

BSG response to the DCMS Select Committee's Call for Evidence

Impact of COVID-19 on DCMS sectors

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Summary

The Broadband Stakeholder Group (BSG) welcomes the opportunity to respond to the DCMS Select Committee's call for evidence.

The sector has been significantly impacted by COVID-19 in many ways. We have observed new behavioural patterns and an overall upward trend in traffic, WiFi and data usage, and calls made from landlines. On the downside, we have witnessed the closure of retail stores and reduced capacity in call centres, furloughed staff, lower productivity and the spread of mis-information.

When the country entered lockdown in March to curb the spread of the virus, the sector worked tirelessly to meet demands for increased capacity on networks and changed patterns of usage, whilst prioritising the NHS and the most vulnerable customers with targeted support. Regular traffic levels increased, especially during the daytime generated by home-workers, parents home-schooling their children, students taking online classes and people generally using digital communications to compensate for the lack of physical contact with friends and family. Providers coped very well with the surge in demand, as was reported by Ofcom¹.

BSG is grateful for the support provided by DCMS, allowing field workers to continue with essential maintenance by designating them as key workers. The primary focus has been to keep the nation connected and ensure that networks are robust, resilient and secure. However, the sector has also experienced the abuse of many field workers and the criminal damage to equipment caused by conspiracy theories linking COVID-19 to 5G.

As we now slowly emerge from the crisis into a new normal, the sector looks to Government and Ofcom for their continued support.

Questions

1. What has been the immediate impact of Covid-19 on the sector?

Organisations have been impacted by COVID-19 in a number of ways, with a large financial impact on the sector in the short and medium term:

- The closure of retail stores and some call centres during lockdown, self-isolation requirements and the furlough scheme have impacted the staffing levels dramatically. Although the tools to work from home have been available for some, this has not been the case for many. This has had an effect on calls to customer services which are being triaged to prioritise vulnerable

¹ [UK Home Broadband Performance](#)

customers. Those with less urgent queries are being directed to online self-service.

- Home engineer visits were stopped by Openreach for a period of time to protect all field workers and the public (though new processes were put in place to ensure that vulnerable customers and critical national infrastructure continued to be supported).
 - The movement of field engineers and operational teams was restricted. The ability to access sites to conduct emergency repairs was impacted, including some landlords who refused access. The sector worked with Government to ensure that telecoms workers were designated as key workers – allowing for network repair and proactive network build to continue. This meant that out-of-home work could continue, which was a critical step to maintaining service during the lockdown.
 - The sector willingly dealt with many different asks, including additional measures to support NHS workers and vulnerable customers. Examples include waiving late payment fees and promising not to terminate services if customers cannot pay their bills. Additional measures include removal of data caps, provision of free access to WebEx and other security features, zero-rating calls to various helplines and provision of new educational online resources.
 - Re-allocation of resources meant that some projects and investment decisions were curtailed.
 - Operators have had to build additional resilience and manage the surge in demand caused by parents home-schooling children, home-workers, people running their businesses from home, and the nation streaming TV and music.
 - Staffing issues at many Local Planning Authorities has led to delays in the planning system.
 - Cancellations and requests for payment delays for business customers who closed their offices and operations during lockdown.
 - Misinformation linking 5G to COVID-19 circulating on social media led to abuse of engineers and criminal damage to property, including mobile phone masts.
2. *How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?*

DCMS dealt very swiftly with the initial challenges that emerged in relation to COVID-19 and introduced a triage function. BSG understands that it allocated a

significant amount of its resource to the department working on COVID-19. BSG welcomed DCMS establishing a single point of contact through Melissa Giordano and her team, holding weekly calls and setting up a dedicated email route to address questions and concerns. It was beneficial to have the majority of Government asks channelled through DCMS, and as the industry sponsor department they had the expertise to ensure that the requests coming to industry were largely sensible and achievable. The structure helped coordinate matters more effectively than would have otherwise been the case.

DCMS also intervened with the Cabinet Office and Home Office (and worked alongside energy sector colleagues in BEIS who had the same issues) to ensure police forces were given the message that someone working on key infrastructure, for example to repair faults on the line via a street cabinet, or to dig new fibre, may very well be a key worker for the telecommunications industry. BSG also welcomes the action taken to help allow staff in overseas call centres to continue working to assist vulnerable customers.

The continuation to build full-fibre and gigabit-capable networks is vital, therefore designation of key worker status for field workers was vital for business continuity. The same is true for the ability to upgrade mobile infrastructure. If a situation arose in which freedom of movement compromised deployment this would have inevitably impacted a cohort of industry contractors.

The regulator reacted to the plea from communications providers to suspend existing consultation deadlines/information requests and put on hold new consultations. Ofcom was also mindful that despite the implementation of new obligations under EECC in 2020, it will be extremely difficult for providers to implement any technically complex projects and so extended the compliance deadline by 12 months. Government and Ofcom were very quick to intervene on issues of criminal damage to property and fake news linking 5G to COVID-19. Ofcom continues to take action against broadcasters in cases involving potentially harmful broadcast content. This matter requires ongoing focus and vigilance.

Providers have been able to proceed with their immediate priorities - continue to maintain and build networks, connect new customers and service existing ones, as well as support vulnerable customers and the NHS hospitals and workers.

3. What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

The economic impact includes substantial loss of revenue from increased bad debt as customers default on payments (consumers and businesses), retail closures, reduced staff, delayed projects and investment decisions. The cost of restoring existing operations with new social distancing measures will place more of a focus

on automation and self-service capabilities. This will ultimately impact staffing levels in call centres and retail stores. The issue of labour supply was a pre-existing challenge for infrastructure providers which has been exacerbated by the COVID-related travel restrictions. As the UK workforce is likely to see many redundancies, there is an opportunity for government to facilitate a programme of re-skilling and training.

On the positive side, we have witnessed how creativity has flourished over the past few months, bringing museums, theatres and concerts into our homes. The UK's public service broadcasters rose to the challenge of Covid-19 by extending news, entertainment and education offers. As a result, they saw increases in demand, for example, the BBC reported a record-breaking 198% increase in unique visitors to its BBC Bitesize website during the first week of lockdown. Its children's entertainment channels were also in high demand with a 94% increase in requests for CBBC. With more children living in exclusively online classrooms, the BBC launched its new and extensive educational initiative in April to help ensure that every child in the UK has the opportunity to continue to follow the appropriate core parts of their nation's school curriculum during COVID-19². The BBC also ensured that the population of digitally excluded households that are not online for reasons such as age, disability and affordability, were catered for with an extended broadcast offer. Conscious that digital connectivity is ever more important to daily life, BSG is planning to extend research conducted in January 2019³ to gain a better understanding of this group and the barriers to connectivity.

The new normal is likely to consist of more video conferencing among businesses, greater usage of online shopping, exercise classes, additional e-learning for schools and universities and more frequent use of remote healthcare services. Some universities have stated that lessons will continue online when the new academic year begins in September. The balance between home and office working will also be uppermost in people's minds and the move towards digitisation will require the highest quality, reliability and capacity that 5G, full fibre and gigabit capable networks will provide. Organisations will also be rethinking their network build plans to ensure coverage in homes as well as commercial hubs.

For mobile operators, Government can also promote investment in digitisation by reforming the Permitted Development Rights for mobile, closing the loopholes in the Electronic Communications Code and addressing business rates holidays for new infrastructure.

² [BBC Bitesize](#)

³ [ComRes Digital Exclusion Research Report](#)

4. *What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?*

The UK's fixed, broadband and mobile networks responded admirably to the significantly increased demand from end users and the many asks of Government. They have demonstrated that the sector was already prepared for the volume of use that it experienced, and that it can withstand pressure under extremely difficult circumstances. Furthermore, the speed at which measures were implemented in their networks enabled the country to stay connected.

Collaboration between industry, Government and Ofcom has served the country well. The crisis has shown that they can all work together in a constructive and pragmatic way, and this should be used as a platform for greater collaboration to help facilitate the roll-out and take-up of gigabit-capable networks. The sector would also benefit from all the nations working together and having a more coordinated approach.

The most alarming fallout is the shameful acts of violence from people wrongly linking 5G to COVID-19 and the flood of disinformation and conspiracy theories. Strong and prompt action needs to be taken against those who spread false information. Field engineers have been verbally abused, intimidated and physically attacked and around 100 masts were put out of action by arson attacks. This has caused an estimated £5m in damage, generated thousands of customer complaints about loss of coverage and led to tens of thousands of customers having their service disrupted as a consequence.

5. *How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?*

The communications sector has a huge role to play in times of crisis as critical national infrastructure. COVID-19 has created an era of uncertainty and the focus on the economy and our reliance on digital connectivity will be ongoing for some time. As we emerge from this crisis, we must prepare for the next one, which requires further investment in digital connectivity, capacity, resilience and security.

The case for sustained investment in 5G and gigabit connectivity in support of the UK Government's 2025 ambitions has never been stronger. Digital connectivity has never been as critical to our ability to navigate our new normal, socially-distanced lives as citizens, businesses and consumers and the need for regulatory and policy certainty has never been greater. As connectivity will be one of the key facilitators of economic recovery, it is more important than ever for Government and Ofcom to incentivise and support investment. This could particularly benefit people living in sparsely populated and rural areas where network roll-out isn't

economically viable. For these communities, COVID-19 has only served to widen the digital divide. We need to drive investment with a supportive regulatory framework and this experience has shown the need to ensure that we tackle the digital divide once and for all to ensure that no communities are left behind.

Government could consider revitalising and refocusing initiatives around the digitisation of industry and public services to leverage lessons from COVID-19. Such initiatives could support and extend the potential for remote working, delivery of healthcare and education services, as well as supporting businesses in utilising new technologies such as AI and robotics to aid production and increase efficiency. Support could, for example, include funding for central as well as local government to support the delivery of remote healthcare, social care and monitoring, and innovation vouchers for SMEs to support their purchase of consulting and training services to adapt to the use of new technologies. In this context, Government could also work with industry on raising further awareness on how gigabit broadband connections can support SMEs in pursuing flexible working and implementing digital solutions. Voucher schemes and tax incentive options could be explored further.

Ultimately, we cannot lose sight of the Government's pledge to ensure all UK premises are gigabit-capable by 2025. Success is contingent upon industry, Government and the regulator working together to achieve it.