

Press release: Need for speed drives £9 billion superfast broadband boost

Local businesses in areas covered by the Government's rollout of superfast broadband have seen a combined £9 billion increase in turnover since the boost to their broadband speed, new figures have revealed.

"The Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme" is an independent assessment of the impact the rollout has had in its first years (2012-2016). Key findings from the report include:

- £9 billion surge in turnover for businesses benefitting from the faster connections now available
- £690 million net increase in Gross Value Added to the UK economy
- A reduction of almost 9000 individuals claiming jobseekers allowance, as well as a reduction in long term claimants by 2,500 in programme areas, accompanied by the creation of 49,000 local jobs
- Programme has delivered £12.28 benefit for businesses for every £1 invested by the Government and local authorities
- Strong indication that high take up rates of Government's superfast programme have encouraged telecommunications industry to expand their own commercial broadband projects.

Minister for Digital, Margot James said:

Our rollout of superfast broadband across the UK has been the most challenging infrastructure project in a generation but is one of our greatest successes. We are reaching thousands more homes and businesses every week, that can now reap the clear and tangible benefits that superfast broadband provides. We are helping to ensure the downfall of the digital divide.

New figures out today also show that around 5 million homes and businesses who would have been stuck in the digital slow lane now have access to superfast broadband. The Government's rollout of superfast broadband to those areas deemed "commercially un-viable" has helped take nationwide coverage to 95.39%.

Take-up of the new technology in areas benefiting from the Government programme is now running at 45% – more than double the expected rate. As a result of the contracts put in place by Government, those companies rolling out superfast broadband will now return more than £500 million in subsidies to the public purse to be used to reach those locations not yet covered by existing plans.

It is estimated that more than 1 million extra UK homes and businesses will gain access to superfast speeds, taking superfast coverage to 98% of the nation over the next few years.

Government is introducing a Universal Service Obligation that will mean everyone in the UK has access to fast and affordable broadband by 2020, and has recently set out plans to deliver nationwide gigabit capable (1000Mbps) connectivity by 2033 as part of its modern industrial strategy.

Openreach CEO Clive Selley, said:

It is great to see businesses across the UK reaping the benefits of faster broadband speeds and I'm proud of the leading role that Openreach has played in helping to deliver the Government's rollout of superfast broadband – one of Britain's great engineering achievements. We've also recently introduced a raft of lower wholesale prices to help drive higher take-up of faster fibre services which will help to further fuel the boost to the UK economy.

The Government's rollout of superfast technology is an important part of the ongoing digital transformation work designed to make it quicker and easier for citizens to interact with Government online.

NOTES TO EDITORS

1. The #SmarterGov campaign has been launched to drive innovation, savings and public service improvement across the public sector.
2. Superfast connections of 24Mbps and above allow families to watch TV on multiple devices at the same time, or let children do homework while parents do online banking and shopping. The technology is ideal for many small businesses too, allowing bosses to run websites and buy and sell online.