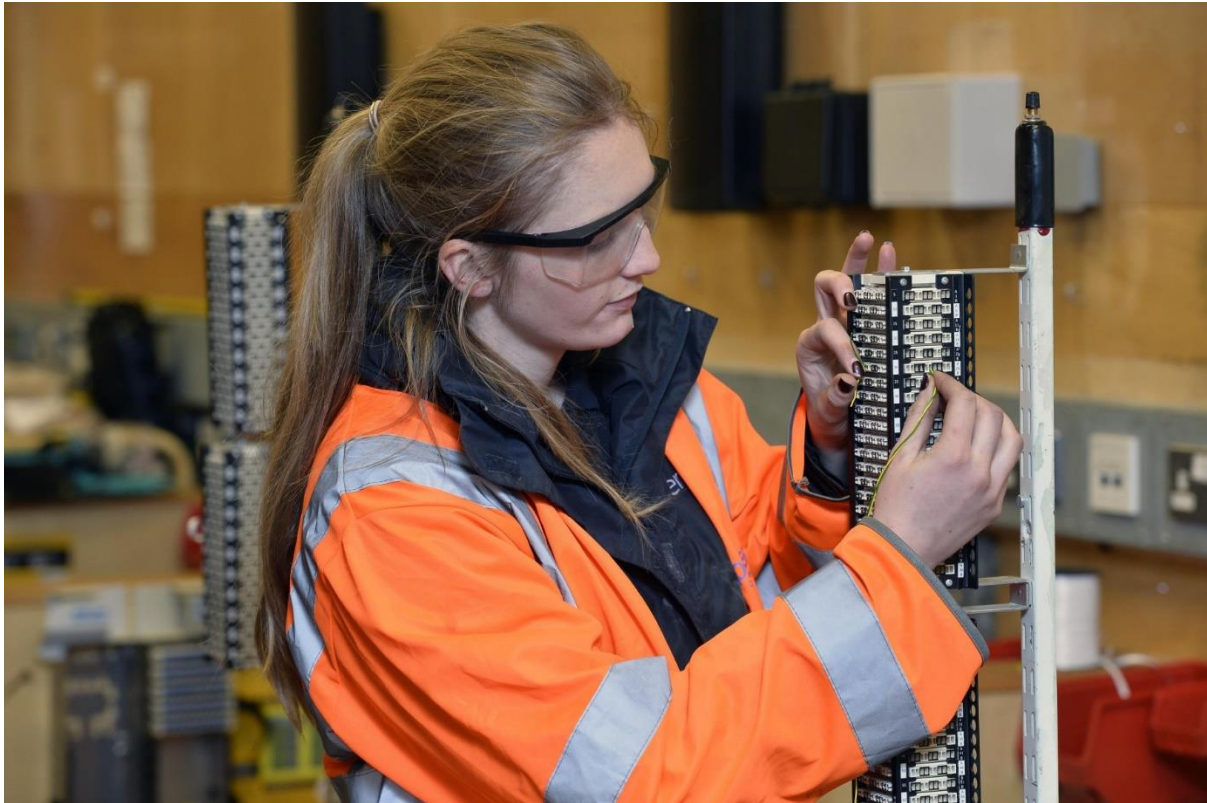


Annex G.A.9.
(Non-Confidential version)

Openreach focuses broadband build plans on upgrading millions more rural homes

28 May 2021

Openreach focuses broadband build plans on upgrading millions more rural homes



- Upgrades for 3m more premises in the toughest third of the country[i] supporting UK Government target of making Gigabit capable broadband available to at least 85% of country by 2025
- Recruitment already under way to fill a further 1,000 new engineering roles during 2021/22

Openreach today outlined plans to build ultrafast, ultra-reliable Full Fibre broadband to at least three million more homes and businesses in some of the UK's hardest-to-serve communities[ii] - meaning fewer homes and businesses will require taxpayer subsidies to upgrade.

The company's updated build plan will be fundamental to the UK Government achieving its target of delivering 'gigabit capable broadband' to 85 per cent of UK by 2025 and it follows **an extended investment commitment by its parent, BT**

Group. It means Openreach will now build Full Fibre technology to a total of 25 million premises, including more than six million in the hardest-to-serve parts of the country.

The plans also include an extension to the company's biggest ever recruitment drive, with a further 1,000 new roles being created in 2021 on top of the **2,500 jobs which were announced in December 2020.**

Clive Selley, Openreach CEO, said: *"Building a new broadband network across the UK is a massive challenge and some parts of the country will inevitably require public funding. But our expanded build plan means taxpayer subsidies can be limited to only the hardest to connect homes and businesses - and we hope to see other companies step forward to build in the most rural areas too."*

"This is a hugely complex, nationwide engineering project – second only to HS2 in terms of investment. It will help level-up the UK because the impact of Full Fibre broadband stretches from increased economic prosperity and international competitiveness, to higher employment and environmental benefits. We're also delighted to continue bucking the national trend by creating thousands more jobs, with apprentices joining in their droves to start their careers as engineers."

Digital Secretary Oliver Dowden said: *"We are levelling up the UK and taking hard-to-reach homes and businesses off buffer mode with a £5 billion investment in lightning-fast, next generation broadband"*

"I welcome Openreach's ambitious plans to connect millions more rural homes to gigabit speeds. It means our funding can go even further to help those in need and will create thousands more high-skilled engineering jobs as we build back better from the pandemic."

Sarah Lee, Head of Policy, Countryside Alliance, said: *"The Countryside Alliance welcomes this announcement by Openreach that they will be targeting the harder to reach communities in rural Britain. This is certainly a step in the right direction after the government rolled back their commitment last year to deliver full fibre and gigabit capable broadband to the countryside by 2025. The rural economy is already 16 per cent less productive than the national average but has such big potential with more people working from home and opting for flexi-working. If you were to level up the countryside by delivering connectivity the economy has the potential to grow by up to £43bn in England alone. If we are to have a green recovery in this post Covid world"*

then delivering digital connectivity must remain a priority and Openreach must be applauded for making this commitment.”

Mark Bridgeman, President of the Country Land & Business Association which represents 28,000 farmers, land managers and rural businesses across England and Wales, said: *“This announcement is a real boost for millions more rural homes who are set to benefit from faster broadband.*

“The countryside has tremendous economic potential to create more jobs and attract new rural businesses, but this can’t be achieved without improved connectivity. Unlocking the digital potential of the countryside could be worth billions of pounds to the economy.”

Mike Cherry, Federation of Small Businesses National Chair, said: *“Covid has shown more than ever the importance of digital connectivity to small businesses, and is accelerating the drive to digital. The lack of access to good local digital infrastructure hampers the productivity of small businesses and sole traders, and FSB research shows how small businesses in rural areas are particularly affected by slow speeds. Today’s announcement by Openreach is therefore very welcome, as it should connect millions more premises in rural and hard to reach areas. Opening up opportunities for businesses as they face hybrid working, changes to global trade and new ways to engage with customers is going to be crucial to the levelling up agenda.”*

Openreach is already building Full Fibre faster, at lower cost and higher quality than anyone else in the UK, having made the technology available to more than 4.8 million homes and business so far.

Openreach is using a range of innovations and techniques to deliver world class build costs, whilst a major investment in 11 new regional training centres is helping to equip and skill thousands of new engineers. As a result, Openreach believes it can build Full Fibre to up to four million rural and urban premises a year (or c.75,000 per week, which is c.15,000 every working day) under its commercial programmeⁱⁱ.

The new, five-year deployment plan includes the majority of homes and business in around 1100 exchange locations - including market and coastal towns, villages and hamlets spread across the entire UK. The locations include Kirkwall in the Orkney Islands, Cardigan in Wales, Keswick in Cumbria and Allhallows in Kent.

Further details and timescales will continue to be published on the Openreach website [HERE](#) as detailed surveys and planning are completed and the build progresses. Home and business owners can always check the very latest availability and plans for their post code using Openreach online fibre checker here www.openreach.co.uk/threemnfibrecheck

For more information about engineering careers and what it's like to work at Openreach, visit www.openreach.co.uk/threemncareers

[i] The vast majority of these locations fall within the 'final third' or 'Geographic Area 3', which is defined by Ofcom as 9.5 million premises in the least commercially viable areas of the UK for competitive broadband infrastructure upgrades.

[ii] Build costs fall within BT Group's publicly stated range of £300-400 per premises passed, on average and excluding connection costs. All locations upgrades are subject to detailed survey.

About Openreach

Openreach Limited is the UK's digital network business.

We're more than 34,000 people, working in every community to connect homes, schools, shops, banks, hospitals, libraries, mobile phone masts, broadcasters, governments and businesses – large and small – to the world.

Our mission is to build the best possible network, with the highest quality service, making sure that everyone in the UK can be connected.

We work on behalf of more than 660 communications providers like SKY, TalkTalk, Vodafone, BT and Zen, and our broadband network is the biggest in the UK, passing more than 31.8m premises.

Over the last decade we've invested more than £14 billion into our network and, at more than 190 million kilometres – it's now long enough to wrap around the world 4,798 times.

Today we're building an even faster, more reliable and future-proof broadband network which will be the UK's digital platform for decades to come. We're making progress towards our FTTP target to reach 20 million premises by mid-to-late 2020s.

We've also hired more than 3,000 trainee engineers this past financial year to help us build that network and deliver better service across the country.

Openreach is a highly regulated, wholly owned, and independently governed unit of the BT Group. More than 90 per cent of our revenues come from services that are regulated by Ofcom and any company can access our products under equivalent prices, terms and conditions.

For the year ended 31 March 2020, we reported revenue of £5bn.

For more information, visit www.openreach.co.uk