Broadband Stakeholder Group Phase 2

"Eliminating barriers to the adoption, adaptation and absorption of broadband-enabled ICT, content, applications and services by consumers, enterprises and the public sector."

1. Introduction

Broadband provides the opportunity to do things differently, to achieve better outcomes for our people, our businesses and our country, and to ensure the continued success of our economy through the second half of this decade and beyond. The full exploitation of broadband-enabled ICT, content, applications and services can help the UK to become a truly competitive knowledge-based economy and can be leveraged to help the UK's citizens become healthier, better educated and more engaged in their communities and society.

Broadband is a powerful enabler and a catalyst for accelerated change for consumers, companies, organisations and nations. It disrupts existing processes, business models and industry value chains. When fully absorbed, broadband changes people's behaviour and drives much more intense and productive use of ICT and online content applications and services. We believe that societies that adopt, adapt and absorb the benefits of broadband-enabled ICT, services and applications quickly and deeply will achieve significant benefits in terms of productivity, innovation, growth and quality of life, as well as significant competitive advantage over societies that don't. **This is a critical issue for the UK's competitiveness.**

Although significant progress has been made over the last three years, the UK is still a long way from realising the full benefits that broadband can offer. It is vital that the UK exploits this opportunity to the full. However, this will require leadership, vision and a framework for coordinated action by the wide range of stakeholders involved. The issues are complex and wide-ranging and no single stakeholder, including the government, can or should lead. We therefore believe there is a continued need for a collaborative stakeholder approach which is primarily focused on achieving outcomes – real benefits for consumers, business, government and the 'UK plc', whilst also addressing the relevant IT and infrastructure inputs.

To remain competitive in a rapidly globalising world the UK must exploit the broadband opportunity to the full. Our global competitors are raising their game and we need to as well.

2. Our Vision

Our vision is for the United Kingdom to be a world leading connected economy in 2010, as measured by the extent of the sophisticated use and exploitation of broadband-enabled ICT, content, applications and services by citizens, consumers, enterprises and the public sector.

3. Our Mission

Based on our vision our mission is:

"Eliminating the remaining barriers to the adoption, adaptation and absorption of broadband-enabled ICT, content, applications and services by consumers, enterprises and the public sector."

4. Our role

- Communicate the vision and advocate the importance of next generation broadband services for the United Kingdom and the need for their continued prioritisation by government

- Work with stakeholders to identify barriers to the adoption, adaptation and absorption of broadband-enabled ICT, content, applications and services by consumers, businesses and the public sector

- Develop a strategic framework of actions required to overcome the barriers to the vision. Oversee, monitor and report on progress in implementation of the strategic framework by public and private sector stakeholders.

5. The stakeholder approach

The BSG's approach would be to continue to act as a facilitator, bringing together stakeholders from across the broadband value chain in a 'network-of-networks' to share knowledge and work in partnership to support the UK's ongoing transition towards being a world leading connected economy by 2010. Where necessary the BSG will undertake additional research

The BSG will facilitate an open forum, on behalf of all stakeholders (individuals, companies, public and private sector organisations) to address barriers to progress and accelerate drivers of success. It will function as a loose, light-touch and flexible organisation and will avoid duplicating work done by others closer to the issues. The BSG will act as a critical knowledgeable friend of government, providing independent advice on the wide range of policy issues related to broadband.

The BSG will be membership and participation driven and supported by a Secretariat capable of delivering tangible outputs. The BSG will draw on the expertise of the full BSG membership to deliver market intelligence and innovative thinking. It will also seek to improve knowledge and understanding of the market dynamics at work and make this knowledge available across the BSG membership. The nature of the issues addressed by the BSG will change over time as the market evolves.

6. Draft Strategic Framework

This is a complex challenge that necessarily involves a wide range of diverse issues. Progress will require a framework for collaborative action by public and private sector stakeholders. The BSG would provide a forum for the development of this strategic framework. However, in most cases the actions within the framework are likely to be implemented by other bodies or organisations (and in some cases they are already

starting to be addressed). Following is a draft framework, highlighting the issues that will need to be addressed if the UK is to meet the vision for the adoption, adaptation and absorption of broadband services.

	Theme	Challenge	Policy Links	Issues (see annex A for more detail)	Public Sector Stakeholders	Other Stakeholder Organisations (indicative list – not complete)
Vision	Advocate the importance of next generation broadband services for the UK	• Make the case for the continued prioritisation of broadband by government		• Vision and leadership • Strategy and programme management	No 10 HM Treasury DTI Other Relevant Departments	•
Outcomes *Benefits & Take-up*	Encourage adoption, adaptation & absorption of broadband enabled ICT, content, applications and services	• Identify, communicate & deliver value for consumers, business and government. • Bridge digital divides (incl, skills and access etc)	Consumers & Citizens: (Digital Engagement,)	• Measurement, understanding and awareness of use and benefits • Digital engagement • Transactional e-government	DTI Ofcom DfES EGU DCMS	• BBC • Digital Inclusion Panel • Alliance for Digital Inclusion • e-Skills Council • Consumer Associations
			Business *(e-Business, DTI)*		DTI Ofcom	• CBI • British Chamber of Commerce • Federation of Small Businesses Institute of Directors • Communications Managers Association • RDAs
			Government (e-Government, eGU)		EGU HMT OGC	• Information Age Partnership
Inputs *Investment & Innovation*	Encourage Investment and innovation in next generation infrastructure & services	• Enable effective and sustainable competition • Ensure appropriate risk/reward balance for next gen. infrastructure investment • Achieve extensive availability • Support convergence and interoperability between platforms (and services)	Regulation	• Sector specific and non-sector specific regulation • Capacity planning • Encourage efficient investment in next generation Infrastructure	Ofcom DTI	• Broadband Industry Group • GSM Association • ISPA • UKCTA • Access to Broadband Campaign • Community Broadband Network
			Convergence	• Convergence and interoperability between broadcast, broadband and mobile	Ofcom	• Intellect • DTV Stakeholder Group • Digital Television Group
	Encourage Investment and innovation in content, applications & services	• Build a thriving and competitive content, services and applications sector in the UK	Innovation and Investment	• Address bottlenecks to innovation in new services (DRM, payment systems, etc)	DCMS DTI FSA Ofcom	• Digital Content Forum • PACT • Creative Industries Forum • PPL • Broadband Content Coalition • Mobile Data Association

7. e-Government - Transactional Services

Following the Gershon Review and the 2004 Spending Review key government departments are now committed to making far more effective use of transactional e-government services to achieve efficiency targets and improve service delivery to the end user. The widespread availability and take-up of broadband will be critical to the government's aspiration for e-government as broadband users have a much higher propensity to transact online. Meanwhile we believe there is a major opportunity for the government to give more visibility to the scale of public sector investment in such services through to 2008 and that this has the potential to pull through additional private sector investment in broadband over this period.

Primarily, the objective here is to support the government's ambition to make much more effective use of e-government and to ensure that the market delivers the investment in new facilities necessary to enable citizens to access and engage with these new services. This is an area where government implementation and the market evolution must go hand-in-hand.

8. Digital Inclusion

Ensuring that new technology does not open up new digital divides is a key policy concern for government. A Digital Inclusion Panel was set up by the Cabinet Office to address this issues and is due to publish its report shortly. (The BSG participated in the work of the panel). The BSG can support the on-going work on digital inclusion and the DIP by seeking to improve the broadband value proposition and maximising market driven incentives for people to engage. The more the market can do to make broadband services attractive to consumers, the less intervention will be required from the public sector to drive their take-up.

9. Background: The need for continued leadership

In 2001 the government set a target for the UK to have the most competitive and extensive broadband market in the G7 by 2005. Despite a slow start, the UK has made significant progress on this target and it is likely that by the middle of 2005 the UK will lead the G7 in terms of broadband availability and will be in the lead group of countries in terms of competitiveness. Pro-broadband policies are starting to be mainstreamed into existing policy priorities:

- The Ofcom Telecoms Review has a clear focus on broadband and investment in next generation services
- The new e-Government Unit (EGU) has a sharp focus on achieving efficiencies and better public service delivery through e-government
- DTI has a 'national standard' to ensure the UK maintains its leadership position as being one of the best places in the world for online business

However, as the market for first generation broadband services continues to grow and services are made available more widely across the UK there is a natural tendency for broadband to slip down the political agenda and for other policy issues to take priority.

With the closure of the Office of the E-Envoy, the DTI's wider 2005 broadband target coming to an end, and the BSG having fulfilled its initial remit, there is a major

question as to who is going to facilitate leadership on broadband in the next phase. At the highest level in a leadership vacuum is starting to develop, with no single body (in government or industry) claiming ownership of the 'big picture'. Without leadership, there is the potential for policy to drift, for actions to become disjointed and for the UK to lose focus on the real opportunity available.

We believe that it would be a mistake to allow this to happen. We are only at the beginning of the broadband journey and the UK is still along way from realising the full potential benefits on offer[1]. There are real questions and challenges about how the market is going to deliver the next generations of infrastructure and services. Ofcom has recognised that regulatory policy alone is unlikely to deliver next generation services universally across the UK before the end of the decade. Uncertainties remain about business models, investment cases, regulatory approaches. And while at the same time, there is the potential for other policy issues (such as the Traffic Management Act) to introduce new and additional barriers to investment.

The danger is that without a proactive approach now, new barriers could emerge to the evolution of the market and the UK could find itself in the same situation as it was in 1999/2000 where the industry was seen to be failing to meet the demand in the market for new services, or that it only supplies those services to the areas where demand is highest and fails to supply to low density areas, leading to a a re-run of the geographical digital divide issue.

There is therefore a need for an organisation to continue to make and re-state the 'big picture' case for why next generation broadband communications are going to be so important for the UK; to identify the wide range of issues and barriers that could impact the evolution of the market towards the next generation; and to argue for a joined up and integrated approach to help the market deliver.

The opportunity now is to seize on this momentum and move from a strategy that has been primarily focused on delivering **inputs** (extensiveness and competitiveness) to one that is focused on **outcomes** – achieving real benefits for consumers and citizens, enterprises and government.

10. Conclusion

It is recommended that the stakeholders agree to support the next phase of the BSG as outlined in this document.

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[1] See BSG briefing paper for No 10 on the public value of broadband.

ANNEX A

Issues (to be addressed through collaboration by the stakeholders)

1	**Articulate the vision for the UK as a world leading connected economy in 2010** • Set out the 'big picture' vision of why broadband matters for the UK and why 'connectivity' is critical to the UK's future economic and social development as a knowledge economy. Under pin this for the future with some systematic medium and long-term research activity including primary and secondary research. • Communicate this vision and its implications to stakeholders and user groups using all communications channels including the media, the key business and public sector organisations. • Identify the specific developments that must occur to move from today's situation to implement the vision.
2	**Develop a strategic framework of policy actions to meet the vision and monitor progress on the policy actions identified** • Set out a revised framework of cross-cutting policy actions necessary to meet the 2010 vision. • Implement effective programme management to monitor progress on the policy actions and recommendations identified
3	**Develop understanding and increase awareness of the full public value and benefit of broadband-enabled ICT, content, applications and services** • Undertake annual research on the value and benefit of broadband for consumers and citizens, enterprises and government. Identify demand drivers. • Measure the sophistication and use of broadband-enabled ICT, content, applications and services by consumers and citizens; enterprises; and government. • Participate in international annual surveys to measure and benchmark progress on broadband enabled ICT adsorption and benefits realisation. • Leverage the BBC's public service remit to communicate and promote the benefits of broadband. Work with the CBI and other business organisations to communicate the benefits for the business community.
4	**Provide input and guidance on the barriers to universal digital engagement (including issues related to both access and use)** • Supporting the Digital Engagement Framework developed by the DIP, including issues around access, ability and motivation to engage.
5	**Support the e-Government Unit in the development of a vision for the implementation of new transactional online services between 2005 and 2010** • Provide additional blue skies thinking on opportunities to develop innovative new transactional government services

| 6	**Help facilitate the establishment of a national broadband capacity planning model of end user bandwidth capacity requirements to the end of 2010** • Work with Ofcom to develop a model of potential bandwidth and capacity requirements endorsed by key players in the market
7	**Provide input and guidance on both the sector specific and non-sector specific regulatory issues with an impact on broadband.** • Continue to provide advice and input on the key sector specific regulatory issues – such as the Telecoms Review, Spectrum Review, BBC Charter renewal with a direct impact on the market. • Highlight and address non-sector specific issues with an impact on the broadband market such as traffic management Act, building regulations, property rating etc •
8	**Identify opportunities for accelerating investment in and deployment of next generation broadband infrastructure and services** • Continue to explore issues related to the business case for next generation broadband access infrastructures and services. • Ensure appropriate risk/reward balance for new infrastructure investment.
9	**Explore and address barriers and opportunities for future convergence and interoperability between broadcast, broadband and mobile platforms** • Address issues related to the exploitation of content over different platforms
10	**Address bottlenecks to innovation in new content, applications and services** • Work to support further progress on DRM and e-payment systems in conjunction with key stakeholders and to address potential bottlenecks to new innovative services (such as VoIP). • Business models, investment models etc

ANNEX B

BSG Organisational Structure

The BSG will consist of:
- The Full Stakeholder Group
- An Executive Committee
- An Advisory Council
- A Secretariat
- A number of short-term ad hoc working groups working on specific issues.

There will be a non Executive Chairman and a full time CEO who will be responsible to the advisory board. In addition, the BSG (via the Chairman and CEO) will brief the Ministers responsible for e-business (Mike O'Brien) and e-government (Ruth Kelly) and DCMS (Tessa Jowell). The BSG will act as a 'network of networks' and seek to collaborate with other groups and organisations working within different areas of the policy framework matrix.

The structure is designed to maximise engagement with all parts of the value chain and large and small organisations alike. The success of the BSG in the first phase depended upon the active engagement of grass roots activists just as much as the involvement of the major companies and public sector organisations.

Structure:
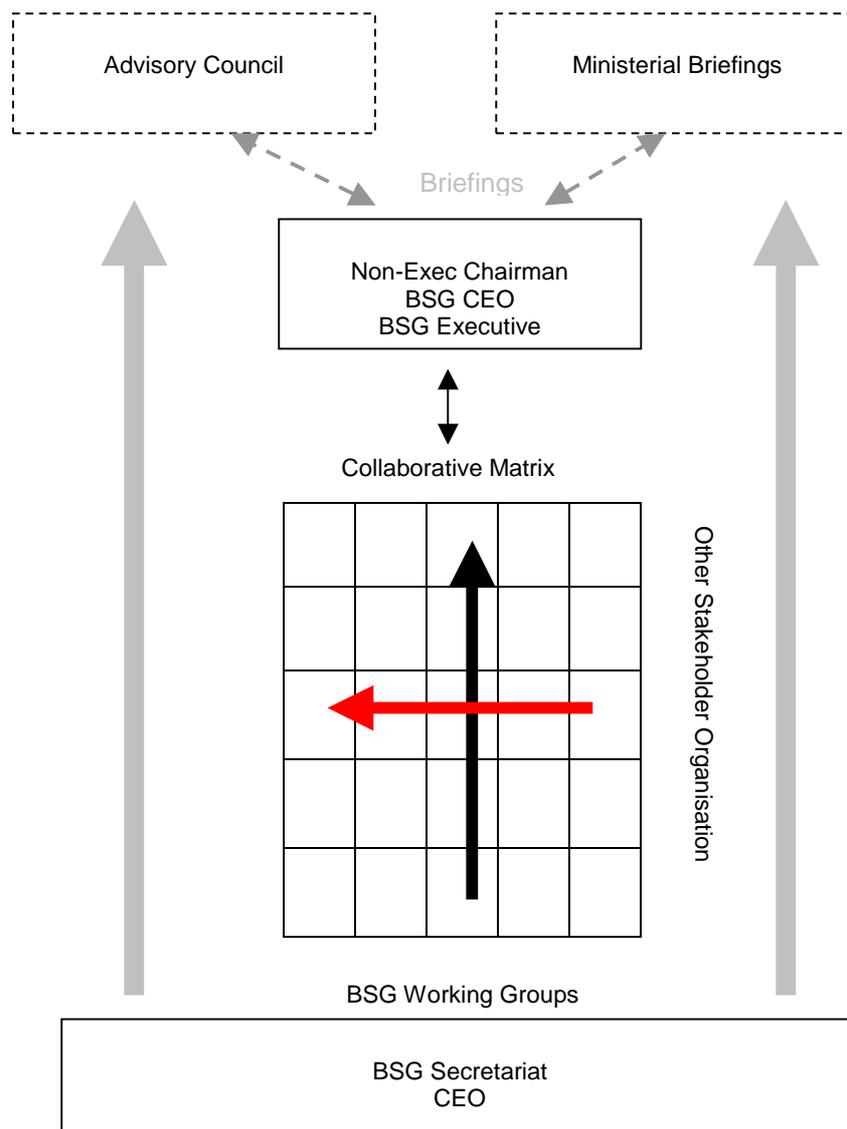
BSG Membership
Membership of the Full Stakeholder Group is voluntary and is open to individuals, companies, organisations and government agencies [the stakeholders] with an interest in the broadband value chain.

Members will be regularly informed about BSG activities, and will be consulted on broadband related issues via the BSG web site or e-mail. They will also be invited to participate in BSG working groups as and when they are established. BSG members can raise issues for the attention of the Executive directly through the Secretariat.

BSG Chairman
The BSG will be led by an independent non-Executive Chairman. The appointment will be nominated and approved by the Executive, in consultation with the Board and Government. The position will be unpaid, although all expenses will be reimbursed.

BSG Executive Committee
The BSG Executive will provide the strategic leadership for the BSG and will be chaired by the BSG's independent chair. The Executive will have responsibility to oversee the BSG work programme and approve BSG positions, recommendations and published reports etc. There will be approximately 24 members of the BSG Executive, each of which will be appointed by the Nominations Committee.

The BSG Executive will consist of appropriate representation from corporations and organisations throughout the broadband value chain. This will include but not be limited to: broadband service providers; broadband product suppliers; members of the broadband content industry; central Government departments; local government and RDAs; consumers and consumer representatives; and, trade associations.

If it is not possible to include representatives of all of the above, then suitable consultation arrangements (over and above normal stakeholder processes) will be put in place. Members of the Executive Committee will be appointed by a Nominations Committee (see below).

Nominations Committee
The Nominations Committee is a sub group of the Executive Committee. It's objective is to ensure the independence and appropriate breadth of representation on the BSG Executive and the BSG Advisory Board. It will nominate representatives to both the Executive and Advisory Board and ensure appropriate replacements are appointed when vacancies occur.

Working Groups
Working Groups will be responsible for investigating specific strategic issues within the larger broadband agenda. The BSG Executive will form the Working Groups on either a permanent or ad hoc basis depending upon the issue, and will also:

- appoint the chairmen - normally a member of the BSG Executive;
- approve the terms of reference; and,
- ensure that there is a coherent program and schedule across all the working groups.

Working groups may form ad-hoc sub-groups. Members of the working groups are drawn from the Full Stakeholder Group.

Associate Forum

The Secretariat will also establish an Associate Forum to provide a 2-way channel for communications between the BSG and other related trade associations and interest groups such as the CBI, Intellect, the Digital Content Forum, etc. This forum will function as a virtual network-of-networks with briefing meetings taking place at appropriate intervals.

Secretariat

The responsibilities of the secretariat will include:

- supporting the work of the Chairman;
- supporting the work of the Executive;
- supporting the work of the Advisory Board;
- providing a secretary for the working groups;
- creating and supporting the BSG web site.

A small four person secretariat will be appointed by the Executive and will be comprised of:
- CEO
- 1 Expert knowledge worker
- 1 Project Manager
- 1 Administrator

Advisory Council

An advisory council will be established comprised of senior policy leaders (No 10, DTI, EGU, Ofcom) and industry leaders from companies representing the full cross-section of the broadband value chain.

The Advisory Council will meet three times per year to be briefed on and discuss overall progress against the objective to be a world leading connected economy. The Council will provide a forum for regular engagement with senior executives and decision makers and a sounding board to discuss progress in implementing the strategy. The Council will have no formal decision-making role and will work in an advisory capacity providing feedback to the Chairman and CEO.

Meetings will be chaired by the BSG Chairman and will take place over dinner.

Outline Composition:
- Chairman
- CEO
- DTI
- EGU
- No10
- Ofcom
- Telco
- Telco supplier
- Mobile operator
- ICT industry representative
- Broadcaster
- Content owner
- Content industry representative
- CBI

Ministerial Briefings

The BSG Chairman and Chief Executive will have quarterly ministerial briefing meetings with Mike O'Brien (e-business) and Ruth Kelly (e-government) and Tessa Jowell (media content, applications and services). These meetings will be used to report on and discuss progress and highlight any current issues of concern requiring action.

11. Communications

The Secretariat will be responsible for ensuring effective internal and external communications. More effective use will be used of web-based communications in order to enable more members to participate in meetings without travelling. A media programme will also be developed to ensure that the BSG communicates effectively with the media.

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