

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
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18 October 2018

Dear Chancellor,

Budget Submission from Mobile UK

I am writing on behalf of Mobile UK, the trade body for the UK's mobile network operators, ahead of your Autumn Budget.

As an industry, we fully support the Government's ambition, set out in last year's Digital Strategy, for the UK to be the world's leading digital economy with world-class connectivity in the places we live, work and travel. It is for this reason that I am writing to encourage you to use the forthcoming budget to set in place the foundations that will ultimately make this possible.

Mobile UK welcomes the Government's recent initiatives such as reform of the Electronic Communications Code and measures set out in the Future Telecoms Review. However, while we will continue to push for further reform to the planning and regulatory regime, to ensure success, it is equally important to ensure that it is financially viable for operators to build out their mobile networks. We, therefore, call on you to move towards better parity of all telecommunications equipment, whether fixed broadband or mobile infrastructure. This will mean that the UK will be in a better position to rapidly deploy much-needed infrastructure and crucially prepare the way for the much anticipated 5G networks. Further, to achieve this Mobile UK believes that the following measures would support network operators in continuing to provide the coverage and capacity needed today and into the future:

- **Introduce Business Rates Relief for new mobile infrastructure development, especially in harder to reach areas**, providing parity with fixed fibre infrastructure. The Telecommunications Infrastructure Act 2018 allows for 100% business rates relief for operators who install new fibre on their networks. Expanding this to mobile would help make the installation of mobile infrastructure more economically viable, particularly in harder to reach areas, allowing operators to expand coverage and reduce not-spots.
- **Continue to promote full fibre deployment to facilitate mobile and 5G roll-out**. Full fibre networks are essential to mobile deployment and must continue to be expedited.
- **Enhance regional development funding to local and regional bodies such as Local Enterprise Partnership** to encourage public intervention where network rollout is uneconomic. Ofcom recently suggested public subsidy in its advice to Government as a means to pay for new coverage rollout and to cover total not-spots.
- **Ensure additional funding to assist the planning and development functions of local authorities to aid mobile infrastructure development**. Local authority budget cuts have led to alarming decreases in the capability and resources of the planning and development

departments across councils. To ensure the effective deployment of 4G and 5G, it is vital that they are adequately skilled and resourced if the UK is to meet its ambitions for world-class connectivity.

The race to meet consumer expectations for connectivity and build the networks of the future is a moving target. By 2025 the average customer, who today uses 1.9 gigabytes of data, will be using 90 gigabytes. Enhancing continued rollout of the UK's 4G networks, and preparing for the build-out of 5G, will be crucial to meeting this surge in demand and reaching the aspirations set by the Government for the UK. The prize if the Government gets this right will be immense, as the combined value of 4G and 5G connectivity is estimated to add £18.5 billion to the economy by 2026.

As an industry, we are ready and willing to work in partnership with Government. Our *Building Mobile Britain* campaign is focussed on fostering greater partnership working between the industry and public bodies.

Delivering the measures set out above would play a significant part in helping us to achieve the goals of Government and industry. We would welcome the opportunity to discuss these policy recommendations in more detail.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Hamish MacLeod".

Hamish MacLeod
Director, Mobile UK