

Welsh Affairs Select Committee Inquiry
Globalisation and its effect on Wales
- input from BT

Summary

1. BT is proud to be a major stakeholder in the Welsh economy. Employing almost 1% of the Welsh workforce across every single unitary authority in Wales, BT has major operational centres in Bangor, Cardiff, Swansea and Newport. BT has committed significant resource in establishing a meaningful Welsh presence through investment in its infrastructure and services and its participation in the strategic development of major programmes in Wales, such as the recent Convergence funding programme and the Heads of the Valleys initiative. BT has become a major strategic partner in Wales, benefiting greatly from the support of organisations such as the Welsh Language Board in developing an award winning Welsh language policy and in turn giving significant support to bodies such as International Business Wales.

Employment with BT

2. BT employs around 4,800 people in Wales. The vast majority of these are directly employed, with the proportion having increased recently at the expense of the number of contractors. Much of this increase has come from BT's Openreach business, and has been targeted at providing improved services in Mid and North Wales.
3. In addition to having exchanges and employing engineers across the whole of Wales, BT has major operational centres in Bangor, Cardiff, Newport and Swansea. Key features of BT's Welsh work workforce include its geographical spread and the range of skills employed across all work disciplines e.g. engineering/IT, sales/marketing, finance/HR at both manager and non-manager level.
4. In 2005/06 BT spent £43m with suppliers based in Wales. It has been calculated that an additional 3,600 FTEs are supported by BT as a result of this spend (Source DTZ Consulting).

BT's Investment in Wales

5. *21CN* - BT has made Wales the lead area for its new 21 Century Network (21CN) programme, and will be investing over £460 million in Wales over the next five years. This will put in place a world-leading communications network that will bring a range of benefits to businesses and consumers over years to come. New voice, data, broadband and multi-media services will be delivered quicker and cheaper than before, including faster broadband. The first connections of live customers to the new network were made in Cardiff in November 2006.
6. *Broadband* - BT has completed its roll out of ADSL Broadband to 99.9%¹ of Wales, funded by BT alone. This coverage is already providing the benefits of broadband to the vast majority of communities in Wales. Broadband take-up among Welsh customers has been growing rapidly over the last year and currently stands at 32.9% which is above the national average take-up figure of 30.9%.
7. Access to broadband from home is a major driver for the proliferation of home working. Such activity makes a contribution to reducing carbon emissions, through the avoidance of travel to and from work, it provides employment opportunities to some who might otherwise be excluded from the working population, and it boosts

¹ *The delivery of broadband services is governed by both network economics and technical limits. BT estimates currently that approximately 99.9% of the Welsh population could receive broadband service if ordered. BT cannot provide a definitive figure as the characteristics of lines differ from household to household and business to business.*

rural opportunities by negating the need to travel to urban centres. Nationally, BT has 11,000 people that work from home and 64,000 more are equipped to work flexibly.

8. *Regional Innovative Broadband Support (RIBS)* - BT is also pleased to be working in partnership with the Welsh Assembly Government to provide infrastructure for the final exchange areas in Wales without broadband and other 'notspot' areas i.e. areas of Wales located within enabled exchange areas that still cannot receive a broadband signal. BT has engaged on a 50:50 basis with the WAG to provide broadband as widely as is possible across Wales.
9. *International Data Centre (IDC)* - In 2003 BT opened its first bespoke International Data Centre in Europe in Cardiff - a £90m investment in a state of the art facility. The IDC delivers cost advantages to companies storing data whilst providing the highest levels of security and resilience. Firms benefiting from such arrangements vary from cost conscious SMEs to very technically sophisticated software companies or major public sector bodies seeking high level security clearance.
10. *Welsh Language Services* - BT provides services for every community in Wales. It respects the culture and heritage of the nation and as part of this has developed an award winning Welsh language policy, in conjunction with the WAG, the Welsh Language Board and two BT Welsh language focus groups representing both North and South Wales. Many of our services are delivered bi-lingually and we have a published bi-lingual policy.

Conclusion

11. Modern communications infrastructure is a vital pre-requisite for economic success in the 21st century. Without this, it would be very difficult to compete with nations in other parts of the world in what is now, more than ever before, a global economy. BT's investment in infrastructure and services in Wales is providing the platform for competitiveness on the world stage upon which others can build.

In compliance with BT's bilingual policy, a Welsh language version of this submission is available through contacting alun.thomas@bt.com