

# Speech: Digital Infrastructure Investment Fund launch: Exchequer Secretary speech

Thank you for welcoming me to Peterborough this morning – and in particular, my thanks to the Future Business Centre for hosting us.

There couldn't be a better place to come and talk about how we get Britain ready for the next generation.

This isn't just a city that's pioneering the way forward in the UK.

It's also leading the way internationally too.

It's an amazing achievement that Peterborough beat the likes of Dubai and Moscow to take the Smart City Award just two years ago.

And everyone who has played a part in that should feel really proud of all you've accomplished to make this city such a technological, digital and ecological leader.

We want the rest of Britain following your lead, so it's not just individual cities like Peterborough that are smart, it's our nation as a whole.

Because our connectivity matters.

It's always been one of the most important ways to get your economy growing and your productivity improving.

Just think about what we've seen throughout Peterborough's history.

From the old Roman roads that took goods like ceramics, corn and iron ore across ancient Britain.

To the developments of the Nene in the 18th century, which made Peterborough a hub for traffic from both the Northern Fens and Northampton.

Or the arrival of the Great Northern Railway between Peterborough and York in 1850, bringing new people, trade and wealth to the city.

If you make the movement of goods and people possible, if you make it easier, if you make it faster, you become more productive, and more prosperous as a result.

## **A Digital Age**

You can still see that principle informing the policies of the government today.

That's why we've been investing historic amounts in Britain's road and railway network— something I won't get started on, because as a former Transport minister, I could talk at some length on the topic.

But in today's world, it's also about more than just the physical connections, that get people and products from A to B.

When Tim Berners-Lee made the first post on his hypertext site back in the summer of 1991, he kickstarted the world wide web and gave birth to a new, digital age.

And what changes we've seen since then!

I can still remember, for example, when I was at school in Bradford, and we had a special class trip to the University to see a computer!

I went on to be one of the first thousand or so pupils to do an O Level in Computer Science – but it was a bit odd by today's standards.

Back then, we were still punching programs into pieces of card!

Nowadays, kids are learning to code at school, and playing on iPads and smart phones at home.

Society has changed, and almost beyond recognition, with the rapid advances of new technology.

And it's our job to make sure Britain's digital infrastructure keeps pace.

Up to now, we've been working on getting as many of our communities as possible connected to superfast broadband.

And we've come a really long way – with over 90% of homes now able to do that – a far higher proportion, incidentally, than most advanced economies are able to boast.

But we're not done.

We expect to get that percentage up to at least 95% of homes by the end of this year.

And we are working on providing a decent level of connectivity to that final 5%, including through our universal broadband commitment.

I take a particular interest in this as the Member of Parliament for Harrogate and Knaresborough, with a few country villages in my constituency which still aren't connected.

So I fully understand how much it matters to people.

In fact, my local estate agents tell me it's one of the first questions people ask when they come to view a property.

Yes it's lovely, but has it got broadband?

Well we're going to be continuing our work to make sure that in the future, the answer to that question will be a straightforward yes.

But there's a new priority we're turning to now.

And that's getting our internet connections up to the kind of speed and reliability that people are increasingly looking for – and will be essential as our data needs soar in the future.

The problem is that at the moment most people's broadband runs off old telephone lines and cables that were laid decades ago.

We may even think we've got fibre broadband.

But actually, we're often still relying on old copper wires for the final bit of the connection to our homes, and some of these – I'm not joking – date back over a hundred years.

Just the average age is about 33 years!

Well our needs, and our technologies, have moved on in that time.

And what we want now is full fibre.

Glass tubes to bring homes and businesses internet at lightning speed, and consistent reliability – even through storms and floods!

Full fibre really represents a giant step forward.

Because I'm sure the vast majority of us – if not all of us – have got broadband at home.

But we'll all have noticed that at certain times of high demand, our internet speeds drop to a crawl.

That film you were watching keeps buffering.

That document you need to send to work just won't upload.

Or your housemate's game is making every other device in the house operate at a frustratingly slow pace.

Well, that's not some mystical phenomenon, when the Gods of the Internet just aren't on your side.

It all goes back to those ageing lines that are connecting you, which just can't cope with the level of demand they're being put under.

That's what this government is acting to change – and the change starts today!

Because I've come here to launch a new national investment fund to get full fibre coming to people's homes.

Up to now, we've only had pockets of places across the country starting to get full fibre – and Peterborough is of course one of those places which is really at the head of the pack.

But in general this is a market which is still in the early stages of its development.

We've got a number of new and smaller scale companies which want to change that.

They want to install full fibre networks, to offer the next generation of fast, reliable internet to more and more homes and businesses.

But the problem is that it's now often difficult, or expensive, for them to get the investment they need to do so.

Which is why government is stepping in to help get that ball rolling.

And we're doing it in a really innovative way.

We're putting up [£400 million pounds](#), and we're getting fund managers to invest that wisely on our behalf.

Those fund managers, I'm delighted to say, are here today, and I can announce that it's two companies, M & G Investments and Amber Infrastructure, which have both got a really strong track record of investment.

They'll not only be investing our money in companies installing fibre across the UK, with a view to getting us a good return.

They'll be using our investment to bring other private investors on board, who will match our investment on the same terms.

They expect to unlock more than a billion pounds of investment in that way.

And the great news is that they've already managed to get a significant amount of private investment agreed, so that the fund can start straightaway.

So we're ready to hit the ground running.

And in just two days time, on Wednesday, we've got all the players in this market coming to the Treasury to meet the new fund managers and hear first-hand how the fund could help them roll out their plans.

Soon, then, we'll have investment flowing, and companies getting the capital they need to expand their full fibre networks.

That's just the start this industry needs.

It will help these companies prove that the demand is there, that the profit is there, and that investors who back them can earn a good return.

So by taking the step we've taken today, we can unlock for the future a steady flow of private investment into the market, and bring the best quality internet to homes, organisations and businesses across the country.

So it's a real pleasure to be here with you in Peterborough today, to celebrate the beginning of this new chapter in Britain's digital development.

Because it all comes back to the point I started out with.

If we become better connected – whether physically or intellectually, through our transport links or our digital connections – the benefits to our society and our economy will be transformational.

We've seen that here in Peterborough as a result of your ongoing journey to be an innovative, smart city.

Now let's see the rest of the UK catching up, as we get our internet up to spec, our economy up to speed, and prepare the way for a new wave of British enterprise, growth and prosperity.