



House of Commons
Welsh Affairs Committee

**Digital Inclusion in
Wales: Government
Response to the
Committee's
Thirteenth Report of
Session 2008-09**

**Eighth Special Report of Session
2008-09**

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The Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for Wales (including relations with the National Assembly for Wales).

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Committee staff

The current staff of the Committee is Dr Sue Griffiths (Clerk), Alison Groves (Second Clerk), Anwen Rees (Inquiry Manager), Christine Randall (Senior Committee Assistant), Annabel Goddard (Committee Assistant), Tes Stranger (Committee Support Assistant) and Rebecca Jones (Media Officer).

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Introduction

The Committee published its Thirteenth Report of Session 2008-09, *Digital Inclusion in Wales* on 4 August 2009. The Government response was received on 28 September 2009 and is published as the Appendix to this Report

Government response

The Government is grateful for the Committee's attention to the issue of Digital Inclusion and welcomes its report. Many aspects of the report underline the shared objectives of the Government and the Committee. While we are pleased that the Committee has recognised some of the work we are already undertaking, we agree that more remains to be done, and that we will need to work closely with colleagues in Wales to ensure the maximum results are achieved.

There follows our specific response to the recommendations in the Report.

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)

This is for the Welsh Assembly Government to address.

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)

We note the Committee's concerns that Welsh language issues should be incorporated to plans to tackle digital inclusion. While the Digital Inclusion Action Plan, as well as the summary of responses, was published in Welsh, there was no specific workstream dedicated to digital inclusion issues specifically linked to Welsh language issues.

The Welsh Language Board suggested that the Champion for Digital Inclusion should undertake specific activities aimed at increasing awareness and understanding of how

technology can be used to provide Welsh language services, and thereby prevent Welsh speakers from being socially excluded. The Champion for Digital Inclusion is an appointment of the UK Government, and her role principally relates to advising the Government on policies which relate to England only (for instance skills or provision of most forms of public services). However, to the extent that her activity overlaps with policies in Wales, or that her awareness-raising activity includes Welsh people, she will seek to include the needs of Welsh speakers in her work.

For its part, the UK Government will continue to work with the Welsh Assembly Government to ensure full consideration is given to the need to provide an equality of service for Welsh language speakers.

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)

We believe this is principally for the Welsh Assembly Government to address.

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)

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)

We agree with the Committee's suggestion the problem of 'broadband notspots' needs to be addressed both by the Welsh Assembly Government through its ongoing work with BT, and the UK Government.

We note the Committee's reminder that Wales includes areas with low population density and difficult topography that typically might be under-served by existing broadband networks, or make further investment less attractive. The map on page 56 of the Digital Britain Report suggests that Wales contains several counties where the percentage of 'bad lines' (usually long telephone lines which make higher broadband speeds difficult to deliver) are among the highest in Great Britain.

The Digital Britain Report set out our plans for delivering a service of a minimum of 2Mbps in all parts of the UK, and to support investment in Next Generation Broadband in areas the market might otherwise not reach. Both of these projects will, of course, include Wales: while it is too early to say exactly where the Government intervention will be focussed, locations in Wales will be treated in exactly the same way as locations anywhere else as decisions on investment in technology are made.

We are committed to working with the Welsh Assembly Government to maximise the effectiveness of efforts to provide a good level of universal service and ensure our activities

are complementary to those at a devolved level either already underway or planned in future.

Questions about Assembly Government projects such as Fibrespeed are for the Assembly Government to address. On the general issue of open access networks, we agree that there are many benefits to this approach, especially where public funds are used, but have yet to make any decisions over the parameters for public investment in next generation broadband.

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 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)

We recognise that, as in fixed networks, the conditions for developing mobile networks in Wales are sometimes more difficult than elsewhere due to low population density and topography. While generally across populated areas in the UK there is good availability of mobile networks, both 2G and 3G, there remain some areas without good coverage, including in Wales.

As the Committee notes, the Digital Britain Report set out our desire to achieve universal coverage of mobile broadband that matches that of current 2G coverage (99%), and recognises that network sharing, reciprocal access and interconnection regimes are likely to play a part in achieving that level of coverage. In line with this, we anticipate that the means of achieving a high level of coverage will principally be regulatory, although of course we may select mobile solutions as a means to delivering the universal service obligation, in which case public spending will have a role to play.

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)

We agree with this observation. Chapter 8 of the Digital Britain Report sets out our intention to achieve economies of scale and greater operational efficiency in the various bodies involved in delivering aspects of Digital Britain. This will need to include ensuring the experience of the Switchover Help Scheme is not lost once the programme is completed.

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)

We recognise the Committee's concerns, which are common to other areas of the UK. The Government's objective is to ensure people in the UK enjoy plurality in news, providing a range of editorially independent voices. The consultation on sustainable, independent and impartial news in the Nations, locally and in the regions closed on 22 September, after which we will need to consider responses, but our plan remains to run trials of the concept of Independently Funded News Consortia from 2010, including a pilot scheme in Wales.

We have provided further detail on our intentions for news provision in our response to the Committee's report *English Language Television Broadcasting in Wales*.

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)

The Government agrees that achieving a greater availability of DAB radio across the UK is vital for the success of the platform, particularly as we move towards the Digital Radio Upgrade. The Digital Britain White Paper set out our intention that local DAB multiplexes, such as those which carry BBC Radio Wales and BBC Radio Cymru, should reach at least 90% population coverage, as well as coverage of all major roads, by 2013.

Where regulation and government action can help deliver this greater availability, we are prepared to act, for instance changing legislation to allow Ofcom to alter multiplex licences and extend multiplexes into currently un-served areas.

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)

We agree with the Committee that Ofcom and the consortium of stakeholders should, in developing their National Plan for Digital Participation, capture best practice from across the UK and work with the devolved administrations. We will continue to work with Ofcom to ensure this remains the case.

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)

This is for the Welsh Assembly Government to address.

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)

This is for the Welsh Assembly Government to address.

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 issue of Welsh Institutions' share of overall UK research investment was raised in the Committee's report *The Provision of Cross-Border Public Services for Wales: Further and Higher Education*. In our response to that report, we stressed that Government policy for research funding is to fund the best research wherever it occurs in the UK, not to aim for a particular national or regional spread of research investment.

In line with that, as regards research opportunities arising from Digital Britain, we welcome any interest from Welsh higher education institutions and can assure the Committee that partners will always be selected on merit.

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)

UKCISS will continue to work with colleagues from the Welsh Assembly Government to ensure the interests of Welsh internet users, including children, are taken into account.

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)

The Government agrees that efforts to tackle e-crime are vital for confidence in technology and limiting exposure to the economic risks. We welcome efforts in Wales to lead the way.

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)

The Committee rightly stresses the need for coordination and joint working between the UK Government and the Welsh Assembly Government in ensuring that the digital challenges in Wales are properly addressed. We intend to carry on the joint working that the Committee recognised in its report.

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)

We have published an implementation plan which sets out the governance structure and list of deliverables in the Digital Britain Programme. Sion Simon and Stephen Timms will chair the Programme Board overseeing delivery of these. We do not anticipate any further

Digital Britain Reports, but we do intend to publish updates against the plan as we progress.

The Secretary of State for Wales, Parliamentary Under-Secretary of State and the Wales Office have been heavily involved with the Digital Britain agenda in Wales since its inception. This has included meetings with other UK Government Ministers, Ministers in the Welsh Assembly Government, representatives of the media in Wales and other interested parties. The Secretary of State for Wales and his office will naturally continue to ensure that the interests of Wales will be represented within the Digital Britain programme.

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)

This is for the Welsh Assembly Government to address.

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)

This is for the Welsh Assembly Government to address.

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)

We agree with the Committee's conclusion that joint working is beneficial to efforts in England and Wales. As noted above, we already work closely with colleagues in the Assembly Government and will continue to do so.

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)

Following the publication of the Digital Britain Report and the departure from Government of Lord Carter, Stephen Timms MP was appointed as Digital Britain minister, taking on the responsibilities previously held by the Digital Engagement Minister and the Digital Inclusion Minister. He is therefore responsible for the cross-government work on digital inclusion, while the Secretary of State for Business, Innovation and Skills is responsible at Cabinet level.