people in particular tend to take at face value the information they access, particularly online, without necessarily considering the truthfulness, balance or motivation of the author. We establish partnerships with those stakeholders, particularly in education and in broadcasting, who can promote greater critical awareness of media.

Learning

Jointly with the Department for Children, Schools and Families (DCSF) we have undertaken an audit of government departments and relevant agencies to map the policy agenda and priorities for the promotion of media literacy in the education sector.

Safety and security

We will support the work of the UK Council for Child Internet Safety (UKCCIS). We will work closely with Get Safe Online to support its provision of information to people on how to protect their PCs and transact safely and securely online.

Mapping activity to promote media literacy

Ofcom is trialling a resource which will inform stakeholders about the activity occurring across the UK to promote media literacy. The result will be a public, searchable, web-based database of organisations, projects and activities that promote media literacy in the UK.

90 http://www.bsigroup.com/en/Shop/Publication-Detail/?pid=000000000030130591
91 http://www.audiovisualcontent.org/
Evaluating activity

We continue to support the work of the Media Literacy Task Force and will publish an evaluation toolkit for media literacy projects and activity. We will also offer support to the Task Force in its work to promote media literacy.

Working across the UK

We will continue to support the efforts of national organisations promoting media literacy issues which align with Ofcom’s priorities. These partners will include organisations such as the National Institute of Adult Continuing Education (NIACE), and its partner agencies in the nations.

Ofcom will support the work of media literacy networks in the UK, as a vehicle for stakeholders in the devolved nations to work together and share best practice. The networks are also able to target activity to address nation-specific issues. We will continue to support and encourage the networks as an effective way of promoting media literacy.

Supporting citizens and consumers

We will provide information for those audiences who are not connected to the internet—and for other hard-to-reach audiences. This information will be made available through existing support networks such as Citizens Advice, UK online centres, libraries and museums.

We will develop a citizen—and consumer-focused section of the Ofcom website. This will be a user-friendly and accessible route for people who are connected to the internet to seek advice on issues related to media literacy and consumer protection. These web pages will also be a signpost to partner websites, offering quality information for citizens and consumers.

The Department of Culture, Media and Sport (DCMS) provides ongoing funding towards the development and promotion of media literacy by Ofcom. Ofcom’s annual media literacy work programme is agreed with DCMS ministers.

As well as the work funded by DCMS, Ofcom undertakes and fully funds a range of work that promotes media literacy. This includes activity in relation to Code development and implementation, consumer research including ease of use and uptake of technology, complaints and enquiries to the Ofcom Advisory Team, development and promotion of information and advice relating to digital technologies and liaison and lobbying of industry and political opinion formers in the UK and Europe.

Government programmes

Digital Britain

Media literacy has an increasingly important role to play in the UK’s social, cultural and economic development and Ofcom welcomes the Government’s announcement that media literacy will form one of the key strands of the Digital Britain report.

The work to promote media literacy that Ofcom has undertaken to date reflects its current duties and levels of resources. We look forward to working closely with the Government to develop a broader view of the factors that affect media literacy, the contribution that improvements in media literacy may bring, and the ways in which the UK’s media literacy can be developed.

We are pleased that media literacy initiatives arising from the Digital Britain report may form part of a wider, more co-ordinated approach to empowering citizens and consumers to ensure that they are fully equipped to take advantage of the opportunities that convergence brings.

We believe that increased focus from Government will help to create a more sustained and far-reaching programme of support for citizens and consumers across the UK—ranging from IT skills to the confidence to understand and manage the opportunities and dangers associated with online content and services.

Ofcom’s future media literacy programme will be informed by this wider approach.

UK Council for Child Internet Safety (UKCCIS)

In September 2007, the Government commissioned Dr Tanya Byron to lead a review of the risks children faced from exposure to harmful or inappropriate material on the internet or in video games. Dr Byron recommended the creation of a UK Council for Child Internet Safety (UKCCIS) as a forum in which government departments, stakeholders and industry come together and jointly contribute to the development and delivery of the Child Internet Safety Strategy. Ofcom will be a key partner and support UKCCIS. Welsh representatives on the Executive Committee and Council are as follows:

<table>
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Promoting Media Literacy in Wales

Ofcom established the Wales Media Literacy Network (WMLN) in March 2007 as a direct response to a consultation exercise conducted the previous year.

Representatives from a range of organisations from across Wales—each with an interest in some form of media literacy or another—attended a meeting in the autumn of 2006—and the general consensus of opinion was the evident need for an umbrella organisation to ensure a better public understanding of the benefits of media literacy in Wales. And so the WMLN came about—primarily to provide a central point of coordination for media literacy activity in Wales and to allow stakeholders the opportunity to share information.

The Network is funded by Ofcom and administered by NIACE Dysgu Cymru. A Committee (chaired by Karen Roberts in the Ofcom Wales office) meets four times a year to set the agenda for network activity. Committee Members act as a central point of contact for their organisation/sector, facilitating two-way dialogue and sustaining the flow of information between that organisation/sector and the Network itself.

It also:

— ensures that Network members are made aware of all relevant media literacy activity as soon as is practically possible;
— identifies media literacy issues in Wales, both collectively as a Committee and individually as Members, with particular reference to the areas where they have particular knowledge or expertise;
— provides advice to the Network about general and specific issues concerning media literacy matters as they arise within Wales;
— provides comment as required on matters brought to the Committee by other Network members;
— responds appropriately to consultations on media literacy undertaken by other bodies; and
— actively promotes media literacy to the wider public in Wales.

Since its creation, the network has endeavoured to:

— Identify media literacy activity in Wales and help to plug the gaps where inactivity is prevalent;
— share good practice and work in partnership on all matters relating to media literacy;
— co-ordinate events to promote media literacy;
— provide a “match-making” service between learners, learning providers and media professionals;
— collate and distribute information; and
— develop a Wales Media Literacy Strategy to establish a clear vision for promoting media literacy in Wales.

There are many organisations that have a key role to play in the promotion of media literacy skills, knowledge and understanding—amongst both adults and children. These include content producers, broadcasters, platform and network providers, learning providers, academics, Government, parents, the voluntary sector and others. Membership of the network is free and organisations and individuals with a particular interest in any aspect of media literacy are welcome to join. This can be done by e-mailing Karen at karen.roberts@ofcom.org.uk

Network events and activity

A number of high profile Network events have already been held in Wales to

— increase membership of the Network, and;
— to promote the work of Network members as they relate to media literacy.

National Eisteddfod, Mold (August 2007)

The WMLN in partnership with S4C and the Royal Television Society Wales Centre, (RTS) held an evening event showcasing media literacy activity from across Wales.

The event was an opportunity for members of the network to explain a little about their work in media literacy through video and digital storytelling. Presentations were given by:

— Ofcom
— NIACE Dysgu Cymru—Media Literacy in Adult Learners’ Week
— BBC Wales, digital stories
— Canllaw Online—digilabs
— ITV Wales

All contributions to this event were made through the medium of Welsh.
University of Glamorgan—Atrium Building (October 2007)

Following the success of the National Eisteddfod event, it was felt that it would be beneficial to hold a similar event in South Wales. This coincided with the opening of the University of Glamorgan’s ATRiuM building in Cardiff http://cci.glam.ac.uk/ which agreed to host the event—and was again supported by the Royal Television Society. In addition to the above, presentations were also given by:

— Merthyr Media Projects
— Wise Kids

E-Democracy—Pierhead Building, National Assembly for Wales (14 January 2008)

The Network felt it was particularly important to engage with policy makers in the media literacy agenda. A major conference was held in the Pierhead Building, Cardiff Bay, on Monday January 14. The conference encouraged debate about the development of an e-democracy strategy in the Welsh context and was an opportunity for stakeholders to voice their opinions and concerns for processes going forward. Speakers included e-democracy experts Anne Mackintosh and Andy Williamson; AMs Leighton Andrews, John Griffiths, Peter Black, Alun Cairns, Alun Davies and Bethan Jenkins; as well as representatives from Ofcom, NIACE Dysgu Cymru, the Welsh broadcast media, Communities@One and the Wales Council for Voluntary Organisations.

Pupils from Greenhill and Thomas Picton Schools in Pembrokeshire also attended the conference to record the day’s proceeding for their own internet radio station and they also produced a digital story which was subsequently published online. As a result, a video of the event was posted on the National Assembly for Wales’ website.

Digital Literacy in a Web 2.0 World, Aberystwyth University (4 June 2008)

The Network, in partnership with the Department of Theatre, Film & Television Studies at Aberystwyth University hosted a workshop on digital literacy for adults with an interest in education on 4 June 2008 in room A14, Hugh Owen Building, Penglais Campus, Aberystwyth.

Developments in Internet, mobile technologies and services mean that these days there are unprecedented opportunities for people to interact, socialise and access knowledge online. The Internet and digital devices offer affordable access to media and innovative, online tools and virtual spaces to support content creation; education; collaboration; accessing specialised knowledge; research and more. This event explored the development of these technologies, and looked at the digital literacy skills that are needed to help us get the most from them, whilst ensuring our personal safety.

National Eisteddfod, Cardiff (August 2008)

Following the success of the previous year’s event, a similar presentation (hosted by S4C and the RTS) took place on Wednesday 4 August 2008.

Forthcoming events

A follow-up event on event E-Democracy and the progress made over the past year is planned for early Spring 2009.

More information on the WMLN can be found on the website www.walesmedialiteracy.org.uk.

OFCOM RESEARCH

Building the evidence

Our research is designed to help Ofcom and our stakeholders identify skills gaps and media literacy priorities. Having recently published the second Media Literacy Audit, we considered it appropriate to undertake a review of our research programme—its focus, methodologies and accessibility. This review is under way and the findings will shape our future work.

As an evidence-based regulator, we use our portfolio of research to define priorities for action, both for Ofcom and for our stakeholders. Research helps us identify the skills gaps and issues, directs our activity and measures our progress towards achieving our goals.

Ofcom has commissioned and published a wide range of Audits on media literacy activity which can be found on the website at http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/
Media Literacy Audit

Ofcom carried out an audit of media literacy across the UK and in March 2006 published its first report, which details the audit’s findings across all UK adults.

Report on media literacy in the nations and regions—April 2006

This report focused on results across the nations and English regions. Its purpose was to provide stakeholders with a range of information about levels of media literacy across the UK. (It should be read in tandem with The Communications Market: Wales report, which examines availability, take-up and consumption of communications services across the UK.)

Our audit provides detailed examination of the media habits and opinions of people living in the different nations of the UK, supplemented with indicative findings for the English regions. It found a variety of responses across the nations and regions in relation to different aspects of media literacy—but that said, there are a variety of possible demographic explanations for many of these differences. This audit wasn’t designed to assign exact causal explanations of the particular responses of each nation, but rather to set out what these responses are as a comparative benchmark.

The audit as a whole looked at how UK adults and children access, understand and create communications, with Ofcom’s particular focus being on electronic communications. In this context, our media literacy definition of access was much wider than availability or take-up of the platforms. Rather, it focused upon interest, awareness, usage and competence relating to each platform. “Understanding” related to how content (such as television and radio programmes, internet websites, or mobile video and text services) is created, funded and regulated. Issues of availability and take-up are covered comprehensively in The Communications Market: Nations and Regions.

Some of the elements of this audit—such as attitudes towards the provision of news, or knowledge of content regulation—apply to traditional analogue television and radio as well as their newer digital counterparts. But for the most part, this audit focused on the four main digital media platforms—not only digital television and digital radio, but also the internet and mobile phones—as these are the ones where there is most divergence between different groups within the UK in terms of understanding, take-up and usage.

Our key findings for Wales were:

— Self-reported take-up of mobiles and the internet in Wales was lower than the UK average; self-reported access to digital radio services was at similar levels and take-up of digital TV was significantly higher. Volume of use of all four platforms was broadly the same as the UK average, however people in Wales appeared to be less interested in the digital features of digital radio, the internet and mobile;
— People in Wales were more likely to say they got digital TV for the quality of the picture than the UK average. Levels of interactivity with television were lower than average. Knowledge of TV regulation and controls was average;
— People in Wales were less aware of radio funding and regulation than the UK average. Levels of general concern were low, in keeping with the UK average;
— Internet users in Wales were significantly happier to give out personal details online than the other nations. While confidence in using the internet for various prompted tasks was higher than for the other nations, there was lower awareness of how search engines and the BBC website are funded;
— Mobile phone owners in Wales were more likely to say they got a mobile phone for emergencies and for texting than the UK average. They made similar use of their mobiles as the UK average, but were less likely to know about age-verification. General concerns about mobile phones were lower than the UK average; and
— People in Wales used fewer sources of news than the other nations. Overall, they were more likely to say they distrust newspapers than the UK average. They were more likely to trust BBC News 24, and appear more likely to trust the other UK-based 24-hour news channels.

The full Audit can be found at: http://www.ofcom.org.uk/advice/media_literacy/medlitpub/medlitpubrss/nations_regions/

Our Adult Media Literacy Audit for 2008 showed the following findings for Wales:

— Take-up of digital television and mobile phones has increased significantly since 2005, although internet ownership in Wales (53%) was lower than in the UK as a whole (62%);
— Compared to the UK, adults in Wales were more likely to regularly listen to music on a hi-fi/CD/tape player, and less likely to regularly use the internet;
— People in Wales were also more likely than people in the UK in general to say they would miss their television the most;
— 61% of adults in Wales use another device at the same time as watching television compared with the UK (69%).
— 63% of adults in Wales use another media device while using the internet compared with the UK (74%);

— People expressed a similar level of concern about media content and devices in general, with the exception of what is on television; people in Wales were more likely than the UK average to have concerns about what is on television; and

— Levels of trust in television and internet content were lower in Wales than in the UK in general; nearly half (49%) said they did not trust what they see and hear on television, compared with 41% in the UK. They were more likely to agree that it does not matter how websites are funded (62%) than the UK average (52%).

Our Children’s Media Literacy Audit for 2008 showed the following findings for Wales:

— As in the whole of the UK, households with children in Wales had high levels of ownership of key media, and had experienced a significant increase in children’s use of the internet since 2005. Since 2005 children in Wales had also increased their use of a CD player, an MP3 player and a digital camera;

— Children in Wales were more likely than children in the whole of the UK to have a television and a portable DVD player in their bedroom. Children in Wales were more likely to have internet access in their bedroom than they were in 2005 (an increase from 7% to 13%);

— In each of the UK nations there has been an increase since 2005 in children saying they would miss the internet the most. Children in Wales were less likely to say they would miss a games console the most, compared to 2005;

— Children in Wales watched fewer hours of television and listened to more hours of radio in a typical school week, and were less likely to use media other than a television to watch video content. They were also less likely to use other media at the same time as watching television or using the internet;

— Children in Wales tended to be confident using the internet and were more likely than children in the UK as a whole to say they can always find what they're looking for online;

— Parents in Wales were more likely to say their child’s mobile phone use and radio listening were a concern;

— Children in Wales were more likely to agree with attitudes towards gaming relating to the consequences of violence in games, the value of settings on consoles preventing access to games with certain age ratings, and the wider use of skills learned playing games; and

— In each of the UK nations, an increased number of children said that they have lessons about the internet, compared to 2005. However, compared to the UK average, children in Wales were less likely to say they have lessons at school about the internet.

SECTION 5
ONLINE PROTECTION

5.1 As the communications regulator, Ofcom has a number of responsibilities in relation to the internet. We oversee the wholesale and retail markets for internet connectivity. We have a role in encouraging audiences to connect to the internet and in helping them learn how to manage the risks to which they are exposed when online, which arises from our duty to promote media literacy. We therefore have a clear interest in the protection of consumers from harm when they use the internet. Given our responsibility for the UK communications industries, the development of the institutional structures appropriate for the internet will profoundly affect Ofcom.

Wales Internet Safety Partnership

5.2 Ofcom is also a member of the Wales Internet Safety Partnership (WISP) Committee. WISP was established in 2007 to raise awareness of Internet safety and has a number of important aims, including:

— Assessing current trends in young people’s use of the Internet and mobile phones, and the safety challenges these present; and

— Developing innovative targeted programmes to ensure that young people and parents have an informed understanding of the Internet and mobile technologies, and the risks that these can present. This includes risks associated in using online social networking sites, messenger services, accessing inappropriate content online, and grooming.

5.3 The partnership is keen to stress the many positive benefits the Internet presents and aims to engage and inform the public so they have a better understanding of the online world and are able to handle their personal safety online. WISP held its second conference Young People, Mobile and Internet Technologies 2008—Maximising Opportunities, Addressing Challenges in Swansea in October. The Welsh Assembly Government/WISP eNetwork was also launched at the conference, which will link and enable educators, youth professionals and others with an interest in the digital literacy of young people across Wales to share ideas, resources and good practice. Details of the conference can be accessed at http://www.wisekids.org.uk
Internet Regulation and Online Protection

5.4 Ofcom believes that it would not be appropriate or effective to attempt to translate existing regulatory structures onto the internet. The internet was created as an essentially open access network. The existing lack of regulation has contributed to its very success and the innovation it has engendered. In the future, it will therefore be important to maintain the benefits of this open approach as much as possible in order not to cause undue negative impact on consumers as well as businesses.

5.5 The internet has become an increasingly important part of our daily life. Electronic communication is an indispensable feature of almost every workplace, and has come to dominate not only our professional interactions but personal ones too. We are increasingly turning to the internet for news and information, as well as for many other services. 82% of online consumers use the internet for sending and receiving email, while as many as 65% now use it to purchase goods and services, and 47% use it for online banking services.

5.6 As legitimate use of the internet has grown, so have the scale and impact of its fraudulent and criminal uses. The international nature of the internet has generated new opportunities for consumers but it has also put them within easier reach of those seeking to take advantage of them. The internet has given rise to many new types of crime—for example, identity theft by phishing, malicious virus dissemination via SPAM, and online grooming of children. It has also made it easier for criminals to circumvent judicial systems by taking advantage of the impersonal nature of the internet to misrepresent or disguise their true identity.

5.7 The internet therefore raises important consumer protection issues for governments and policy makers to consider. In order to inform the current debate on how best to tackle them, we believe it would be helpful, for policy makers and the public alike, to present a survey of the key consumer protection issues related to the internet, and the approaches taken to tackling those issues in the UK and internationally.

5.8 In response both to the growing role the internet plays in delivering services to consumers and the risks it exposes them to, there has been an immense amount of activity at national and international levels in developing legislative and regulatory frameworks to deal with internet-specific issues. While some of these efforts have involved attempts to achieve international cooperation and harmonisation of laws, many have also been tailored to suit the particular circumstances, and cultural and political norms of local markets.

5.9 From our brief survey of different approaches to regulating some of the key consumer protection issues that the internet raises—such as privacy and security, and protection from illegal or inappropriate content, or from malicious software—we make four observations about the effectiveness of regulation relating to the internet and the services delivered over the internet:

— The attempts at consumer protection on the internet at both national and international level have met with varying degrees of success to date;
— Successful consumer protection on the internet has generally involved a much higher degree of co—and self-regulation than has been the case for other media;
— Effective consumer protection on the internet requires more significant levels of international cooperation than currently exist; and
— The internet inevitably places a much greater responsibility on consumers to take action to protect themselves.

The attempts at consumer protection on the internet at both national and international level have met with varying degrees of success to date

5.10 The internet is a decentralised “network of networks” containing a number of parallel supply chains involving the physical infrastructure, application and service providers as well as governance structures.

5.11 Regulatory action can be taken at many different levels of the internet value chain. For example, content can be monitored and removed at the level of servers hosting the content; access to certain websites can be prevented at the level of search engines for all users; while controlled access for some users, such as children, can be maintained at the level of internet access at home.

5.12 In cases where effective action can be taken by national ISPs, or consumers have the information as well as relevant skills and tools like software application, actions to increase levels of consumer protection can be quite effective. In other cases, successful action has been more difficult to achieve because it requires cooperation between many different levels of the internet value chain.

5.13 For example, UK consumers now have a generally high level of SPAM awareness and most ISPs offer simple and effective filtering tools which allow users to easily identify and block unsolicited email communications. The problem of SPAM has not disappeared—it is still estimated to account for around 85% of all email traffic and has significant costs for businesses—but there are now more tools available to consumers to reduce the amount of SPAM they receive.

5.14 Despite an increasing number of national and international laws and agreements, internet-related issues remain a serious and growing concern. For example:

— Information Commissioner’s Office
— Anti-Phishing Working Group Phishing Activity Trends Report, November 2005
5.15 The Information Commissioner’s Office, the regulator charged with oversight of data protection regulation in the UK, received over 19,000 data protection complaints from the general public in 2004.

5.16 Phishing incidents are becoming increasingly common. Globally, the Anti Phishing Working Group reported 16,882 unique attacks in November 2005, up from 8,975 unique attacks launched in November 2004. The UK government’s Get Safe Online report estimated the total cost of phishing in the UK reaching £12 million.

5.17 BT reported in December 2005 that its “cleanfeed” technology blocks an average of 45,000 attempted hits onto illegal child pornography sites each day.

5.18 20% of adverts on a child-orientated games site were promoting gambling services, which would be illegal for their underage viewers to use.

Successful consumer protection on the internet has generally involved a much higher degree of co—and self-regulation than has been the case for other media

5.19 The attempts to translate traditional direct regulatory structures onto the internet have for the main part been ineffective at achieving their desired goals. Where action has been effective, both nationally and internationally, it has often involved co—or self-regulatory measures developed with participation from the industry.

5.20 The Internet Watch Foundation (IWF) in the UK is one such example of self-regulation. The IWF operates a hotline for reporting illegal content on the internet. Once content is ascertained by the IWF to be illegal, it issues take-down notices to hosting service providers, when these are based in the UK. Additionally, it supplies ISPs with details of websites containing internationally hosted illegal content, and of online user groups dedicated to disseminating illegal and offensive material. Most UK ISPs have already voluntarily agreed to block those sites and user groups. The IWF has been a successful self-regulatory strategy—in 2005, only 0.4% of potentially illegal child abuse images reported to the IWF were hosted in the UK. However, the international problem remains.

5.21 At international level, industry-led measures have played a significant part in increasing consumer confidence in e-commerce and hence making the internet a more secure place for commercial transactions. For example, data encryption through the https protocol has been widely adopted by online banking and commercial sites, although there remains a need for on-going investments to ensure adequate levels of security. Furthermore, significant efforts have been invested by the industry in marketing its benefits to consumers—today, for example, the padlock symbol is displayed on many browser windows. Though further efforts are needed to ensure that the padlock symbol guarantees adequate levels of consumer protection, its use by e-traders can serve to give consumers the peace of mind necessary to decide to engage in e-commerce.

5.22 Another example of an international self-regulatory initiative is the Internet Content Rating Association (ICRA). ICRA encourages content providers to self-classify their content using its rating system, which in turn enables end-users to use filtering software to block access to any websites which they deem undesirable based on the rating information. Over 100,000 internet content providers have already self-labelled using ICRA’s rating system, including Microsoft, AOL, T-Online and Hustler. However, the vast majority of internet content is still not labelled.

Effective consumer protection on the internet requires more significant levels of international cooperation than currently exist

5.23 The internet has fostered unprecedented levels of exchange of information, services and trade across countries. This has been made possible by the international nature of the internet both in terms of its infrastructure, and in terms of content and reach. However, the internet’s international nature also means that regulatory action at certain levels of the value chain can only be taken at international level. While measures taken at the content access level, for example software applications, are most effectively achieved via ISPs, and therefore at national level, any action at the level of say hosting, would require international cooperation.

5.24 Additionally, lack of international cooperation on laws and measures to tackle criminal activity on the internet can render national laws ineffective, however stringent, because criminals can simply move their operation to countries where minimal protections exist.

5.25 International cooperation on internet-related issues has been growing. For example, the 2001 Council of Europe Convention on Cybercrime was the first international treaty to address cybercrime specifically. Signatories to the Convention are required to enact national laws criminalising four categories
of computer related crime: fraud and forgery, child pornography, copyright infringements, and security breaches such as hacking, illegal data interception, and system interferences that compromise network integrity and availability.

5.26 To date, however, much international cooperation has lacked the enforcement means to make it effective. Most efforts involve greater knowledge sharing and information on best practice but there have been very few instances of any action taken against perpetrators. Part of the reason for the lack of success in acting against perpetrators is the difficulty in achieving agreement on the appropriate action to be taken. Variations between cultural and political norms, as well as different stages of market development and levels of resources available to enforcement agencies, have often meant that international agreement is only possible at the level of the lowest common factor.

The internet inevitably places a much greater responsibility on consumers to take action to protect themselves

5.27 The international nature of the internet means that there are inherent limits on the regulatory action taken at a national level. In contrast to the closed access platforms, the open access nature of the internet means that internet service providers act primarily as conduits for information and do not exercise editorial control over the content that flows over their networks. As a result, consumers will inevitably have to take a much greater responsibility to take action to protect themselves both from unwanted content and services, and from the various types of cybercrime.

5.28 Several information and media literacy initiatives have been developed to date to educate consumers about the dangers of the internet and help them understand the consumer protection tools that are available to them. In the UK, websites such as Get Safe Online, a public-private partnership initiative—see www.getsafeonline.org—and www.consumerdirect.gov.uk (run by the OFT) provide information and advice on internet safety and consumer rights.

5.29 Additionally the development of quality seals aims to help consumers recognise which vendors have committed to following a code of conduct in relation to commercial transactions on the internet. For example, quality seal systems are in place in the UK (TrustUK), France (L@belsite), Germany (Trustedshops) and Japan (Japan DMA), while the Global Trustmark Alliance promotes the use of quality seals at an international level.

5.30 In the future, we believe that consumers will have to assume greater responsibility for protecting themselves online if they are continue to enjoy the benefits of plurality and diversity of content and services the internet brings. To be able to do that, the consumers will need to have access to trustworthy information and advice, and affordable, easy-to-use technological tools. Therefore, it will be crucial to foster the further development of end-user education and empowerment while addressing the needs of vulnerable groups.

5.31 The internet is a global “network of networks”. Individual computer networks, each potentially containing thousands of different computers, are interconnected, allowing each computer to communicate with all the others. To enable each computer to communicate with all the others ones, network operators have adopted a universal addressing system and a set of standardised communications protocols. The addressing system uses Internet Protocol (IP) addresses and domain names (explained in more detail below). The communication protocols, or rule sets, make the different networks interoperable, ensuring they can communicate with one another. With unique addresses and shared protocols, any Computer A on Network X is able to transmit data to any Computer B on Network Y.

February 2009

Supplementary memorandum submitted by Ofcom

I had the pleasure of giving oral evidence outlining Ofcom’s work to promote media literacy at the recent hearing of the Welsh Affair Committee (31 March 2009). At the end of the session you kindly invited further evidence. Time did not allow me to fully outline Ofcom’s work supporting online safety and so I’d like to take this opportunity to further inform Members of the range of our activity, particularly in respect to activity in Wales.

Ofcom’s work to promote media literacy is intended:

— to give people the opportunity and motivation to develop competence and confidence to participate in digital society; and

— to inform and empower people to manage their own media activity (both consumption and creation).
Research

Ofcom is an evidence-based regulator, and our most important tool to direct stakeholders’ activity is research. Our programme of quantitative and qualitative research studies helps us to identify priority groups. Two of these priority groups are parents and young people and we are committed to supporting and encouraging parents and young people to develop better media literacy skills.

Our research shows that people’s interest, awareness and competence vary significantly by age and socio-economic group. Research findings also enhance our understanding of how people develop media literacy skills. Some of our recent research reports are highlighted below.

A study of people’s attitudes and behaviour in relation to Social Networking sites was published in April 2008. This focused on people’s understanding of their rights and responsibilities, their personal information, privacy and safety.

In May 2008 we published the 2008 Media Literacy Audit of UK Adults and the 2008 Media Literacy Audit of UK Children. The final report in this series, Media Literacy Audit of UK adults from ethnic minority groups, was published in September 2008.

In March 2009 we published a report on Citizens’ Digital Participation and in April 2009 we looked in detail at some of the groups who have lower than average take-up in the Digital Lifestyles: Hesitants, Resistors and Economisers report. Another report in this series, Digital Lifestyles: Young adults aged 16–24, examines the attitudes and behaviours of the 16–24 age group and is due to be published shortly.

Partnership

No single organisation in isolation can effectively promote media literacy and there are many organisations that have a key role to play in the promotion of media literacy—amongst both adults and children. These include content producers, broadcasters, platform and network providers, learning providers, academics, Government, parents, the voluntary sector and others.

Ofcom’s approach has been to provide leadership, set the agenda, work in partnership with and act as a catalyst for action and in some instances provide funding for stakeholders who are best placed to provide on the ground support for people.

Over the past four years we have built effective partnerships with those organisations in the best position to address the media literacy needs of key target groups (as identified through our research). As a result of these partnerships we have created opportunities for people to develop their understanding and skills in the use of digital media and telecommunications services across the UK.

In relation to children’s online safety, Ofcom works closely with Becta, the Internet Watch Foundation and The Child Exploitation and Online Protection Centre (CEOP).

There is also a well-established safety and security section of the Ofcom media literacy website93 which signposts users to other sources of support and guidance.

Welsh initiatives

Wales Media Literacy Network

Ofcom established the Wales Media Literacy Network94 (WMLN) in March 2007. Representatives from a range of organisations from across Wales—each with an interest in media literacy—form this umbrella organisation. Its main objective is to ensure a better public understanding of the benefits of media literacy in Wales, to provide a central point of coordination for media literacy activity and to allow stakeholders the opportunity to share information.

The Network is funded by Ofcom and administered by NIACE Dysgu Cymru. A Committee meets four times a year to set the agenda for Network activity. Committee Members act as a central point of contact for their organisation/sector, sustaining the flow of information between that organisation/sector and the Network itself.

The Network has been involved in a number of events aimed at raising awareness of children’s on-line activities. More details about the Network, its business and the events it has held to date can be found on the WMLN website.

The Wales Media Literacy Network is also in discussions with Media Snackers95 around supporting a pilot scheme to deliver a social media literacy course to a group of cluster schools in Wales which includes the creation of a comprehensive online resource/toolkit for teachers, students and parents.

Wales Internet Safety Partnership

Ofcom Wales is also a member of the Wales Internet Safety Partnership96 (WISP) Committee which was established last year with the aim of promoting Digital Literacy for Children and Young People in Wales.

92 Review of Ofcom’s Media Literacy programme 2004–08, Page 23
93 http://www.ofcom.org.uk/advice/mediaJiteracy/safelnt/
94 http://walesmedialliteracy.org.uk/
95 http://mediasnackers.com/
96 http://www.wisekids.org.uk/conf
WISP aims to promote Digital Literacy for Children and Young People in Wales, with the purpose of creating engaged and informed young people who have a better understanding of their online and digital worlds and who understand how to assess online risk and manage their personal safety and digital identities.

WISP held a conference in Swansea last October—Young People, Mobile and Internet Technologies 2008—Maximising Opportunities, Addressing Challenges. More details including footage and agenda etc. can be found on the WISEKIDS website.

Other organisations in the Partnership include WISE KIDS; BT Wales; NSPCC; Fostering Network; DangerPoint; South Wales Police; Canllaw-Online; Children’s Commissioner for Wales’ Office; Urdd Gobaith Cymru; UCAC and the Welsh Assembly Government.

UK Wide Initiatives

In a converged media world, viewers and listeners are able to obtain audiovisual content via broadband, satellite, cable, digital terrestrial television and digital audio broadcasting. Programmes can be watched and listened to on television and radio sets, on PCs or on mobiles. Programmes may be available on-demand at any time or time-shifted by digital video recorders (DVRs). Some of this content will be regulated, some not. The potential for confusion, frustration and offence is great.

Young and vulnerable people need protection from inappropriate and potentially harmful content and services—whatever the source. Ofcom’s codes will continue to afford protection in the areas we regulate. The industry, in the form of self—and co-regulation, will also take some responsibility. But it will fall to individuals to take more responsibility for what they and their families watch and listen to.

People will have to become more “active” viewers and listeners and some people may need to be more proactive in learning how to better protect and manage their media. This is especially true for people with responsibility for caring for young children. Ofcom has provided support and guidance for a number of initiatives designed to enable people to better manage their access to, and use of, content and services.

Ofcom aims to empower people to manage their own relationship to media and communications by encouraging the provision of information about the nature of content and promoting the use of strategies and online tools.

Content Information

The Broadband Stakeholder Group and the UK’s top broadcasters and content providers, with the support of Ofcom, have developed a set of common principles for providing viewers with information about content which may contain potentially harmful or offensive material. The principles were launched in February 2008 with the aim of helping viewers to make an informed choice about what they and their children watch.

The principles give coherence to the suite of existing content information options, such as the BBFC’s age rating and consumer advice for film, PEGI games ratings and text-based information for television programmes. Ofcom supports the industry in its efforts to raise awareness of sources of information to allow people to manage their viewing experience.

Content Control

Content control systems (including filters) provide the potential to empower people to control the content they access over the internet and mobile services. An area of particular concern is the ability of these systems to provide adequate protection to vulnerable members of society, such as children.

Ofcom, in partnership with the Home Office and industry, has developed a British Standards Institute (BSI) Standard for internet content control software (“Internet safety—Access control systems for the protection of children online”). The standard was launched by the Home Secretary in April 2008 and the first Kitemarks based on the standard are due to be awarded in 2009.

The award of the first Kitemarks will provide an opportunity for the industry, in association with Ofcom and the Home Office, to launch a campaign to raise awareness of the availability of these tools and those already deployed on other platforms such as PINs on television broadcasts and age verification and filtering on mobile phones.

Content on Mobiles

The Mobile Broadband Group (MBG), is an industry body established to represent the UK mobile network operators (02, Orange, T-Mobile, Vodafone, 3 and “virtual” network operator Virgin Mobile). Given the extended functionality of third generation (3G) mobile phones and the potential for users to access online content, the MBG, established a self-regulatory code of practice.

The UK Code of practice for the self-regulation of new forms of content on mobiles (the Code), classifies adult, commercially available content that could be accessed by mobie phones as suitable only for those users over 18 and to restrict access to such content for anyone unable to verify their age as being over

http://www.audiovisualcontent.org/
http://www.ofcom.org.uk/advicemediaLiteracy/medlitpub/ukcode/
18. A further provision of the Code was to introduce internet content filtering, to be broadly analogous to the mobile content classification described above; ie restricting access to internet material suitable only for an adult audience.

Ofcom undertook a Review of the mobile content code in early 2008. This Review intended to establish the level of implementation and effectiveness of the provisions of the Code, and, if necessary, to make recommendations to feed into a review of the Code and supporting Framework which will be undertaken by the industry in Summer 2008. Overall, we found the Code to be effective in restricting young people’s access to inappropriate content and a good example of industry self-regulation. Based on interviews with operators and stakeholders, we believe that the Code and Framework are understood and readily adopted by all concerned.

**HOME OFFICE TASKFORCE FOR CHILD PROTECTION ON THE INTERNET**

Ofcom has been involved with the Home Office Taskforce for Child Protection on the Internet since it was established in 2001 in response to a report by the Internet Crime Forum. The Taskforce brings together government, law enforcement, children’s agencies and the internet industry, who are all working to ensure that children can use the internet in safety.

The Taskforce has developed a number of good practice guides aimed at industry, parents and children and designed to help keep children safe on the internet. Examples include:

- Good practice guidance for the providers of social networking and other user interactive services 2008
- Good Practice Guidance for the Moderation of Interactive Services for Children
- Good Practice Guidance for Search Service Providers and Advice to the Public on how to Search Safely
- Guidance for Using Real Life Examples Involving Children or Young People
- Good Practice Models and Guidance for the Industry

**UK COUNCIL FOR CHILD INTERNET SAFETY**

In September 2007, the Government commissioned Dr Tanya Byron to lead a review of the risks children faced from exposure to harmful or inappropriate material on the internet or in video games. In the report *Safer Children in a Digital World*, published in March 2008, Dr Byron set out a number of recommendations to improve children’s safety when they use the internet or play video games. In June 2008 a cross-government action plan was published, setting out how government, its partners, industry and the voluntary sector will work together to create a safer online world. The creation of the UK Council for Child Internet Safety (UKCCIS) was a key recommendation of the Byron Review.

The work of UKCCIS will drive the programme for ensuring children, young people and parents have the necessary skills and support to make the most from the internet and video games while minimising the potential risks.

Ofcom is represented on the Executive Board of UKCCIS and on each of the work streams:

- Industry standards
- Better education
- Public information and awareness
- Video games

Sangeet Bhullar who is founder of WISE KIDS is one of the Welsh representatives on UKCCIS.

**DIGITAL BRITAIN**

On 29 January 2009 the Government published a plan to secure Britain’s place at the forefront of the global digital economy. Action 22 of the *Digital Britain: The Interim Report* called for “Ofcom to make an assessment of its current responsibilities in relation to media literacy and, working with the BBC and others, to recommend a new definition for media literacy and ambition for a National Media Literacy Plan.”

In response to this request Ofcom established the Digital Britain Media Literacy Working Group. Members were drawn from Government, The Nations, Education, Industry and the Third Sector.

Representatives from each of the Nations were invited to participate and Wales was represented by Alun Burge (Welsh Assembly Government). The Group submitted a report to Government at the end of March which sets out an ambitious range of strategic options to drive digital engagement for all sections of society.

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100 http://www.ofcom.org.uk/advice/medialiteracy/mediatlaw/ukcode/
101 http://www.dfes.gov.uk/byronreview/actionplan/
103 *Digital Britain—The Interim Report*, Page 69
We hope this information provides the Welsh Affairs Committee with sufficient information to clearly demonstrate Ofcom’s commitment to supporting the safe use of the internet by all people and to encourage the provision of particular support for parents.

May 2009

Memorandum submitted by the Open University in Wales

ABOUT THE OPEN UNIVERSITY IN WALES

The Open University was established in 1969, with its first students enrolling in 1971. It is a world leader in providing innovative and flexible distance learning opportunities at higher education (HE) level. It is open to people, places, methods and ideas. It promotes educational opportunity and social justice by providing high-quality university education to all who wish to realise their ambitions and fulfil their potential.

6,000 students (around 2,500 full-time equivalents) from virtually every community in Wales study with the Open University in Wales. The university offers a choice of over 550 courses, from taster sessions to postgraduate opportunities and three out of four Open University students are in employment while they study. 8% of Open University in Wales students have a declared disability and with an open admissions policy, no qualifications are necessary to study at degree level—over a third of our undergraduate students in Wales join us without standard university entry level qualifications

The Open University in Wales has its administrative centre in Cardiff and also has thirteen tutorial centres across Wales. It has 300 part-time teaching staff across the country who deliver courses and support students. The Open University in Wales transferred to the Higher Education Funding Council for Wales (HEFCW) funding for teaching and learning in 2005–06.

DIGITAL INCLUSION IN WALES

We concentrate our comments on the benefits of digital inclusion with regard to education. This includes, although is not limited to, the potential for digital technology to improve links between (higher) education and the economy, to increase access to learning opportunities and materials, widen access to high-level learning, the competitiveness of Welsh Higher Education Institutions (HEIs) in the global marketplace and the role of government in relation to all of the above.

We welcome the recognition in the Ministerial Foreword to the UK Government’s Digital Inclusion Action Plan that “inequality in the use and application of digital technologies is a new driver of social exclusion in the 21st century, which risks accelerating existing social divides and creating new ones. Digital exclusion is a symptom of wider exclusions, but also a cause”.

This is especially a risk with regard to high level skills and the ability of the most disadvantaged to access learning opportunities (and to go on to work and grow the economy at both local and national levels). We draw attention also to groups such as carers and those with a disability, for whom on-line learning may be the only realistic choice. The Open University sees both groups as important in widening access to higher education.

Widening access to higher education for people from a diverse range of backgrounds is a major Welsh Assembly Government objective and is core also to the Open University’s mission. It could and should be facilitated by increased availability of online learning. For example the Open University makes open educational resources available for free to the user on iTunes U, YouTube and its OpenLearn website, as well as a presence on social networking sites such as MySpace and Facebook. These provide access to world class learning anywhere and can also act as first steps into higher education.

However as the University (and other education providers) move towards more online learning it can potentially contradict the policy of widening access, because of poor access to good quality ICT amongst lower income households, and some in more remote rural areas.

The Open University has consulted with students and enquirers who have experienced difficulties in accessing ICT for study, and has highlighted issues that may help address the immediate access issue and wider policy implications. These include the development of cheaper “basic” IT hardware (even subsidised for target users), and as the Welsh Assembly Government is already committed to a pilot of free laptops for schoolchildren we would suggest that this issue is looked at as part of planning for that pilot (ie whether assistance in providing IT hardware should be more targeted and go beyond schoolchildren to include families and communities for educational and economic purposes), increased rationalisation and standardisation of ICT support and increased free wireless provision (particular as part of social housing and rural development policies, community centres, as part of the disabled facilities grant, in business parks).

105 http://www.open.ac.uk/itunes/
106 http://uk.youtube.com/ou
107 http://openlearn.open.ac.uk/
108 Bridging the Digital Divide, The Open University’s widening participation and e-learning project
In improving access to learning materials, websites (such as the Open University’s soon to be launched Welsh History and its Sources site) bring together multi-media resources that help provide an all round learning experience. For example the Welsh History and its Sources website will include BBC video footage, audio interviews, literature text, interactive glossary, maps and timelines, as well as image content. It will be a quality resource not only for OU students, but a free resource for all teachers and learners of Welsh History (this resource will also assist in promoting Wales and an understanding of its history to a global audience). As websites grow and bring together greater multi-media content and more downloadable material, slow download speeds and packet loss will be a barrier to accessing free resources and work against the intention of widening access.

The Welsh Assembly Government’s commitment to further target financial support towards students from lower-income backgrounds in order to widen access could be supported with investment in both increased provision of free wireless areas in Communities First wards and an increased role for Government in ensuring that the forthcoming “super-fast broadband” reaches Wales’s most disadvantaged communities. This must be viewed as the next big challenge in increasing social equality and justice through widening access to education. If only parts of society and the business community are able to access online learning and the subsequent multiplier skills and economic benefits, then the end result can only be greater inequality, a less competitive economy and lower levels of prosperity.

Ofcom’s vision for super-fast broadband roll-out is “for private sector led investment, complemented by public sector investment in less economic areas”. It is clear from the current and immediate future, despite BT’s intention to trial next generation broadband for a hundred homes in Whitchurch (Cardiff), that allowing the market alone to decide where benefits from next generation broadband would mean that much of Wales will miss out. This will have potentially damaging effects with regard to the growth of a knowledge economy and the link up between universities and business (whether large or small), Wales’s ability to sell itself as a technological hub and as a true high level skills economy, widening access to higher education and the comparative ease of accessing/downloading learning materials.

Currently, Wales has both the slowest average and maximum download speeds for “up to” 8Mbit/s subscribers (as used by 60% of UK users), of all regions/nations in the UK. Wales is already behind and in danger of falling even further behind. Virgin Media, the first major provider to announce a definitive commitment to rolling out next generation broadband (50mb), is not rolling it out to Wales in its initial phase.

As Government(s) plot a way out of recession and look to fast-track investment, further assistance in the delivery of next generation broadband should be considered. To ensure value for money, any public investment however should be tied to specific Government objectives, such as roll-out to disadvantaged areas (Ofcom’s less economic areas), that the infrastructure facilitates competition and choice of providers, and partnering it with other Welsh Assembly Government projects and initiatives (eg new build homes target, free laptop pilot, communities@one). The recent Caio Review also suggests some of these examples, although its call against major government investment is made on an assessment of the UK market and position regarding broadband, which is stronger than the Wales situation (the lowest broadband penetration of the UK nations and the slowest average speeds). The Welsh Assembly Government’s Regional Innovative Broadband Support contract with BT is a project that provides meaningful first steps on the broadband ladder.

The Open University recently launched a new website ( Re-launch) which gives access to free educational resources, tips and ideas for getting jobs and advice about accessing financial assistance for fee-paying courses, with the aim of helping people “outsmart the recession”. This is an example of the OU’s increased use of virtual resources to reach students and potential students. However as mentioned previously, moving towards more online learning means that those without access to the internet (many of which would benefit most from such a resource) miss out. It remains however that the opportunity to learn through use of online resources, whether at home, mobile, in the workplace or community centre, often provides the most convenient quality way of upskilling and “outsmarting the recession”. The challenge is to extend that convenience so that as many as possible can benefit.

ICT can do much to assist in improving the basic skills level of the Welsh workforce, but as mentioned previously it can do as much, if not more, to deliver a high-skill adaptable workforce for a high skill adaptable economy. There is much political focus on basic skills and the deficit with other nations/regions of the UK and other nations. However Wales’s high skills deficit amongst our competing UK nations and regions is greater than that in basic skills. As the Higher Education Wales memorandum to the Committee’s Globalisation and its Impact on Wales inquiry states “the availability of high level skills will

115 http://www.open.ac.uk/recession/
be the key driver of net employment growth in Wales and the UK”. Wales can only compete globally as a high level skills economy and workforce. The Welsh workforce expects (and will continue to expect) to reskill and upskill in the course of a career. The flexibility and quality of online learning and making best use of digital technology means that increased digital inclusion offers increased benefits for the Welsh workforce and Welsh economy.

The Open University in Wales sees huge potential in widening participation in higher education through online learning, and seeks to make a significant contribution to opening up access in this way. Delivering quality on a much larger scale, and providing higher education to hard to reach groups. However Wales is the poor relation of the UK with regard to the wide availability and quality of digital technology. Ensuring that our communities do not miss out on the benefits of digital technology is an educational and economic imperative, and central to achieving a socially just Wales.

January 2009

Memorandum submitted by Orange

Customer Information

— There are well over one million Orange mobile customers living in Wales.
— These customers are split into pre-pay, contract and business customers. Pre-pay customers make up the largest part of this group, as is the case elsewhere in the UK.
— There are also Orange fixed broadband customers in Wales. Fixed services are either provided through an agreement with BT or through local loop unbundling (LLU).
— There are a number of Orange retail stores in Wales (with new stores currently being considered) and services available from many other retailers across the country.

Digital Inclusion in Wales

— Mobile networks make a significant contribution to digital inclusion in Wales and to the Welsh economy and Orange has invested billions of pounds on building and maintaining its network and its license to operate.
— Mobile network services are also used by large sections of the public sector to help them provide services to the public.
— At the time of writing, the Government has recently published its “Digital Britain” interim report. The report proposes a number of measures, which Orange will be responding to formally in mid March but is unable to share our position on the issues raised in the report before that point.
— More broadly, Orange recognises the importance of its services to all its customers and believes that these services play a significant part in delivering digital inclusion.

Mobile Network Development

— Mobile networks make a significant contribution to digital inclusion in Wales and the broader Welsh economy.
— Orange provides 2G mobile coverage to 99% of the UK population.
— Orange provides 3G mobile broadband coverage to over 94% of the UK population. Mobile broadband offers an alternative to fixed line services in many areas and take up of such data services is increasing rapidly.
— Committee members might be interested to know how mobile networks work and how operators plan improvements to the networks in order to appreciate why some areas of Wales have better mobile coverage than others.
— Improving coverage is comparatively very hard in the parts of Wales with undulating topography, which can make building radio based mobile networks particularly difficult. This is a problem in any location with such topography.
— Such areas would need a comparatively very large number of base stations to provide coverage at great capital investment.
— Despite this Orange has invested greatly and will further upgrade its existing mobile broadband network and also is planning to extend 2G coverage. Mobile coverage can only be provided by installing base stations (masts) in the locations that people want to use their mobile handsets. Making improvements depend on a wide range of factors including: extent of customer need; availability of suitable sites and willingness of land owners to accommodate equipment; planning approval; the support of the local community; etc.
PLANNING SYSTEM

— Wales currently has a planning system, very similar to England’s, that has three types of development category, designed to encourage smaller developments.

— Orange, and other operators, use this system and a system of pre-application consultation with communities and local authorities when proposing developments.

— Unfortunately, there is often opposition to base station developments from a small number of vocal protesters and these campaigns sometimes receive the support of elected politicians.

— There have previously been proposals in the Welsh Assembly to remove permitted development rights from the planning system in a way that would restrict the ability of operators to improve mobile coverage and increase costs. Proposals of that kind would put Wales at a competitive disadvantage as it would have a more restrictive system than England and would be a comparatively less appealing place in which to invest. Orange hopes that the status quo will be confirmed in order to give operators certainty in network planning.

February 2009

Memorandum submitted by Skillset

INTRODUCTION

Skillset is the Sector Skills Council for the Creative Media industries. Jointly funded by industry and government, our job is to make sure that the UK creative media industries have the right people, with the right skills, in the right place, at the right time, so that our industries remain competitive.

We are responsible for the following sectors: Publishing, Television, Film, Radio, Animation, Interactive Media, Computer Games, Photo Imaging, Facilities and Publishing.

We have offices in England (with representation in the nine regions), Wales (Skillset Cymru), Scotland and Northern Ireland.

Skillset is one of the members of the Media Literacy Taskforce and signatory of the Media Literacy Chapter. We support the Media Literacy Taskforce’s submission to the consultation on Delivering Digital Inclusion: An Action Plan.

The following submission was prepared mainly by the Skillset Cymru office and it presents additional information from a Welsh perspective, together with information on initiatives that Skillset Cymru is involved.

We also welcome the commitment in Digital Britain’s interim report for future Digital Britain consultative events focusing on each Nation, including Wales.

DIGITAL INCLUSION IN WALES

1. The recommendations of the Government’s Digital Inclusion Action Plan, with respect to their application to Wales:

We firmly believe that media content has immense value in exciting people to venture online or to use digital technologies in Wales. The power of such content to improve the quality of people’s lives and of the communities in which they live or of which they are a part is immeasurable.

The Welsh Assembly Government should see overcoming digital exclusion as a very serious and significant matter. It impinges on the economic, social, cultural and political life and health of Wales in the 21st century. Unless the fullest potential of its citizens is released and harnessed, Wales will fall behind in both competitiveness and social cohesion and its cultural life will be out of touch with the widest possible views and ideas of its citizens. Strategic leadership and financial investment from government is therefore imperative.

2. The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

a. Education, whether formal or informal, is clearly the most effective way of promoting digital inclusion. There is already much being done in schools in Wales that might be termed media literacy education but it is not necessarily known as such. The use of media should not be separated from other topics and subjects but become an integrated part of researching and communicating the fruits of study across the curriculum.

Training teachers to use media and online resources more specifically and in particular to bring their experience and knowledge of subjects to bear on information—found through searches for example—would help pupils to realise that discovering information is merely the precursor to evaluating it. Being media literate is not only having the skills to access and navigate technologies but also the capacity to assess critically the results and the effects such use enables.
To address the aforementioned issues, Skillset Cymru is involved in an exciting development with the Welsh Assembly Government, through the Department for Children, Education, Lifelong Learning and Skills (DCELLS), to include the Principal Learning component of the Creative and Media Diplomas in England as an option within the Welsh Baccalaureate Qualification.

The Creative and Media Diploma in England is a new, industry-led qualification and one of seventeen Diplomas to be introduced in the curriculum. By 2013, they will be a national entitlement for all 14 to 19 year olds in England. The introduction and phased roll out of the Welsh Baccalaureate Qualification (WBQ) has been a critical and successful contribution to addressing the priorities for 14–19 education and the wider skills agenda in Wales. Welsh policy shares the recognition of the value of industry-led qualifications and the contribution employer engagement can make to a more demand-led offer. For this reason, Welsh Assembly Government, through the Department for Children, Education, Lifelong Learning and Skills (DCELLS), has proposed to include the Principal Learning component of the Diplomas as an option within the WBQ.

DCELLS recognises the important contribution the Diploma in England can make to successfully integrating the Principal Learning into the WBQ and supporting key strands of work such as employer engagement, Higher Education engagement and the integration of work-related learning.

Skillset, as the lead SSC for the Creative and Media Diploma, has been contracted by DCELLS to support the integration of the Principal Learning in Creative and Media into the WBQ.

b. We believe that the richness and variety of content which media literate people can access online is a huge incentive for people to engage with the internet. It is important therefore that content providers, as well as policy makers in Wales, ensure that the variety, quality and scale of the online experience are communicated as widely as is possible.

The model given in relation to RNIB Cymru “ATIC” project in the Action Plan gives two useful pointers in terms of accessing services. Firstly that there is a need to involve local and community specific organisations that already have firm links with local people but with a national co-ordination and strategy behind them. And secondly, that the use of trained volunteers as “champions” to back up and support packages of resources to be used for training purposes is very important. National and local media campaigns as well as the provision of resources via television, radio and online would support and supplement such an approach.

c. We believe that digital inclusion empowers those with differing cultural or ethnic backgrounds to develop their sense of community, network with others, or use online resources for communication and creative interaction as well as for accessing goods and services. While this aspect of personal expression may not necessarily be of first importance for all users its potential impact on content providers is significant. It would bring a range and diversity of voices, stories and viewpoints into the public space which might otherwise be lacking and over time alter the representation of the UK to itself.

3. The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio);

Apart from the technical, IT infrastructure, the concept of creating digital inclusion should expand to the ability to create the content and distribute in the digital platforms.

The Government’s Digital Inclusion Action Plan has been proposed at a time of immense chance within the media industry in Wales. The speed of technological change and the imminence of digital switchover mean that the proposal from Ofcom’s Review of Public Service Broadcasting will have a huge impact on the reshaping of public service provision in Wales and the future of general programming made for Wales. A decline in Welsh public service content on digital platforms could limit the extent of Welsh people’s digital inclusion and participation; it could have a detrimental effect on their sense of citizenship and lead to lack of engagement with Welsh culture.

In addition to the Ofcom review, Lord Carter’s interim Digital Britain report outlines the future of communications technology in the UK and proposes universal access to broadband by 2012.

Wales needs to ensure it will be given the tools it needs to deliver this pledge. Wales currently has a higher percentage of people who can’t get access to broadband.

4. The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad;

See answer above.
5. **The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available;**

There are many examples of creative and critical media practice in the public realm which give opportunities for pupils and people of all ages to engage with media and to express themselves imaginatively. Both the BBC and Channel 4 offer many opportunities of this kind which are available to those living in Wales, while the BFI and BBFC websites support exploration of film issues and the UK Film Council supports numerous schemes—such as First Light (see www.firstlightmovies.com ) which is open to Welsh participants.

The Film Agency for Wales’s remit includes education activity linked to Film. The agency’s core education activity is to support and facilitate exhibition venues, film societies and education providers with a remit to promote film literacy, to implement their audience development initiatives; and to listen to, identify and understand the needs and desires of this sector and to respond to those needs and desires. Of key importance is their financial support to formal and informal education initiatives, aimed at enhancing film literacy—exploring film language, cultural content and having the potential to excite an interest in specialist film—across any and all age groups across Wales. The Agency has also recently established a Film Club for schools in Wales—Film Club Wales which is a UK wide initiative aimed at developing film literacy and practical experience of filmmaking.

These cultural opportunities for becoming digitally included should not be overlooked as they often resonate powerfully with ordinary people’s lives and experiences and may be a first point of interest and entry to the digital world.

6. **The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).**

Too often the discussion of the digital environment concentrates on ways of protecting (especially young) people from danger rather than enabling everyone, of whatever age, social or economic background, both to access and understand the fullest variety and range of the advantages and opportunities available online.

The Digital Inclusion Action Plan positively redresses the balance in favour of that concentrating on the empowerment which digital inclusion can bring to individuals and communities.

January 2009

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**Memorandum submitted by T-Mobile**

— T-Mobile UK welcomes the opportunity to respond to the Committee’s inquiry into “Digital Inclusion in Wales.”

— T-Mobile is one of the world’s largest mobile communications companies with more than 112 million customers worldwide and in the UK it is the network of choice for over 17 million customers.

— T-Mobile UK is the UK mobile network of T-Mobile International which is a wholly owned subsidiary of Deutsche Telekom AG. T-Mobile UK employs 6,400 across the UK including a key customer contact centre in Merthyr Tydfil.

**Summary**

— Welsh consumers and businesses benefit from a highly competitive mobile market which has delivered tremendous social and economic benefits across all groups and geographic areas.

— Competitive mobile markets have been highly successful in driving digital inclusion by providing affordable access to communications for low income households.

— Mobile communications make a significant contribution to local and national economic development as a key driver of productivity, jobs and growth. As the Welsh Assembly Government has stated “An advanced telecommunications infrastructure is absolutely vital to the kind of economic development we want to achieve in Wales.”

— The transformational shift in the mobile market from the traditional voice and text business model to one delivering always on mobile internet access, offers considerable potential for enhancing digital inclusion for citizens, consumers and businesses.

— Mobile sector is characterised by rapid innovation in products and services which depends upon considerable financial investment. Continued innovation depends on public policy measures that allow for revenue growth and support investment in services and infrastructure.
— Forthcoming UK wide spectrum policy announcements hold the greatest potential for building on the existing benefits for consumers generated by industry not least by lowering the costs of extending coverage of mobile broadband services.

— Internet and digital technologies offer tremendous benefits but there are concerns over the opportunity for access to inappropriate content, contact and conduct. It is essential to act to mitigate those risks and T-Mobile recognises its responsibility to ensure effective child safety measures are in place for our products and services.

**T-Mobile in Wales**

— Since 2000 T-Mobile UK has had a contact centre in Merthyr Tydfil. It currently employs 724 people, nearly 20% of whom have been there since the centre opened. In addition to the significant economic impact T-Mobile has on the local area it supports improving digital skills through employee training and initiatives in the wider community.

— One of T-Mobile’s values is to grow our people with a strong emphasis on supporting employee development. Over 230 employees have achieved Level 2/3 NVQs with 60 employees currently undertaking NVQs. In 2009 T-Mobile will launch MA ICT qualifications with funding matched by the Welsh Assembly.

— T-Mobile makes a considerable contribution to improving digital knowledge through its relationship with local educational groups. For example, it has a six year relationship with Mid Glamorgan Education Business Partnership supporting the “Technology in the Workplace” scheme for schools. In addition T-Mobile offers opportunities for work experience and is working with Welsh Employment and skills Board to support IT qualifications in local schools.

**Mobile contribution to digital inclusion**

— T-Mobile welcomes the recognition in the Digital inclusion Plan of the importance of mobile technologies in delivering direct and indirect benefits of digital inclusion. UK consumers and businesses benefit from a highly competitive mobile market which has delivered tremendous social and economic benefits across all groups and geographic areas.

— Competitive mobile markets have been highly successful in driving digital inclusion by providing affordable access to communications for low income households. Pre-pay price plans offer flexibility desired by consumers and represent the majority of mobile subscriptions.

— Mobile communications have been highly successful in delivering digital inclusion and these metrics highlight the importance of mobile services to Welsh consumers:

— 82% mobile phone ownership.

— 19% of the population live in mobile only households, with no fixed line.

— 89% of mobile customers are satisfied with reception—higher than the UK average (87%).

— Take-up of 3G mobile services in Wales at 20% is higher than in England (18%), Scotland (14%), or Northern Ireland (17%).

— 96% of consumers were satisfied with their mobile service—higher than that for both fixed-line and broadband services.\(^{117}\)

— The success of mobile telecoms is a result of the risk companies have taken by making considerable investment to deliver innovative services for consumers and business and the coverage and capacity to access those services.

— T-Mobile has invested significant amounts in developing its network infrastructure to a position where it achieves outdoor population coverage for the UK of over 99.2% for our 2G network. Our 3G coverage currently provides over 84% population coverage—in excess of our regulatory requirement of 80%.

— Although Wales has significant levels of mobile coverage as Ofcom has noted “the landscape of Wales presents a significant challenge to the provision of electronic communications services.”\(^{118}\)

Due to environmental and financial considerations there will be areas where it is not commercially viable to build sites if there is not a market to pay for the investment or sustain the operational costs.


\(^{118}\) Ibid
— Ofcom is considering the public policy issues around coverage as part of its assessment of the mobile sector, Mobile Citizens, Mobile Consumers, published in September 2008. It is expected that the Digital Britain report which aims to secure the UK’s place at the forefront of innovation, investment and quality in the digital and communications industries—led by Lord Carter—will also consider this issue.

Mobile broadband

— A transformational shift is taking place in mobile communications from the traditional 2G voice and text business model into an era where “always on” 3G mobile internet is providing customers with true mobility at speeds equal or faster than fixed-line broadband access.

— Broadband empowers consumers by enabling access to a wide range of ICT based services—both public and private—and will drive innovative new services that generate significant economic and social value for the UK.

— Ofcom’s Communications Market Report 2008 highlighted the fast growing uptake of mobile broadband services which allow consumers and businesses to connect to the internet using high speed mobile networks. T-Mobile’s mobile broadband device sales grew by 35% in Q3 2008.

— T-Mobile has been at the vanguard of this trend with an enhanced 3G network capable of supporting effective mobile broadband speeds of up 4.5Mbps.

— In December 2007 T-Mobile announced a ground-breaking network collaboration deal with 3UK with the aim of creating the UK’s most extensive 3G network by 2010, providing near universal population coverage.

— This agreement is significantly increasing both operators’ 3G network quality and coverage, accelerating the provision of new high-speed mobile broadband services and will deliver substantial cost savings as well as environmental benefits.

Extending mobile broadband benefits

— T-Mobile believes that forthcoming UK wide spectrum policy announcements hold the greatest potential for building on the existing benefits for consumers generated by industry including by lowering the costs of extending coverage of mobile broadband services.

— Spectrum released by the switch from analogue to digital television—the digital dividend—has favourable propagation characteristics for mobile services. This is one of the most cost effective means of delivering extensive coverage in rural areas; improving in-building coverage; and much needed additional capacity for broadband and high-speed data services.

— Therefore T-Mobile welcomes the Pre-Budget Report announcement that the Government will work with Ofcom and others in preparation for the Digital Britain report to capture the maximum benefits from spectrum in this and associated bands.

Continued investment

— Mobile telecommunications have made a significant contribution to local and national economic development as a key driver of productivity, jobs and growth. As the Welsh Assembly Government has recognised “An advanced telecommunications infrastructure is absolutely vital to the kind of economic development we want to achieve in Wales.”

— Mobile sector is characterised by rapid innovation in products and services. It is essential that public policy promotes continued innovation through measures that allow returns to be earned and support investment in services and infrastructure. Disproportionate intervention can undermine investment incentives by threatening revenues or distorting competition.

— Another factor that affects infrastructure provision is whether the planning framework promotes communications development. The current planning system properly reflects the need for operators to meet demand for coverage and capacity whilst providing the public with a full opportunity to participate in the planning process.

— The Welsh Assembly Government has commissioned a review of the telecoms planning regime. T-Mobile believes the current system operates effectively and does not believe that further restrictions on the development of telecommunications networks are justified. Moreover this would run counter to the wider strategic objective of delivering telecommunications infrastructure to drive economic activity.

119 http://www.ofcom.org.uk/consult/condocs/msa08/
120 High Speed Download Packet Access (HSDPA) is an enhancement to 3G to improves the speed of the downlink ie from the internet to the device.
Promoting child safety online

— The internet offers tremendous opportunities to children and young people but it also poses risks from harmful or inappropriate content, contact or conduct. Ofcom research indicates that 99% of children aged 8–17 access the internet. Increasingly that usage is via a mobile device.

— Given this it is essential to act to mitigate those risks and T-Mobile recognises its responsibility to ensure effective child safety measures are in place for our products and services.

— To protect children from inappropriate content T-Mobile’s Content Lock solution places 18 rated content —whether accessed via own portal services or the internet—behind robust age verified access controls. This safeguard is set as “on” by default and applies to all accounts to give maximum protection.

— For interactive and social networking sites, all our own services are fully moderated or only available to over 18s and we require that social networking sites comply with Home Office guidance or they are placed behind Content Lock and only available to over 18s.

— The UK has led on child safety issues but it is essential not to become complacent. A priority for the newly formed UK Council on Child Internet Safety should be ensuring greater transparency on moderation policy and maximum notice and takedown times for user generated content which is in breach of terms of use. This should be subject to independent verification.

— T-Mobile recognises that new technology offers the potential for misuse. To help tackle online and mobile bullying T-Mobile has recently launched TxtUp StandUp, a user generated advice website. It encourages positive actions those affected can take and users receive text messages with advice and are signposted to other sources of support.

January 2009

Memorandum submitted by the UK Government

The UK Government published its Digital Inclusion Action Plan “Delivering Digital Inclusion: An Action Plan for Consultation” on 24 October 2008. The Welsh Assembly Government (WAG) was closely involved in the development of the Plan, which sets out over 70 actions taking place across the UK. Although responsibility for digital inclusion in Wales is largely devolved with WAG leading on addressing digital exclusion in communities, especially in deprived areas, through schemes such as Communities@One, some of the actions in the Plan will impact directly on Wales. All the actions are set at Annex A, with the extent of their coverage indicated.

A Digital Inclusion Unit has been created within WAG to take forward policy development, to coordinate and mainstream digital inclusion activity as well as oversee the delivery of grassroots digital inclusion work. Regular meetings are held at Ministerial and official level between the UK Government and WAG to ensure that opportunities for collaboration are explored. At European level, engagement is also good with the WAG represented at the European Ministerial conferences on digital inclusion in Lisbon in 2007 and Vienna in 2008. Also, the British Irish Council has agreed to establish a new Digital Inclusion workstream which will provide a forum for member administrations, including the UK and WAG, to exchange best practice.

Following analysis of the responses to the Digital Inclusion Action Plan consultation, a UK Digital Inclusion Champion, supported by an expert Taskforce, will be appointed in late Spring. This person will work with the UK Government and the Devolved Administrations to consider any recommendations that arise from the consultation process.

Promoting Digital Inclusion

There are significant and untapped opportunities to use technology better on behalf of citizens and communities across the UK. Digital exclusion is an increasingly urgent social problem. Digital technologies pervade every aspect of modern society. In the UK, an estimated 17 million people over the age of 15 are not using computers and the Internet. Inequality in the use and application of digital technologies is a new driver of social exclusion in the 21st century. Research shows 15 per cent of the population—more than six million adults—are both socially and digitally excluded. There is a great deal of good practice which demonstrates that, where there is suitable access and support, digital technologies are not only actively taken up by disadvantaged people but also help to address the complex issues behind their problems, from unemployment to poor health, homelessness to social isolation.

Digital Inclusion aims to ensure that all citizens, particularly those who are disadvantaged, realise both the direct and indirect benefits of digital technologies.
The Secretary of State for Wales, The Rt Hon Paul Murphy MP, was appointed the UK Government’s first Minister for Digital Inclusion in January 2008. He is supported by a cross-departmental Digital Inclusion Team and chairs a Cabinet Committee on Digital Inclusion. The Minister’s role includes ensuring that digital inclusion issues are fully considered as policies are developed and implemented within the UK Government, and that initiatives are properly co-ordinated.

The UK’S Department for Communities and Local Government (CLG) sets policy on local government, housing, urban regeneration, planning and fire and rescue. They have responsibility for all race equality and community cohesion related issues in England and for building regulations, fire safety and some housing issues in England and Wales. The rest of their work applies only to England. CLG continue to work with the winner and runner-up local authorities of 2007’s Digital Challenge, to develop digital inclusion initiatives and disseminate good practice. The Department has also produced research and tools available to local authorities across the UK to help in this area, including “Solutions4Inclusion”, a comprehensive database of digital inclusion projects, and good practice guides on providing services to ex-offenders, those with mental health problems, young adults not in education, employment or training (NEETs) and those with learning disabilities.

EDUCATION AND YOUNG PEOPLE

As technology evolves, it is important that the younger population learns to take advantage of the benefits it can offer. If young people fail to engage with new technologies, they risk falling behind their peers in education, and will ultimately suffer in what is increasingly a technology-dependent globalised job market. Key issues for the UK Government include making sure young people reach their potential and that they learn in their own way and at their own pace.

There is a growing body of evidence showing that, when it is deployed creatively and effectively, technology can have a huge impact on teaching, training and learning experiences and outcomes. The UK Government has a variety of work underway in this area.

The Home Access Initiative for 7–18 year olds will be established and rolled out nationally from 2009 in England, in particular providing support for children from disadvantaged and low-income families. With responsibility for education devolved to the Welsh Assembly Government, the Home Access Initiative is not planning to extend into Wales. It might be possible for those in Wales to take advantage of the offer accredited retail suppliers will provide, but this would require further exploration, as it is currently planned to restrict this to England. Also in connection with this programme the Department for Children, Schools and Families have asked Jim Rose to include ICT literacy as part of his “Children Plan” review of the primary curriculum. The aspiration is that children should be ICT-literate on leaving primary school.

Learning platforms UK Government is committed to transforming young people’s experience of learning and education through the use of ICT. These targets offer tremendous opportunities related to digital inclusion for all the UK. We are supporting vulnerable children whose education is frequently disrupted: looked-after children, young people not in education, employment or training (NEETs), young offenders, excluded pupils, the long-term sick and travellers. UK Government is looking at ways of providing anytime and anywhere, access to appropriate and engaging ways of learning, providing a safe environment for pupils, who have fallen behind to catch up on the basics, such as numeracy and literacy and increasing parental involvement.

The UK Government is also looking at ways of improving information and guidance for schools and colleges, providers and families about issues of e-safety.

ACCESS TO SERVICES

Parents need to see their children grow and develop, and help their elderly relatives to stay healthy. Technology can help families with many of the challenges that they face. However, those families already at a disadvantage and who experience the most difficulty achieving these aims are also the most likely to be digitally excluded. This means they are missing out on opportunities technology can provide, from homework help to helping to organise their parents’ care. Key issues for government include

Employment and finance research shows that there is a 3–10 per cent wage premium for jobs involving computer/Internet use. Many jobs are now advertised solely online and recruitment processes are increasingly electronic. Ninety per cent of new jobs require ICT skills. Digital skills assist in effective job searching, increased employability and business start-up. Access to digital technologies also opens up opportunities for flexible employment, self-employment, reduced costs and more information allowing people to balance work and family life more effectively.

Easy access to information, advice and services, the Internet, and particularly social networking sites, enables access to support and advice on many different issues which affect families and hard to reach groups. Easier access to public services through online services such as paying tax online or applying for schools online can help people manage busy lives—this can be particularly important for example, for people juggling work and caring responsibilities, and single parents. It can benefit people to be able to transact and engage with public services online outside working hours.
**Availability and Access for Hard-to-Reach Groups**

Government is committed to make sure that availability and access to digital technologies are accessible to all members of society regardless of their personal circumstances.

**Visual impairment and other forms of disability** The UK Government estimates there are over 10 million disabled people in Britain and in 2007 the Disability Rights Commission reported that of all people in Britain without any formal qualifications, over one-third were disabled, and that of all people of working age out of work, 40 per cent were disabled. Many assistive technologies can help to ensure older people and people with disabilities can participate equally in society, engage directly with others and receive equal levels of service delivery.

**Offenders** The UK Government is considering extending more IT-enabled services, within security constraints, to offenders within institutions in order to help tackle reoffending rates which are considerably high—from the use of serious gaming technologies used to prepare offenders for release, to online, email and text messaging based “remote” cognitive behaviour therapy for those with addictions.

**Citizen and community empowerment** The UK Government is committed to assisting and motivating the most disadvantaged citizens and communities to achieve increased independence and opportunity through direct access to digital technology and skills. UK Government departments will take a strategic approach towards using social and interactive media in their engagement of citizens.

**Older people** The issues associated with longer life expectancy mean that digital technologies will have a considerable role to play in meeting the needs of older people. Older people face a number of problems which technology can help to address. Government is looking at Independent living: to support older people to continue living independently in their own homes. Volunteering and work: studies have suggested that one million more active older people who are not currently in paid work could be, adding up to £30 billion to annual economic output. Social isolation: technologies can help older people to stay in touch with families and friends who may be spread around the world through relatively cheap and increasingly sophisticated forms of communication, such as Skype and social networking sites.

The summary of Government initiatives at Annex A includes many aimed at improving access and availability of digital technologies for the disabled, young people, the elderly, those on low incomes and benefits, and the hard to reach.

**The Adequacy of Technological Infrastructure Provision throughout Wales**

The UK Government recognises that widespread access to affordable, secure broadband is important to businesses and citizens across Wales. It is important that the telecommunications infrastructure in Wales is able to meet this challenge and is thus able to help build a thriving and prosperous Welsh economy.

The UK Government has therefore been working with WAG, the telecommunications industry and the communications regulator, Ofcom (the Office of Communications) to share information on communications infrastructure issues, understand barriers to investment, including regulatory, economic and planning issues, and inform future policy making in this area.

**Broadband**

Broadband is a technology that enables both businesses and the public to access a wide variety of new ICT-based services. The UK has one of the most extensive broadband markets in the world, with over 99 per cent of households able to access broadband and many also having a choice of technologies and suppliers. Around 90 per cent of households in Wales are able to access broadband. Around 59 per cent of households now have a broadband connection, up from around 5 per cent in 2002. Based on this foundation, the policy focus has now very much shifted to how and when next generation access (NGA) to broadband can be delivered in the UK.

The Digital Inclusion Action Plan announced research into Broadband “Not-spots” including looking at those communities which are least attractive for market investment and are clearly at risk of missing out in the medium (5 years) and long term (10 years) if a purely market led approach is adopted.

**Digital television**

Since the end of 2006, take-up of digital television in Wales has risen by two percentage points, to 84%. This modest rise contrasts with England and Scotland, where relatively large increases of 11 and nine percentage points respectively were recorded over the same period.

**Digital Analogue Band**

The advertisement of three new local multiplexes over the past year should significantly improve Digital Analogue Band coverage in Wales, particularly for the BBC’s services, Radio Wales and Radio Cymru. In addition, two new FM services have launched, including a new licence for South Wales.
Telecoms

Take-up of telecoms services is generally lower in Wales than in the rest of the UK: 79% of households in Wales have a fixed-line (compared to 87% across the UK), 82% have a mobile phone (84% across the UK) and 55% have internet access at home (65% across the UK).

More detail on the "broadband notspots research" and a list of statistics and facts are attached at ANNEX B.

The Extent of Digital Exclusion throughout Wales and the UK

The Office for National Statistics (ONS) figures for internet connections released in August 2008 show that since 2002, Wales has markedly improved its comparative position in relation to other regions of the UK, other nations in the UK and abroad. Wales has improved its position with reference to dial up access as well as broadband from 36% of households with internet access in 2002 to 67% in 2008. This compares very well to other regions within the UK and is above Scotland (61%), England (66%) and Northern Ireland (50%). There is still some work to do to reach internet penetration levels of Netherlands 90.1%, Norway 87.7% and Iceland 84.6%. Wales are still ahead of Germany 63.8% and France 58.1% and are well above the EU average.

At a European level, Internet penetration is estimated at 48.1% (in 2008), and in the rest of the world as 18.4%.

While there is good, reliable data available for internet and broadband access in Wales (ANNEX C), with comparisons across the UK, there is less published evidence on the differences in confidence and IT skills across the regions. However there are two key sources, Ofcom and the Oxford Internet Institute, that provide some evidence:

— Ofcom; the Nations and Regions 2008 Report indicates that non-users in Wales were slightly more likely to cite cost as reason for non-use, or were slightly more likely to be demotivated, seeing no need to use the internet. The report also indicated that activities that Welsh users undertake online are no different to other users—so Welsh users are generally as proficient as their peers in other regions judging by their activities online.

— Oxford Internet Institute; has found a greater contrast in Wales than other regions—and indicate a greater gap between users and non-users in Wales:
  — Welsh Internet users are more confident than their peers in other regions—they are more likely to be able multi-task using the internet, and most likely to rate their internet skills as excellent.
  — Welsh Non-Internet users tend to have greater barriers to use than their peers in other regions—being more likely to cite lack of skills, costs, poor access and lack of motivation as reasons for not using the internet.

The Contribution of External Organisations to Digital Inclusion in Wales

There are a number of commercial and non-governmental organisations which contribute to digital inclusion in Wales, including BT, Microsoft, Intel, the BBC, Age concern (Pembrokeshire) local authorities and third sector organisations. For instance the local authority in Caerphilly has secured match funding from BT for the internet connection to support the education, health and social wellbeing of looked after children. Microsoft, working in partnership with the Welsh Language Board has produced Welsh Language Interface Packs for Windows Vista and Office 2007, enabling a bi-lingual computing experience for Welsh speakers.

In England, there is the 6000-strong independent network of UK online centres which incorporates the People’s Network of Internet-connected computers in public libraries. The centres attract a high proportion of people from disadvantaged social groups: over 70 per cent of centre users are affected by at least one indicator of social exclusion and half of UK online centre users have no formal qualifications.

UK online feel that their products—developed on the open access myguide platform—and other support services could be of benefit to digital inclusion networks in the devolved administrations. Helen Milner, Managing Director for UK online centres, has been in contact with the new Digital Inclusion Unit in the Welsh Assembly Government.

An example of a project fully funded by Communities@One which is referenced in the Digital Inclusion Action Plan, along with activities/initiatives being run by non-governmental organisations in Wales, is at ANNEX D.
The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including Internet Crime).

The UK Government recognises that application of technologies may bring associated risks which are important to recognise and take action to mitigate against, working in partnership across regions and nations and at European and international level.

The recently established UK Council for Child Internet Safety (UKCCIS) unites over 100 organisations from the public and private sector working with Government to deliver recommendations from Dr Tanya Byron’s report “Safer Children in a Digital World”. Reporting directly to the Prime Minister, the Council will help to improve the regulation and education around internet use, tackling problems around online bullying, safer search features, and violent video games. This unprecedented coalition of experts and organisations will ensure that parents and young people have a voice in the development of a Child Internet Safety Strategy, to be delivered this year. The Welsh Assembly Government is represented on the UK Council.

The UK Government is also working with industry, parliament, academia and civil society through the UK Internet Governance Forum. It aims to provide a local forum that engages debate in Internet Governance issues, as well as encouraging partnerships and coalitions that deliver solutions and demonstrate best practice for others to learn from.

In 2008 the Police Central e-crime Unit (PCeU) http://www.met.police.uk/pceu/index.htm was established which will work towards creating a national coordination centre to combat e-crime in England, Wales and Northern Ireland. The Unit aims to improve the police response to victims of e-crime by developing the capability of the Police Service across England, Wales and Northern Ireland, co-ordinating the law enforcement approach to all types of e-crime, and by providing a national investigative capability for the most serious e-crime incidents.

In addition the Serious Organised Crime Agency http://www.soca.gov.uk/which has a UK-wide remit, has a dedicated e-Crime Unit providing the specialist knowledge and techniques needed to fight today’s organised criminal enterprises, helping to protect citizens, businesses and the economy.

Annex A

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<th>Policy Area</th>
<th>Current Initiatives</th>
<th>Future challenges, opportunities and aims</th>
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<td>Children and families</td>
<td>Initiative to increase home access to technology for all learners and support for its use in the home</td>
<td>Delivering home access for most disadvantaged and hard to reach Support families and families to get the most from home access Technology based opportunities for delivering alternative provision Use of alternative platforms—set top boxes and games</td>
<td>England only</td>
</tr>
<tr>
<td>Learning and skills</td>
<td>Learndirect advice service Learndirect courses and centres Consultation on future of informal adult learning Next Generation Learning campaign (Becta) Technology strategy for further education, skills and regeneration: implementation plan 2008–11 (Becta)</td>
<td>Exploring IT training and media literacy training EU Target: Reduce by half by 2010 the digital literacy gap between the EU population and specified disadvantaged groups</td>
<td>England, with engagement in Wales</td>
</tr>
<tr>
<td>Digital Inclusion</td>
<td>Myguide UK online centres Get Online Day</td>
<td>Targeting deprived areas not currently reached Increase ICT use by citizens and widen support by government</td>
<td>England &amp; engaging with Wales</td>
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| Health                 | NHS Choices  
Summary Care Records as part of the NHS Care Records Service  
HealthSpace  
Whole Systems Demonstrator Programme  
Improving Access to Psychological Therapies (IAPT)  
eClinics proof of concept  
Information Prescriptions  
Health kiosks | Ensuring that the most disadvantaged and hard to reach benefit from innovations in health information and service delivery | England & engaging with Wales |
| Employment             | Job Centre Kiosks  
Job search via Digital TVs | Extending the reach and content available on kiosks | England & Wales |
| Benefits and Pensions  | Benefit advisor available online, benefit enquiries, changes of circumstances and claims online being developed  
Online services being developed for third party (eg CAB) access  
Local Pension, Disability and Carers Service (PDCS) using technology to provide more holistic visiting service for vulnerable customers | Extending services to mobile devices and using more proactive techniques such as SMS and email alerts/ information | England & Wales |
| Transformational       | Transformation Programme delivering:  
A focus on the customer—not the supplier of public services—using customer insight and journey mapping as the basis for service improvement  
Joining up across government—to reduce wasteful duplication and enable greater personalisation of services  
A reduction in the number of contacts citizens need to have to access services  
Rationalisation and better co-ordination of the channels through which citizens access services  
Better engagement with frontline staff to drive service improvement  
Specific service transformation projects such as “Tell Us Once” and “Online Free School Meals” Projects  
A wide programme of activity across government, as summarised in individual departmental service transformation plans which will continue to be developed over the Comprehensive Spending Review (CSR) period | Ensuring, wherever possible, that services offer choice as to how citizens access services, taking account of the needs of the user. Ensuring that all, including the most disadvantaged people and communities, benefit from the huge potential of ICT enabled public service transformation. Meeting Riga Targets for accessible government web sites and local access facilities to online government services Developing the power of information programme to promote innovative ways of providing all sectors of the public with better information about public services Further transformational projects being considered under the Service Transformation Agreement | England only |
<p>| Government              |                                                                                                                                                                                                            |                                                                                                                  |                              |</p>
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<td>Directgov</td>
<td>Directgov available via Internet, mobile and digital TV channels</td>
<td>Increasing and widening take-up</td>
<td>England &amp; engaging with Wales</td>
</tr>
<tr>
<td>Digital infrastructure and markets</td>
<td>Government to respond to Cai review of barriers to roll-out of next-generation broadband The Government is looking at the implications of convergence on access to services in the future Smart Energy Metering Trials Supporting creative industries—particularly UK games industry Digital Britain</td>
<td>The extent to which public services are delivered inclusively through a mix of available communications infrastructure EU Target: increase the availability of broadband in under served locations—reach at least 90% of the EU population by 2010. Accounting for digital inclusion agenda in taking decisions regarding smart metering Exploit role of “serious games” to reach out to excluded groups and in government communications</td>
<td>UK wide</td>
</tr>
<tr>
<td>Local service delivery</td>
<td>Digital challenge, DC10 plus and Digital inclusion team identification and rollout of digitally enabled services for excluded groups and places Communities and Local Government national indicator Data Interchange Hub to reduce burdens and increase use of information for driving outcomes Connected Neighbourhood Forum Digital Charter and Framework</td>
<td>Digital Inclusion Advisers within Regional Improvement and Efficiency Partnerships Guidance on effective data sharing within LSP partnerships Guidance on digitally enabled service delivery for all 198 National Indicators, focusing on deprivation</td>
<td>England only</td>
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<tr>
<td>Third Sector</td>
<td>Catalyst Awards Capacitybuilders Innovation Exchange Social Enterprise Network</td>
<td>Ensuring we support and harness the potential of the third sector to deliver digital inclusion—particularly volunteers</td>
<td>England Only</td>
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<tr>
<td>Innovation</td>
<td>Innovation Nation &quot;The Key” Innovation Showcase</td>
<td>Building innovation capacity and capability and directing it at disadvantaged groups and the problems they face</td>
<td>England only</td>
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<td>Transport</td>
<td>Transport Direct—available via the Internet, digital TV set top boxes and mobiles</td>
<td>Extending the reach of Transport Direct, either directly, or through enabling third party access to back office processing, so that all can benefit from it</td>
<td>England &amp; Scotland &amp; Wales</td>
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<tr>
<td>Information sharing</td>
<td>Data sharing guidance New local network of advisors</td>
<td>Achieving balance between intrusion into privacy whilst realise the clear benefits for improved service delivery</td>
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<tr>
<td>Policy Area</td>
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| Citizen empowerment | Power of Information Programme  
Digital Mentors  
Support for innovation in new technology, especially around community and social media and debate and deliberation  
E-petitions for local government  
Democratic Engagement Strategy/Digital Dialogue pilots  
The Governance of Britain website  
Digital Dialogues  
Building Democracy  
Innovation fund | Evaluating impact and sustaining/scaling digital mentors  
Disseminate good practice around democratic engagement  
Evaluating engagement activities to gauge impact  
Investigating multi-channel engagement techniques to reach more people | Either UK wide or England, engaging with Wales |
| Justice          | Virtual Courts  
Prison Video Links  
Jurat and Witness DVDs  
Public legal education via digital channels  
Digital audio recording in Crown and county courts | Ensure that access to justice is provided as quickly as possible and at the lowest cost consistent with open justice  
Ensure citizens have greater confidence in, and respect for, the system of justice. | England & Wales |
| Reoffending      | Reducing Reoffending  
Offender Learning and Skills Service (OLASS); Learning Journey includes basic ICT Learndirect centres are currently in approx 20 prisons  
Polaris Project in eight prisons and allows controlled web access  
Prisons ICT Academy (PICTA) established in 20 prisons  
Digital Switchover in Prisons "Virtual campus" being trialled in two test bed regions | Increasing access to Internet based services that can reduce the risk of reoffending, while working within security limitations. | England & Wales for majority |
| Culture, Media and Sport | Digital Switchover Help Scheme  
Creative Britain; New Talents for a New Economy  
BBC Charter Public Purpose around emerging technologies and digital switchover | Convergence between the Internet and TV (IPTV); entertainment possible anchor tenant for home Internet access  
Potential for future help scheme set top boxes to provide access to a range of home based services for 75+ and disabled people.  
Potential opportunities around the London 2012 Games to inspire greater uptake of digital access to information and coverage of events. | England & Wales |
<p>| Internet Safety  | Byron Review | Byron Review Action Plan to be implemented and Council created | UK wide |</p>
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<tr>
<td>Rural communities</td>
<td>Initiatives include: Whole Farm Approach Environment Agency electronic transactions— applications for permits, guidance and monitoring returns. Electronic livestock monitoring Electronic animal health alerts Rural Payments Agency strategy for greater customer self service on line Natural England Environmental Stewardship on-line Entry Level Scheme</td>
<td>Ensuring that rural communities and the farming industry benefit from innovations in service delivery Ensuring that lead policy departments understand that an infrastructure gap should not translate to a service quality, economic and social gap between rural and urban areas Support for Rural UK Online Centres</td>
<td>England only</td>
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<tr>
<td>Environment</td>
<td>Initiatives include: Act On CO₂ Carbon Calculator Environment and greener living content on digital TV and mobiles Waste Strategy for England 2007 Environment Agency— NetRegs online service</td>
<td>Ensuring greater reach and access to innovative environmental services and communications Consider environmental implications of digital inclusion and coherence with Chief Information Officer-led strategy for Government on green ICT</td>
<td>England &amp; Wales for some work strands</td>
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<td>Social Exclusion</td>
<td>Innovation Exchange Innovation proof of concept projects for social exclusion PSA groups Customer insight research for social exclusion PSA groups</td>
<td>supporting the development of innovative solutions to the needs of excluded people</td>
<td>England &amp; engaging with Wales</td>
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<tr>
<td>Regional engagement</td>
<td>Awareness raising among Government Offices (GOS), Regional Development Agencies (RDAs) and Regional Improvement and Efficiency Partnerships (RIEPPs) of issues/ opportunities.</td>
<td>Embedding principles around digital equality into Local Area Agreements (LAAs) and Multi Area Agreements (MAAs)</td>
<td>England only</td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>Ensuring that everyone has access to a bank account and can use their account to manage their money effectively and securely</td>
<td>New delivery systems for banking and payments (ie Internet banking, mobile banking) may make banking and other financial services easier and more attractive to vulnerable groups of people. New delivery systems may also marginalise some traditional ways to deliver financial services, which could serve to exclude some groups.</td>
<td>England, Wales &amp; Scotland England &amp; Wales engaging for some work strands</td>
</tr>
</tbody>
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Annex B

THE ADEQUACY OF TECHNOLOGICAL INFRASTRUCTURE PROVISION THROUGHOUT WALES (INCLUDING BROADBAND, WIRELESS, MOBILE, DIGITAL TV AND DIGITAL RADIO)

BROADBAND NEXT GENERATION ACCESS

The UK Government will be conducting research into Broadband “Not-spots” and looking at those communities which are least attractive for market investment and are clearly at risk of missing out in the medium (five years) and long term (10 years) if a purely market led approach is adopted.

The overarching objective of this project is to put the right information into the hands of local communities to enable them to manage the risks, and realise the opportunities of Broadband Next Generation Access (NGA) locally and regionally. The focus of the project includes England and the devolved administrations. We expect the research to be available by the end of April 2009.

The Living in Wales Survey for 2007 indicates that:

- 63% of households had at least one personal computer at home in 2007. Of these, 86% had access to the Internet;
- 84% of those households with Internet access had access via a broadband connection, which is three times the proportion in 2004 (28%);
- 91% of people aged 10 to 15 accessed the Internet “on most days” in 2007 compared with only 22% of people aged 60 and over;
- 78% of respondents in “non-working age households” and 48% of “workless households” had never accessed the Internet in 2007; and
- Only 5% of people aged 10 to 19 had never accessed the Internet in 2007.

In the first two years that Ofcom have reported on their Nations and Regions report, Ofcom found that take-up was strikingly lower in rural than in urban areas. In 2008, the data suggested that, taken as a whole, rural areas have caught up—in fact, slightly overtaken urban areas. Overall, 57% of UK homes now have a broadband internet connection, up from 45% a year earlier.

DIGITAL TV AND BROADBAND IN WALES

Since the end of 2006, take-up of digital television in Wales has risen by two percentage points, to 84%. This modest rise contrasts with England and Scotland, where relatively large increases of 11 and 9 percentage points respectively were recorded over the same period.

Historically, take-up of digital TV in Wales has been higher than the UK average, related to poor analogue television reception in some parts of the country, and the availability of the full Channel 4 and five services on digital television platforms. In addition, S4C Digidol broadcasts 12 hours a day of Welsh language programming, compared to six hours a day on the S4C analogue service. However, large increases in 2007 mean that England (86%) and Scotland (85%) now have similar levels of take-up to Wales, while Northern Ireland stands at 79%. Less than 1% of the population said that they did not have digital television because it was not available.

During the same period, broadband take-up in Wales has increased by three percentage points to 45%. Wales now has the lowest broadband penetration of the UK nations. This contrasts with significant growth in other parts of the UK; in England take-up rose from 44% to 57%; in Scotland from 46% to 57% and in Northern Ireland from 42% to 52%.

Consumers who do not have fixed line phones, mobile phones or broadband typically say that this is because they don’t want them or that the cost is too high. No respondents state that lack of service availability is the reason they did not have these services.

COMMUNICATIONS SERVICE TAKE-UP IS HIGHEST IN CARDIFF, SWANSEA AND NEWPORT

New survey data this year allows us to see how take-up and use of communications services varies across different parts of Wales.

Take-up of digital TV is highest in Cardiff (95%), Swansea (88%) and Newport (88%), compared to 82% in the rest of Wales. Similarly, take-up of broadband is highest in Cardiff (58%), Swansea (56%) and Newport (62%), compared to 42% in the rest of Wales. Take-up is lowest in smaller urban areas in the south (34%).

Use of converged communications services is highest in Cardiff, and in some cases Swansea. For example, use of VoIP stands at 17% in Cardiff and 18% in Swansea compared to the average of 11% across Wales. The figure stands at 13% in England, 11% in Scotland and 9% in Northern Ireland. Over a third (36%) of adults in Cardiff have watched video content online, compared to 24% across Wales. Adults in Cardiff are also more likely to have listened to radio online (14%), compared to the Wales national average of 9%.

Whilst take-up is highest in these cities in Wales, rural areas in Wales have higher take-up of fixed-line phones (88%) and broadband (51%) than in urban areas of Wales taken as a whole (77% and 43% respectively).
DAB Radio Coverage

The advertisement of three new local multiplexes over the past year should significantly improve DAB coverage in Wales, particularly for the BBC’s services, Radio Wales and Radio Cymru. In addition, two new FM services have launched, including a new licence for South Wales. However, XFM South Wales is currently up for sale.

Key Points: Converged Communications

- A quarter of adults in Wales have watched video content online
  Broadcasters operating in Wales are repackaging regional content for distribution over the internet; the BBC, S4C and ITV all offer online Wales-focused programmes. Around a quarter (24%) of adults in Wales have used the internet to watch TV or video content, rising to 36% in Cardiff. This compares with 30% across the UK as a whole. Use appears to correlate with broadband penetration.

- One in ten adults in Wales have listened to radio online
  Many radio stations offer listen-live functionality over the internet. One in ten (9%) in Wales have used the internet to listen to the radio; lower than the UK average (13%). Use is higher in England, with similar levels in Wales, Scotland and Northern Ireland.

- 17% of adults in Wales have accessed mobile internet
  Accessing the internet using a mobile phone is less common in Wales (at 17%) than the UK average (20%).

- 16% of adults in Wales have listened to audio on a mobile handset
  One in six adults (16%) in Wales have used their mobile handset to listen to audio content—a similar level to the UK overall. There is a big difference between urban and rural areas, where use stands at 17% and 11% respectively.

  ...although very few have watched video on a mobile handset
  Across Wales, only a very small proportion have used their mobile to watch television or video clips—4%, the same as the UK as a whole.

- 15% of adults in Wales have used a social networking site
  Fewer people in Wales use social networking sites than the UK average—15% compared to 20%. Again this is related to the lower take-up of broadband in Wales.

- 16,000 Wikipedia articles are available in Welsh
  More Wikipedia articles are written in Welsh than any other UK indigenous language other than English. As of January 2008, there were around 16,000 Wikipedia articles written in Welsh, two and half times as many as were written in Irish.

Key Points: Television

- Digital TV take-up has slowed in Wales
  At 84%, take-up of digital television (DTV) is close to the UK-wide average of 85%. However, growth in Wales has slowed, rising two percentage points between 2006 and 2008, while the UK average climbed 10 percentage points.

- Satellite television take-up is higher in Wales than the rest of the UK
  In 2007, 52% of homes in Wales paid for television services—3 percentage points higher than the UK average. Of these, 79% took satellite, a higher proportion than in any other UK nation, and 14 percentage points higher that the UK average (65%).

- The five main PSB channels had a collective viewing share of 62%
  The five main PSB channels in Wales attracted a collective share of 59% (62% if the full Channel 4 service is included), the lowest share of any nation and 5 percentage points below the UK average. BBC One was the most watched channel in Wales, delivering an all-homes share of 23%, followed by ITV1 with 20%.

- BBC One’s early evening local news in Wales attracted the largest share in the UK
  BBC One’s early evening local news bulletin in Wales attracted the highest viewing share in the UK in 2007, at 35% (compared to the UK average of 28%).
The BBC and ITV1 spent £35 million on Wales originated output in 2007
The BBC and ITV1 spent £35 million on originated output for viewers in Wales during 2007; this accounted for 11% of their UK-wide spend. This figure was 13% higher in real terms than in 2006, against a UK-wide average reduction of 3%, and was driven in large part by the BBC’s increased spend on non-news and non-current affairs output. S4C spent an additional £69 million on originated output—the majority of this went towards drama (£16 million), general factual (£14 million), sport and children’s programming (£9 million each).

Per head, spend on originated output was over twice the UK average
On a per head basis, viewers benefited from spend of £11.63 on originated output by the BBC and ITV1 during 2007. This figure was over twice the UK average of £5.41.

There were 1,249 hours of Wales originated output in 2007
The £35 million funded 1,249 hours of originated output in 2007—nearly 200 fewer hours than in 2006. S4C transmitted an additional 5,768 hours for viewers in Wales (2006)—one third of which was in the Welsh language. Current affairs/factual programming accounted for the largest proportion of these hours (31%), followed by light entertainment (20%) and drama (18%).

Out-of-London production quotas met by the BBC, Channel 4 and five but shortfall by ITV
The BBC Channel 4 and five each met their out-of London production quotas by value and by volume in 2007. While ITV1 met its 50% volume quota, achieving 53%, the proportion of ITV1 spend outside London in 2007 was 44%—significantly below the 50% minimum. ITV’s failure to meet the value element of its out-of-London quota is a serious matter, and one which is the subject of further consideration by Ofcom with a view to regulatory action.

Viewers in Wales more concerned about TV content
Viewers in Wales expressed more concern than in any other UK nation about what was on television—42% were fairly, or very, concerned (UK average 36%).

Radio

Wales has highest levels of radio listening in the UK
Radio audiences in Wales averaged 24.4 hours of listening per week in 2007, higher than in any other UK nation but down slightly from 24.7 hours in 2006. The BBC’s national and network radio services attracted a collective share of 62%, significantly higher than the UK-wide average figure of 54%. The popularity of BBC Wales meant that conversely, commercial local stations were less popular, attracting a 27% share in Wales, up from 24% last year, but still lower than the UK average of 32%.

BBC national stations have highest reach in Wales
The two BBC national stations for Wales reached 576,000 listeners each week (equivalent to 23% of all adults in Wales) in 2007, up from 551,000 in 2006. Real Radio was the nearest commercial competitor with 363,000 listeners per week (up from 327,000), followed by Red Dragon with 256,000 (down from 302,000).

Digital radio listening increasing
Around one in seven (14%) individuals in Wales own a DAB digital radio set. This is lower than in England (22%) and Scotland (21%), but higher than in Northern Ireland (13%). Ownership in Wales remained relatively stable over the year, while the UK increased by 4% on average. Almost a third (32%) of listeners in Wales say they used digital TV to listen to radio stations in 2007. With one in seven (14%) listening to radio via the internet.

BBC radio spend per head highest in Wales
BBC expenditure on the national stations for Wales increased to £29.9 million in 2006–07, up by £2.5 million on 2005–06. This took average spend per head to £10.48 in 2006–07, compared to the UK average of £3.60.

Commercial revenues in Wales are the lowest among the UK nations
Commercial radio generated £21 million of revenue in 2007, up by £2.3 million on 2006. This took commercial radio revenue per head to £7.41, up from £6.69 in 2006, although this was still lower than the UK average of £8.11 per person.

Digital radio availability set to increase in Wales
Three local digital radio multiplex licences were awarded in 2007–08, covering Northeast Wales, Mid and West Wales, and North Wales. The three multiplex areas potentially cover a combined total of almost a million people in Wales. All three services will carry the BBC national stations, BBC Radio Wales and Cymru, along with local commercial radio services. National DAB digital radio coverage from the BBC and Digital One was estimated to have reached 74% of the population in Wales by 2008, up from around 54% in 2006.
Five new community radio licences awarded in Wales
There are 19 licenced FM/AM commercial local radio stations aimed at listeners in Wales, along with two national stations from the BBC. The typical listener can receive four to five of these stations. In addition, five community radio stations now broadcast in Wales, with a further four licences awarded for stations yet to go on air.

**KEY POINTS: TELECOMS**

**Take-up of telecoms services lower in Wales than the rest of the UK**
Take-up of telecoms services is generally lower in Wales than in the rest of the UK: 79% of households in Wales have a fixed-line (compared to 87% across the UK), 82% have a mobile phone (84% across the UK) and 55% have internet access at home (65% across the UK). Take-up of fixed and mobile telephony in rural areas of Wales (74%) is lower than average in rural areas of the UK (84%).

**Broadband take-up highest in Cardiff and Swansea**
Internet access in Wales has not grown significantly since 2006 although broadband take-up rose from 43% to 45% over the period. Broadband penetration is higher across the larger southern urban areas (58% in Cardiff and 56% in Swansea), and lower in the smaller southern towns (34%).

**3G take-up in Wales highest in the UK**
Reported take-up of 3G mobile services in Wales (20%) is higher than in England (18%), Scotland (14%), or Northern Ireland (17%).

**82% of broadband customers in Wales are satisfied with connection speed**
Ninety per cent say they are satisfied with their overall broadband service in Wales, similar to the level across the UK as a whole (89%). A slightly lower proportion of broadband customers (82%) are satisfied with the speed of their broadband connection, consistent with the UK average (83%).

**89% of mobile customers in Wales satisfied with reception**
Eighty-nine per cent of people in Wales are satisfied with their mobile phone reception, slightly higher than the UK average (87%). Satisfaction levels are lower in rural areas (84%) than in urban areas (90%), with people in Mid Wales the least satisfied (77%).

**Mobile phone coverage on the A470 road has been surveyed**
Ofcom commissioned a survey of mobile phone coverage on the A470 road. The results suggest that coverage in less populated parts of the route are significantly less than in population centres.

**63% of premises in Wales connected to an unbundled local exchange**
By November 2007, 63% of premises in Wales had lines connected to unbundled local exchanges (compared to the UK average of around 70%).

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**Annex C**

THE EXTENT OF DIGITAL EXCLUSION (THROUGH LACK OF ACCESS, SKILLS AND/OR MOTIVATION) THROUGHOUT WALES COMPARED TO THE REGIONS OF ENGLAND, OTHER NATIONS IN THE UK AND ABROAD

**INTERNET ACCESS—SOME COMPARISONS**

The Office for National Statistics (ONS) figures for internet connections in the table below show that, since 2002, Wales has, recently, markedly improved its comparative position in relation to other parts of the UK.

(Note: these figures include dial up access as well as broadband)

**HOME ACCESS TO INTERNET BY REGION**

<table>
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<tbody>
<tr>
<td>North East</td>
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<td>43</td>
<td>53</td>
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<td>56</td>
<td>53</td>
<td>63</td>
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<tr>
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<td>55</td>
<td>62</td>
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</tr>
<tr>
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<td>55</td>
<td>59</td>
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</tr>
<tr>
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<td>41</td>
<td>54</td>
<td>52</td>
<td>57</td>
<td>67</td>
</tr>
<tr>
<td>Scotland</td>
<td>41</td>
<td>44</td>
<td>53</td>
<td>48</td>
<td>60</td>
<td>61</td>
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</tbody>
</table>
At a European level, Internet penetration is estimated at 48.1% (in 2008), and in the rest of the world as 18.4%.

Within Europe, internet penetration is estimated at in 2008 at:

<table>
<thead>
<tr>
<th>Country</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
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<td>Denmark</td>
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<td></td>
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<td>Germany</td>
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<tr>
<td>Iceland</td>
<td>84.6</td>
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<td></td>
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<tr>
<td>Ireland</td>
<td>49.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>90.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>87.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>41.6</td>
<td></td>
<td></td>
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<tr>
<td>Russia</td>
<td>23.2</td>
<td></td>
<td></td>
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<tr>
<td>Switzerland</td>
<td>69.0</td>
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</tbody>
</table>

The table below shows households with internet access through broadband

<table>
<thead>
<tr>
<th>Region</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>South West</td>
<td>25</td>
<td>36</td>
<td>53</td>
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<tr>
<td>London</td>
<td>32</td>
<td>49</td>
<td>60</td>
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<tr>
<td>East England</td>
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<td>44</td>
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<tr>
<td>South East</td>
<td>36</td>
<td>48</td>
<td>54</td>
</tr>
<tr>
<td>Scotland</td>
<td>21</td>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>East Midlands</td>
<td>31</td>
<td>41</td>
<td>49</td>
</tr>
<tr>
<td>North West</td>
<td>28</td>
<td>38</td>
<td>51</td>
</tr>
<tr>
<td>Wales</td>
<td>27</td>
<td>32</td>
<td>49</td>
</tr>
<tr>
<td>West Midlands</td>
<td>30</td>
<td>34</td>
<td>46</td>
</tr>
<tr>
<td>Yorks and Humber</td>
<td>21</td>
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<td>43</td>
</tr>
<tr>
<td>North East</td>
<td>28</td>
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<td>46</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>n/a</td>
<td>28</td>
<td>40</td>
</tr>
<tr>
<td>England</td>
<td>29</td>
<td>41</td>
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<td>GB</td>
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</tr>
<tr>
<td>UK</td>
<td>n/a</td>
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</tr>
</tbody>
</table>

Annex D

THE WAYS IN WHICH COMMERCIAL AND NON-GOVERNMENTAL ORGANISATIONS CONTRIBUTE TO DIGITAL INCLUSION IN WALES, AND THE OPPORTUNITIES AVAILABLE

The Welsh Assembly Government Communities@One initiative used a team of Community Brokers who used a community development “outreach” approach, resulting in over 200 grassroots projects being supported. In addition a number of networks of community groups have been established as part of the legacy of Communities@One.

RNIB Cymru’s Accessible Technology in Communities (ATIC) project which is designed to address the issue of poor ICT access for blind and partially sighted people in Wales. Eighty organisations have received a tailored accessible technology training package to enable them to support the ICT accessibility needs of blind and partially sighted people. The training covers the use of speech and magnification products and highlights the barriers that blind and partially sighted people face in accessing ICT. ATIC has recruited and trained volunteers known as “Digi Champions” who provide one-to-one support to blind and partially sighted people in their local community by mentoring and supporting them in the use of ICT. 80 per cent of the Digi Champions have sight loss themselves. ATIC also established an Accessible Technology
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Information Line that provides tailored advice and guidance regarding accessible technology to blind and partially sighted people and organisations. RNIB Cymru has produced an accessibility toolkit distributed to 1000 organisations which has provided them with every day solutions on making their services and training accessible to blind and partially sighted people. A research-based report—“Progressing digital inclusion through community ICT” was published in May 2008, and highlights the difference that ATIC is starting to make in supporting the accessible technology agenda across Wales.

County Voluntary Councils can play an important role with digital inclusion projects, for example Voluntary Action Cardiff and Pembrokeshire Association of Voluntary Services digital inclusion projects.

Community broadband networks can successfully bring services to communities in Wales, for example:

Llanfihangel.net which is a micro community broadband service covering an area around Llanfihangel yng Ngwynfa in Mid Wales. The area is too far from the local telephone exchange to get broadband via the telephone lines. They use a series of wireless links to transmit the service from the nearby village of Meifod and to distribute it around the area. The cost of setting up the service is currently £230 per household, and the monthly service charge is £5. Additional households can be added to the system if they have line of sight to any property on the network; and

Reynoldston Community Broadband is a community wireless scheme managed by the Reynoldston Village Hall Association. It began by using an Aramiska satellite system for its backhaul with the village point to multipoint networking being provided by 2.4GHz wireless. The network now uses a 2Mbps ADSL connection for its backhaul provided by Demon. The network connects to 55 of the residences in the village. Initial costs to the community for the satellite were quite high at nearly £9,000 per annum thus initial costs to the customer were set at £100 to cover installation and £20/mth for an up to 2Mbps service. This now stands at £10/month. Any profits were put back into the network through the Association. The project began in November 2003 and is still ongoing.

In Wales the People’s Network programme between 1997 and 2001 upgraded every public library in Wales to provide free Internet services for all library members. All public libraries are linked to the Welsh Assembly Government-funded Public Sector Broadband Network (PSBN) providing a fast broadband connection.

February 2009

Memorandum submitted by UK onlinecentres

PURPOSE

This briefing gives a summary of the UK online centres network. While the network has links with partner networks in the devolved administrations, the 6,000 centres which are supported by the central UK online centres team are England-only. No network on a similar scale currently exists in Wales. This paper aims to give the Welsh Affairs Committee an outline of the work of the UK online centres and highlight the value of a cross-sector, co-ordinated network.

We are committed to building stronger links with similar initiatives in Wales and to pooling resources and sharing expertise where appropriate.

BACKGROUND

In the March 1999 Budget, the Chancellor announced there would be 700 “ICT learning centres” in England. On 11 September 2000, the Prime Minister announced the extension of this initiative to 6000 UK online centres (including all public libraries) in England and invited existing ICT centres and libraries to apply for the UK online centre brand. The Prime Minister officially announced the achievement of 6,000 UK online centres open across England on 19 November 2002. In April 2003 Ufi accepted responsibility from the DfES for the administration and development of UK online centres.

There are over 6,000 UK online centres across England. The centres were established to “bridge the gap between those in society who have access to Information and Communication Technology (ICT) and are able to use it competently and confidently and those who do not.” UK online centres are very diverse in their size and type but are typically rooted in England’s most deprived wards. They offer a broad range of services linked to the use of ICT and learning and help to bridge the digital divide. They are located in four key sectors:

- 47% in public libraries—every public library in England is a UK online centre
- 33% in the Voluntary and Community sector (VCS)—including local community centres run by organisations such as Age Concern, MIND, and Foyer Federation
- 10% in Adult or Further Education based venues, including Further Education Colleges
- 10% in other organisations, including the private sector—ranging from pubs to private sector training providers such as Pitman training
The UK online centres network is a unique infrastructure supporting individuals and communities to realise the benefits of computers and the Internet to improve their lives. Beneath its overarching policy objective of digital equality, the work of UK online centres contributes to three key interlinked strategic policy areas:

- social inclusion
- adult skills and employability
- transformational government

Both the central team and the network are committed to exploiting digital technologies to help improve individual lives, strengthen communities and achieve greater social inclusion.

**Key Statistics**

- UK online centres engage more than two million people in a year and support them to become digitally included
- Since its national launch in October 2007, more than 132,000 people have taken their first steps on the internet through myguide (www.myguide.gov.uk), and signed up to more than 528,000 myguide courses
- Centres are located across the most deprived wards and 7 in 10 UK online centre users are affected by at least one indicator of social exclusion
- Approximately 50% of UK online centre users started with no formal qualifications
- 97% of UK online centre users rate their experience at centres as good or excellent
- 86% of myguide users say myguide has had a positive impact on their lives
- 40% of UK online centre users progress to education, employment-related activity or information, advice and guidance

**Funding**

Over £500 million has been invested by government and the Big Lottery Fund (formerly New Opportunities Fund) since 1999, most of which was in the form of capital grants to build the network between 1999 and 2003. This can be summarised as follows:

- Capital Modernisation Fund (CMF)—£199 million capital was made available over three years (1999–2002) from the CMF to help fund (pump prime) over 2,800 UK online centres in deprived communities.
- Revenue funding—centres who applied for CMF funds were able to apply for three year joint revenue funding from £77.5 million New Opportunities Fund (NOF). In addition, the Secretary of State made available £5 million in 2000–02 to provide revenue support for small community organisations to help them with set up and establishment costs.
- The Big Lottery Fund has made grants totalling £95 million to more than 800 centres in the UK. It has provided a further £120 million in funding to the People’s Network for ICT equipment and staVtraining in public libraries.
- Around £68 million has been granted to Ufi by DIUS/DCSF (formerly DfES) between 2003–09. Most of this funding has been for the support of the UK online centres network, including grant funding for centres, as well as for the development and rollout of the myguide service.

**Core Activity of Central Team**

The network has been managed since April 2003 by the UK online centres team at Ufi Ltd. The core work of the 30-strong team, funded by the Department for Innovation, Universities and Skills (DIUS) via the Learning and Skills Council (LSC) is to:

- Deliver centre funding through a grant-making programme, supported and monitored by ten Regional Managers
- Publish research and project reports, for example, Understanding Digital Inclusion (July 2007) and undertake action research projects
- Deliver national, regional and local marketing campaigns on behalf of centres
- Develop and deliver training and professional development such as IAG and Skills for Life training
- Co-ordinate a membership programme—a network of over 3,000 centres from the 6,000—to support and develop the most engaged centres
- Develop and support a suite of ICT courses using the myguide platform, mapped to a UK online centres user journey to support learner progression
Key Projects

At national level, the UK online centres team works with a wide range of partners from the public, third, and private sectors including the BBC, Digital Unite, Citizens Online, Directgov, Ofcom, Virgin Media, Becta, and Intel.

Some of our key projects are detailed below.

myguide (2004—present)

myguide is both a website—www.myguide.gov.uk—and a service. The site offers a free, easy to use email service and web search facility from a clean, simple homepage which can be personalised to the individual. It is designed to be supported by staff in local centres who help make sure people’s first steps onto the internet are a positive experience. The vision for myguide is to make the internet available and accessible to those who have never used it before. The myguide service is aimed at “hard to reach” audiences who are currently excluded from using the internet, whether as a result of age, culture, disability, attitude or a lack of knowledge and education. myguide is also aimed at those not actively targeted by any other government or private sector initiatives.

myguide was originally announced by the DTI/DfES (Department of Trade and Industry and the Department for Education and Skills) in the “Opportunity for all” White Paper in 2001 and was included in the “Curriculum Online” consultation paper. Ufi took over the design, management and delivery of the project in 2004. Following a successful pilot, the Department for Children, Schools and Families (formerly Department for Education and Skills) made the decision to rollout myguide across the UK online centres network in May 2007. To date, 132,000 people have registered on myguide on over 528,000 myguide courses. 84% of users say it has had a positive impact on their lives.

NHS Choices Community Champions (April 2008—present)

NHS Choices (www.nhs.uk) is an online health information resource, launched in July 2007, which aims to transform the way individuals and families access healthcare. NHS Choices has commissioned the UK online centres team at Ufi to deliver a campaign to raise awareness of NHS Choices among disadvantaged groups. The NHS Choices Community Champions project is led by nine flagship UK online centres across all the English Regions, who are the regional leads in supporting awareness and take-up of NHS Choices. Using a cascaded model of disseminating information and knowledge about the website to other UK online centres, this project has engaged a wider network of over 450 centres and raised awareness of the health information provided by NHS Choices to their combined user base of thousands of people from deprived communities.

Microsoft Software Donations (June 2008—present)—Microsoft has now donated more than £1.3 million worth of software to UK online centres since June 2008. The Microsoft partnership, which offers all voluntary and community sector UK online centres the chance to upgrade their software for free, is the largest software donation Microsoft has ever made, globally. UK online centres is also supporting Microsoft to roll out their Digital Literacy Curriculum (DLC) across communities.

Get online day 2007 and 2008—sponsored by Campaign for Learning, Becta, the Department for Innovation Universities and Skills, the Department for Children, Schools and Families, Directgov, Ofcom, BT, Intel, PC World and TalkTalk. The events took place in October in 2007 and 2008 and targeted off-line families by aiming to give people a taste of how the internet could help them save time, hassle and money in every day life. The campaigns attracted 22,000 people in “two days” in 2007 and 2008, 99 per cent of whom said they would keep using the internet.

Social impact demonstrators (2007–08) The Social impact demonstrator projects were announced in the 2006 Social Exclusion Action Plan, funded by the Department for Innovation, Universities and Skills and led by the UK online centres team at Ufi. This was a ground-breaking programme which, for the first time, sought to measure the quantitative and qualitative impacts on the lives of some of the most socially excluded people through the use of technology. Grants totalling £2 million (over two years) were awarded to UK online centre-led projects working in partnership with other community organisations to reach socially disadvantaged people and engage them in ICT activities. The projects were designed to explore the impact of becoming competent in using ICT on personal and social confidence and social exclusion. They sought to establish models of best practice for finding, motivating and supporting the progression of some of the hardest to reach groups in society. The Social impact demonstrator project engaged over 12,000 people in technology, most of whom were socially excluded and 40% of whom progressed in terms of training, employment or advice and guidance. We supported demonstrators to share good practice between them and led in-depth research into what worked in social impact through the use of technology and digital media, and commissioned Ipsos MORI to carry out the evaluation. We also led a comprehensive stakeholder PR campaign to ensure the value of the project was disseminated and understood.
Ev 244 Welsh Affairs Committee: Evidence

Transformational Government for the Citizen (2006)—This project demonstrated the capacity of centres to engage socially and digitally excluded people in using online government services and highlighted the crucial role of the centres as trusted intermediaries. Over a period of six months, 33 UK online centres supported around 25 online services in partnership with six different government departments and four Local Authorities. There were 15,900 visits to Government e-service websites by customers in the pilot centres during the pilot period as recorded by centres. There were also 42,000 instances of general internet advice being given, and 4,900 instances of advice being given about Government e-Services. One of the successes of this project is that it has led onto further work with government departments to support the delivery of online public services. Currently UK online centres are working with the two key customer-facing government services, NHS Choices and Directgov, to support them gain a wider audience within the digitally excluded population. These projects are growing and developing and involve customers being offered one-to-one support, or group sessions to raise awareness of the benefits of these online government services.

February 2009

Memorandum submitted by the University of Wales, Newport

1. INTRODUCTION

This paper is being submitted by the University of Wales, Newport to the Welsh Affairs Committee as part of the Committee’s Inquiry to examine the recommendations of the Government’s Digital Inclusion Action Plan, with respect to its application to Wales.

The paper briefly sets out the role of the University and then provides examples of where it is working, both independently and in partnership, towards the goal of digital inclusion for all in Wales. Through this paper from sections 4, 5, 6 and 7 we provide example of the strategy for Wales and how this relates to the question asked in relation to social deprivation and Digital Inclusion. Section 8 provides the details upon which the University of Wales, Newport is working to meet the requirements of the Digital Inclusion Agenda.

2. THE UNIVERSITY OF WALES, NEWPORT

The University of Wales, Newport is based on two main campuses—one near Newport’s Civic Centre and the other at Caerleon, a few miles from the city centre. It is also a leading player in the Community University of the Valleys. There are 3,600 full-time and 6,000 part-time students, including some 1,500 on franchise courses, mainly in Wales and the Borders, and 500 overseas.

49% of students studying at Newport are over the age of 30 years. Over 60% of our student body is studying part-time and 61% of these part-time students are studying on “bite-size courses” (ie courses with less than 60 credits). This profile coupled with the University’s strong professional and vocational portfolio means it is already a strong contributor to improving skills and expertise in the workplace.

3. THE ROLE OF THE UNIVERSITY OF WALES, NEWPORT

The University sees its role as an engine for change and transformation of its region. It is creating an entrepreneurial organisation which, through its agile and adaptable approach, is able to respond to the changing environment and to the needs of its many stakeholders including its students, employers and local government and agencies.

Specifically, in terms of this economic contribution the University sees its role within the region as taking three forms:

— raising skills levels in a region where they are below average;
— providing expert advice and resource to help inform and play an active part in the regeneration process; and
— directly supporting efforts to promote the region and attract inward investment.

4. UK GOVERNMENT’S DIGITAL INCLUSION ACTION PLAN

Chapter One of the Plan outlines “The best use of digital technology, either directly or indirectly, to improve the lives and life chances of all citizens and the places in which they live”

We are broadly in agreement with the definition of digital inclusion as described in Chapter 1. However we believe that the categorisation described in paragraph 3 does not fully recognise the importance of “people” in addressing the digital inclusion agenda. The categorisation focuses on direct access to and indirect use of digital technology. Although paragraph 3 does recognise the requirement for people to have motivation, skills and opportunity to use digital technology, we feel strongly that this is a key element in the successful implementation of a digital inclusion strategy and suggest that the “people” aspect be brought out as highlighted as a third key category.
We are content that the broad nature of the problem is covered in the chapter and support the view expressed in paragraph 6 that a greater emphasis is needed by technology—solutions providers to design in “digital-inclusion” at the earliest opportunity.

As well as the above paragraph 3 of Chapter 1 provides the following headlines which are requirements with which Wales should align itself.

“Analysis suggests that digital inclusion should be categorised in two general ways:

— Direct access to technologies such as computers and the Internet, mobile phones, personal digital assistants (PDAs) and digital TV. These devices can help people gain access to:
  — employment and skills
  — social, financial, informational and entertainment benefits of the Internet
  — improved services, including public services
  — wider choice and empowerment around the major areas of their lives

This requires people to have the motivation, skills and opportunity to engage in technology. Until they become self-sufficient users, they may initially be supported through an intermediary, such as a school or UK online centre, or community volunteer.

— Indirect use of technologies, where greater use of digital technology to plan, design and deliver services leads to significant improvements through:
  — better service integration so that multiple services across sectors work together (often an issue for socially excluded people)
  — better and quicker service planning (through better mapping of overlapping services, needs, and tackling problems in deprived communities, including crime and security)
  — equipping frontline staff to support complex needs, for example, using mobile networked technology which can provide immediate access to information and allow an immediate delivery of services while in the field”

5. ROLES, RESPONSIBILITIES AND ACTIONS

The role, responsibilities and actions of the Government, the WAG and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

5.1 The National, Regional and Local Policy Context

The WAG has a vision for the development of education and training in Wales which has been set out in a series of linked policy documents. The key messages from pivotal documents are referred to here.

The Learning Country reports, initiated in 2001 set an agenda to:

“Implant a genuine momentum to lifelong learning for all our people; to unlock everyone’s capacity to acquire the confidence to be adaptable and enterprising and to make the most of the dynamic cultural and linguistic inheritance of Wales.”

The Learning Country stresses the importance of lifelong learning and the need to provide inclusive learning for all. The focus was on equipping everyone over 16 with the skills required to enable them to fulfil their potential, develop skills for business and transform the supply and demand for lifelong learning.

Subsequent reports take forward the fundamental principles of The Learning Country. Key among these are One Wales (June 2007), Webb (December 2007), Skills That Work for Wales (January 2008) and Transforming Education and Training in Wales (September 2008).

One Wales states the imperative that a positive climate be created for business growth. Public procurement, support for private investment and European Union funding will be used to enable businesses to flourish and expand. Equipping people with the skills they need, at all levels, to enable them to make the best possible contribution to the economy and their communities, and to fulfil their individual potential will be a priority and every help will be provided for people to get sustainable jobs where they need advice and support. The programme of government provides for:

— Creating jobs across Wales
— Stimulating enterprise and business growth
— Promoting tourism
— Enhancing skills for jobs

122 http://www.wales.gov.uk/topics/educationandskills/policy_strategy_and_planning/learning/?lang=en
123 World Class Skills: Implementing the Leitch Review of Skills, July 2007
The Welsh Assembly Government (WAG) is also committed to widening participation in higher education and all educational institutions will be strongly encouraged to work together to make the most of their resources and provide the widest possible range of opportunities. The network of colleges and universities offering further and higher education will be used to maximise the economic, social and cultural impact of colleges and universities on learners and on the wider community. The government is resolved to develop a further and higher education system which offers a broad range of learning opportunities, is responsive to the needs of students and employers, and tackles poverty and disadvantage.

The 14–19 Learning Pathways\textsuperscript{125} agenda is to ensure that:

“By 2010, at the latest, a new learning infrastructure will have been created in Wales in order to provide, collaboratively, the framework for Learning Pathways for learners and drawing upon the resources of schools, FE colleges and training providers”.

Also, at the forefront of planning is a consideration of the Leitch Review of Skills\textsuperscript{126} and the subsequent—Skills That Work for Wales.\textsuperscript{127} This latter document, states that skills will make the biggest difference to the prosperity of Wales when they are used effectively in the workplace. The report sets an agenda to ensure skills support is fully joined up with broader programme of business support to address skills alongside wider business issues such as leadership, innovation, and business planning.

More employers will be encouraged to sign the Basic Skills Employer Pledge and work with trade unions to engage hard-to-reach workers in learning. A Sector Priorities Fund will be created to deliver many of the strategic learning priorities identified by employers, for example through Sector Skills Agreements. A fundamental principle of the Sector Priorities Fund will be encouraging partnerships between employers, sector bodies, and post-16 learning providers, deepening the engagement between business and the provider network. Modern Apprenticeships will continue to be the premier work-based learning route.

There is a commitment to increase the number of Modern Apprentices and explore ways of engaging more learners and employers in this programme. Welsh Higher Education and Further Education institutions will be encouraged to work with employers to develop programmes that meet their higher-level skills needs.

The Webb review of 2007\textsuperscript{128} outlines the challenge for Wales in having an educated well-trained population and makes it clear that more must be done for:

— Those large numbers of people with no literacy or numeracy skills;
— 14–19 learners whose choice of learning opportunities is limited;
— Employers who find the system unresponsive;
— Young people and adults not in employment, education or training;
— Disadvantaged young people and adults; and
— The gifted and talented.

The report strongly states that:

“It is imperative…that underperformance and disengagement among 14-19 learners is effectively eliminated” and the review identifies seven primary drivers for change:

— Learner Entitlement: making diverse and personalised learning for 14–19 year olds a measurable reality;
— Employer Influence: increase employer engagement in the 14–19 phase and make it paramount post 19;
— Skills: Closing the skills gap and developing bespoke packages of skills related to employment and economic performance;
— Quality: all provision to be good or excellent;
— Funding: More resources but greater efficiency;
— Re-configuration: deliver efficiently through a reconfigured system; and
— Governance; enhanced governance driving priorities and spanning boundaries.

Transforming Education and Training in Wales\textsuperscript{129} published in September 2008 makes it a key priority for the WAG to secure a workforce that is sufficiently skilled to access future high level employment opportunities. To help achieve this, the WAG will seek ways to more fully integrate the work of schools, Further Education Institutions, Higher Education Institutions and other post—16 providers to transform the ways in which education and training provision is delivered.

\textsuperscript{125} Learning Pathways 14–19 (2006).
\textsuperscript{126} Leitch Review of Skills, Department for Innovation, University and Skills, December 2006.
\textsuperscript{127} Skills that Work for Wales, A Skills and Employment Action Plan for Wales, July 2008.
\textsuperscript{128} Webb Review 2007—Welsh Assembly Government.
\textsuperscript{129} Transforming Education and Training in Wales, Delivering Skills that Work for Wales, 2008.
The WAG therefore expects learning providers to take steps to form geographic and sectoral Learning Partnerships by November 2008, with the submission of outline proposals for change, as a Strategic Outline Programme by 15 January 2009. With regard to The Learning Campus project, and the Learning Zone in particular, WAG has agreed to the submission of an Outline Business Case by the 15 January 2009, given the previous strategic planning work that has taken place over the last six years.

The role of these Learning Partnerships will be to plan and implement change that is capable of supporting improvements outlined in WAG policy. This will include the targets set for 14–19 year olds; those targets established to improve institutional effectiveness and quality of provision; the aims of increasing attainment and progression to the next phase of education and training; improving access to Welsh language provision; and those targets focused on sector and skill-based requirements. The following key indicators of performance will be addressed specifically:

- an improvement in levels of basic skills;
- an increase in the rate of 16–18 participation in education, training and employment;
- an increase in the rate of 19–24 participation in education, training and employment;
- an increase in overall learner success rates, reflecting higher levels of learner completion as well as the achievement of qualification aims;
- an increase in Level 2 and 3 qualifications;
- an increase in Level 4 qualifications; and
- an increase in progression to higher level learning or higher level employment.

There is a wider context of European Union strategy and policy to consider including the Lisbon Agenda’s key area of increasing investment in human capital through better education and skills and the European Employment Strategy (EES) to improve the quality and effectiveness of EU education and training systems.

All of this places Wales in a strong position to access Convergence Funds that have been designed in the context of the Lisbon Agenda (see above) and WAG strategies and policies and to maximise the designation of Blaenau Gwent as part of the Atlantic Area Programme. The Operational Programme “Atlantic Area” 2007–13, co-financed by the European Regional Development Fund (ERDF), is one of the 2007–13 Territorial Cooperation Objective Programmes.

Finally, consideration should be given to the REGAIN project whose purpose is to develop business parks that will be more co-efficient with reduction in carbon footprints and promote the use of eco-efficient design and materials becoming examples of best practice and contributing to Kyoto targets.

6. Technological Infrastructure

The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio);

The WAG is making impact with regard to “Not Spots”. For example:

- In line with their promises about eliminating broadband “not-spots”, the WAG’s Regional Innovative Broadband Support Scheme (RIBS) has extended its contract with BT that will see the communities of Reynalton, Saundersfoot, Llanpumsaint and Bronwydd Arms, Cilcennin in Ceredigion and Gwytherin, Conwy able to get broadband. Under the scheme, BT Openreach will fund half of the needed work for the project, and work is expected to start immediately.
- These 6 “not-spots” cover around 1,000 residents and are part of a larger group where broadband is not available for various reasons including, poor quality telephone lines or just being too far from the Exchange. If you live in an area of Wales where broadband is unavailable, be sure to register on the Welsh Assembly’s Broadband not-spot website.

The WAG Assembly opening access to the North Wales business community via:

- The WAG has signed a £30 million, 15-year deal with fibre network specialist Geo to create an advanced open access network aimed at boosting the country’s business and economy called FibreSpeed.
- Fibrespeed Ltd operates the wholesale open access network which brings affordable high speed communications services to businesses across North Wales. This is through a 320 km network of optical fibre cabling, connecting Holyhead in Anglesey, Caernarfon in Gwynedd, along the North Wales corridor and down to Wrexham, and linking to the UK’s fibre backbone in Manchester.

130 March 2000
131 http://ec.europa.eu/employment social/employment_strategy/index_en.htm
The new network could also boost Welsh plans for improving broadband connections in the public sector. The FibreSpeed project will be managed by the Welsh government’s Department for the Economy and Transport and is aimed at providing the infrastructure to allow internet service providers and telecommunications firms to offer high-speed, high-bandwidth services to businesses and consumers.

FibreSpeed will support a minimum of symmetrical 10Mbit/s services with multi-gigabit capability and will have the capacity for greater speeds as technology and demand develops.

Funding for the scheme has come from EU structural funds, and from Geo, which will build and operate the fiber network. The roll-out of the new network is set to begin in North Wales.

The WAG has developed the PSBA (Public Sector Broadband Aggregation) network. For the first time, organisations across the public sector from education to health and local government will not only be sharing the same network, but a network which has been designed by the public sector to be capable of meeting its users’ long-term needs and aspirations.

From the inception of the PSBA project, both JANET(UK) and the North and South Wales MANs have been fully involved in the specification and procurement of the network—a process that has been conducted with great rigour.

This involvement has built on previous collaboration with the Welsh in the procurement and management of the LLNW (Lifelong Learning Network for Wales). The LLNW is a network interconnecting the 22 Unitary Authorities in Wales and is connected to JANET as its route to the outside world.

Welsh Networking Ltd, the higher education consortium which operates the South Wales MAN, and—then—UKERNA originally procured this network on behalf of the WAG. In 2006 both the North and South Wales MANs moved onto the LLNW.

This was the first step in an ongoing aggregation initiative, of which the PSBA contract has been the next stage. The PSBA network will be a resilient core across Wales, connected to the JANET backbone at two separate locations within Cardiff.

It will initially run at 2.5 Gbit/s to give adequate capacity to meet demand over the next few years. (The LLNW has a 622 Mbit/s core.

The aggregation of demand embodied in the PSBA procurement will bring economic benefits to each sector. In the case of higher and further education, it will mean access to a much higher bandwidth and more resilient network than would otherwise have been affordable.

7. Extent of Digital Exclusion

The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad:

There are a number of population areas of Wales which are both digitally and socially excluded. These include areas of the Welsh Valley. Blaenau Gwent is one of these areas.

7.1 The Socio-Economic Context and Features of Blaenau Gwent

Geographically, Blaenau Gwent is the smallest unitary authority in Wales with a total area of only 109 square kilometres. With approximately 69,200 people it is the third smallest unitary authority in Wales in terms of population with the majority of people located within three valleys. The largest centres of population are in Ebbw Vale, Tredegar and Abertillery. Blaenau Gwent has the smallest proportion in Wales of people who speak Welsh as a first language and very few people from minority ethnic groups. According to the race Equality Scheme 2005–08, Non-white minority ethnic groups make up less than 1% of the population in Blaenau Gwent (just under 600 people, largely Asian or Mixed origin, with some Chinese and Black families) compared to a Wales average of over 2%.

The area is one of the most socio-economically deprived in Wales. According to Nomis figures for January 2007—December 2007 it has a high level of unemployment (BG 7.6%, Wales 5.6%) and economic inactivity (Blaenau Gwent 21.4%, Wales 18.6%). 25.5% of its Super Output Areas (SOAs) are in the 10% most deprived in Wales compared to 13.3% across South East Wales. There is a 30% disability rate amongst those of working age, fewer people own their homes in the area than anywhere else in Wales and over a third of households have no car.

The 2005 Area Profile stated that the claimant rate of unemployment (ie Job Seekers Allowance (JSA) claimants) in Blaenau Gwent was almost twice the Welsh average indicating that a disproportionately higher proportion of the unemployed in the local area qualified for JSA.

133 2007 Mid-year population estimates: StatsWales, 21 August 2008.

134 Numbers and % are for those aged 16 and over. % is a proportion of economically active.

135 Numbers and % are for those aged 16 and over. % is a proportion of economically active.


137 Learning and Labour Market Intelligence: Area Profile for Blaenau Gwent (Elwa, 2005)
September 2008 figures show that 41.2% of unemployed claimants are aged 18-24 compared to 37.5% in Wales. The average spell of claimant unemployment in Blaenau Gwent in September 2008 was also longer than in Wales overall; 64.5% experience short durations of unemployment (76.5% in Wales) while 19.4% experience durations of 12 months or more (9.2% in Wales)

2005 figures showed that there were 1,357 businesses in the borough at that time. The vast majority of these (87%) employed fewer than 25 employees. The closure of the Corus steelworks in Ebbw Vale took away a major source of relatively well-paid employment in the area. The largest business sectors were in retail and education with about 2,300 employees each. The proportion of employees who received job-related training was the lowest in Wales (just above 12%).

In 2006, Learning and Labour Market Intelligence for Wales: Blaenau Gwent reported that the highest proportion of businesses was in distribution, hotels and restaurants (38%). When compared to the South East Wales profile the proportion of businesses in Manufacturing was higher than the regional average (7% and 11% respectively). Public administration, education & health sector is also a major employer in the Blaenau Gwent, accounting for 30% although this is still lower than the South East Wales average of 32%. Another major employer in Blaenau Gwent is the manufacturing sector with 28%, 15% higher than the regional average. Earnings in Blaenau Gwent are £305 per week for full-time employment compared to £326 in South East Wales and £331 in Wales as a whole.

Just under a quarter of secondary school pupils are entitled to free school meals. This is the second highest proportion in Wales.

The Area Inspection also reported that the area had the highest proportion of people in Wales with no qualifications (33%) and the lowest proportion of people with degrees (5%). Estimates from the Annual Population Survey 2006 show that 9.9% of the employed workforce in Blaenau Gwent had received workforce development training (in the four weeks prior to survey) in 2006. This figure is below than the 11.6% average for the region and 11% in Wales as a whole.

8. THE CONTRIBUTION OF COMMERCIAL AND NON-GOVERNMENTAL ORGANISATIONS

The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available;

8.1 University of Wales, Newport

Through its outreach work via the Centre For Life Long Learning the University has a successful track record in delivering outreach work to excluded communities. The University also has a number of schools and departments which perform different types of activity in the Digital Arena. These include the Schools of Business and Art, Media and Design. Other digital activities are through the Institute for Digital Learning and the Dyscovery Centre.

The University has continued to develop its research capabilities in recent years, as demonstrated in the latest Research Assessment Exercise (RAE) results, published in December 2008.

The best results came in Art, Media and Design. Seventy per cent of research assessed was deemed to be world leading or internationally excellent in terms of originality, significance and rigour (3* and above), which resulted in a ranking of 12th out of 70 universities—and the best in Wales.

Due to these strengths, the Universities strategy is to develop its future activities to align with developing Business, Research and Inclusion activities which align with the Digital Economy. As a consequence of this the Universities two strategic priorities in this area are through the development of:

— The Institute of Advanced Broadcasting which is a partnership between Business, Academia and the public sector.
— The Development of the Learning Campus as one of the partners with Ebbw Vale Council.

8.2 The Institute of Advanced Broadcasting at the University of Wales, Newport

As a result of the University’s strengths in the creative and digital industries as exemplified and recognised through the excellent results in the 2008 RAE in Art & Design where seventy per cent of research assessed was deemed to be world leading or internationally excellent in terms of originality, significance and rigour, its partnership with the Wesley Clover Corporation and its focus on outreach work via CCLL, the University established the Institute of Advanced Broadcasting (IAB) in September 2008 as a partnership between academia, industry and the public sector.

The Institutes primary objectives are as follows:

— To establish and develop a significant Academic/Industry user-driven applied research partnership
— To develop in partnership with industry and the broadcasters the new business and financial models, which will drive and shape the future Digital Economy
The activity of IAB is organised into four research themes each with several sub projects. The main research themes are: New Content; New Distribution Channels; New Users; New Digital Economies. A number of sub projects and themes follow.

**Theme 1: New Content:** This theme is mainly centred around Content Convergence and consists of the development and exploitation of media experience across the range of digital channels eg. web, mobile, television, games, location, etc. These techniques offer multiple opportunities to engage the consumer and the community. With up-close experience of arts and media education, research and practice the IAB is well placed to develop community-led and artist driven convergent content to be trialled within proposed test beds.

**Theme 2: New Distribution Channels:** Research will be carried out into the Development of open IPTV standards and Platforms to enable internet TV services to be available on multiple platforms and devices. These devices will not only include TV sets, but will also include mobile phones and other wireless devices. This research will work with industrial partners to answer the question “Is there an open IPTV standard that device makers can adopt to enable direct on-demand content delivery?”. The aim is to publish to all these devices without having to build multiple different implementations.

**Theme 3: New Users**

**User Behaviour:** Historically, tracking and understanding user behaviour has been a relatively simple task, with two major platforms to consider, broadcast television and video. BARB ratings have long been the established mechanism for broadcasters to understand user behaviour and viewing habits. Now, with a multitude of platforms, some official (digital TV, BBC iPlayer, DVD/Blu Ray), some unofficial (Bit Torrent, unlicensed TV streams), and some somewhere in between (video sharing sites such as YouTube). The picture is going to become increasingly complex as new disruptive technologies come into the market. Examples include live streaming from mobile devices. Research will be undertaken in collaboration with industry partners and focus on developing new methods of tracking and understanding user behaviour.

**Synaesthetic Communication Hub and Social Inclusion** A range of barriers to communication result in the isolation of individuals, communities and a range of specific groups in society. These include young children, those with English as an additional language, people with specific needs such as dyslexia, visual or hearing impairment, autism, Parkinson’s disease, strokes or other brain injuries. The loss of effective communication in and with these groups results in a negative impact on the economy and social structures and perpetuates disadvantage. This research seeks to reduce these effects and to increase social inclusion and contribution to the economy by greater participation and reduced costs. A range of digital technologies are currently used to enhance communications, these include wireless reading, text to speech and speech to text devices, language translation software (eg paralink.com), thinking with pictures and mind mapping software, virtual world technology, social networking and a variety of approaches using GPRS.

**Theme 4: New Digital Economies**

**Commercialisation and Subscription Models**

The final and possibly most important aspect of building a sustainable digital economy eco-system is via a focus on commercialisation of digital media content, subscription, asset management and distribution. This project is driven by the Business and Research Advisory Board and will focus on gaps identified during the digital economy research programme for IPR licensing, subscription and exploitation of these across media/platforms, pipeline development for content creation for best in class research and business processes and investment in key technologies for overall success of the economic development framework. Areas of investigation include advertising models, Digital Supply Chain models and other forms of Business and Financial Modelling.

**Impact Evaluation** As part of the successful management of the IAB an evaluation framework is being created to monitor and evaluate the impact of particular projects and activities. This Framework will identify project objectives and at a more aggregate level the impact of the IAB as whole. The evaluation framework will examine impact based on the specific goals, infrastructure and delivery models of individual projects set within the wider context of impacting the digital economy and the digital inclusion agenda. The
Framework will be firmly set within the context of Strategic Added Value, which reflects the wider and less tangible impacts publicly funded programmes can have either directly or indirectly. Some of the key features of the impact evaluation plan include the following:

- To report on the overall outputs and outcomes/impacts achieved by the IAB and its range of projects and activities.
- To report on the impact of research on and across the relevant engagement communities particularly any improvement in efficiency, productivity, digital inclusion and competitive advantages gained through the process.
- An objective assessment of the IAB and its projects and their performance against key indicators such as influencing wider practice, value for money, sustainability of impacts and whether or not there is the potential to “roll out” initiatives at a wider-level.
- The impact of synergies created between the IAB and the other UK and International Digital Economy Centres and Institutes, and how these can be enhanced to maximise future impacts.
- A collation of good practice through the establishment of case studies and recommendations for cross-disciplinary ICT activities.
- Overall assessment of the wider socio-economic impact of activities at a UK national level.

8.3 Learning Campus

The Learning Campus is an exciting new development planned for the site of the former Corus steelworks at Ebbw Vale. It is intended to offer the widest learning opportunities for everyone from age 16 upwards together with first class leisure and arts facilities as well as business incubation space.

Our approach is informed in particular by the 2005 report *Skills for Sustainable Communities* by the prominent industrialist Sir John Egan. His central message is that regeneration needs to be addressed simultaneously on *seven dimensions*: the built and natural environments; transport; the economy; social and cultural development; public services; and local governance. The strategy we put forward here shows how the universities will through this proposal make a decisive contribution to six out of the seven dimensions.

The approach we are putting forward has three key features which mark a new level of engagement between universities and the development of their local region:

- a plan to make a measurable difference to identified sectors of the society and economy of the region
- providing access to all levels of expertise, from basic skills to postgraduate centres of excellence in a way that is coherent and targeted
- an approach that involves integrated planning and collaborative provision, not only between the two universities, but with key partners in the local authorities, FE sector and others.

The initiative will stimulate learning interest amongst disadvantaged groups within the region through the provision of innovative, supportive and seamless educational opportunities for young people and adults not in employment and education, working collaboratively with schools, colleges, private training providers, social enterprises, employers, sector skills councils and communities. Developing new pedagogies, one key element to the range of activities is the concept of an “escalator” through which we will strengthen and clarify the pathways open to local people to gain new skills and education. The provision of high quality learning facilities supported by research active staff will enable the delivery of “access with excellence”.

For any region to be successful in the knowledge economy it needs to be able to call on the full range of skills, from relatively basic skills to advanced professional ones. Without this range, it will be unable to attract inward investment. The Learning Campus will enhance the attractiveness of the region and support inward investment through a) skilled workforce b) continuing professional development c) research and development based inward investment. It will contribute to the regeneration of the Heads of the Valleys through the provision of a skilled workforce engendered with realisation of the need for lifelong learning and the mechanism through the Learning Campus to access this within their local community.

9. Risks to Citizens

*The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).*

“Ethics are moral standards that help guide behaviour, actions, and choices. Ethics are grounded in the notion of responsibility (as free moral agents, individuals, organisations, and societies are responsible for the actions that they take) and accountability (individuals, organisations, and society should be held accountable to others for the consequences of their actions). In most societies, a system of laws codifies the most significant ethical standards and provides a mechanism for holding people, organisations, and even governments accountable.” (Laudon *et al.*, 1996).

ICT ethics are not exceptional from the above-mentioned view of ethics as applicable to all human development in the today society. In a world where information and communication technology has come to define how people live and work, and has critically affected culture and values, it is important for us to review ethical issues as well as social responsibility.
Cyber systems across the globe have many different rules governing the behavior of users. These users are completely free to join or leave any system whose rules they find comfortable or not comfortable to them. This flexibility may at times lead to improper user conduct. Also, in the absence of any suitable legal framework, it may be difficult for System Administrators to have a check on frauds, vandalism or abuses, which may cause the life of many online users miserable. The use or misuse of the internet as a medium of communication may in some situations lead to direct damage to the real physical societies. Terrorists may also make use of the web to create conspiracies and violence in the society. Wide and free sharing of ideologies, beliefs, convictions, and opinions between different cultures might cause physical and emotional stress and confusion that might lead to physical violence.

The UK and devolved government have investigated ethics in relation to crime and through the UK Home Office have developed the following strategy.

What we’re doing about Internet crime—UK Home Office Website

“Nationally, we’ve funded the introduction of computer crime units for every police force. We’ve also introduced crime-specific initiatives to fight:

— paedophilia—by educating parents and establishing a Centre for Child Protection on the Internet to provide support for victims, conduct investigations, distribute intelligence, and act as the central agency where people can report targeting of children online

— junk email—by introducing legislation making it an offence for a British firm to send unsolicited messages to personal email accounts, for senders to conceal their identity, and making it compulsory for commercial emails to include a valid address for opt-out requests

— computerised fraud, viruses and hacking—by introducing various initiatives focused on educating consumers and business about protecting themselves including Card Fraud—The Facts, Information Security Advice for Business and IT Safe (new window)

What if it happens to you?

In 2007, the Home Office changed the way people in England, Wales and Northern Ireland report cases of fraud involving credit cards, online banking and cheque. Now, instead of calling the police, you should report these types of fraud directly to your bank or card company. Credit card companies and banks are responsible for verifying the crime, and reporting it to the police.

These changes were designed to reduce bureaucracy and speed up investigations.”

January 2009

Memorandum submitted by Virgin Media

OVERVIEW

This memorandum provides brief information about:

— Virgin Media
— Virgin Media infrastructure in Wales
— Virgin Media services in Wales
— Television services on the Virgin Network
— Virgin Media “Power to all People” initiatives

Virgin Media

1. Virgin Media is the UK’s first quad-play provider of TV, broadband, phone and mobile with almost 10 million customers.

2. Virgin Media is the largest residential broadband provider in the country, delivering next-generation internet access with ultrafast speeds of up to 50Mb using its unique fibre-optic cable network.

3. Virgin Media has the UK’s most advanced TV on demand service and is the only TV platform to carry BBC iPlayer. Virgin Media was the first to launch a high definition TV service and offers a high-specification, HD-ready V+ personal video recorder.

4. Virgin Media is the second-largest provider of pay TV and home phone in the UK and the largest virtual mobile network operator.

5. Virgin Media also owns two content businesses—Virgin Media Television (VMTV) and sit-up. VMTV owns eight entertainment channels, including Virgin1, Living, Bravo, Challenge and Trouble—and is a 50 per cent joint partner with the BBC in UKTV which consists of ten channels including Dave, G.O.L.D., Watch and Alibi. sit-up runs retail TV channels bid tv, price-drop tv and speed auction tv.
**Virgin Media Infrastructure in Wales**

**Fibre Optic Broadband**

6. Our core broadband is delivered using cable technology over the Virgin Media network. This network consists of fibre optic cables to the cabinet, with the final link to the home provided by coaxial cable.

7. This service is available to over 300,000 homes in Wales, predominantly in the areas of Cardiff and Penarth, Glamorgan and Gwent, Newport and West Glamorgan.

8. Our core broadband proposition is available in a number of speed tiers which are named L, XL and XXL. The corresponding speeds of these packages are up to 10Mb, up to 20Mb, and by Summer 2009, Virgin Media core customers in Wales should be able to access our new up to 50Mb ultrafast broadband product.

**Virgin Media Services in Wales**

**Virgin Mobile**

9. Virgin Mobile runs over the existing T-Mobile network with 99.4% 2G coverage of the UK. Therefore Virgin Mobile does not itself own any mobile infrastructure in Wales.

10. Virgin Mobile was the world’s first Mobile Virtual Network Operator when it launched in the United Kingdom in 1999. Virgin Mobile is the largest Mobile Virtual Network Operator in the UK.

11. Virgin Mobile provides both pay as you go and contract packages and currently has just under a 6% share of the UK mobile market.

**Mobile Broadband**

12. Virgin Media mobile broadband operates over the T-Mobile network which has a reach of 85% in the UK, and provides speeds of up to 3.6Mb/second.

13. In November 2008 Virgin Mobile announced the launch of our first ever mobile broadband offering, which is also the UK’s cheapest ever bundled mobile broadband package.

14. From as little as £5 per month, new and existing Virgin Media broadband customers on cable or ADSL services can stay connected to the internet on the go by simply plugging Virgin Media’s new 1GB USB modem into a laptop.

**National broadband**

15. Virgin Media National broadband is available in areas where the BT network is present. BT estimate that approximately 99% of the Welsh population could receive broadband service if ordered.

16. High Speed ADSL2+ service providing speeds of up to 16Mb per second is available through Cable and Wireless’ Local Loop Unbundled network in Wales. So far this has been enabled in 16 exchanges—in the areas of the Vale of Glamorgan, Bridgend, Cardiff, Torfaen, Neath and Port Talbot, Newport, Swansea and Wrexham.

**Television Services on the Virgin Network**

17. Virgin TV is delivered through our cable network. As such, as with our fibre optic broadband, this service is available to over 300,000 homes in Wales, predominantly in the areas of Cardiff and Penarth, Glamorgan and Gwent, Newport and West Glamorgan. We offer three television packages which are M, L and XL, the details of which are below.

<table>
<thead>
<tr>
<th>TV Size: M</th>
<th>TV Size: L</th>
<th>TV Size: XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 45 TV channels, plus more than 30 radio channels</td>
<td>Over 100 TV channels, plus more than 30 radio channels</td>
<td>Over 165 TV channels, plus more than 30 radio channels</td>
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**On demand features**

18. Virgin Media on Demand gives viewers control of what they watch, when they want to watch it.

19. Catch Up TV is our pick of last week’s TV including programmes from the BBC, Channel 4, E4 and More4, Bravo and LIVING and Virgin1 shows become available on the service soon after broadcast, and stay for 7 days.

20. TV Choice on demand provides customers with thousands of TV programmes available at the press of a button. Dramas, comedies, documentaries and kids’ shows from the BBC, Channel 4, HBO, Warner TV, Virgin1, Living, Discovery, National Geographic and many more.

21. Movies on demand allows customer to choose from over 500 films including the latest blockbusters and classics from all the major film studios. Once purchased, films can be watched as many times as wanted within 24 hours.
22. Music on demand allows customers to choose from over 2,500 music videos plus concerts, playlists, artist profiles and karaoke.

23. Extra special shows from 4oD, LIVING and Bravo not available in TV Choice are available on a pay per view basis. High definition shows and movies are available to customers who take a V+ box and have an HD ready TV.

24. One off Pay Per View (PPV) events are also available, such as WWE Wrestling and Boxing events

**BBC iPlayer**

25. Virgin Media is the first TV platform to offer BBC iPlayer to viewers. Since the service launched in May 2008, it has reached nearly 100 million views. Viewing has accelerated from 10.5 million views in June 2008 to 17 million views in December 2008. Virgin Media’s TV platform now accounts for approximately one third of all BBC iPlayer views.

**ITV Player**

26. In January, Virgin Media announced an agreement which enable Virgin Media’s TV customers to view over 40 hours of top quality programming from ITV1, 2, 3 and 4 each week as part of Virgin Media’s free Catch up TV service.

27. Virgin Media’s viewers will also be able to choose from 500 hours of award-winning ITV comedies, documentaries and dramas, ready to watch at any time on demand. This will be available as part of Virgin Media’s vast library of programmes which sit within its TV Choice section. A selection of ITV’s High Definition (HD) programming will also be available on demand.

**Television services off the Virgin Network**

28. Customers who take our National Broadband product off our network are able to take our FreeTV product.

29. Virgin FreeTV works through a FreeTV box which plugs into a customer’s existing telly, letting them watch over 40 digital Freeview TV channels and listen to around 27 DAB radio stations.

30. Virgin FreeTV uses the Freeview service which enables customers to get digital TV channels and DAB radio stations through their standard rooftop aerial.

**Virgin Media “Power to all People” initiatives**

**Sheltered Accommodation Initiative**

31. The Virgin Media’s “Power to all People” initiative is run in partnership with Digital Unite, a specialist training organisation improving digital literacy amongst older people in the UK.

32. Residents at 17 sheltered accommodations schemes throughout the country received a free fibre optic broadband internet connection for a year, two communally-based PCs, computer training and a printer, courtesy of Virgin Media. Training was then provided by Digital Unite and continued support offered by the management of the sheltered accommodation scheme.

**Partnership with the e-Learning foundation**

33. In November 2008, Virgin Media announced plans to give free broadband access to 500 children from low income families, who are not already connected to the internet at home. The project is run in partnership with the e-Learning Foundation and UK online centres.

34. Low income families from 16 primary and secondary schools in five cities—Birmingham, Bristol, Newcastle, Nottingham and Liverpool—will benefit from this initiative.

35. Each family involved in the project will receive a free fibre optic broadband connection for a year, together with training for parents at UK online centres to help demystify computer use and the internet and give guidance on how to keep their kids safe online.

*February 2009*

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Memorandum submitted by Vodafone

Vodafone is pleased to have the opportunity to respond to the call for submissions to the Welsh Affairs Committee’s inquiry on digital inclusion in Wales.

Our industry wide response to matters associated with the deployment of our network in Wales is contained in the written submission made by the Mobile Operators Association last month, but on behalf of Vodafone, I would like to make the following additional comments in relation to the questions posed.
(i). The recommendations of the Government’s Digital Inclusion Action Plan, with respect to their application to Wales:

At Vodafone we agree with Paul Murphy, Secretary of State for Wales and Minister for Digital Inclusion, that the opportunities presented by digital technologies pervade every aspect of society. We also appreciate that there are some concerns that these opportunities are not currently enjoyed by the whole of the UK population and that further work is needed to identify how this should be addressed.

As the Digital Inclusion Action Plan suggests, digital inclusion has two strands. Firstly, it is about ensuring that all citizens have the opportunity to enjoy the direct benefits which digital technology has to offer, through the access to technology and through having the skills, motivation and confidence to use it. Secondly, it is about ensuring that the indirect benefits of technology, to improve all aspects of service planning and delivery, are fully exploited. The Plan suggests that only by taking action on both fronts can we ensure that all citizens, especially the disadvantaged, fully benefit from the use of digital technologies.

It was also acknowledged in the Plan, that it will be a challenge to ensure that rural, as well as urban, communities continue to benefit from innovations in service delivery. Rural areas in Wales for example are quoted as areas that suffer from poorer quality of broadband access than in many other parts of the UK, with lower than average speeds or sometimes no access at all.

As a global mobile communications provider, Vodafone is interested in this debate because:

— We are providing a mobile internet; everything that is available online is now just as accessible via a mobile device, be it a BlackBerry™, a phone or a PC using our network.
— According to recent Ofcom figures, mobile has become nearly ubiquitous with 84% of people aged eight or over having access to a mobile phone.
— Mobile has already delivered huge benefits to citizens, consumers and society in terms of the speed at which we can now communicate.
— Wireless broadband networks have the potential to complement fixed alternatives in terms of cost, speed, coverage and reliability so where it is practical and profitable to roll out, mobile broadband services delivered via a radio network could be part of the overall solution to providing Welsh communities with access to broadband services.
— Because mobile phones and mobile devices are widely used in society, citizens could potentially feel more confident accessing services via a mobile phone rather than via a laptop or PC.
— Because the majority of people already own a mobile phone, accessing online services via a mobile phone may be a more affordable option to deliver online services, especially to lower income groups, who perhaps could not afford a laptop, PC or monthly broadband connection fee.

Vodafone is therefore pleased to be invited to take part in the Welsh discussions concerning the digital inclusion debate.

(ii). The role, responsibilities and actions of the Government, the Welsh Assembly Government and local government in promoting digital inclusion, especially with regard to (a) education and young people; (b) access to services; and (c) availability and access for hard-to-reach groups.

We welcome the Government, the Welsh Assembly and local government’s recognition that there are different roles and responsibilities in this debate and believe it is in everyone’s interest to share information and encourage a co-ordinated approach across the public and private sector.

In our experience any promotion needs to involve raising general awareness amongst all, as well as education and training of individuals and specific user groups. We also agree with the current thinking that any promotion should consider how digital services can benefit the individual, with the theory being, if people see a personal benefit from using digital or online services eg saving time and money, they may be more inclined to use it or purchase the tools to use it.

We also think the point about promoting digital inclusion goes wider than just the hard to reach groups with ongoing education and training being needed for all user groups to help people keep up with the pace of change with online and mobile technologies.

We have provided some examples of our activity relating to points a, b and c but these are simply intended to give the Committee a flavour of our activity in this area, rather than suggest how digital inclusion should specifically be promoted in Wales.

(a). education and young people

Although Vodafone is not an expert in this field we have supported a number of initiatives to help educate and inform young people about the benefits of technology, not only in social terms, but also in terms of future jobs and careers. This includes our work with e-skills around the IT Diploma and our work with the Wellcome Trust around Project Enthuse. Most of this works centres on narrowing the skills gap and although it was initially intended to encourage young people to follow creative industry and IT related careers, the skills associated with IT are now appropriate for any discipline and are a key factor in seeking and getting employment.
Project Enthuse is particularly interesting because it is helping teachers develop their knowledge and skills about how to teach science and ICT related subjects by getting the latest information and advice from industry about the advances in technology. Interestingly it is one of the projects that have recognised a real training need—helping teachers keep up with advances in technology—so that they are not creating or being caught up in a digital divide.

More broadly, we are developing information sources for teachers and families to help keep them informed. This is because parents and teachers have told us they know less than their children about mobiles and online services, as children adopt and adapt to technology easier, and with less fear than the older generation.

We have developed a booklet called “Staying in Touch—a Parents Guide” available in hard copy and online at http://www.vodafone.com/start/responsibility_uk/customers/content_control.html and, working jointly with other ICT companies, a web site resource called Teachtoday which lists information and advice http://www.teachtoday.eu/.

We also work hard to try and address industry related issues such as cyberbullying and mobile phone theft. We were particularly proud of our award winning campaign on cyberbullying which we developed in partnership with Bliss and Beatbullying last year and which we are running again this year with Beatbullying and Joseph and the Amazing Technicolour Dreamcoat.

Raising awareness, information sharing, and openness and discussion are central to managing this element of the debate and we believe providing the framework for a coordinated approach, to policy formulation, education, training and funding is a key role for national and local government. Better still, if this involves a mechanism to coordinate public and private sector spending in these important areas, effort is not duplicated and/or wasted.

(b). access to services

Vodafone acknowledges that having access to services is a key part of this debate, both in terms of direct access to devices, for example computers, mobile phones and PDAs and in terms of indirect access to information and services, for example online public services. However there is also a third element to the access debate—digital infrastructure and markets.

The interim report on Digital Britain describes the latest position on direct and indirect access and highlights some of the challenges we face. Like the Ofcom “Mobile Citizens, Mobile Consumers” report before it, it identifies that there are some challenges that are specific to the Nations and Regions including Wales.

Providing coverage in areas of mountainous and hilly terrain can for example incur higher costs for operators than in other areas. If population densities in these challenging environments are also low (and as a result there is a low demand to make and receive calls) then it may not be commercially viable to invest.

Similarly if there is resistance to the deployment of radio base station infrastructure in Wales or local authority moratoria or planning policy is considered restrictive, this can also act as a disincentive to invest.

Vodafone therefore welcomes the Government’s intention to try and address access related issues, including looking at constructive solutions to spectrum and universal service obligation, so as to create the right market conditions to invest.

Vodafone will continue to engage with Government on this important debate.

(c). availability and access for hard-to-reach groups

Vodafone recognises that as a global brand it has a responsibility to try and access “hard to reach” groups but that as a commercial business this is not always an easy task. However as the Digital Inclusion Action Plan suggests, pay as you go tariffs, such as our “pay as you talk” offering, do offer a service for lower income groups, generally because the payment terms fit better with their lifestyles and their need to have flexible payment without a contract.

As a result, we have not seen as much of a digital divide for mobile as we have perhaps seen in the fixed line businesses, which may be relevant in terms of access and availability of services for lower income groups.

More broadly, as part of the Vodafone Group, we have conducted extensive research into the potential of mobile technology to improve people’s lives through our socio-economic impact (SIM) project. Extending access to communications in emerging markets offers the single greatest opportunity for Vodafone to make a strong contribution to society so this forms a core part of our Vodafone Group corporate responsibility strategy. In summary there are two key elements to this strategy;

— Bridging the digital divide by improving access for disadvantaged groups, particularly in emerging markets.

— Reducing preventable exclusion through accessible features and services for disabled and elderly people, and other customers who find it difficult to use mobile phones.
Essentially we want to find ways to make mobile phones easier to use, particularly for customers who are elderly, deaf, hard of hearing, blind, visually impaired or have other disabilities. We call this accessibility. Accessibility is usually associated with disability, but difficulty using devices such as mobile phones is more widespread. Our research on reducing preventable exclusion suggests that at least 9% of the EU adult population is excluded from using mobile phones. Vodafone therefore views this as both a social and commercial challenge.

As a result we offer specialised products and services to increase access to communications for customers who are blind or visually impaired such as text-to-speech software enabling blind people to listen to text messages and for deaf or hard of hearing, push-to-talk technology enabling deaf people to communicate in real time on their mobile phones.

We also recognise that many people who do not have a serious disability still have difficulty using the full functionality of a mobile phone, handling a handset, pressing keys to operate and reading the screen. This difficulty is growing as phones become smaller and more complex, and can lead to frustration, so we have commissioned research on how to make mobile phones easier to use through inclusive handset design and simpler operating menus. It is worth bearing in mind however, that producing completely separate devices for these groups is not always what they desire. Feedback we have received suggests, especially for disabled users, that having a specially designed phone rather than a mainstream product makes them feel more excluded from society.

We have also conducted research into the use of mobile to improve the efficiency of healthcare services. In some countries we offer a range of other products and services that use mobile technology to bring social benefits for customers who are elderly or have special healthcare needs.

For example, our social alarms enable greater independence for the elderly or infirm by connecting them to professional, medical or security help at the touch of a button and our personal medical phones have built-in equipment to monitor medical conditions such as diabetes.

In addition to our own research and product development, we engage with regulators to develop policy that will improve access to communications services for people with disabilities. For example, Vodafone is engaging with the European Commission on emergency services access for deaf and disabled customers. We are also participating in the Commission’s e-inclusion initiative to develop an accessible communications service that would be compatible with existing technology across all media.

However while we believe that mobile phones bring many positive benefits for citizens, and that the use and application of mobile services, particularly within the public sector, is likely to continue to benefit citizens in the future, we would question whether online services should be considered a precondition of effective citizen engagement in every case.

In our view it is likely that a suite of communication tools including face to face and online will need to exist to account for differing citizen needs because not all citizens will want or will be able to use mobile devices (particularly the old and infirm who are often the ones most in need of public services). It is therefore our view that mobile communication should support rather than seek to replace existing, well established citizen engagement channels. That said we are excited about the possibility of improving these services especially in the areas of education and health.

Finally in this section, the Committee may be interested in the work of the Vodafone Foundation, which is a registered charity, partnering and working with specialist organisations that have access to some of these harder to reach groups.

In the UK, the Vodafone Foundation focuses on helping 16–25 year-olds facing exclusion from society, whether reaching a cross road in their lives, struggling with emotional well-being or having difficulty accessing the information that they need. It is committed to creating sustainable change and working collaboratively with its charity partners providing a range of resources in addition to financial support wherever possible. It also supports young people in local communities where Vodafone has significant physical presence, and Vodafone employees who are involved in community activities.

Reach is the Foundation’s UK three year £5 million funding initiative, which aims to encourage charities to work together in collaboration to empower and equip all young people to make informed life choices about their work, study and training.
The collaboration of the selected four charities is led by YouthNet, in partnership with Rathbone, The Foyer Federation and Skill. They are sharing the £5 million funding across three years, for projects helping 16–25 year-olds facing social exclusion.

The interesting question for Wales is whether access to online services/mobile communication helps people feel less socially excluded, and if so, what public money might be available to support the provision of technology to lower income and other hard to reach groups. One could argue that as the market is already delivering access to other user groups, providing access and services for the hard to reach groups is where public spending could be best applied.
(iii). The adequacy of technological infrastructure provision throughout Wales (including Broadband, wireless, mobile, digital TV and digital radio);

Vodafone has made a significant contribution to technology and communications infrastructure in Wales in the past 20 years by investing in mobile network infrastructure, particularly in those areas of heaviest population, including the main urban centres of Cardiff, Swansea, Neath-Port Talbot and Bridgend.

A wide variety of services are now provided through the mobile networks in Wales—voice and data (including SMS and MMS) provision through the second generation (2G) networks, to larger data transfer, including mobile broadband, through the third generation (3G) networks.

According to data available on the Welsh Assembly web site the overarching infrastructure strategy to date in Wales has been to provide fixed line broadband access. However, Ofcom recently reported in their “Mobile Citizen, Mobile Consumers” consultation that evidence about the rapid take-up of mobile broadband services is striking. We therefore believe that mobile broadband, where practical and profitable to roll out, should also be considered as part of the overall solution.

As described above there are many factors which contribute to the availability of mobile network coverage across Wales including licence requirements, population density, topography and availability of potential mobile base station sites as well as the ability of the operators (or their planning agents) to obtain planning permission to build new sites.

More broadly spectrum allocation and universal service obligation are also factors that the authorities will need to have further discussions about.

(iv). The extent of digital exclusion (through lack of access, skills and/or motivation) throughout Wales compared to the regions of England, other nations in the UK and abroad;

Vodafone is not best placed to talk about the extent of digital exclusion throughout Wales compared to the regions of England, but would make two general points about acceptance of services.

Point one is about radio base stations and the basic infrastructure that needs to be deployed. We have seen quite a lot of resistance to operators placing radio base stations in Welsh communities compared to other regions in the UK, with people concerned largely about mobile technology and health. With limited funds for investment available throughout the UK, the likelihood of protracted planning processes and appeals could act as a disincentive to invest in Wales when communities elsewhere welcome the improved service. There may be a role for the Welsh Government here in terms of providing the latest information and advice.

Point two relates to access. Due to the topography and geography of Wales it is not always possible, let alone cost effective to deploy network infrastructure. Therefore a question for the Committee is what public money or incentives might be available to support the provision of technology to these geographically hard to reach areas.

(v). The ways in which commercial and non-governmental organisations contribute to digital inclusion in Wales, and the opportunities available;

A response to this point was given in the Mobile Operators Association submission.

(vi). The risks to citizens (in particular children and young people), businesses and the economy of Wales associated with the use of technology (including internet crime).

(a). Children and technology

Our customers are able to use features and services on their mobile phones that we would not have dreamt of a few years ago. Beyond the accepted text and picture messaging, there is now email, downloadable games, music, video clips, browsing the internet and interactive social networking sites.

Today, in the UK, Ofcom data shows that the average age a mobile phone is first acquired, is just eight years old and we know from social networking sites like Bebo that children are accessing these services at home, on the move, and when in school.

At Vodafone we acknowledge this presents a number of challenges for society. Our customers expect us and trust us to have a responsible approach to children’s use of technology, so we have focused our efforts in this area to help build that trust. In response we have done a number of things.

In 2004 we developed the joint industry self regulatory Content Code to ensure there are recognised standards for the types of content that can be freely accessed from a mobile in the UK, http://www.mobilebroadbandgroup.com/content-code.pdf

We have also invested millions of pounds to prevent illegal content being accessed over our network, and prevent, amongst other things, adult content and unmoderated chat rooms from being accessed by children in line with the guidance from the Internet Watch Foundation (IWF).
However self regulation and preventing illegal activity are only the start, and whilst these are good measures that we are proud of and that are needed to protect children, many of the questions now posed are about the behaviours of safe and sensible use. Some of our initiatives in this area include:

— Vodafone works with the relevant authorities in relation to illegal content and abuse online. These include CEOP, (the Child Exploitation and Online Protection centre) and the IWF.

— Vodafone helped co-ordinate and lead the Home Office Taskforce on Child Protection with the resultant Social Networking Guidelines.

— Vodafone is represented on the Executive Board of the UK Council for Child Internet Safety, set up by Government following Tanya Byron’s work and report last year.

— Vodafone led an award winning UK initiative to reduce bullying among 13 to 17-year-olds with the charity Beatbullying and Bliss last year and this year, Vodafone is running a similar initiative with Beatbullying and the West End musical Joseph and The Amazing Technicolour Dreamcoat.

— Vodafone has developed responsible marketing, content and use guidelines including advice to combat malicious mobile phone use.

— Partnering with organisations like the Family and Parenting Institute, Vodafone has also produced advice for parents about how children use mobile phones.

— Vodafone has carried out a number of education and advice initiatives as described in section ii) a) above.

— Vodafone continues to produce online advice and guidance on www.vodafone.com

We believe it is as important that everyone is well informed about these issues and that in our communities we have open and ongoing dialogue with our children. Technology is here to stay so responsible use of technology needs to be embedded in the safety messages we teach children from an early age, like crossing the road, and this needs to be done with a coordinated approach. We therefore believe that raising awareness, information sharing, openness and discussion are central to managing the issues associated with this debate and that national and local government should play its part.

(b). Business and the economy

For businesses and the economy the introduction of technology has bought benefits and concerns. Apart from the obvious concerns of ongoing training and development of staff and any costs associated with buying equipment and tariffs, some have concerns about security and data privacy.

However it is widely acknowledged that businesses have benefitted enormously from adopting mobile telecommunications and many now value mobile as a vital tool for keeping in touch both in the office and on the move.

Vodafone continues to work hard in this area to constantly evaluate and update tariffs, provide consultative advice and support where it is needed and look to technical solutions for improved data security and privacy issues.

More broadly, it is helping small and large business customers deliver real cost and efficiency savings by using technology more effectively, which is important in these economic times.

We have extended our reach into the office by delivering richer business applications and integrated fixed and mobile services, such as higher speed internet access. With developments in technology we can provide integrated mobile and PC offerings to give our customers a consistent experience whether they are at home or on the move, saving them travelling time.

Mobile technology can also play an important role in our wider economy for example in responding to disaster situations—we support emergency telecommunications in the aftermath of disasters through our Foundations—and in addition to the social and economic value of our mobile services, our business makes a direct contribution to the global economy through the wealth we generate and the jobs we sustain directly and among our suppliers.

Summary

In summary, Vodafone is pleased to have the opportunity to respond to the call for submissions to the Welsh Affairs Committee’s inquiry on digital inclusion in Wales.

We welcome the Government, the Welsh Assembly and local government’s recognition that there are different roles and responsibilities in this debate and believe it is in everyone’s interest to share information and encourage a coordinated approach across the public and private sector.

Mobile has already delivered huge benefits to citizens, consumers and society in terms of the speed at which we can communicate.

Wireless broadband networks have the potential to complement fixed alternatives in terms of cost, speed, coverage and reliability so where it is practical and profitable to roll out, mobile broadband services delivered via a radio network, could be part of the overall solution to providing Welsh communities with access to broadband services.
However there are challenges that exist so Vodafone welcomes the Government’s, the Welsh Assembly and local government’s intention to try and address access related issues, including looking at constructive solutions to spectrum and universal service obligation, so as to create the right market conditions to invest.

18 February 2009

Supplementary memorandum submitted by Vodafone

Further to Vodafone’s oral evidence session on 17 March 2009, I agreed to provide additional information to assist the committee’s inquiry.

Q120 (Alun Michael): Do you do segmentation studies on your market and is there any indication of the way that your market or customer base has changed in Wales over the last few years?

Our market research is not segmented into specific regions so we do not have any data to assess whether our customer base has changed in Wales over the last few years.

Q143 Albert Owen: The irony is that I got a mobile phone call from Ayers Rock in the Outback of Australia and I live on the outskirts of a fairly substantial town and I do not get it, they made the connection. That is stark and we are not just talking to Vodafone we are talking to all the providers to buck up.

Since the committee hearing on 17 March Vodafone has announced a network share agreement with O2. The agreement is intended to significantly reduce network running costs and enable us to build new base stations on a joint basis. The details of this agreement are now being considered. The first phase of this is to assess our existing plans and to determine whether we can share sites to maximise our coverage. The second phase will be to look at rolling out new base stations. As part of that work, coverage in and around Holyhead will be considered and I will update the committee once this process has been completed.

Q146 Hywel Williams: You said earlier on that it is 1% of the population that is not reached; just a simple question, have you or has anyone actually figured out how much it is going to cost, the marginal cost, of getting the extra 1%, either on a Wales basis or on a UK basis?

In addition to the cost there would still be some areas that it is not technically possible to cover because of challenges associated with the terrain and environment.

Q156 Albert Owen: A final point. You touched on data sharing, and an issue that has been in the news very recently is people who buy mobile phones in particular finding out that they have got insurance companies getting in touch with them almost immediately and stinging them for high prices. Of course they are vulnerable at that time due to the fact that they have purchased something and they feel the need to insure it to the maximum value. Is there something that can be done by operators to alleviate that problem—particularly for younger people who are maybe buying their first mobile phone—of being told immediately? In this case from what I understand credit card details were given but they did not have much of a cooling-off period; they purchased it and then other companies were just harassing them to get insurance straightaway.

It would appear that the calls referred to in this particular example are cold calls by companies that have picked a number range and called without having details of the caller unless and until the caller provides it. I would like to reassure the committee that Vodafone would not hand over details of its customers to third parties selling insurance.

May 2009

Memorandum submitted by the Welsh Assembly Government

1. **The Challenge**

People’s lives are being transformed by their engagement with information technologies. It is the single most dramatic change in society in recent decades. Countless areas of people’s lives and work, including shopping, communications, and accessing services, benefit from using e-mail, the web, mobile phones and digital media.

The Welsh Assembly Government tracked consumer take-up of broadband between spring 2004 and spring 2008. The research described a sharp increase in broadband take-up during that period, from 15% in 2004 to 58% in 2008. The research also forecast that a further 5% of respondents would be likely to get broadband by spring 2009.
The Living in Wales Survey for 2007 indicates that:

- 84% of those households with Internet access had access via a broadband connection, compared with 28% in 2004.
- 91% of people aged 10 to 15 accessed the Internet “on most days” in 2007 compared with only 22% of people aged 60 and over.
- 78% of respondents in “non-working age households” and 48% of “workless households” had never accessed the Internet in 2007.
- Only 5% of people aged 10 to 19 had never accessed the Internet in 2007.

While the evidence base was limited, the Welsh Consumer Council report “Consumers and ICT in Wales” (October 2007) identified that people in social classes A and B (82%) were almost twice as likely (43%) to access the internet as social classes D and E. Only 21% of those 65 and over use Information and Communications Technology (ICT), compared with 75% for people aged 25–34. The report says that as internet use becomes integral to our lives, non-users are at a distinct disadvantage. It also points out that important public service information is increasingly accessed on line. A digital divide is emerging, with people living in less well-off areas, older persons, or those from social classes D and E, being more likely to be digitally excluded. If you fit all three categories you are facing a triple disadvantage. The transformational impact of technological change, and the pace of that change, is bringing about a situation where life chances will be impaired for the digitally excluded, just as they are for those who are illiterate or innumerate.

Oxis is currently undertaking research to establish the causal relationship between digital and social inclusion/exclusion, as it is considered that not only does income drive internet use, but internet use could also drive income. This is significant as, when more people and their activity moves online, people offline become further economically excluded. Evidence presented at the European Ministers Conference in Vienna in December 2008 reinforces this. It indicated, for example, that males aged 50–64 with ICT skills have 20% greater chance of employment, and that males with lower educational attainment or high school diplomas, with digital skills, get a 5–6% wage differential over those without digital skills.

The penetration of technologies into society varies considerably. While the market for mobile phones has penetrated into all sections of society, this is not the case for all technologies, such as fixed-line broadband. There is a strong body of evidence that the market is failing to engage particular sectors of the population including older people; those in the more deprived communities; people from the lower social classes, or vulnerable and marginalised groups.

2. THE APPROACH OF THE WELSH ASSEMBLY GOVERNMENT

Across the Welsh Assembly Government, digital inclusion is a major objective for policy direction and strategy. While Departments are addressing the social and technological barriers that underpin digital exclusion in their respective portfolio areas, actions are being pulled together across government as a whole and inter-governmentally, to engage excluded groups and individuals, to provide better access to services, and improve infrastructure.

The Department of Social Justice and Local Government leads on addressing digital exclusion in communities, especially in deprived areas, through schemes such as Communities@One. A Digital Inclusion Unit has been established, to take forward policy development, to co-ordinate and mainstream digital inclusion activity within the Welsh Assembly Government, as well as oversee the delivery of grassroots digital inclusion work.

The Department of Children, Education, Lifelong Learning and Skills has responsibility for pre school, schools, post 16, skills, careers, youth service, and youth offending. Its ICT/e-learning strategies have objectives to transform teaching and learning for all and businesses in Wales.

The Department of Economy and Transport is taking forward a number of key policy areas including telecoms infrastructure, broadband & mobile; e-business; e-crime; regeneration and transport.

The Department of Heritage, which covers Welsh Museums, Libraries and Archives, Historic Environment, Welsh Language, Tourism and Marketing, has major initiatives in both the development of physical access to services and the development of digital resources which can be accessed by everyone.

The Department for Finance and Public Service Delivery addresses ICT interventions that are likely to make most difference to citizens in ease and simplicity of accessing public services

The Department for Rural Affairs considers digital inclusion to be a key part of the work of “rural proofing” of Assembly Government policies and programmes. Access to high quality ICT provision is essential to address the problems caused by poor access to a wide range of services.

The Department of Health and Social Services engages with digital inclusion in a range of ways from helping older people become digitally included to Telecare Services to control the risks of living at home.

The Department for Environment Sustainability and Housing addresses digital inclusion as part of its own social inclusion agenda, and because it supports a low carbon economy.
3. **Responses to the Select Committee’s Issues**

We set out below our specific responses to the six issues raised by the Select Committee. We have added one additional area, namely digital content, since the Welsh Assembly Government believes that the availability of attractive content is an important element in encouraging people to access digital services.

(a). **Relations with UK Government on digital inclusion. UK Government, regulatory frameworks and USOs**

Good relations exist with the UK Government. A strong collaborative relationship has developed with the UK Government, initially with Stephen Timms, and more recently with Paul Murphy, since he became Minister for Digital Inclusion in the UK Cabinet. Regular meetings are being held at Ministerial and official level, where opportunities for collaboration are being explored.

The Welsh Assembly Government has been represented within the UK Government delegation at Ministerial level, at European Ministerial conferences on digital inclusion in Lisbon in 2007 and Vienna in 2008.

A good relationship also exists with the European Commission, as reflected in the invitation that a Welsh Minister chair the “Regions” session at the European Ministerial conference in December 2008, as a recognition of the quality of the work being undertaken in Wales. EU respect for work being taken forward in Wales was also reflected in a Welsh Assembly Government official being invited to address a Europe—wide event where the Commission was promoting its own digital inclusion activity.

The Welsh Assembly Government is working with the Department for Business, Enterprise and Regulatory Reform, BERR, and the Office of Communications, Ofcom, to share information on communications infrastructure issues, understand barriers to investment, including regulatory, planning and economic issues, and inform policy making in this area. A key strand of current work is focussed on establishing mechanisms for engagement on the Digital Britain work being taken forward by Stephen Carter which covers areas of work relating to digital inclusion, notably the universality of converged communications services and regulatory/policy challenges relating to next generation broadband.

(b). **The policies, strategies and actions of the Welsh Assembly Government in promoting digital inclusion especially with regard to (i) education and young people (ii) access to services and (iii) availability and access for hard to reach groups**

(i). **education and young people**

One main focus since devolution has been on developing access to ICT facilities in education institutions, where all learners can benefit. This emphasises the role that technology can play to support teaching and learning. We have agreed benchmarks with local authorities for the level of ICT provision and connectivity which all schools should have and provided appropriate funding since devolution to help achieve this. We have also funded support to FE colleges, adult community learning providers and work based learning providers to enable them to understand how technology can have a positive impact on learning and learner management. We have funded the development of the Wales Videoconferencing Network and established the WVN Support Centre in partnership with HEFCW.

**Schools**

The report from the independent Schools ICT Strategy Working Group was published in April 2008 and made recommendations for transforming learning through the effective use of technology. Work is already in hand on a number of the working group recommendations including learners’ entitlement to ICT; development and use of learning platforms; pedagogy; sustainable funding; integrating schools ICT into a strategy for all-age e-learning.

The Welsh Assembly Government has invested over £130 million since 1998–99 in order to improve ICT provision and the use of ICT in schools. This included funding to ensure that all schools in Wales were connected to the Internet by 2002, subsequent investment in the broadband Lifelong Learning Network and ICT suites for all secondary schools. We were also the first government in the UK to make a major investment in interactive whiteboard technology for schools, allocating £9.8 million in 2001–02 as part of the Cymru Ar-lein initiative in order to provide every primary and special school in Wales with at least one whiteboard “package”—comprising a whiteboard, data projector, and PC—and at least three whiteboard packages for every secondary school. This was followed by an additional £1 million in 2002–03 in order to support teacher training and the development by NGfL Cymru of curriculum resources specifically for use with whiteboards. The use of interactive whiteboards has been a significant feature of improved teaching and learning with ICT in schools in Wales.
**Digilabs**

In 2004, Canllaw Online launched the Credu Project and, along with technical partners Fujitsu Services, established a network of over 100 Digilabs across Wales. Digilabs were kitted out with the latest in hardware and software and Digilab facilitators were at hand to offer support, advice and guidance.

Over 45,000 young people have been through the doors of Credu Digilabs and have been positively engaged in ICT initiatives and projects, gaining skills that will aid them in the digital era. Over 400 young people have successfully gained employment through their engagement with their local Digilab. Some used the Digilab to create their CV, some found and applied for work using the internet, some used the lab to generate business cards and promotional flyers for their new business.

**One Wales Laptop commitment**

The One Wales agreement includes a commitment to pilot the provision of laptops for children. The published Assembly Government budget includes £300,000 for this project in 2009–10 and £400,000 in 2010–11. We are currently finalising detailed proposals for the project, which will have a clear focus on helping disadvantaged children and promoting inclusion.

**Post-16**

We have focused upon ensuring that all learners within Wales have access to ICT facilities at institutions to assist with their learning and have supported JISC. JISC is a partnership of all the Further and Higher education funding bodies in the United Kingdom. JISC’s aim is to provide vision and leadership on the innovative application and use of ICT for teaching and learning.

**Post 16: JISC Regional Support Centre Wales (RSC)**

The Welsh Assembly Government funds this service which supports all post 16 providers of learning including community and voluntary sector providers of learning as well as offender learning. The RSC worked to support Communities@One initiatives as appropriate, and continue to work with community and voluntary sector learning, inevitably working to encourage digital inclusion.

The RSC provides technical and pedagogical support to encourage the effective use of technology by all 16 providers of learning. Support is provided for: classroom delivery, learning resource centre or library staff; infrastructure developments; assessment; issues of interoperability and raising awareness of available technology, and how it can be used to support learning. Staff employed will have specific skill sets to engage meaningfully with deliverers. For example a member of staff working with community learning groups will be able to engage with a colleague whose expertise is concerned with effective use of learning resources, to provide the most appropriate technology solution for a specific situation. All staff have expertise on the need for inclusive access and inclusive learning.

**Broadband Access**

Although there are no plans to introduce a broadband vouchers scheme along the lines of the Home Access initiative in England, we are also in discussion with the British Educational Communications and Technology Agency (Becta) regarding how learners in Wales might benefit from their work with suppliers to deliver a low cost broadband package.

**Interactive Resources**

The creation of on line resources to deliver Participation training in the form of interactive games. The game will be linked to Personal and Social Education (PSE) and will be a downloadable resource for young people involved in formal and non formal education.

**Student Finance Wales**

Currently between 20 to 25% of applicants apply online for Student Finance Wales products and plans to advertise its online service for the first time from the academic year 2009–10, using email advertising via UCAS.com

**14–19 Learning Pathways**

The Welsh Assembly Government has developed with Careers Wales On Line (CWOL) a local curriculum which will enable schools/colleges to enter on line all the courses young people will be able to access at Key Stage 4—work is also underway at Key Stage 5. Young people will then be able to access this information on line and subsequently choose their options on line.

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138 : RSC http://www.rsc-wales.ac.uk/
Funky Dragon

Funky Dragon, the Children and Young People’s Assembly for Wales, is a peer-led organisation who aim to give 0–25 year olds the opportunity to get their voices heard on issues that affect them. Their main tasks are to make sure that the views of children and young people are heard, particularly by the Welsh Assembly Government, and to support participation in decision-making at national level. They have a very interactive and young person friendly website (www.funkydragon.org) which provides information for young people on issues that affect their lives. It includes sections on participation, events, news and links to other external organisations. There is also a magazine section and a your say discussion forum where young people can discuss WAG related or Funky Dragon/young people issues. The website is very popular with young people and heavily used by those who have access to the Internet. In 2008 the website was getting around 10,000 individual users every month (in terms of “hits” they were getting around 360,000 hits per month). They also have a Funky Dragon Junior site (www.funkydragonjunior.co.uk) which is aimed at children under 11. This was launched in December 2008.

(ii). Access to Services

Citizens First

The European Inclusive e-Government agenda—agreed at Riga, Latvia in 2006—is to promote and ensure accessibility to all public web sites by 2010 through the design and delivery of key public services in a user centric and inclusive way using access channels. Citizen First team has continued to explore key ICT interventions that are likely to make the most difference to citizens by making it easier and simpler to access information and services. For example through:

— The Web Development Project has undertaken a feasibility study to identify any inconsistencies which currently exist in the quality and availability of local authority web sites and web based services in Wales. One of the report recommendations, which is currently being implemented is a two year trial across all Welsh Local Authorities of a “Website Take-up Service”, which will enable local authorities to identify, collect and analyse website statistics on take-up and satisfaction.

— The web work is to be complimented by the Access Channel baseline study, with the aim of working towards having an access channel strategy for each Welsh local authority.

— The Citizen Account Project is currently testing an on-line authenticated single registration process for citizens (and businesses) of Wales to access their individual information. Each of the three pilot authorities (Cardiff, Blaenau Gwent and Wrexham) are currently testing the service with staff. A further access channel currently being supported is the Digital Television Pilot to provide Heads of the Valleys residents with wider access to local authority and partner services through Digital Television.

— ICT Support for Visually Impaired People is a high priority for Citizen First Wales and we are supporting a project which is undertaking a review of the suitability of ICT requirements for people with visual impairment and providing suitable advice and support to this group.

Customer Service and Citizen Engagement

In February 2008, the Management Board of the Assembly Government established a Customer Service Improvement Programme. The Programme’s vision is to create a better Welsh Assembly Government, working for the people of Wales, by enabling it to be more citizen-centred in its work and by improvements in its customer service levels. The Programme’s work will impact on digital inclusion in a range of ways including improving the technical infrastructure and functionality of the Welsh Assembly Government’s digital offering and improving consultation, engagement and feedback mechanisms with communities and citizens so that services can be improved based on a better understanding of the recipients of our services.

We are continuing to develop and strengthen the Assembly Government’s first point of contact service to improve the level of enquiries successfully handled at first contact and encourage self-service where possible—offering a consistency of response and service level across the digital and non-digital channels (for example offering customers a choice of electronic or paper copies of official publications)

A development fund will be used to support local initiatives on WAG for the purposes of developing e-government methods for contacting, engaging with, or responding to customers.

(iii). availability and access for hard to reach groups

There is a wide range of Assembly Government initiatives, aside from the Citizen’s First initiative referred to above:

Communities @ One

The Welsh Assembly Government’s Communities @One initiative has been designed specifically to address the barriers that underpin digital exclusion. It has taken into account what had worked, and had not worked, in small scale digital inclusion projects elsewhere, and how successful grant programmes had operated, including internationally. The initiative has been administered by the Wales Co-operative Centre,
Welsh Affairs Committee: Evidence

on behalf of the Welsh Assembly Government, supported by structural funds. 214 individual grassroots projects have been supported, ranging from £200 to over £200,000. These cover a wide range of hard to reach groups, for example:

— RNIB Cymru delivered training to more than 70 community-based IT providers, to make them more aware of how they can increase their provision of accessible IT and why they should be doing so. This was done through Digi Champions.

— The Mentoring For All (MENFA) project helped people in the multi-cultural area of Butetown in Cardiff, to engage with ICT to develop their work-related and social skills. Thirteen different ethnic origins were worked with.

— The River Dee Community Church engaged with hard to reach members of the community who found ICT training provisions intimidating and difficult to access. Some were referred to Deeside College.

— Rhondda Cynon Taf Community Radio engaged local residents with ICT through the medium of radio. 80 volunteers from a range of backgrounds initially engaged with ICT through informal learning on topics including radio presenting, studio maintenance, radio news and interview techniques

— The Yule College “Likely Stories” project engaged with members of Wrexham and enabled them to produce short films on a subject matter directly relevant to their lives and experiences. The project addressed key social issues. Over 40 digital stories were produced covering a range of issues from mental health to local regeneration.

— The Age Concern Go for it Project introduced digital technology to older people in areas of Neath Port Talbot by delivering taster sessions and personalised courses to specific groups who needed it.

The European Commission has described Communities @One as being at the forefront of European thinking and activity and the initiative was chosen as “Editor’s Choice” for good practice on the European Commission’s e-inclusion website in July 2008, and was given a European Commission digital inclusion award at the European Minister’s conference in December 2008. From April 2009 a new strategic digital inclusion initiative, Communities 2.0, will be established. It will provide a strategic approach, and run for 6 years to 2015, and will have a budget of £19.9 million.

**Rural Development**

Article 33 of the last Rural Development Plan for Wales 2000-06 funded a number of projects on hard to reach groups. An example is the “Fair Access to ICT Services” project. The aim of this project is to take ICT equipment to users’ homes, sheltered housing communal areas, and via vehicles and also to train and deploy skilled staff and volunteers to support vulnerable and isolated people in accessing ICT facilities. Also, all project applications approved under Axis 3 and Axis 4 LEADER of the Rural Development Plan for Wales 2007–13 had to address ICT as one of 4 cross-cutting themes.

**Children’s First**

Looked-after children have been provided by local authorities with laptops and computers from this fund.

**Telecare**

The Welsh Assembly Government has made £9.2 million available over two years to local authorities to promote the development of the telecare service to help support people and control the risks of living at home.

**Library and museum services**

Effective training and awareness raising has taken place. For example, many libraries have worked with third sector organisations such as Age Concern to encourage take up. CyMAL funded an information literacy handbook developed by Cardiff University for professional staff to develop information literacy strategies. In 2007 Wales implemented the first UK diploma for the application of ICT skills in libraries equating to a NVQ Level 4 qualification. This diploma will ensure that library staff develop the skills needed to implement digital inclusion strategies.

Bodelwyddan Castle received a CYMAL grant to work with disadvantaged teenagers for the Making an Impression Project.

Rhondda, Cynon, Taf County Borough Council identified that there was increasingly a number of migrant workers who had poor English language skills living and working in the area. Through a CyMAL grant, the Library Service developed a partnership with the Department of Work and Pensions and support organisations to provide an information website in sixteen languages.
(c). Technological infrastructure

Broadband Infrastructure

The Welsh Assembly Government recognises that widespread access to affordable, secure broadband is important to businesses and citizens across Wales. This covers both the availability of basic broadband to consumers as well as the issue of competitive high speed broadband for businesses to whom it is an essential business tool of competitiveness. It is important that the telecommunications infrastructure in Wales is able to meet this challenge and thus able to help build a thriving and prosperous Welsh economy. By July 2007 all exchanges in Wales have been DSL-enabled for broadband services.

The Welsh Assembly Government has taken specific action to further access to and take up of broadband. This includes:

- Defining basic broadband as a service providing 512kbps (downstream) and 256kbps (upstream) to the consumer
- Setting up a broadband not-spot registration site to capture the level of broadband availability and assess the level of demand in un-served areas
- Undertaking extensive marketing campaign to drive take-up.

Regional Innovative Broadband Support (RIBS)

The RIBS project is focussed on determining suitable solutions for those areas in Wales that still cannot receive a basic broadband service. In December 2008 it was announced that the project would additionally address several known hotspot clusters at Saundersfoot, Pembrokeshire; Reynalton, Pembrokeshire; Cilcennin, Ceredigion; Bronwydd, Carmarthenshire; Llanpumsaint, Carmarthenshire; and Gwytherin, Conwy. Further positive action to address notspots was also outlined by the Deputy First Minister, involving a Wales-wide procurement to seek a telecommunications provider or consortium to address remaining notspots.

Fibrespeed

Fibrespeed was launched by the Deputy First Minister on 27 November 2008 to stimulate economic growth and encourage enterprise in the region by giving North Wales’ businesses access to the UK’s most modern communications infrastructure. It will also create a vibrant new retail market for service providers, who will be able to sell affordable voice and data services in the region for the first time using Fibrespeed infrastructure.

Fibrespeed is a joint venture between the Welsh Assembly Government, European Regional Development Funds and Geo Networks Ltd. The partners have committed £30 million of investment over 15 years.

Next Generation Broadband

The Welsh Assembly Government is actively contributing to the debate on how and when next generation broadband will be rolled out across the UK in an effort to identify the key issues which will affect the roll-out of next generation broadband services in Wales. The Assembly Government is committed to working with Ofcom, and other stakeholders, in order to achieve the right regulatory framework for Wales and for the UK as a whole.

Public Sector Broadband Aggregation (PSBA) in the Context of Digital Inclusion

The Welsh Assembly Government started its PSBA activity in May 2004 as part of the Broadband Wales Programme (2002—2007). The PSBA Network (www.psba.org.uk) came into operational service during 2008, and will continue to be built and evolved over the seven year life-time of the contract to meet the changing requirements of the Welsh Public Sector. The network is a broadband “Next Generation Network” that employs a range of technologies covering fibre, copper and broadband wireless to provide a resilient secure set of services using the Internet Protocol (IP) to any public sector site in Wales that may require broadband Video, Voice or Data services.

Today the network has approximately 150 fibre based major access sites distributed throughout Wales with bandwidth ranging from 2.5Gbps to 100 Mbps, and major UK interconnection points with the JANET network for academic institution traffic, the UK N3 NHS broadband network, the GCSx (Government Connect Secure Extranet) for Unitary Authorities and the global Internet.

The network over seven years should mean that every Public Sector employee in Wales should be able to exploit advanced Voice, Video and Data services according to the business requirements of their organisation more cost effectively and securely than in the past.

Mobile

Welsh Assembly Government research has identified that 88% of households in Wales have at least one mobile phone. According to figures published by Ofcom in May 2008, basic (or second generation/2G) mobile coverage in Wales is reasonable, with 97% availability of a mobile service from at least one mobile operator. It is worth noting, however, that Ofcom reports Wales as having the second lowest level of
geographic 2G mobile coverage from four providers at 46% of postcode districts (UK average 76%). This is important as it describes limitations in consumer choice and the ability of citizens and businesses to buy a mobile service that will enable end-to-end communication anywhere in Wales. Similarly, Wales also has the lowest geographic coverage of 3G services of all the UK regions at 12%.

(d) Digital content

Availability of attractive content, and access to that, is an important driver of take-up of digital services. A number of Assembly Government initiatives seek to promote this.

Welsh Museums, Archives and Libraries Sector

Digital inclusion is a major objective for policy direction and strategy development for the museums, archives and libraries sector. There are major initiatives in both the development of physical access to services and the development of digital resources which can be accessed by everyone. Efforts in the last ten years have focused on addressing the barriers which prevent access for individuals and communities and extending the number of free information services which can be accessed by citizens of all ages. Ensuring that digital public services continue to meet public expectations using up to date technology is a particular challenge.

Museums

Museums are increasingly providing digital access to collections and services, for example, Amgueddfa Cenedlaethol Cymru—National Museum Wales’ Rhagor website. In recent years Welsh museums have significantly increased their use of new technology, both web-based resources and support for creative skills through the creation of CD-ROMs and DVDs by museums users, particularly young people.

Archives

Archives services provide a vast range of interesting and unique sources relating to individuals and to local communities. Welsh archives services are planning Archif Cymru—a virtual archive for Wales which will provide access to resources from the home, the school and the workplace. Currently Welsh archives, libraries and some museums provide free access to Ancestry.com, a commercial service with 4,000 databases, two billion names, census, church, court and immigration records. Family history is a very popular leisure activity for many people and online resources provide opportunities to learn more about local history and improve ICT skills.

Libraries

The People’s Network programme between 1997 and 2001 upgraded every public library in Wales to provide free Internet services for all library members. All public libraries are linked to the Welsh Assembly Government-funded Public Sector Broadband Network (PSBN) providing a fast broadband connection. Recent developments under the Welsh Assembly Government Libraries for Life programme include extending Internet access via wireless connections at public libraries. As a result, there is a free fast Internet connection in all libraries which will enable visually-impaired users to access the Internet. The capital refurbishment programme for Welsh public libraries provides funding for new ICT community learning facilities.

The National Library of Wales has been at the forefront of digitising content relating to Wales and making it available online free of charge. They have digitised and made available a wide variety of resources including, works of art, photographs, journals and manuscripts via their website and the Digital Mirror section in particular.

People’s History Collection

The People’s History Collection is a significant new development which will provide access to digitised resources from distributed collections all over Wales. A One Wales commitment, partners from the sector are developing online resources which will be directly linked to cultural tourism resources to encourage a broader understanding of Wales’ rich and diverse social history.

Broadcasting

In response to Ofcom’s consultation on the future of Public Service Broadcasting, the Welsh Assembly Government appointed a Broadcasting Advisory Group to look at the implications for Wales. As part of their work the Group also considered issues surrounding digital switchover. There is a widely recognised existing media deficit in Wales whereby Wales continues to be only weakly represented on network TV and radio, while the public in Wales struggle to find news coverage of decisions affecting services to them that are made in Wales. This problem is reinforced by the fact that Wales will have the lowest population coverage of any of the four UK countries for terrestrial digital transmission systems in both radio and television. Penetration of high speed broadband is problematic in many areas and take-up has been slower than elsewhere in the UK.
Due to our difficult topography, “All Wales” Freeview take-up is relatively low because of inadequate digital terrestrial coverage in many areas. Digital switchover will not create “universal” coverage. Homes without line of sight to a transmitter will not be able to receive analogue or digital terrestrial services and will still need to rely on satellite options. The Broadcasting Advisory Group however noted that they had been given to understand by Ofcom that at some point in the future improved compression technology or the reconfiguration of channels on transmitters will deliver additional digital terrestrial capacity. This is a complex technical issue, but its resolution in the public interest will depend on political resolve. They recommend that Government pursues this question with Ofcom in order to ensure that the necessary capacity is gifted, in Wales, for a future English language public service channel.

**Welsh Language**

It is also important to ensure that digital services are available through the medium of Welsh (such as the ability to renew passports online). This would be in line with the Welsh language schemes prepared by public bodies under the Welsh Language Act.

There is room for improvement with regard to performance in this area. The Welsh Language Board has published a valuable document, Bilingual Software Guidelines and Standards, which explain how to design ICT systems (including websites) to ensure equal treatment for different language communities.

Associated issues include the need to train people in Welsh, to gain the skills they need to benefit from digital technology. We also need to monitor the development of e-books and discuss with the Welsh Books Council the prospects with regard to the books they support via the publishing grant.

(e). *The extent of Digital Inclusion in Wales—some comparisons*

The table below shows households with internet access through broadband

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<td>North East</td>
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<tr>
<td>Northern Ireland</td>
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<tr>
<td>England</td>
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<td>GB</td>
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<tr>
<td>UK</td>
<td>n/a</td>
<td>40</td>
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The ONS figures for internet connections in the table below show that, since 2002, Wales has, recently, markedly improved its comparative position in relation to other parts of the UK.

(Note these are internet—not broadband figures—they include dial up)

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<td>Yorkshire and Humber</td>
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<tr>
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<td>London</td>
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<tr>
<td>South East</td>
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<tr>
<td>South West</td>
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<td>69</td>
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<tr>
<td>Wales</td>
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<td>41</td>
<td>54</td>
<td>52</td>
<td>57</td>
<td>67</td>
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</table>

At a European level, Internet penetration is estimated at 48.1% (in 2008), and in the rest of the world as 18.4%.

Within Europe, internet penetration is estimated at in 2008 at:

<table>
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<th>%</th>
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<tbody>
<tr>
<td>Austria</td>
<td>56.7</td>
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<td>Belgium</td>
<td>52.8</td>
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<td>Denmark</td>
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<td>France</td>
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<td>Germany</td>
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<td>Iceland</td>
<td>84.6</td>
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<td>Ireland</td>
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<td>90.1</td>
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<tr>
<td>Norway</td>
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<td>Poland</td>
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<td>Russia</td>
<td>23.2</td>
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<td>Switzerland</td>
<td>69.0</td>
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(f). Examples of commercial and third sector digital inclusion activities in Wales

The Welsh Assembly Government has worked in Partnership and funded digital inclusion activities involving the commercial and third sector, several of which have been referred to in earlier sections. We give some specific examples here.

Communities @ One

The Assembly Government’s Communities @ One initiative (details above) was underpinned by an Advisory group containing representatives of the private, third and statutory sectors. The initiative has funded a range of third sector projects as set out above in section (b) (iii). BBC Wales and BT are represented on the Advisory Group for Communities @ One.

Heads of the Valleys Collaboration

The Welsh Assembly Governments Heads of the Valleys regeneration programme seeks to address enhanced digital inclusion for local people as part of its 15 year holistic regeneration programme for the area. An e-learning strategy group has developed an action plan to help understand the needs of the region and how best to address them to maximise the usage of technology and IT based learning opportunities, and a number of small pilot projects taking place across the region. This work has led to Torfaen CBC leading on a proposal with a major multi-national company to deliver educational improvements in line with their commitment to building schools for the future. Within the Heads of the Valleys region, a wide range of stakeholders are involved in the delivery and development of projects. At the Visitor Centre planned for the General Office development in Ebbw Vale, early discussions are underway with potential content providers for a potential IT driven visitor attraction. Such organisations as the Gwent Records Office, and national television networks, are being approached to help provide the digital content to deliver an unforgettable experience.

Canllaw Online

112 digilabs have been established in collaboration with Fujitsu in 15 local authorities, through Canllaw, supported by structural funds.

BBC

BBC Wales established the Capture Wales/Cipolwg ar Gymru digital storytelling project in 2001, in partnership with Cardiff University. Hundreds of people were worked with across Wales, teaching them new skills and enabling them to tell their story using the new digital tools available to them. There are now at least sixty projects across Wales delivering digital storytelling activity, the majority of which grew one way or another out of the initial work of Capture Wales.
Children in Care/BT

Funding of £798,000 was given on 2006–07 to 22 local authorities to support the education, health and social well-being of looked after children. Some authorities used funding to provide laptops/pc’s for children in care to enable them to improve their educational attainment, or develop vocational and life skills to equip them to gain employment. One authority (Caerphilly) used their allocation to purchase computer equipment and internet access for LAC and have secured matched funding from BT for the internet connection.

Microsoft and Bwrdd yr Iaith

The Welsh Language Board (WLB) and Microsoft, working in partnership, have produced freely available Welsh Language Interface Packs for Windows Vista and Office 2007 (all work funded by Microsoft, project managed by the WLB, with translation services provided by Caernarfon based Cymen translation). These packs enable a bi-lingual computing experience for Welsh speakers. The packs are being rolled out across the WAG estate as part of the IT transformation programme.

(g). Addressing Risks

The opportunities provided by technologies also bring with them risks, for example with children and young people and businesses. The Welsh Assembly Government has been working to make citizens and businesses aware of the risks. Examples are below:

On Line Safety

When designing Communities @One, the Assembly Government involved Wisekids in the Advisory Group of the initiative so that on line safety was integral. DCELLS are members of the informal Wales Internet Safety Partnership which helped sponsor a recent WISE KIDS conference promoting safe and positive use of the Internet in November 2008, as well as the production and distribution of esafety literature to all schools in Wales—copies are available on the NGfL Cymru website. The Welsh Assembly Government is represented on the UK Council on Child Internet Safety which was launched by the Prime Minister in 2009. We are also planning to take part in the European Safer Internet Day on 10 February 2009.

eCrime

The e-Crime Wales Action Plan, the e-Crime Wales Programme sets out to raise awareness of e-Crime threats to Businesses in Wales, and how to work and interact safely online. The programme helps to protect those that are more vulnerable online through lack of understanding of the Internet and e-Security. It also overcomes the barriers the take up of ICT and business to use the Internet to its full capacity by reducing fear of being online. A series of workshops for businesses took place around Wales in 2008.

eCrime Summit

In June 2008 e-Crime Wales held the fourth Annual e-Crime Wales Summit. The summit was attended by 400 delegates; including Welsh businesses and our counterparts across Europe who were looking to understand more about e-Crime Wales, Internet Security and the simple steps that can be taken to protect their businesses, homes and families from the threats of e-Crime. e-Crime Wales is leading the way in tackling online Crime through its unique and collaborative partnerships and is providing a “template” for many other regions and countries to follow. e-Crime Wales is engaging with many partners to help stimulate similar programmes to develop across Europe, as well as UK Police who are looking at supporting e-Crime Prevention packages in conjunction with the Public Sector.

4. Next Steps

The Welsh Assembly Government is taking this agenda forward on an inter-departmental basis:

— Developing a Digital Inclusion Action Plan for Wales;
— Establishing a Digital Inclusion Network/Alliance for Wales. This will involve the public, private and third voluntary sector and would be Chaired by the responsible Minister/Deputy Minister;
— Establishing a Cross Departmental Officials group on Digital inclusion;
— Ensuring that the quality of data on the digital inclusion issue is improved and available in more depth to help us take appropriate action.
— Taking forward Communities 2.0 (successor to Communities @One) and share and learn from experiences with others in the UK and Europe.
— Maintaining strong relations further with other administrations in the UK and the European Union.

January 2009
Memorandum submitted by the Welsh Language Board

1.1 The Welsh Language Board appreciates the opportunity to respond to this review. The Board’s main functions are to promote and facilitate the use of the Welsh language, and in so doing we aim to ensure that services of a high standard are available to the public in Wales through the medium of Welsh. Service provision is an integral part of digital inclusion, which is defined as follows:

“The best use of digital technology, either directly or indirectly, to improve the lives and life chances of all citizens and the places in which they live.”

The purpose of this response is to ensure that plans for a digital future give appropriate consideration to increasing the opportunities Welsh speakers in Wales have to use their chosen language. This is particularly relevant in terms of service provision. The advice below is presented in accordance with Section 3 of the Welsh Language Act 1993:

The Board will advise persons exercising functions of a public nature on the ways in which e-\textit{Vict} may be given to the principle that, in the conduct of public business and the administration of justice in Wales, the English and Welsh Languages should be treated on a basis of equality.”

The Welsh Language Board

1.2 The Welsh Language Board (the Board) was established as a statutory body by the Welsh Language Act 1993 to promote and facilitate the use of the Welsh language. The Act establishes the principle that in the conduct of public business and the administration of justice in Wales the English and Welsh languages should be treated on the basis that they are equal. The Board has statutory functions and powers to ensure that public bodies draw up language schemes which detail how the above principle will be realised in practice. Welsh language schemes have been agreed with a number of UK Government departments and with the Welsh Assembly Government and they contain commitments to address the needs of Welsh speakers as digital services are planned and provided to the public in Wales. Part of the Board’s work is to ensure that the Government and other service providers act in accordance with these commitments.

The Welsh Affairs Committee requests observations concerning the recommendations of the UK Government Communities and Local Government Department’s consultation document on digital inclusion, specifically in relation to their implementation in Wales. In order to ensure that that Department gives proper consideration to the Welsh language and the needs of Welsh speakers as it undertakes the task of preparing and implementing digital inclusion plans, and other aspects of its work, we trust it will prepare a Welsh language scheme to be presented to the Board in the near future.

The policy context

1.3 The Prime Minister of the United Kingdom states:

“Everyone has a right to expect a first-class service, wherever they live and whatever their background.”

In Wales, high standard service provision is considered dependent on offering services in both Welsh and English, in accordance with the 1993 Welsh Language Act. The principle that both languages should be treated on the basis of equality when providing public services was established by that Act and that principle is relevant to all discussions about the development of digital technology.

The Welsh Assembly Government Action Plan for the Welsh Language, \textit{Iaith Pawb}, draws attention to the close relationship that exists between digital inclusion and social inclusion and aims to:

“… enhance communities, their culture and languages, to promote social inclusion and help combat the digital divide, to raise the status of the Welsh language with respect to ICT (Information and Communication Technology), to support the continued growth of the Welsh language and to help minimise digital exclusion due to language.”

1.4 The consultation document “Delivering Digital Inclusion: An Action Plan for Consultation” supports the above view by identifying that “… there is a strong correlation between digital exclusion and social exclusion”. We ask that the Welsh Assembly Government’s aim of increasing the availability of Welsh language services is given appropriate consideration in plans to reduce social exclusion by means of digital inclusion. This should ensure that digital inclusion plans do not exclude Welsh speakers in Wales on the basis of language.

141 20.8% according to the 2001 Census, compared to 18.7% in 1991.
142 Section 3 of the Welsh Language Act 1993
143 The Prime Minister: “Excellence and Fairness: achieving world class public services” (June 2008)
144 Pages 27, 28—\textit{Iaith Pawb}—Welsh Assembly Government 2003
1.5 The Department for Communities and Local Government’s consultation document differentiates between the benefits of digital inclusion. Firstly, full access to digital technology can empower communities and citizens and secondly, digital technology can be used to improve services. These benefits are discussed below, with the focus mainly being on the development of services that facilitate the use of the Welsh language. We also devote attention to the responsibilities of the various tiers of Government in Wales to ensure that everyone in Wales benefits from the advantages of digital inclusion.

**Empowering citizens and communities**

1.6 The consultation document explains how the lack of availability of digital technology can lead to social exclusion and what the ensuing disadvantages are for individuals and businesses. Of course, these disadvantages are equally relevant to both Welsh speakers and non-Welsh speakers. We are pleased that the Welsh Assembly Government is implementing plans, such as the Regional Innovative Broadband Support Scheme, to improve access to digital technology throughout Wales as they will bring benefits to all who reside in Wales.

1.7 It is essential that opportunities for Welsh speakers and non-Welsh speakers to benefit from digital technology are available within communities across Wales. A wide range of local community initiatives such as CREDU, the Welsh Assembly Government supported digital laboratory network for young people, are already in existence. In addition, web access is available on computers at Welsh local authority libraries and various other locations. Such facilities must offer the same opportunities to both Welsh speakers and non-Welsh speakers in Wales, and arrangements need to be put in place to offer access to technology in the public’s language choice (e.g., the use of Welsh interfaces such as the Windows XP Language Interface Packs, ensuring that Welsh speaking staff are available to assist etc.). The increasing availability of online services is an indirect benefit of digital inclusion, and individuals must be able to access them in their language choice.

1.8 Digital inclusion must also provide opportunities for everyone to gain access to information via broadcasting. We see a key role for providers and regulators in the field of broadcasting to secure better services for Welsh speakers, on television, on radio and on the web. The Welsh Language Board presented a response to OFCOM’s recent consultation on the future of digital broadcasting, highlighting the needs of the public in Wales from the standpoint of Welsh-medium broadcasting. We trust that developments in digital inclusion will aim at increasing the opportunities to use technology to gain information and services in Welsh through broadcasting.

**Effective Services**

1.9 One of the most important objectives of digital inclusion is to ensure that “…greater use of digital technology to plan, design and deliver services leads to significant improvements.” There are a number of current examples where the use of technology to provide services has improved Welsh language access. Directgov and Transport Direct, for example, offer opportunities for Welsh speakers to gain access to a wide range of Welsh language information and services. The availability of Welsh language digital services has the potential to make definite improvements in the lives of Welsh speakers in Wales.

1.10 Unfortunately, the standard of Welsh language digital service provision is inconsistent. It may be argued that past failures to give the Welsh language appropriate consideration when planning and providing digital services has led to the social exclusion of Welsh speakers—the very effect digital inclusion is meant to prevent. Below are some examples of service areas where this has occurred:

**Administration of Justice**

Historically, a number of digital systems developed by the Government to provide services have not included the capacity to use Welsh and have therefore excluded Welsh speakers. The LIBRA software system, for example, has been developed over the last decade to facilitate the administration of the Courts in England and Wales. The system was introduced in 2008 to assist the work of the Courts, but, as it does not have Welsh language capability, the Courts in Wales are no longer able to present bilingual summonses to the public.

OASYS software is used by the officers of the Probation Service in Wales to produce reports on offenders prior to sentencing. This system does not allow reports to be produced in Welsh even if the people likely to read the reports, be they offenders, Probation Officers or Court personnel, are all Welsh speakers.

An increasing number of Court services are now provided on-line. An example of such services is the “moneyclaim online” resource, which allows claimants and defendants to make claims for money online. This resource is not available in Welsh.

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In 2008 a new online system was introduced for applications to join the Police force in Wales or England—www.policecouldyou.gov.uk. It is not possible to submit applications in Welsh through this system.

**Education**

On page 43, the consultation document refers to Becta services in the education sector. Becta provides advice and information on educational matters and uses its website for this purpose. Some services provided online by Becta can be used in Welsh, for example applying for an ICT mark, however not all such services are available in Welsh.

**Local Government**

Over recent years, there has been a significant increase in the use of technology by Local Authorities to provide services for the public. Computer systems are now used to produce and present electoral forms to the public in Wales but the systems used are often unable to produce these forms in Welsh. As a result, Local Authorities cannot present these forms bilingually and are therefore breaching the commitments made in their statutory Welsh language schemes.

Information technology has an important role in the way the public in Wales present their personal details. Housing Association tenants in Wales can use the website http://www.Allpayments.net to pay their rent. This is a convenient and extremely effective service but it is available only in English. Tenants may also use “allpay” points that are available throughout Wales in centres such as Post Offices, but again this service is only available in English.

**Health**

Technology plays a prominent role in the provision of health services. A Health Trust in Wales provides standard appointment letters in English only as the software used cannot produce bilingual material.

**Central Government**

It is not possible to receive Welsh language versions of Tax Credit Award and Renewal notices. The reason given is the computer system’s inability to produce Welsh language documents. At present there are no plans to change this system and no date has been offered for the availability of Welsh language Tax Credit Award and Renewal notifications.

National Insurance cards are sent to the public in English only. This is the case, even if the individual applying for a card has registered their language choice as Welsh. The reason given is that the computer system used to produce and automatically distribute the cards cannot do so in Welsh.

1.11 A number of examples are presented above to illustrate instances where the need for Welsh language provision has not been taken into account when planning and developing digital services for the public in Wales. In some cases, the standard of these services is dependent on an effective method of offering language choice. Members of the public who need access to services in the Health or Justice sectors, for example, can often be in a vulnerable situation and therefore will lack confidence. Lack of access in their language of choice can make it difficult for users to benefit fully from the services available and can result in a sense of social exclusion.

We ask that all tiers of government in Wales, and in particular, UK Government departments, ensure that the Welsh language is taken into account from the outset when planning, designing and providing digital services so that they can be offered in accordance with the principles of the Welsh Language Act 1993.

1.12 Digital inclusion has considerable potential to enhance the lives of Welsh speakers by offering improved access to services. However, the use of digital technology when planning, designing and providing services can lead to the social exclusion of Welsh speakers and can contradict the principles of digital inclusion. Detailed planning work will be required from all tiers of government in Wales, and their partners, to ensure that digital inclusion fully benefits Welsh speakers.

**Recommendations for action**

1.13 The Department of Communities and Local Government’s consultation paper on digital inclusion includes a number of recommendations. These include drawing up a Digital Inclusion Charter and establishing a Digital Inclusion Champion. The Welsh Language Board supports these steps and wishes to make some proposals about the contents of the Charter, the steps that need to be taken following its publication and the functions of the Champion so the issues above may be addressed.

**Digital Inclusion Charter**

1.14 The requirements of providers’ Welsh language schemes, including those of UK Government Departments, to mainstream the Welsh language into polices and initiatives should be taken into account, when drawing up the Digital Inclusion Charter. The Charter should ensure that Welsh speakers are not socially excluded by technology by giving appropriate attention to the principle established by the Welsh
Language Act 1993 that both Welsh and English should be treated on the basis of equality when providing public services in Wales. The charter should aim at enriching the lives of citizens, and take the specific needs of the significant percentage of the population of Wales that is Welsh speaking, into account.

1.15 The consultation paper proposes “put[ting] in place a programme of research and evaluation to quantify the different benefits arising from direct access to meet specific needs so the Charter’s principles may be implemented. We recommend that the UK Government works with relevant partners in Wales in order to explore opportunities to meet the specific needs of Welsh speakers when developing and implementing these research and evaluation programmes.

1.16 The consultation document recommends that it would be constructive to “develop and disseminate self-assessment and development tools to enable digital inclusion to be embedded in policy, programme and service design”. We agree that this is a key step and the Welsh Language Board has already developed a bilingual software accreditation scheme, which enables the developers of software and information technology systems to assess systems’ compliance with the bilingual software standards developed by the Board. This resource will be available for use on the Board’s website by the end of August 2009 and copies may be sent to organisations before this date.

1.17 In its discussion of the direct benefits of digital inclusion the consultation document suggests that there is a need for

“….the introduction of a set of baseline measures for digital inclusion so that progress can be effectively monitored.”

We are in agreement that this is a key step and believe that attention should be given, after the Digital Inclusion Charter is published, to establishing measures to assess the progress made in securing the availability of Welsh language digital services. One of the objectives of Iaith Pawb, the Welsh Assembly Government Action Plan for the Welsh Language, is to ensure that more services are available through the medium of Welsh. The Welsh Language Board is currently developing a language indicator to measure the progress made by organisations that have Welsh language schemes in developing Welsh language digital service provision.

Digital Inclusion Champion

1.18 The consultation document recommends that the Champion should ensure that digital technology assists Government Departments to “[…] develop and implement policy rather than hamper it.” A number of Government departments have adopted Welsh language schemes that include policies on the use of the Welsh language in technology. The Digital Inclusion Champion must have adequate understanding of the Government and its Departments’ Welsh language policies when undertaking this aspect of his work.

1.19 The consultation paper proposes that the Digital Inclusion Champion will work with the UK Government to establish “an expert Taskforce, representing the views and ideas of the public, private and third sectors and drawing on the best expertise available.” Welsh language technology expertise must be included within the makeup of the Taskforce so it can address bilingual service provision needs in the sectors referred to above.

1.20 The Champion will also need to consider the best use of standards, guidelines or legislation to address digital inequality in his work across Government Departments. Software and IT systems are increasingly used in the development, design and provision of services and the Welsh Language Board has published “Bilingual Software Standards and Guidelines” to offer detailed standards for the development of bilingual software. We trust the Champion will take full advantage of this detailed document as he considers how to address the types of digital inequality referred to in section 1.10 above.

1.21 Raising awareness of digital inclusion will also be a key part of the Champion’s role. Appropriate consideration will need to be given to Welsh language provision in this undertaking and some possible methods are listed below:

— hosting bilingual events such as conferences, seminars and awareness workshops in Wales

— liaising with stakeholders in Wales either in their chosen language or bilingually

— ensuring that all the information the Champion offers online about disseminating and sharing good practice is available in Welsh

1.22 The Digital Inclusion Champion has a key role in increasing awareness and understanding of how technology can be used to provide language Welsh services, and thereby prevent Welsh speakers from being socially excluded.

Other Key Actions

1.23 We believe that some of the other steps detailed in the Department of Communities and Local Government’s consultation document will assist in preventing digital exclusion on the basis of language\(^{152}\) in Wales. Below are examples of the opportunities contained within these proposed actions:

— the considerable variation in the terrain of Wales and obstacles this might create in ensuring the availability of digital technology for people in every part of the country should be taken into account when analysing risks to communities and localities;

— the “Digital Inclusion and Data Sharing Advisers” appointed to support the work of Local Authorities and Local Strategic Partners in Wales, must have adequate understanding of language technology and bilingual software standards, if they are to enable these organisations to meet their bilingual service provision commitments;

— we note that there is an intention to conduct research into the attitudes and experiences of ICT operated service users. It would be useful to seek the views of Welsh speakers in order to understand their specific needs and the problems they encounter accessing Welsh language digital services; and

— researching methods of assisting local strategic partners to share personal information about individuals would be of obvious benefit. The development of effective technological methods for sharing information about service users’ language choice in Wales would be extremely advantageous, for example, as Justice or Health agencies work together to provide services for individuals, or in the development of the resource “Tell Us Once”.

CONCLUSION

The Board sees that digital inclusion has considerable potential as a means to reduce social exclusion in Wales. The digital divide could be partially bridged by ensuring that digital inclusion offers opportunities to enhance the lives of both Welsh speaking and non-Welsh speaking Welsh people alike. However, the reverse can also be true, and there are a number of examples where the use of technology in the development, design and provision of services socially excludes Welsh speakers. We trust that the recommendations and comments made above will be of benefit to plans for digital inclusion and will ensure that Welsh speakers are not socially excluded as a result of them.

22 January 2009

Supplementary memorandum submitted by the Welsh Language Board

Thank you for the opportunity to contribute to the Welsh Affairs Committee inquiry into digital inclusion in Wales, by presenting oral evidence in Bangor on 11 May. During that session, and whilst answering questions about the “dotCym” domain, we were asked to provide further information about the “.cat” domain. “.Cat” is the domain used in Catalonia. It is a general domain similar to “.com” or “.net”, but differs from those domains in that certain requirements must be met in order to register a “.cat” web address. The content of a website need not necessarily be in the Catalan language in order to register a “.cat” web address, but the content must be relevant to the language, culture or community of Catalonia.

The “.cat” domain

On the 16 September 2006 use of the “.cat” domain was approved by the “Internet Corporation for Assigned Names and Numbers” and registering of “.cat” web addresses commenced. A three phase approach for the registration of “.cat” addresses was followed. Firstly, organisations who directly promote the language or culture of Catalonia were able to register their web addresses. The second phase allowed for the registration of websites which used the Catalan language and the third phase was to register any websites which showed support for the language, culture or community of Catalonia.

In the three years since this time over 35,000 “.cat” web addresses have been registered. The table below shows the rate of registration of “.cat” addresses since 2006.

Further information about use of the “.cat” domain is available here—http://domini.cat/en_index.html. Information about “.cym” is found here—www.dotcym.org.

Use of Welsh within the delivery of services

The Board discussed within written evidence provided to the Committee a lack of consideration of the Welsh language within the design and development of IT systems used by service providers, and how that may lead to social exclusion. We provided within our written evidence some examples of lack of availability of public services in Welsh due to lack of consideration of Welsh within the development of IT systems. Since submitting that evidence further examples of this problem have come to light, examples of services which the public in Wales are obliged to use.

National Insurance Cards

It is a requirement on all persons in Wales of 16 years or more to have a National Insurance card. Cards are sent automatically by Her Majesty’s Revenue and Customs (HMRC) to members of the public prior to their 16th birthday. At present IT systems used by HMRC do not allow for the automatic production and distribution of bilingual National Insurance cards. English only cards are sent automatically and requests can then be made for a card in Welsh. During discussions about this problem with HMRC it was explained that the failings of relevant IT systems are to blame for this lack of a bilingual service. Complaints received from members of the public show dissatisfaction with the failure to treat both Welsh and English languages equally within the provision of National Insurance cards.

Tax credits

HMRC does not provide bilingual notices of tax credit awards. They were previously provided bilingually however following changes in 2003 to the IT systems used to produce award notices they are now provided in English only. The reason provided for this failing is the inability of relevant IT systems to produce bilingual award notices automatically. During a recent meeting with HMRC it was explained to the Board that it is not possible to amend the relevant IT systems in order to produce bilingual award notices.

The Independent Safeguarding Authority

A new Vetting and Barring Scheme will be implemented in England and Wales from October, under the terms of the Safeguarding Vulnerable Groups Act 2006. The purpose of the scheme is to ensure improved management of employment of individuals seeking work with children or vulnerable adults, by assessing more carefully individuals seeking such work and barring them from doing so when required. The Independent Safeguarding Authority will make all decisions on the barring of individuals from working or volunteering with children or vulnerable adults. It is intended that the Authority will commence work on implementation of the Vetting and Barring Scheme in October 2009. During the following 5 years more than 11.5 individuals will need to register with the Authority, a third of the workforce of England and Wales.

153 http://domini.cat/estadistiques/index.html
The Home Office is responsible for procurement of IT systems to be used by the Authority. The Board has written to Meg Hillier MP, the Home Office Minister responsible for introduction of this scheme to ask for, amongst other things:

“…..confirmation that the Welsh language has been fully considered within the procurement arrangements for the Authority’s IT systems and within any current development of such systems.”

The response received to the Board’s letter did not confirm that the Welsh language will be provided equal status within the above matters. The Authority will make significant use of IT within its provision of services to the public from October onwards. It will be essential that any IT systems used by the Authority support the provision of bilingual services in Wales.

We trust the information provided above is useful, and that the evidence offered is given appropriate consideration within the Committee’s inquiry. We look forward to reading the findings of the inquiry and thank you again for the opportunity to contribute.

June 2009

Memorandum submitted by Wise Kids

I am responding to your request for submissions to the Welsh Affairs Committee on Digital Inclusion in Wales.

In particular, I wish to comment on developments in Wales which are related to the risks to citizens (in particular children and young people), associated with the use of technology (including internet crime).

To give you some background, my organisation, WISE KIDS, is an independent, non-profit organisation set up in October 2002 to promote Innovative, Positive and Safe Internet use. WISE KIDS believes that the Internet is a vital tool in the Information Age, and provides innovative training programmes and consultancy in New Media, Internet and Mobile technologies, Internet Literacy, Proficiency and Safety.

WISE KIDS works actively with the Welsh Assembly government and other partners in Wales at a strategy and grassroots level to promote Digital Literacy and Digital Inclusion. At a grassroots level, WISE KIDS has delivered, and continues to deliver training programmes and consultancy to young people, youth organisation, educators (pre and post 16), governors, librarians, parents, foster carers, community projects, public and private sector organisations, who wish to understand New Internet Technologies, and use them innovatively, effectively and safely.

Based on our experience, I have below, some feedback for your committee on how young people use the New Internet and Mobile Technologies, and what risks and opportunities these present. Due to time constraints, I will not go into these areas in great detail, but list instead, the relevant points and web references to further resources. I will also expand on other related developments in the UK and Wales. If this is of interest, I will be quite happy to make a presentation to your committee on these issues (I have similarly presented to the Ofcom Advisory Committee for Wales, as well as the Advisory Board of BT Wales).

INTERNET ACCESS

Young people and adults today can access the Internet in a variety of ways: not only in their homes and schools, but via mobile phones, personal digital assistants, gaming devices like the X-BoxLive, Nintendo DS, Game Boy Advanced PSP, Sony PS3 etc. These devices can access the Internet either via a Wireless connection, using 3G mobile broadband, or via fixed line Internet access.

SAFETY ISSUES

The fast changing nature of the Internet and Mobile broadband services mean that children and young people today are faced, as never before with both online opportunities and risks. In leading research done by Professor Sonia Livingstone from the London School of Economics by, involving 1,511 9–19 year olds from around the UK, she found that children and young people who make the best use of the Internet also encounter more risks online [1].

There are many data/privacy/safety/legal issues that adults and young people who use the Internet and mobile phones should be made aware of. Some examples of these issues include:

— the issue of access to inaccurate/illegal content online;
— the issue of access to inappropriate and sometimes dangerous content online (especially when dealing with vulnerable people);
— the issue of managing personal profiles and data online for example when using Social Networking Sites (SNS);
— the issue of privacy and responsibility when using SNS;
— the issues of inappropriate contact and grooming via chat services like Messenger;
— the issues of appropriate net-etiquette, responsibility and laws online;
— the issue of deceptive marketing practices;
— the issue of identity theft, spam email, spyware, phishing scams, viruses and Trojans (eCrime issues).
— the issue of where to report incidents related to Internet safety

THE INTERNET AS A VITAL RESOURCE

The Internet is a vital and wonderful resource and global meeting place with the potential to transform how we learn, connect to each other, collaborate and develop businesses. It is imperative that our young and old alike be given the necessary information and skills so that they are able to maximise online opportunities, whilst maintaining their personal security.

Fast changing developments in Internet services and new Web 2.0 technologies (and cloud computing) in recent years mean that the younger generation have far greater opportunities to access information, and develop knowledge in more connected and innovative ways. Also web-based services like Google Documents/Google Spreadsheet are free to use, and these services offer great costs savings for those who cannot afford the more expensive equivalent software. This helps bridge the digital divide between the “haves” and the “have nots”. Within WISE KIDS our key philosophy is empowerment via technology, and all our programmes aim to showcase how Internet and related technologies can enhance every aspect of our life from learning to entertainment, from personal development to business development.

RECENT GOVERNMENT DEVELOPMENTS RELATED TO INTERNET SAFETY

UKCCIS has an Executive Board of 21 members which include representatives from industry, the third sector, law enforcement, Government Departments, the devolved administrations and other key players. In Wales, Mike Clancy from the Welsh Assembly Government Department for Children, Education, Lifelong Learning and Skills (DCELLS) sits on the Executive Board. The wider council has more than a 100 members.

Other members on UKCCIS from Wales are:
— Kerry Darke WAG
— Sangeet Bhullar (WISE KIDS)
— Elaine Richards (Office of the Children’s Commissioner for Wales)

OLDER UK INTERNET SAFETY DEVELOPMENTS

Home office Internet Safety Task Force

The Home Office Internet Safety Task Force was set up in March 2001. Amongst other things, the Task Force funded many high level campaigns to raise public awareness of Internet Safety issues, as well as developed guidelines for the industry. The Task force has now been superseded by UKCCIS.

CEOP (http://www.ceop.gov.uk)

In April 2006, the UK Government decided to fund the development of a one stop agency to deal with Child Sex Abuse (online and offline) named CEOP—Centre for Child Exploitation and Online Protection centre. CEOP also currently acts as the UK Node for the EU Safer Internet programme: http://ec.europa.eu/information_society/activities/sip/index_en.htm

Internet Watch Foundation (http://www.iwf.org.uk)

In the UK, we are also fortunate to have the Internet Watch Foundation (IWF)—a dedicated Hotline to report illegal content. The IWF in an independent, self-regulatory body, established in 1996 by the UK internet industry to act as a one stop “Hotline” for public and IT professionals to report potentially illegal online content and to be the “notice and take-down” body for this content.
**BECTA's role and Internet Safety Education in schools in Wales**

Since the summer of 2002, BECTA, the British Educational and Communications Technology Agency, have worked closely with DCSF (then DfES—Department for Education and Skills) in promoting Internet Safety. In recent years, in collaboration with English LSCBs, BECTA have created some very useful documents on eSafety and a toolkit for Local Safeguarding Children’s Boards. See [http://schools.becta.org.uk/index.php?section](http://schools.becta.org.uk/index.php?section)

**GetSafeOnline (http://www.getsafeonline.org)**

In October 2005, the National Hi-Tech Crime Unit (now SOCA—the Serious Organised Crime Agency) and a number of key UK Government Departments, together with a number of high-profile private sector partners, launched an Internet security awareness campaign called the Get Safe Online, which is constantly updated, and which has very useful resources.

**Mobile Operator’s Code of Conduct**

In January 2004, through pressure applied by Child Internet Safety groups, the mobile operators in the UK published a Code of Practice for the self-regulation of new forms of content on mobiles. One of the commitments in the Code was that the mobile operators would appoint an independent classification body to provide a framework for classifying commercial content that is unsuitable for customers under the age of 18.

**PhonepayPlus (taken over from ICSTIS) (http://www.phonepayplus.org.uk)**

PhonepayPlus is the regulator for phone pay services (products or services that are charged to users' phone bills or pre-pay accounts). Examples of these include competitions, TV voting, help lines, adult entertainment, downloads, new alerts or interactive games. PhonepayPlus deals with thousands of complaints every year due to misleading promotions, customers being sent (and charged for) promotional text messages, and other issues. They also have special advice for parents and teens on their phone Brain website: [http://teens.phonebrain.org.uk/](http://teens.phonebrain.org.uk/)

**Wales Internet Safety Developments**

In Wales there are a number of developments that will be of interest to those concerned about Internet Safety. We have, at the start of this submission, described our organisation, WISE KIDS, so we will outline some of the other developments/organisations that may be of interest.

**WISP**

The first is the development of the Wales Internet Safety Partnership, set up in 2006, which I currently Chair. The partnership comprises WISE KIDS, BT, the Welsh Assembly Government (officers from different departments), Urdd Gobaith Cymru, UCAC, Ofcom, NSPCC, office of the Children’s Commissioner for Wales and others.

On 20 October 2008, WISE KIDS and WISP hosted a one day national conference in Swansea entitled, “Young People, Mobile and Internet Technologies 2008—Maximising Opportunities, Addressing Challenges” which drew nearly 200 attendees from across the different sectors in Wales. See [http://www.wisekids.org.uk/conf for webcasts from the day](http://www.wisekids.org.uk/conf).

**Welsh Assembly Guidance in Wales (http://esafety.ngfl-cymru.org.uk)**

The conference also saw the launch of the eSafety website for teachers in Wales: [http://esafety.ngfl-cymru.org.uk](http://esafety.ngfl-cymru.org.uk). The site, which is Welsh Assembly Government funded, will host Welsh Assembly Government guidelines and resources relating to eSafety. Other Welsh Assembly Government resources on Safety which have some references to Digital technologies include the:


- and the

- Safeguarding Children—Working Together under the Children Act 2004

- Safe Guarding in Wales


**Ofcom Wales Media Literacy Network (http://www.walesmedialiteracy.org.uk)**

The Ofcom Wales Media Literacy Network was established in March 2007 in response to demand from broadcasters and learning providers. It acts as a central point of coordination for media literacy activity in Wales and to allow stakeholders the opportunity to share information. NIACE Dysgu Cymru administers the Network.
**eCrime Wales (http://www.ecrimewales.com)**

e-Crime Wales is a Welsh Assembly Government funded partnership of organisations and agencies committed to equipping Welsh businesses with the knowledge and tools to be able to tackle e-Crime in all its forms. They host annual conferences (eCrime summits), as well as many regional events for businesses across Wales.

**What else is needed in Wales**

WISE KIDS believes that we need to be actively taking steps to educate young and old alike to manage the risks and embrace the opportunities afforded by New Internet and mobile technologies. In particular we feel that in Wales, we need to be actively promoting the following agendas (which we also address through our own training programmes and consultancy currently):

- Combating media sensationalism related to news stories that cover Internet grooming, Cyber bullying, and Internet suicides. The downside of these stories is that they misrepresent and sensationalise the issues and by creating unnecessary fear, contribute to the Digital Divide.

- Education and training programmes for teachers, and parents, and those who work with young people and supervise their Internet use, both to promote positive use of the Internet as well as to help address the safety challenges that can be presented by these technologies. Research evidence strongly suggests the need for such programmes. [1][2].

- Education and training programmes for those who work in Child Protection and the Criminal Justice system. Topics should cover how online exploitation of children works, reporting mechanisms and networks for support; sharing of expertise and good practice with other child protection agencies and charities; collaboration with CEOP; effective ways in which to report and manage these incidents and issues that arise from this. Establishment of guidelines for those who work with young people and manage their Internet access in public spaces like youth clubs, drop in centres and so forth.

- Education and Internet Literacy programmes for young people that actively encourage an understanding of the Internet, its global nature, new technologies, information, tools and services that it can provide, how it integrates with mobile phone services, etc, so that young people are equipped to take advantage of these technologies. These programmes must also teach young people critical thinking skills ie how to recognise and manage online risks, and mobile phone risks, and ensure their personal safety online. It is recommended that such programmes be embedded in the Welsh National Curriculum. Since September 2008, there has been some guidance on eSafety in the revised ICT curriculum. However, much more detailed guidance would be very useful.

- WISE KIDS believes that there needs to be greater awareness in Wales of the resources available from BECTA, and better engagement and cooperation between BECTA and the necessary Departments in the Welsh Assembly Government.

- WISE KIDS believes that there needs to be more research into young people’s use of the Internet and mobile phones in Wales.

- WISE KIDS believes that we need to raise awareness of Internet Hotlines like the Internet Watch Foundation (IWF) and the important work of organisations like CEOP.

- WISE KIDS believes that we need to coordinate and promote proactively Internet and Mobile phone safety awareness campaigns, as incidents of mobile phone bullying in Wales (and the UK) are increasing.

**Conclusion**

WISE KIDS hopes that this brief overview and suggested actions will go some way towards safeguarding children in Wales, whilst ensuring their Digital Inclusion and preparing them for their Digital “now” and “future”. It is critical when talking about the creation of a Knowledge Economy that we realise what the barriers are in Internet adoption, and that we tackle these issues in an organised and measurable way. We need to ensure that young and old alike have the skills and knowledge to take advantage of these technologies whilst ensuring their personal safety. Appropriate training for all the relevant stakeholders from young people to parents, youth workers to child protection workers, staff in the Criminal Justice system to librarians, will cultivate confidence and better practice throughout Wales. Better cooperation with national agencies will also lead to better processes to manage these risks and ensure that children have a safer experience online.
REFERENCES


About Sangeet Bhullar

Dr Sangeet Bhullar is the Executive Director and founder of WISE KIDS, a non-profit organisation, established in October 2002, to promote Innovative, Positive and Safe Internet use. Sangeet, who holds a BSc and PhD in Electrical Engineering from the University of Leicester, became an advocate of Internet awareness education while living and working in Singapore, where she was first an academic, then private sector Internet training consultant. She was also an active member and trainer for the Singapore government-established Parents Advisory Group for the Internet (PAGI). She represented the organisation in a number of events.

Through WISE KIDS, Sangeet has developed and delivered resources and innovative training programmes for young people, youth organisation, educators (pre and post 16), governors, librarians, parents, foster carers, community projects, public and private sector organisations, who wish to understand New Internet Technologies, and use them effectively and safely. Two recent projects include organising and hosting a national conference on young people’s use of Internet and Mobile Technology (see http://www.wisekids.org.uk/conf), and delivering a training programme for year 7 pupils across Blaenau Gwent. Sangeet also works closely with the WISE KIDS youth panel. She was an external examiner for the University of Central Lancashire’s first certificate programme on Internet Safety. She has also authored a number of eSafety guideline documents (recently for the Welsh Assembly Government (WAG); http://esafty.ngfl-cymru.org.uk). She has spoken widely at many conferences and meetings in the UK, Singapore and Malaysia. She works at both a grassroots and policy level and is a member of a number of committees: the Advisory Group for the Communities@One programme, (a WAG Flagship programme to support Digital Inclusion in Wales), the BBC’s Audience Council for Wales, the Ofcom Wales’ Media Literacy Network Committee, the Institute of Engineering and Technology. She also chairs the multi-stakeholder Wales Internet Safety Partnership.

3 February 2009