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Special
Supplement



Towards a Better Britain?

Broadband in the Regions
and Nations of the UK

A New Statesman roundtable

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Introduction

If London is to maintain its place as the e-business capital of Europe, the institutions of London government are going to have to devote more time and energy to promoting broadband, developing e-business and e-government and overcoming the digital divide. London is well placed to do this: it is a uniquely advantaged region with a concentration of technologically enabled businesses and a highly skilled workforce and has had near universal broadband for some time. In short, it provides for the UK a unique opportunity, both in terms of its huge scope and its immense needs, to give a lead to the whole nation in exploiting the potential of broadband.

London can not afford to rest easy. Other global cities, particularly in the Far East, North America and Scandinavia, already offer broadband services 10 times faster than those available to Londoners at similar prices. The need to provide faster services, led by extra investment to spread access to high bandwidth networks, matters more in London than elsewhere.

Participants



Sir Henry Aubrey-Fletcher

Vice president, Country and Land Owners Business Association



Lorraine Baldry

Chairman, Central London Partnership



Alex Bax

Senior policy officer, Greater London Authority



Aman Dalvi OBE

Chief executive, Gateway to London



Ruth Djang

Co-director, ABI Associates Ltd



Graham Dupree

Account director, London Aggregation Board



Sir Peter Gershon CBE

Head, Efficiency Review



Richard Granger

Director general of IT, NHS



Amanda Jordan OBE (chair)

Founding director, SMART Company



Liam Kane

Chief executive, East London Business Alliance



Oona King

MP for Bethnal Green and Bow and PPS to the Secretary of State for Trade and Industry



Steve Pennant

Chief executive, London Connects



Alison Ritchie

Chief broadband officer, BT Group plc



Valerie Shawcross CBE

Mayor's e-envoy, Greater London Authority



Kevin Swindin

Director of information services, City University



Antony Walker

Chief executive, Broadband Stakeholder Group



Brian White

MP for Milton Keynes North-East

Towards a better Britain?

Broadband in the regions and nations of the UK



Amanda Jordan Hello and welcome. The objective today is to send us away thinking more about the potential broadband undoubtedly has. Val Shawcross, the Mayor of London's e-envoy, is going to make some introductory remarks.

Valerie Shawcross Why is London special? London's value-added GVA per head is 20 per cent above other UK regions and we are in the top bracket of European regions. The London economy is a conglomeration of international businesses, the financial service sector, ICT and, I would add, our creative industries. Central London benefits from the most competitive market for high-end telecommunications in the world. Gigabit ethernet is available in the Square Mile: very broad broadband. How does that fit into London's future?

The picture beyond the centre of London is different. We still lead the UK in terms of competition, availability and probably take-up of broadband, with about 20 per cent of households in London and 45 per cent of small and medium enterprises (SMEs) on one of the counts taken but, in reality, the competition out there is limited. There are many suppliers: NTL, BT, and DSL Products but, at the infrastructure level, competition is between BT and only one or two cable companies. At the Greater London Authority (GLA) we see take-up by some SMEs and many social groups is slow.

A price or cost versus perceived benefits is actually the key factor for the poorest groups, as it were, in fact virtually all other factors can be excluded.

In Tokyo and parts of the US, they are beginning to receive services in the residential market that are ten times the capacity of those currently available in London, allowing things like video streaming. Some suggested to the GLA that, for London, we should actually define broadband as starting at 10MB per second, which is 10-20 times faster than BT's standard retail product, so how soon could the market deliver 10MB per second to Londoners at home?

Broadband has massive public investment in London, led by the NHS and guided through the new regional application bodies. There is national work on digital content to stimulate demand. The Department of Trade and Industry has initiatives from the Small Business Service. The Department for Education and Skills has its regional broadband consortia in schools. In London we have integrated some of these but the NHS, because of its size, does remain outside much of the region's sphere of action in other public sectors.

In the London Plan, for example, using the mayor's planning powers, and linking economic developments through the London Development Agency, and Thames Gateway and the Olympics are involved in that, they are important for ►



us in London to drive infrastructure and take-up.

London Connects is our e-government partnership with all boroughs and other central organisations in London. The mayor is committed to pushing things on. London boroughs use their local muscle to try to drive connectivity.

But are the frameworks appropriate? If the new development for the Thames Gateway is to be planned in a coordinated manner with great attention paid to the phasing of the infrastructure, which is what we need, there is perhaps a problem with the complexity of the governmental oversight of the Thames Gateway proposals. The government, through the OEDPM, remains the key player despite the advent of the Mayor of London Assembly. There is quite a complex range of organisations involved in the Thames Gateway.

The position is very similar for e-government. National government has national priorities and sometimes you can put a lot of effort into working up your local and regional priorities to discover that they don't necessarily connect.

London's importance to the UK economy does make it special but we have to compete on a much higher, and broader platform than other regions of the UK. Ultimately the other regions of Britain benefit. The GLA would argue we need more power and freedom of action if we are to compete.

Amanda Jordan You mentioned the NHS as being one of the drivers of investment. Richard Granger will now comment on how broadband will bring benefits to the NHS.

Richard Granger When I was working on the Congestion Charge, we did a risk analysis on the network in London. Almost all connectivity is either directly, or for management

purposes and therefore indirectly, dependent upon the monument frame. So as you think about the resilience of the infrastructure in London, we will have broadband connectivity, we can still find a number of points of failure there.

Because open public networks are not safe for critical clinical data, the NHS's digital infrastructure has been constrained by what I consider to be specious concerns about security over public infrastructure.

Most information in the NHS is still moving by post, diagnostic images, X-rays, paper records. If you change your GP, the average transit time for records from dispatch to upload onto the receiving GP's computer system is six weeks.

Most GPs have a 256KB link. We are in the process of upgrading all GPs to 1MB across the whole country. So in large parts of the country the NHS will catalyse some of the back ball upgrade activities that are acting as a brake on broadband being available for purposes outside the NHS. We will upgrade hospitals and to Valerie's point about gig links, we will have gig links between our data centres. We will have dual resilient data centres, one-of-them-getting-blown-up-and-the-screens-not-flickering test, and if they both disappear then we have some limited downtime.

Most care in the NHS is delivered by GPs, by people working in the community. In London, 25 per cent of primary care is initiated by the London Ambulance Service. The challenge is connecting up organisations like the London Ambulance Service and the NHS social care personnel who work in the community where most care is actually delivered and having all those on broadband wireless connections.

Today we are very interested in fixed-wire connectivity but what will be really amazing will be to have a peripatetic always-on connection. Imagine what that will do when the ambulance picks you up and the ambulance paramedic can send through to the A&E department rich visual and data information collected by equipment in the ambulance.

So, broadband connectivity will roll out across the NHS. I think we will cause a positive halo effect for a number of other organisations, small businesses and domestic users. We have already more than 3,000 connections since April and we will order approximately a further 6,000 connections a year over the next three years. Some of them are big pipes.

At the Maudsley Hospital in South London you can see video-conferencing facilities being used for telepsychiatry appointments. Clinical staff set up at one end of the video-link with their patients at the other end in their GP's surgery, an hour (but only 15 miles) away. They also conduct those services for people in the Channel Islands.

At the heart of what I am delivering for the NHS is a stomping great messaging system which will, by 2008, be handling 5 billion transactions a year, 5 billion pieces of

information moving around the country, not just in London. That is entirely dependent upon resilient triangulated high-quality data infrastructure, and almost unimaginable from when I started in large public sector IT on a 9.6KB link. We have come a long way in 15 years but we do need to imagine where we will go in the next 15 with high bandwidth always-on wireless connectivity and, hopefully, removal of the tariffing constraints because the cost of going wireless is less than the cost of digging up the road, and yet the tariffing arrangements are constraining moving straight to wireless.

Liam Kane I am interested in NHS.net and perhaps you could expand a little as to what that is doing. We are looking at setting up a local internet working with GPs. Blood test results currently take three weeks with the methods you are describing. We reckon as soon as the tests are done they can be posted on the notice board and then accessed.

Richard Granger That is a stepping stone. What we are going to be doing is posting them directly into your personal health record. What you are doing is a useful stopgap while we get the care records set up for everybody in the country.

We are talking about somebody in a GP surgery being able to book your appointment with the consultant there and then. This is a new quality and responsiveness of service. It doesn't need broadband connectivity but it does need always-on connectivity across the NHS, which we're rolling out.

Aman Dalvi I wanted to talk in the context of the Thames Gateway. The London Plan talks about the population of London increasing by 700,000 over the next 15 years, that's the size of Leeds. Then we have 1,000 hectares of ground being made available for development which, over the next 10-15 years, will be developed out. We are talking about 120,000 new homes in the Gateway and the creation of 180,000 new jobs. Some of the investors are in critically remote areas; they cannot get an ordinary line in, let alone broadband.

Alex Bax Certainly the London Plan suggests all new building in the Gateway should be 'enabled' so that new buildings go up with the connectivity units built in. Is there any way we can connect to your timescales, perhaps and help the NHS investment and help what we are doing.

Richard Granger I do not think somebody responsible for putting up hundreds of thousands of buildings should really be relying upon the expansion of existing health facilities to ensure the other 90-95 per cent of the capacity is in place.

The NHS's purpose is to serve patients equitably across the whole country. That is the basis under which our planning

operates, that principle of equity, not to deal with other important societal factors outside of our remit.

Alison Ritchie I wanted to assure Aman that the current state of UK broadband availability now stands at over 90 per cent and that by summer next year we will announce dates for the enablement of all but the very smallest 500 exchanges in the UK, which will cover over 99 per cent of the population.

We do have issues around reach which we are well aware of and which I am also determined to tackle. But by next year we will be leading G8 in terms of broadband connectivity.

'Somebody in a GP surgery being able to book your appointment with the consultant there and then'

Steve Pennant Richard, about connections to social care. I work for London Connects, doing a lot of work with the NHS, and with the Team for London, to do work with councils, the Association of London Government, in connecting up authorities. My feeling is that the constraint for social care advanced in London is much more to do with information-sharing agreements, information-sharing software, and most of all actual training of social workers and people as to how to use it. It is a whole new world, is it not? Suddenly these social workers are going to be using Smart cards to authenticate themselves on terminals and use countless systems where their patients might be recorded and the record of social care systems is not the best so far.

Richard Granger I have had to be very clear about what we are doing and what we are not doing. What we are not doing until 2008 is connecting up social care and people wishing to access the health and social care record who are not in the core NHS. We are about to hit an interesting level of scrutiny once again about electronic records and who accesses them, and so on. I am concerned that, if we moved in the next two years towards allowing people outside NHS with different registration and access controls, we will dilute trust in the NHS around medical records and would destabilise the programme because of such a massive increase in scope.

Brian White For 20 years before I came into parliament I was an IT consultant. I do not believe most of the constraints of broadband are technological constraints, they are social constraints, attitudinal. We could have had electronic medical records in the NHS 10-15 years ago were it not for the political (with a small 'p') games that are played in the NHS. ►

Brian White But it is right across the sector, both local government and national government, and one of the interesting things with the IEG statement in local government was that it actually brought a number of those issues out to the fore to enable those local authorities who wanted to tackle it to be able to tackle it, and those local authorities who thought it was too difficult to say it was too difficult.

Richard Granger A big worry for me is this almost schizophrenic existence where in one ear I had last week a number of GPs demanding six months' delay to the deployment of electronic patient records. One consequence is 6,000 people will be killed through medication errors that would be prevented if we had electronic records, just for six months' delay. In the other ear is we could get on, as Brian says, and do this even more quickly if there was a real understanding and reduction in the number of vested interests that are delaying this.

Amanda Jordan Yes, with the Gershon Report coming out today, I think we all do see this happening, sadly, a lot.

Valerie Shawcross First off, in trying to connect, social services to the NHS and have some intercommunication of information, you have to take account that a social services department also needs to connect into its local council where there is already an established system. Similarly, local authorities may have invested in technology which may not be compatible or could be obsolete in ten years' time.

We are still not there and I think one of the problems we continue to experience is short-term investment frameworks.

E-government partnerships around the country have been dealing with one-year investment frameworks, and it is very difficult to put the capacity in place to do broader partnership working, and that has been a problem. There has been some thoughtful investment from regeneration sources and from the government and the online centres, but again it has been sort of one-off and short-termist. The need for greater frameworks, longer-term investment and security of investment has been an institutional issue.

It is difficult to engage with the social and political issues in developing the frameworks that will promote our economic development when those issues are somewhat technical and obscured. That's why this kind of event is quite helpful.

Liam Kane I can give you one good example of where technology has been introduced swiftly and effectively. It is Hackney Council. They were only collecting 70 per cent of their council tax, it is now up to something like 86, and the target is for 90. The degree of willingness to accept new technology is in embellished proportions to the rate of collection.



Valerie Shawcross I think a lot of the local strategic partnerships are institutionally quite weak. Some of them are very dependent on their local council and therefore their strength is determined by that. The poorer the area, the greater the need, the less likely you are to have the industry, the businesses, making an informed contribution about their strategic needs of the area, making a good strong business-led intervention.

Brian White I think there is a key role here for regional government and the RDA. The GLA has a better chance of it working because of that elected element and its legitimacy. It comes down to that kind of leadership, and particularly the people on the RDA board who ought to be giving that kind of leadership that Val was talking about.

Steve Pennant I think services have joined up where there has been external funding. It was a prerequisite of the bid to DFPS that every borough had to be a part of that. So every borough was and they all got money and it worked.

Lorraine Baldry Probably one of the reasons Richard is in the position he is in is because of government's commitment to the NHS where it said: 'Could you please get on with this and here is [to put it crudely] shed loads of money to do so.'

For most other things it is this issue about payback for investment. Because of short-termism where the payback on some projects is one, two, three years, you cannot by any imagination do a lot of this work on these very short-term paybacks. It just is not possible.

Richard Granger Two years ago, the NHS in England was

spending of the order of a billion pounds a year across 600 separate purchasing organisations to buy IT. But the NHS decided that a number of things should be done centrally and should be done by a distillation of the best that existed locally. So last year we set off to go and look at the best that was out there and replicate it across the whole country.

We also did a massive procurement exercise, we assessed the cost of what we will be purchasing if it had been bought locally through the 600 organisations. It was at least twice as much. So it is not that I have a large budget, it is that I have halved the cost of what we are doing.

Sir Peter Gershon I was the government's chief procurer until March this year and I am now leading the government's Efficiency Review. The NHS is a collection of entities that do very similar things and it is possible for Richard to make very good decisions about aggregation to get economies of scale, and it is about, say, the broadband need of a doctor's surgery today. However, the broadband needs of a primary school are very different today from a doctor's surgery.

There is a raft of other things in government where to mandate a national ubiquitous solution, even within the public sector, would be inappropriate and probably be wrong.

Richard has referred to the issues about there being huge groups in the public sector who actually need mobile solutions, they do not need fixed solutions. The police are now rolling out Airway, which is digital. The Efficiency Review shows some areas not just in broadband where we would get a better result by aggregating at a higher level. There are also instances where we should disaggregate and we are over-aggregating today, and the consequence of that is we are excluding huge rafts of the SME community and the ethnic minority community from public sector business. I mean that in the broadest sense of public sector business. We are trying to learn by running two pilots, one in Haringey and one in the West Midlands about how we open up the public sector marketplace to a broader base, and ethnic minority, and SME businesses. One crystal clear message from that is we have to do less aggregation and more disaggregation where it is appropriate, if we are to make these markets accessible.

Amanda Jordan Antony Walker of Broadband Stakeholders Group will now talk about broadband's role as an includer.

Antony Walker I fundamentally believe that securing the benefits of broadband is going to be far more about people and culture and change management, than it is about the technology. I think if we focus too much on bandwidths or technology we will miss the fact that what we are really talking about is the way in which people live their lives.

Broadband provides the opportunity for people to do things differently, to achieve better outcomes. Broadband could be a very powerful enabler and a real catalyst for accelerated change for consumers, companies, organisations, and nations. When fully absorbed, broadband changes people's behaviour and drives much more intense and productive use of ICT and online content and applications and services.

To remain competitive in a globalising world, London must ensure delivery of world-class product services and it will be critical that we exploit broadband opportunities to the full.

The importance of broadband to the future economic development is becoming increasingly well understood and well recognised by a range of economic bodies: OECD, ITU, EU, and so on. A lot of recent research supports the assertion that new communication services can lead to very large increases in consumer welfare and GDP growth.

The *Economist* was unequivocal in its recent supplement that broadband was a key catalyst for the growth that we are now really starting to see on e-commerce.

Achieving these kind of benefits can be critical in a world economy that is becoming far more competitive. Broadband has accelerated globalisation, leading to the outsourcing of business services and process operations. SMEs with broadband now have a communications capacity to outsource primary business processes such as accounting, and that is going to have an impact on jobs and growth in the UK.

'We are excluding huge rafts of the SME community and the ethnic minority community'

The development of a strong domestic and broadband market will be critical for the success and for the opportunity for those UK companies to develop new innovative products and services that they can then deliver to that wider market. Almost all improvement in service delivery over the last ten years has somehow been driven by the exploitation of ICT.

The exploitation of homeworking can also significantly reduce the cost and the demand for, in fact, office space for companies both large and small.

So there is real evidence of economic value emerging and no fundamental reason why government cannot do the same. This is going to enable them to either plough those savings back into the public sector to deliver even better outcomes in terms of health or education, while reducing the tax base and increasing the competitiveness of their economies.

We have high population densities in London and it makes London a very attractive market for investors. We have a ►

wide range of SMEs, we have the strongest creative sector in Europe, and this is by definition the place where things happen first in the UK.

It is very likely that London will be the most competitive market for broadband access and where there will be the widest range of choice in terms of the way in which people can access those broadband services. But, at the same time, London has some of the highest levels of social deprivation in the UK and we know that there is a very strong correlation between social deprivation and ICT take-up.

Broadband can either reinforce and exacerbate the kind of social exclusion that we see today, or it can be a powerful enabler to break down those old traditional barriers.

I think we also need to think in terms of digital inclusion rather than just broadband inclusion. That certainly includes the potential of digital television, I think we should be thinking much more creatively about what that can deliver but, also, clearly the mobile is fundamental to all of this.

First, people for whom there is no value or no relevance in the kind of services that they see today are the people who simply do not see why broadband or why digital interaction would be relevant to their lives at all.

Second is fear that comes from both a lack of skills and a lack of ability, a fear of failure presented by mutuality but also a fear of the dark side of the internet and concerns about things like pornography, spam, and viruses and so on.

Finally, there is the issue of cost, the cost of both the devices themselves, PCs and the other access devices, as well as the cost of a monthly subscription to any particular service.

The Cabinet Office and the e-government unit within the Cabinet Office have been doing some useful work with the digital inclusion panel and they have come up with three Cs: connectivity, content and capability.

On connectivity there are issues about access to platforms. However, we should not underestimate the black spots in terms of availability to households in London. There are still people in Central London who are campaigning for broadband access; we should not forget that. The second part of connectivity is about access to devices and services. For the most socially deprived, would subsidised access work?

On the content side, clearly, we need to look at what the applications and services might be that will really make a difference to the late majority of users and not just the early adopters. Things like access to education, health services and other local services, but critically things like entertainment. There are some interesting questions to ask about the role of the BBC as a driver in this market.

On capability we need to help people acquire skills confidence. How we can improve the ease of use and how we can improve the support that we provide to users.



There are some really interesting lessons to learn from the BT registration scheme where we saw community groups getting together around the country to campaign for access, but then once they got that access they stayed engaged and they started really to look at how they could drive use and exploitation and benefit for their local communities. I think engaging at the community level would be critical as well.

‘There are some interesting questions to ask about the role of the BBC as a driver in this market’

Sir Henry Aubrey-Fletcher I am from the Country and Land Owners Business Association. I have got involved more with SMEs and NGOs. SMEs are terribly important. They are the major wealth creators in this country. The taxes that they pay pay the salary for a lot of us in this room and it is very important that SMEs do take up the technology.

I am also involved in the National Trust. We have just upgraded the whole of the IT system there at vast expense, millions of pounds, in order to become entirely paper free. But we put a major chunk of our budget not for the technology itself but for the training of staff on an ongoing basis. There are about 4,000 staff in the National Trust, all very bright, all very capable, but pretty set in their ways. It is about behavioural change. It is culture change.

Along with the training comes the confidence, and you take that home with you into your community, and hopefully you can sell it and persuade others who are excluded to



enjoy it and understand the technology. I am sure that is the way forward.

Brian White I entirely agree with that. I think it is fundamental, it is about training skills and people.

Sir Peter Gershon There is a long track record of IT projects in the public sector where the technology has been made to work but we have never derived full benefit because we have not addressed the issue about culture and people.

We have to find ways we can liberate people to a completely different mindset. That is about their willingness to use the potential that the system delivers them, particularly if that involves sharing across organisational boundaries.

Amanda Jordan Running a small business as I do, making the case to invest in training, etc, is very difficult to do. Ruth?

Ruth Djang We have a couple of programmes, one Working Broadband GB, a European-funded programme is looking at how people in the creative sector can use broadband to start a business, or bring their talents to a wider audience.

We are showcasing their work through our website, providing links for them in areas where they otherwise would not have a chance. We provide them with business support too so they can see what their work can generate and where some of it is perhaps just indulging their talents.

Being a small business myself, what I have found is that what broadband is doing for us on probably the training front is cutting some costs, using a sort of virtual pay chart, virtual this, virtual that, to look at your own internal

systems. I just do it all from my desk. Small companies with ten, like myself, or fewer employees, often do not embrace something because they think it is going to be expensive. But we can bring benefits to them as: 'Actually this is a better use of your money and this is what it brings to you.'

Amanda Jordan It is about the support and guidance one needs when running a business because any distraction from this month's figures can be really drastic.

Lorraine Baldry Almost every school now I think has access to broadband or broadband connectivity. As young people at school move into higher education or into start-up roles, they will start to influence, I think, what happens in those businesses because they will say: 'Do you know you can get this piece of information and that piece of information out of the system?' They, of course, will be fearless. Then it is just a question of how you educate people also to be fearless.

On the home front, interestingly, one of the biggest growth areas, is retired people going on to the internet. So we are actually seeing, rather counterintuitively I think, that people who are starting to use these systems are not necessarily those we might expect.

So this whole issue of how broadband will filter across the community, not only into homes but obviously into offices, and so on, that is one point.

Aman Dalvi Yes. My comment is in relation to the black and minority ethnic communities.

I used to work in housing and, historically, the way people get social housing is: you go to your local authority and after the due course has taken place, if you are eligible, you get your housing. Now we have what is called a choice-based letting system where you have to bid for properties on the internet and there is a system by which you can do that. That project is two years in and one of the first things that has come out of this study is that minority communities have not used it and therefore they have become more and more excluded.

Brian White The social inclusion unit is doing an awful lot of work in this area and certainly the DTI is very aware of the issue. In putting the systems in, we must not recreate barriers. I was curious that the experience you had is that it actually created new barriers and I would be interested to see that project because I think there are lessons to be learned from it.

Amanda Jordan But if they are sharing good practice as well as bad practice where things are not, who is sharing that practice, who is encouraging groups who have had negative experiences to learn from those... ►

Brian White The office of e-envoy has a number of those best practices and were sharing it around government. The successor as government chief information officer is doing quite well with work on that and certainly the issue still needs to be taken forward.

Valerie Shawcross On social exclusion, I did not want to lose the very important point Alison made about entertainment as content. I was first a ward councillor in a large council estate and it took my breath away how quickly cable TV was taken up by that the most socially deprived community in Croydon with the lowest educational standards. Entertainment is a key need for that community.

People who are sofa-surfing or marginally hanging on to hostels or bedsits, or short-let flats, can barely afford them because they are expensive, do not have the time or the attention to buy an expensive PC or sit around waiting for BT to come in and install broadband connection because actually they will be moving on very quickly. Actually, they do have a key need for information and to be connected up locally.

The other thing to say about London is that, because we have so many successful cultural industries, we have huge opportunities for economic development deriving from entertainment, arts and leisure, and very often driven by younger ethnic minority entrepreneurs and artists.

Antony Walker I think there is an interesting debate to be had about what role the BBC should play in this market going forward. Their radio service that puts all the radio programming online for seven days after its original broadcast has been hugely popular. The ability to offer virtually a video-on-demand service that allows people to access BBC content whenever they want for seven days after the original date is a very compelling entertainment proposition.

What impact will that have on other content providers who are looking to build new commercial business models in this market? I think it is something that, in particular, OFCOM needs to be thinking about as well.

Graham Dupree I would like to underpin a comment made earlier. There is real demand beyond the ductile or the ADSL level of broadband and I think we need to redefine what broadband is, going forward towards 2008 and 2010. It is being driven by public bodies who can see the business benefits and higher bandwidth. We will be seeing this in the education sector and it's already evident in business. Take Ealing bidding for the Bollywood film market by a very competent higher speed broadband market. I think there is an education process required in what it will look like, going forward towards 2008 and 2010 in terms of the wide society.



Kevin Swindin Libraries were essentially repositories of data in the same way that we treat the worldwide web now. The kinds of people that historically were employed to run libraries were very much custodians of bits of paper and books on shelves. I think there is a role for librarians and other staff to become helpers in this kind of cultural education process, moving towards helping people access services and information through this broadband technology.

I am pretty sure that the comments that have been made about education and about entertainment being key are absolutely right. If I look at the logs of what my students are using, it is very much entertainment. The kids that are coming through from schools have been taught very much as problem-based learners, self-guided, self-directed, operating multiple streams all at once. So when we talk about cultural issues for those that are currently being excluded by virtue of age or money, or whatever reason, we need to understand that the world we have created is a very different kind of world in terms of the way you access it and we must not just attempt to train those people in a linear fashion, we need to recognise that they will be coming into this with a different perspective.

Sir Henry Aubrey-Fletcher Only 50 per cent of people listen to BBC radio. The other 50 per cent listen to commercial radio. In London now I think there are over 20 commercial stations, many of them catering for minority groups of different sorts, and they get right down into the heart of communities that the BBC will not get. It may be worth trying to make connections with some smaller commercial stations who access excluded groups, who probably already interact through the internet with their listeners but may be not getting through to those that do not have access to a computer.

Brian White We have been here before in these debates. The games industry is now our fourth largest industry. It is actually one of the most successful industries in the world. The media response to it, government response to it, has still not yet caught up with that fundamental change, the fact that the games industry is actually worth more than our car industry.

More people, households, are actually hooked up to the internet than choose to watch free-to-air digital TV. I think the biggest single obstacle to this whole area of content is people's perceptions of issues like spam and the phishing frauds. Unless we start to address some of those issues on a global scale, and there is not a simple answer to that.

Meeting breaks for lunch

Amanda Jordan Alison Ritchie, chief broadband officer from BT is going to talk to us about the London Gateway project and what that wired community will really look like.

Alison Ritchie Although I will be touching on the specifics of the Thames Gateway, my comments are really about the future wired world generally for London because I think that is important to a number of people around the table.

Last year I was given the challenge of driving broadband roll-out beyond 90 per cent and ensuring we could justify the hundreds of millions of pounds investment in those rural areas. It was quite a challenge but absolutely do-able because we were able to work in partnership with others across the UK.

All of London's exchanges, I am delighted to say, are now enabled for broadband and, with our current technology and service parameters, we can now deliver broadband to 98.4 per cent of Londoners. But I think it is also relevant for us to stress that that does mean 1.6 per cent of Londoners are still unable to get broadband, but we are absolutely focused on getting to that 100 per cent.

We are currently running trials in Milton Keynes and in Scotland to test boundaries and service parameters. These trials have been running for just a few weeks but the initial results are very encouraging.

It is not just BT who is investing in London, there are many others: TeleWest and NTL, EasyNet, Energist, Tiscali, Bulldog, and Cable & Wireless, to name a few.

What should a wired community look like? Could we mean wireless? It is not the technology that matters, it is what you do with it that counts. The key thing is to ensure that services are available to as many people as we can.

We are all going to see increasing numbers of devices, be they mobile phones, computers, TVs, PDAs, games consoles, that will be increasingly interconnected and where we will be able to stay connected wherever we are in the capital,

whether we are at home, at work, or at play.

Let us be clear, the whole telecommunications market will undergo profound change over the next few years and it is as profound a change as the late 1980s when we moved from an analogue to a digital world. We are now moving from a narrowband world to a broadband world and the difference is that a broadband world is visual whereas narrowband was predominantly voice and text.

In places like Japan and Scandinavia, where there are headline speeds of 10MB or 100MB, the reality is that customers typically do not get anything like 100MB. That headline

'What should a wired community look like? Could we mean wireless?'

speed is typically shared by 30 customers, so a more typical figure is about 3-5MB. It is typically only about 20 per cent more than the bandwidth that is currently used in the UK. The key services that are being used in Asia are primarily interactive video games and entertainment TV. In Finland, where customers can get up to 10MB, I was told you cannot get more than 2MB on the internet anyway because the bottleneck in speed is often the capability of the servers and the web pages to deliver the streaming technology.

How do we determine the services that Londoners will require? How do we ensure the infrastructure is fit for purpose and in place to deliver that?

BT's infrastructure plans for London effectively completely transform our existing network within five years. We will begin migrating services from the PSDN to an IP network. An initial thousand customers served by local exchanges connected to Cambridge and Woolwich will trial end-to-end voice and data services over a core IP network. The aim is for customers to be totally in control of the services and they will be able to switch the line to broadband without requiring physical work at our exchange, thereby affecting the economics whatever device they are using.

Voice calls are not going over the internet, they are going to be carried on our dedicated high capacity IP networks. We have also announced trials to test the possible deployment of fibre-optic cable in the UK local access network.

These limited trials are looking at the economics associated with providing services to new build and green-field sites.

We do believe that the use of fibre can help to deliver better operating costs. We very much recognise the valid public policy discussions about whether and how investment in fibre should be made for major infrastructure developments

such as the Thames Gateway, and so on.

My main question for us to discuss during this preamble is how should we invest our money to deliver real tangible benefits to London? What is the generic policy landscape for London? Where do we set our overall policy goals? Is there a clear vision for the services that citizens and businesses will need and the high-band infrastructure across all of London?

The one thing that impressed me most about Japan was the shared vision of the e-Japan strategy. It is shared and articulated whether you talk to people in industry, government, media, suppliers, all parties fully support the development of a ubiquitous broadband network that supports what we call the always-on, anywhere-on, anything-on, world.

I think one of the lessons that we learned through the pre-registration scheme and the roll-out of broadband connectivity which has and is making the UK a world leader is that this has to be done in partnership with other industry bodies.

Alex Bax I guess we have to respond in certain sectors. Who is best placed to coordinate the infrastructure investment in Thames Gateway? My personal view is that we are not sure what is the best organisation yet. The role of the public authorities is not yet resolved.

Oona King One of the biggest problems for London obviously is that we have the greatest wealth and also the greatest deprivation and therefore run the risk of having the greatest digital divide.

Henry and I were talking at lunch and Henry was pointing out that he would not have thought that every single person on benefits would be walking around clutching mobile phones ten years ago, but they are today, and how could you replicate that with broadband?

Aman has done some of this work with TG but I have also been at events in Tower Hamlets where registered social landlords (RSLs) and sometimes local authorities are looking at how we provide technology not just when in new build.

I think if we are going to be successful it is about making regeneration money flow into the current poor housing.

I think if we look at what attracts SMEs to broadband in the first place, it is (a) because they can stay in touch with their customers and their suppliers and (b) because it helps develop new markets and services. I think that is what customers want as well. They want to be kept in touch and know what is going on. One RSL is now using broadband as a way for residents to be able to keep up to date with their repair needs and register that sort of thing. If we look at what is attractive about broadband per se, we see how we could transfer that to those groups that are being kept out.

Which agencies do we want to be looking at, who should be



making the running in this? At the moment the government's money to ratchet up standards in housing is basically put into the community's programme and the policy is called Decent Homes Standard by 2010.

Nowhere in that, for example, is reference to connectivity or access to technology. We need to be looking at the government department that really has more day-to-day influence in how you would find the money through regeneration schemes to reach those at the very sharp end of deprivation and the wrong side of the digital divide.

The most deprived community in the UK is the Muslim community. In Tower Hamlets they represent 36 per cent of the population but over 70 per cent have no qualifications whatsoever, and only 33 per cent of working age Bangladeshis are in employment, compared to 74 per cent of white people. How do we involve the mosque, for example, a huge new opening Muslim centre there, with 15,000 people, worshippers, per day in some cases.

So influence the Deputy Prime Minister, try to see that government is joined up and try to use regeneration initiatives not just in new build but in regeneration.

Alex Bax That was a point made at a conference in London last autumn as part of black history month where we had some speakers from the US who talked about the black community in the US, and about how faith communities and churches have been important in brokering and bringing connectivity out among the communities, and using it.

The GLA has some roles or ways to try and reach out to faith communities in London but we probably should do more. In terms of the point, who should join up, we have some interest in work going in some of the new look

partnerships, who have loose things in their programme documents about ICT, and they have some investment money, and they have large numbers of old council companies which they are trying to refurbish as part of the group. It does seem to us that, if you put in a little money to look at the costs and the package of services to be put in, you can put together for a community an attractive planning proposition, for ordinary people in those deprived areas to pay ten quid a month to get a range of services.

One of the key things we think will lead communities in deprived areas is to offer them free telephone calls. That is a very straight compelling proposition, take it out to people and say: 'We will save you money, first off.' Then we can offer some entertainment. Then maybe some e-government and some education products.

'In the US, faith communities have been important in bringing connectivity to communities'

Sir Henry Aubrey-Fletcher I can see the problem with existing build and how you get broadband cost-effective, and with who does it now. I think with Thames Gateway you have a real opportunity with new build.

Valerie Shawcross I think the point to remember with Thames Gateway is that only part of it is within the Greater London Authority area. A larger part of it spills out towards the Thames Estuary. The mayor does have planning powers under his London Plan and there was care put in to make sure that these requirements, and energy specifications as well, are put into new buildings.

I think the other argument is not just about driving forward economic and social benefits but extending the sustainability of the area and reducing the travel demands, the high mobility. It is fundamental to the mayor's London Plan to have work and travel services within a small area and e-enablement is crucial to that.

But I think in terms of its professional leadership, the capacity and flexibility it will have within the next four years, I would expect higher performance from the LDA on issues of leadership of this sort.

I also think in the second term the mayor will have more ability to deal with being the conductor of the orchestra. Although the mayor does not have control (although there are control issues), he has leverage and he also has the power to lead, and that is, I think, one of the issues that we need to be undertaking within the GLA.

But it ain't always easy because there is often organisational resistance at every level.

Antony Walker Alex, in terms of Thames Gateway to what extent are you looking at the provision of various utilities sort of collectively, because in a new-build situation, probably 60 per cent of the new-build costs for telecoms are actually in the provision of ducting, digging the roads and so on. There surely must be some real scope for economies by looking at the provision of ducting at the same time as you put in the other utilities, the drains, electricity, and so on.

Alex Bax Yes, we commissioned some of the LDA's commissioned studies, from BT among others, and other utility companies to look at the costs, to look at the prices of the variety, look at how you phase it, and how the ducting would go in instead. Hopefully, that has a major impact on the cost.

It is very interesting, the building regulations is another one. I do not think they have concluded that but every new house or office was to have a specified empty duct of a certain size. That would be helpful if that should happen.

Antony Walker On that specifically, I do not think it has been resolved at the moment but I think there was considerable resistance from the building industry.

Liam Kane I would expand the question. If we take the mobile phone analogy, why do people in the DNE social class spend all their money? Why would they buy another mobile phone, what are they doing buying delivery of services and games and everything else that is going on there? Why do we not ask Sky? They are talking about giving away 100 free stations. The only reason they are doing that is to get in as lost leadership and then sell it on. We really need to think about the private sector, the entertainment providers, they are the guys who will pay for the infrastructure.

Amanda Jordan Yes, what is the role of the entertainment industry? We talked about the BBC, and clearly the opportunity coming up with the licence fee review. Are there any other players we should be thinking about as being there as an active partner and sharing the burden of cost?

Lorraine Baldry What we are doing is pricing today's solution to the problem. In five years' time the solution to the problem may be very cheap indeed and therefore the issue of cost is not the same. We should not be too bogged down with cost of it now because, particularly in the Thames Gateway, which I am no doubt going to find out, this is going to have a very long gestation period. It is going to take a long time

before we have hundreds of thousands of houses.

So I think there is an immediate problem to get the ball rolling, which is one thing. Then there is where the technology might be in two years' time, because it will not be here.

Alison Ritchie Can I answer that? I believe that, if you look at the way that the mobile industry has moved on both in terms of things like Wi-Fi, Wi-Max and 3G, we will increase when we see a mix of fixed and wireless technologies, particularly in some of the high bandwidth areas.

But if you go to places like Korea and Japan, which have a lot of high-rise buildings where you can run fibre, it is then served by 300 homes. The economics about that provision are very different to the UK where, outside the urban areas, they tend to be very low rise and very spread out. So this whole mix about ubiquity versus technology versus services development, as you quite rightly say, will emerge and evolve over the next few years.

'In five years' time the solution to the problem may be very cheap indeed'

Sir Henry Aubrey-Fletcher If wireless is taken up and used because it is cheap it would soon become licensable because government will want to make money from it, and the costs will go up. The beauty of doing ducting in new build is that it is very cheap because you are putting in loads of other ducts, all the building work going on, it is just a 90mm piece of plastic and really, in the scheme of things, it is very small.

Wireless, I think, is a dangerous route to go down. Fibre is I imagine here to stay because it has huge potential bandwidth in the long term and will get cheaper.

Lorraine Baldry Can you not run it through the water pipes? Again in the old days we used to have huge raised floors and all this kind of stuff to accommodate it, then we got thin fibre, so I think again we must not get too narrow-minded.

Alison Ritchie We're keen to work on that through the fibre trials we're running: how building economics might change.

Ruth Djang Over time the fact that it is available will extend to different people because they will see the applications of it, but if it is not there you cannot continue the conversation.

Antony Walker What we also have to do is make sure we

build in a pretty good margin for innovation. When we are thinking about the future we do need to future-proof it. The value is going to be in the creativity that is unleashed as a result of it and the new businesses that grow out of that.

Alison Ritchie I absolutely agree with what you have said but I think there is an issue about timing and investment and, if you look at any of the companies that invested billions in third generation mobile licences, for example, there is an investment risk in all of these new technologies.

That is fine if it is not your shareholders or the public purse that is investing their money in order to wait and see what comes along. I think there is a key issue for me about seeing what may be over the horizon and actually encouraging an environment where people will make an investment risk in order to try to stimulate those developments.

Steve Pennant Yes, people will use it because it gets round some of the barriers we have been talking about. You do not have to read to use good multimedia, it can be video, it can be audio. On the Carpenter Estate in Stratford, that has been wired up 100MB to every household, they use video a lot there to show each other films, and they have a kind of archive of film. I think the government will use this to provide cheaper government services because people will be able to get rid of face-to-face expensive shop services.

Sir Henry Aubrey-Fletcher People in schools are going to be confident because they are working with this technology. New chip sets Intel are producing are going to result in much cheaper computers. There is no doubt that, within five or six, or ten years, it will suddenly zoom into the community.

Amanda Jordan So the increase in demand will pick up, which will help other things fall into place, like who pays.

Antony Walker But we have to make sure we have a network that can sustain the traffic we're going to see. Clearly, BT's 21st century network project is seeking to address it, OFCOM is looking at it, in the context of its telecoms review. How do we stimulate that investment a little bit ahead of the demand curve to have the network in place when we need it?

Graham Dupree Two questions: One: as part of the roll-out, would you be educating the market as to what can be done, or could be done with forward thinking? Second: how do you bring your wholesale customers along with you on that network? There has been some comment about whether this network is compatible with their strategies.

Alison Ritchie Yes, two good points. Can I take the second one first? The UK is a very competitive network market and it is absolutely core to all our 21st century plans. We would not be successful in broadband today were it not for the investment of many other companies in making that a success in terms of how that network interconnects. How that impacts other companies' investments and their own infrastructures is a complex issue and one we will have to take forward both with individual customers and in terms of the strategic market review, and so on.

In terms of services and marketing, one of the reasons why the campaign groups were so successful is because they involved real people talking to their neighbours and their communities about why broadband is important to them. Ruth touched on it earlier. We can try to advertise to architects or insurance agents about what broadband does for them but they would much rather listen to another architect or another insurance agent about what they do for broadband.

Graham Dupree So one could see a community of interest networks built upon that platform, a loss user.

Alison Ritchie I have always believed that, in many cases, broadband is a local issue and what broadband enables local communities to do is a far cry from a national ubiquitous volume and vanilla product. The opportunity we have in London, with its vibrant cultural and creative background, is really to become world leading in a number of these areas.

Amanda Jordan I am still not quite sure that I feel we have really got to the heart of what the London issue is. I am very conscious we have done an enormous amount. London has a great opportunity. But we do have communities still that we are not reaching, and that seems to be for a number of reasons, partly demand and fear, and a cultural issue undoubtedly exists, although we then all can say: 'Well, you know, wasn't it so with mobile phones and then the market took over bandwidth?' But, no, this is not quite the same. There is clearly partly an issue about infrastructure and networks and perhaps not always seizing the opportunities that perhaps we could have. Cost in terms of the individual does not seem to have been an issue.

Alex Bax Cost is not an issue. The reason you are not online is because it is not that compelling. A mobile phone is much more interesting, you can do more with it.

Alison Ritchie The stats I have show, for people in London earning over £50,000 per year, 95 per cent of them have inter-



net access, whereas for people earning less than £15,000 a year, 50 per cent do not even see why they would want to use it.

Sir Henry Aubrey-Fletcher One thing we have not touched on which is unique to London is choice. There is an awful lot you can do in London that you cannot do elsewhere. We have several transport systems. There are endless cinemas, theatres, concerts and rock concerts... people are just busy.

Alex Bax Our data that shows that Londoners watch less TV than any other region in the UK, that is because we have such a fantastic place to live.

Alison Ritchie Data suggests some Mediterranean countries have a lower broadband take-up because people want to be out and about. You tend to get highest penetration in Canada, Scandinavia and places where people spend a lot of time indoors.

Amanda Jordan Obviously we have come a long way but we are looking at a percentage of the London population who are clearly very hard to reach and for whom this would be a tremendous opportunity in terms of including them.

The success of broadband seems to be no longer fundamentally a question of access, nor even fundamentally a question of price, really the issue now is education and culture.

It is up to us as individuals and as organisations to raise the profile of broadband. That is what we can take back with us.

Well, thanks to Antony, Valerie and Alex, and Richard for leading discussions. Thanks also to BT and to Alison. Good afternoon.



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