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Communications and Digital Committee

3rd Report of Session 2022–23

Digital exclusion

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Evidence is published online at https://committees.parliament.uk/committee/170/communications-and-digital-committee/publications/ and available for inspection at the Parliamentary Archives (020 7219 3074).

Q in footnotes refers to a question in oral evidence.

SUMMARY

The Government aspires to global digital leadership. But it does not have a credible strategy to tackle digital exclusion. This matters. Everything from housing and healthcare resources to banking and benefit systems is shifting online at an unprecedented rate. By failing to take decisive action the Government is allowing millions of citizens to fall behind.

The figures are concerning. Fully 1.7 million households have no mobile or broadband internet at home. Up to a million people have cut back or cancelled internet packages in the past year as cost of living challenges bite. Around 2.4 million people are unable to complete a single basic task to get online, such as opening an internet browser. Over 5 million employed adults cannot complete essential digital work tasks. Basic digital skills are set to become the UK's largest skills gap by 2030.

This all has profound consequences for individual wellbeing and multi-billion pound implications for UK productivity, economic growth, public health, levelling up, education and net-zero objectives.

The root causes of digital exclusion reflect longstanding social, economic and regional disparities which are not easily solved. But the current scale of the challenge is a direct consequence of political lethargy. The Government has major ambitions to make the UK a science and technology "superpower", boost economic productivity and digitise public services. It must pay more attention to the basics which underpin the long-term viability of such aims.

Successive governments have supported initiatives on skills, assisted digital services, telecommunications infrastructure upgrades, device distribution schemes and cheaper internet tariffs. These are welcome. But the standards for digital inclusion are constantly changing as technologies develop and societal expectations evolve. This presents a moving target which requires ongoing political attention.

The Government's contention that digital exclusion is a priority is not credible. Its flagship digital inclusion strategy is almost a decade old. Formal cross-government evaluations seem to have stopped. Working groups have been disbanded. Interventions to help with internet access are too timid. The Government cannot be expected to solve everything but it can achieve much by showing interest in driving change against clearly defined objectives. We have no confidence that this is happening. Senior political leadership to drive joined-up concerted action is sorely needed.

The need for a new strategy

The Government must publish a new digital inclusion strategy and establish a new cross-government unit with direct input from Number 10. It should focus on five key actions:

- **Act decisively to help with cost of living:** to prevent more people becoming digitally excluded over the next 12 months the Government should cut VAT on social tariffs and work with businesses to help to scale-up internet voucher initiatives. It should ask public sector organisations to donate old devices to digital inclusion initiatives and encourage businesses to do likewise.

- **Invest in basic skills:** the most basic digital skills are now as important as maths and literacy. They should feature more prominently in schools, apprenticeships and adult learning courses. This is about teaching people the basics, not coding. More attention also needs to be paid to interventions that do not involve qualifications—community organisations in particular are key to delivering local-level interventions. Businesses must be engaged to help equip employees with the most basic skills.

- **Boost digital inclusion hubs:** there is inadequate support for community-based digital inclusion hubs. Domestic and international evidence suggests place-based inclusion support works. The Government should build on existing examples in the UK, focusing on libraries and other local amenities.

- **Prioritise competition alongside local benefit:** the Government is backing vital telecommunications upgrade programmes. But smaller providers may be crowded out. This would mean less market competition and fewer digital exclusion benefits provided by local alternative networks who connect and support poorly served communities. This trade-off deserves more attention from Ofcom and the Government.

- **Future-proof public services:** the Government must review the increasing use of predictive machine-learning tools in public services. Digitally excluded groups are likely to be poorly represented in some datasets that inform algorithmic decision-making. They face a growing risk of marginalisation as a result.

Businesses must play their part. Internet providers have introduced a range of cheaper internet packages but take up of social tariffs by eligible customers is just five per cent. Providers should do more, including better advertising and reducing excessive penalty fees for exiting contracts.

Finally, we call on all providers of public-facing services to recognise that making things digital does not necessarily make them better. Not everyone wants to be online, or online all the time. And some level of digital disparity will inevitably endure even in a highly inclusive society. Accessible services and offline alternatives are essential to ensuring people are not left behind in an increasingly connected world.

Digital exclusion

CHAPTER 1: INTRODUCTION

1. Digital exclusion affects millions of UK citizens. Every day, people are unable to access the internet because they do not have the connection, device or skills to get online. This digital divide is undermining efforts to improve UK productivity, economic growth and socio-economic inclusion. Cost of living challenges are exacerbating the problem for the most financially vulnerable.

2. Our inquiry examined digital exclusion and what should be done to address it. It builds on a wealth of previous work.[1] The question is not new, though the nature of the problem is becoming more complex and its consequences more acute. As the pace of technological change accelerates, the gap between included and excluded groups deepens and even those who can get by today may struggle in future. Digital inclusion is a moving target and achieving it will be an ongoing task.

3. We launched this inquiry to help the Government address this increasingly urgent challenge, exacerbated by the rising cost of living, and ensure some parts of society are not left behind as the world moves online. Our report focuses on the case for addressing digital exclusion (including the opportunities available and the risks of failing to act); the appropriate extent of Government and regulatory intervention; and priority actions to improve affordability, skills and access.

4. We took evidence from a range of witnesses; held roundtable discussions with businesses; and visited Skills Enterprise to see the work of community organisations and hear from those with experience of digital exclusion.

5. We are grateful to all those who participated in our inquiry. We hope our findings will support the Government and industry to address the most pressing issues in the months and years ahead.

1 See for example Covid-19 Committee, *Beyond Digital: Planning for a Hybrid World* (1st report, Session 2019–21, HL Paper 263); Science and Technology Committee, *Digital skills crisis* (Second Report of Session 2016–17, HC Paper 270); Digital Poverty Alliance, *National Delivery Plan* (2023): https://digitalpovertyalliance.org/wp-content/uploads/2023/05/National-Delivery-Plan-Overview-2023.pdf [accessed 7 June 2023]; Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022): https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2022]; Ofcom, *Digital exclusion review* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2023]; Local Government Association, *The role of councils in tackling digital exclusion* (January 2023): https://www.local.gov.uk/sites/default/files/documents/Role%20of%20Councils%20in%20Tackling%20Digital%20Exclusion%20Accessible%20AAA_0.pdf [accessed 22 May 2023]

Figure 1: Key figures

2014

The year the UK Government last published a digital inclusion strategy.

731%

The percentage increase of monthly data use since 2014.

1.7 million

The number of households with no broadband or mobile internet access in 2021.

2.4 million

The number of adults unable to complete a single basic task to get online, such as opening an internet browser or using a mouse.

5 million

The number of workers who will be acutely under-skilled in basic digital skills by 2030.

£63 billion

The amount overall digital skills shortages cost the UK each year.

1 million

The estimated number of people who have cut back or cancelled internet packages in the past year due to affordability issues.

Sources: Cabinet Office, 'Government Digital Inclusion Strategy' (2014): https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy#actions *[accessed 11 May 2023]; Ofcom, Connected Nations (2015):* https://www.ofcom.org.uk/__data/assets/pdf_file/0028/69634/connected_nations2015.pdf *[accessed 7 June 2023]; Ofcom, Connected Nations (2022):* https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf *[accessed 7 June 2023]; Ofcom, Media use (2022):* https://www.ofcom.org.uk/__data/assets/pdf_file/0020/234362/adults-media-use-and-attitudes-report-2022.pdf *[accessed 8 June 2023]; Lloyds Bank, 2022 Consumer Digital Index (2022)* https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf *[accessed 16 May 2023]; Industrial Skills Council, 'UK skills mismatch 2030' (2019):* https:/industrialstrategycouncil.org/uk-skills-mismatch-2030-research-paper *[accessed 11 May 2023]; Department for Digital, Culture, Media & Sport, 'New Digital Strategy to make UK a global tech superpower' (June 2022):* https://www.gov.uk/government/news/new-digital-strategy-to-make-uk-a-global-tech-superpower *[accessed 11 May 2023]; Citizens Advice, 'One million lose broadband access as cost-of-living crisis bites' (May 2023):* https://www.citizensadvice.org.uk/about-us/about-us1/media/press-releases/one-million-lose-broadband-access-as-cost-of-living-crisis-bites/ *[accessed 18 May 2023]*

Box 1: Key terms

Device: electronic equipment used to connect to the internet, for example a laptop, tablet or smartphone.

Digital skills: the Essential Digital Skills Framework by Lloyds Banking Group sets out different ways of categorising basic digital skills:

- **The Foundation Level** involves the eight most fundamental tasks to set someone up for using the online world, for example turning on a device, entering login information, using a keyboard or locating a web browser.
- **The Essential Digital Skills for Life** involves skills needed to navigate life online. This covers 26 tasks regarding communication, handling information and content, financial transactions, solving problems, and being safe online.
- **The Essential Digital Skills for Work** involves 20 work tasks in five skill areas, for example using collaboration tools like Microsoft Teams; accessing information; accessing salary information; and completing digital records.
- **Connectivity**: the availability of a suitable internet connection. This may be provided by fixed broadband or wireless internet services.

Source: Lloyds Bank, 2022 Consumer Digital Index (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf *[accessed 16 May 2023]*

CHAPTER 2: DIGITAL EXCLUSION

What is digital exclusion?

6. There is no universally accepted definition of digital exclusion. It typically refers to sections of the population not being able to use the internet in ways that are needed to participate fully in modern society.[2] Ofcom's 2022 Digital Exclusion Review sets out some of the key issues and barriers relating to:

   - affordability—those who struggle to afford access to internet packages or suitable devices, and so either go without it or experience other financial strains to retain access;
   - access—those who do not have an adequate internet connection at home or elsewhere (for a variety of reasons, not just affordability); and
   - ability—those who lack the digital skills and/or confidence to navigate the online environment safely and knowledgeably, or face barriers related to disability.[3]

7. Digital exclusion arises from a complex interplay of factors including age, socio-economic status, disability, geography, educational attainment, literacy and language, and housing circumstances.[4] It can take different forms, vary by degree, and fluctuate according to circumstance and life stage.[5]

8. Internet access at home is one measure of digital exclusion. Around 1.7 million households (roughly six per cent) had no broadband or mobile internet access at home in 2021. Some 77 per cent of this group did not own a connected device. Affordability and limited access are likely to be key factors, while others may choose not to pay because they do not see the value.[6]

9. Absolute internet use is another measure of exclusion. In 2022, around 500,000 people in the UK were classed as being completely "offline", according to Lloyds Bank.[7] For some, the reasons listed above will be the most salient. Others may have access to good internet connections and

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2 Written evidence from the Good Things Foundation (DCL0042); Digital Poverty Alliance and the British Computer Society (DCL0052); Ofcom, *Digital exclusion review* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2022]; Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022): https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2023]

3 Ofcom, *Digital exclusion review* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2023]

4 Written evidence from Good Things Foundation (DCL0042)

5 Written evidence from the Digital Futures at Work Research Centre (DCL0061); Emma Walker (DCL0064); Good Things Foundation (DCL0042); The Sutton Trust (DCL0047)

6 Ofcom, *Media use* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0020/234362/adults-media-use-and-attitudes-report-2022.pdf [accessed 8 June 2023]. The groups more likely not to have internet access at home are those aged 75+ (26 per cent), those in DE households (14 per cent) and those who are most financially vulnerable (10 per cent). See Ofcom, *Digital exclusion* (2022), pp 7-11: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 8 June 2023]

7 The definition of being "offline" is not using the internet in the past three months at the point of questionnaire surveys being undertaken. This is based on definitions from the Office for National Statistics. See Lloyds Bank, *2022 Consumer Digital Index* (2022), p 15: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]

devices but lack the skills to use them. Some say they avoid using the internet because they are concerned about fraud or privacy issues.[8]

10. Relative internet use is a broader way of considering digital exclusion. Many people conduct limited or infrequent online activities, or rely on others to use the internet on their behalf.[9] This often means they cannot participate fully in modern life online. Around 29 per cent of internet users are classed as 'narrow users' by Ofcom, meaning they have only ever undertaken no more than four of 13 online activities, such as finding employment opportunities or watching TV.[10] There have also been initiatives to define a minimum digital living standard based on the digital goods, skills and services needed for a certain quality of life.[11]

11. A fourth measure focuses on basic digital skills. Around 2.4 million adults are unable to complete a single basic task to get online, such as connecting to wi-fi or updating a password. Around 10.2 million adults cannot complete all eight of these basic tasks.[12] As we set out in chapter 7, the benchmark for basic skills is likely to evolve as technology advances and society becomes more digitally connected.[13]

12. We refer to all these measures in this report. The list provides an indicative, not exhaustive, way of characterising digital exclusion.[14] The measures are not mutually exclusive and people referred to in one may or may not be captured by another. It is not always possible to determine overlap or to draw direct comparisons between different sources as the data on digital exclusion are extensive, varied, and subject to different collection methods

8 See Lloyds Bank, *2022 Consumer Digital Index* (2022), p 15: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]

9 Ofcom, *Digital exclusion* (2022), p 11: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2023]; Simeon Yates et al., 'Who are the limited users of digital systems and media?' (2020): https://firstmonday.org/ojs/index.php/fm/article/view/10847 [accessed 16 May 2023]

10 Ofcom's list includes online banking or paying bills; paying for council tax or another local council service; looking for public services information on government sites; finding information for work/ business/ school/ college/ university; looking or applying for jobs; finding information for leisure time; completing government processes; signing a petition or using a campaigning website; using streamed audio services; listening to live, catch-up or on-demand radio through a website or app; watching TV programmes/ films/ content; watching or posting livestream videos. See Ofcom, *Adults' Media Use and Attitudes Report* (2023), p 4: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf [accessed 9 June 2023]

11 University of Liverpool, 'Minimum Digital Living Standard launched to reduce digital exclusion in UK households with children' (15 March 2023): https://news.liverpool.ac.uk/2023/03/15/minimum-digital-living-standard-launched-to-reduce-digital-exclusion-in-uk-households-with-children/ [accessed 12 May 2023]

12 These are separate to the activities cited by Ofcom in footnote 10. The eight tasks include using a device controls (such as mouse or keyboard); opening an internet browser to use websites; turning on a device and entering login information; keeping login information secure; updating passwords; finding different applications or programmes on a device; adjusting device settings to make it easier to use (such as adjusting font size or volume); and connecting to a wi-fi network. See Lloyds Bank, *2022 Consumer Digital Index* (2022), p 38: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2022]. Chapter 7 provides a detailed discussion on basic digital skills frameworks.

13 See chapter 7 for further detail.

14 Other key concepts include data poverty and device poverty. See Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022): https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2022]

and analysis.[15] For the avoidance of doubt we refer to the measure in question where possible and identify the citation in footnotes.

Key demographics

13. Digital exclusion can affect people from all backgrounds and age groups, not just the elderly.[16] The list below summarises some of the key factors.

Age

14. Age remains one of the most significant predictors of digital exclusion. Around 3.9 million people over 65 (31 per cent of this age group) do not use the internet at home, compared with just 320,000 (4 per cent) for those aged 35–44. More than 3.8 million internet users over 65 are categorised as 'narrow users'.[17] Of the 2.4 million adults with zero basic digital skills, more than half are over 75.[18] But younger groups are also affected. More than one in five users (approximately 1.8 million people) aged 35–44 are 'narrow users'.[19] During the pandemic which began in 2020, one in five children did not have access to an appropriate device for home study in 2021, according to the Digital Poverty Alliance.[20]

Socio-economic status

15. Socio-economic status is another major factor. Among households from the lowest socio-economic backgrounds, around 2.4 million (21 per cent) do not use the internet at home, and 3.6 million users (38 per cent) are classified as 'narrow' users.[21] By contrast, the numbers for those in the highest socio-economic group are 690,000 (six per cent) and 2.7 million (22 per cent) respectively.[22]

Disability

16. People with disabilities account for a disproportionately large number of internet non-users and are more likely to report lower levels of confidence.[23] Disabilities may involve physical or mental impairments which pose different

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15 In some cases we were not able to determine accurately comparable absolute population values on the basis of percentage estimates provided by some survey data. For a discussion data availability see Q 5 (Helen Milner). See also the Digital Poverty Alliance Evidence Review which summaries seven reports providing different analyses of digital exclusion: Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022): https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2022]

16 Q 92

17 Ofcom, *Adults' Media Use and Attitudes Report* (2023), p 5: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf [accessed 11 May 2023]. Absolute figures based on the central estimate (between upper and lower bounds) of weighted assessments of 2011 and 2021 Census data.

18 Lloyds Bank, *2022 Consumer Digital Index* (2022), p 42: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2022]

19 Ofcom, *Adults' Media Use and Attitudes Report* (2023), p 5: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf [accessed 11 May 2023]

20 Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022), p 9: https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2023]

21 Ofcom, *Adults' Media Use and Attitudes Report* (2023), p 6: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf [accessed 11 May 2023]

22 *Ibid.*

23 Office for National Statistics, 'Exploring the UK's digital divide' (4 March 2019): https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04 [accessed 22 May 2023]

barriers to inclusion.[24] The Lloyds Consumer Digital Index suggests individuals with disabilities are twice as likely to lack the basic digital skills needed to navigate life online.[25]

Region

17. There are significant geographical variations in digital access. Despite progress on broadband and mobile rollout in recent years, rural areas remain more likely to face difficulties accessing a decent internet connection.[26] The Lloyds Bank Consumer Digital Index shows that London and the South East have among the highest digital capabilities, Scotland remains slightly behind England on average, and the North East has the second lowest, just ahead of Wales.[27] Data from the Office for National Statistics (ONS) from 2019 classified 12.2 per cent of the population in the North East as "internet non-users", compared with 7 per cent for London.[28]

24 Government Equalities Office, 'Disability: Equality Act 2010—Guidance on matters to be taken into account in determining questions relating to the definition of disability' (February 2022): https://www.gov.uk/government/publications/equality-act-guidance/disability-equality-act-2010-guidance-on-matters-to-be-taken-into-account-in-determining-questions-relating-to-the-definition-of-disability-html [accessed 6 June 2023]

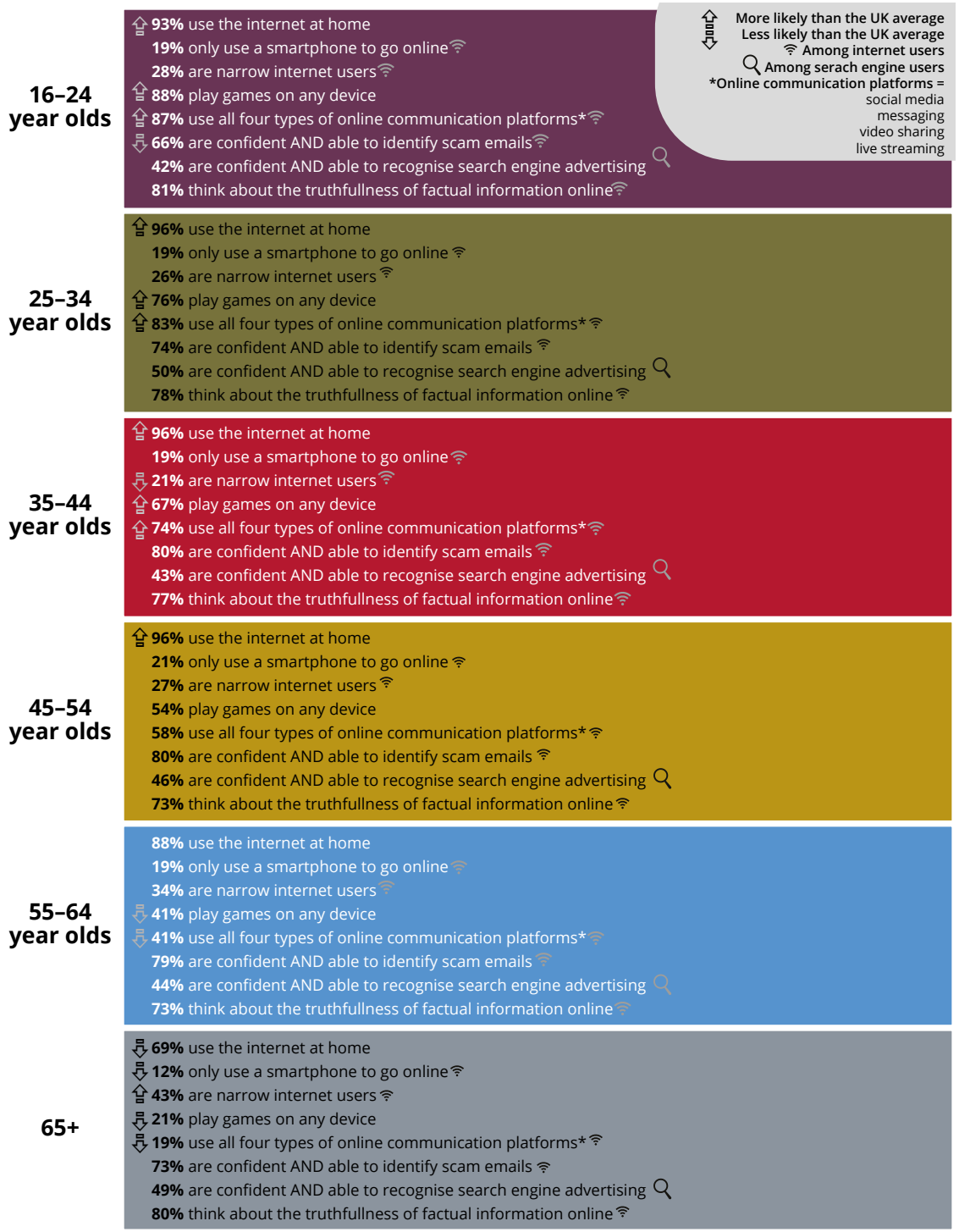
25 Lloyds Bank, *2022 Consumer Digital Index* (2022), p 40: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]

26 Written evidence from the Rural Services Network (DCL0028)

27 Lloyds Bank, *2022 Consumer Digital Index* (2022), p 12: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]. Digital capability refers here to the Lloyds Bank terminology. Lloyds Bank benchmarks UK digital engagement using a behavioural dataset of more than one million people. Digital capability is measured by three weighted categories, each with its own set of variables. See page 58 of the Lloyds Bank report for further detail.

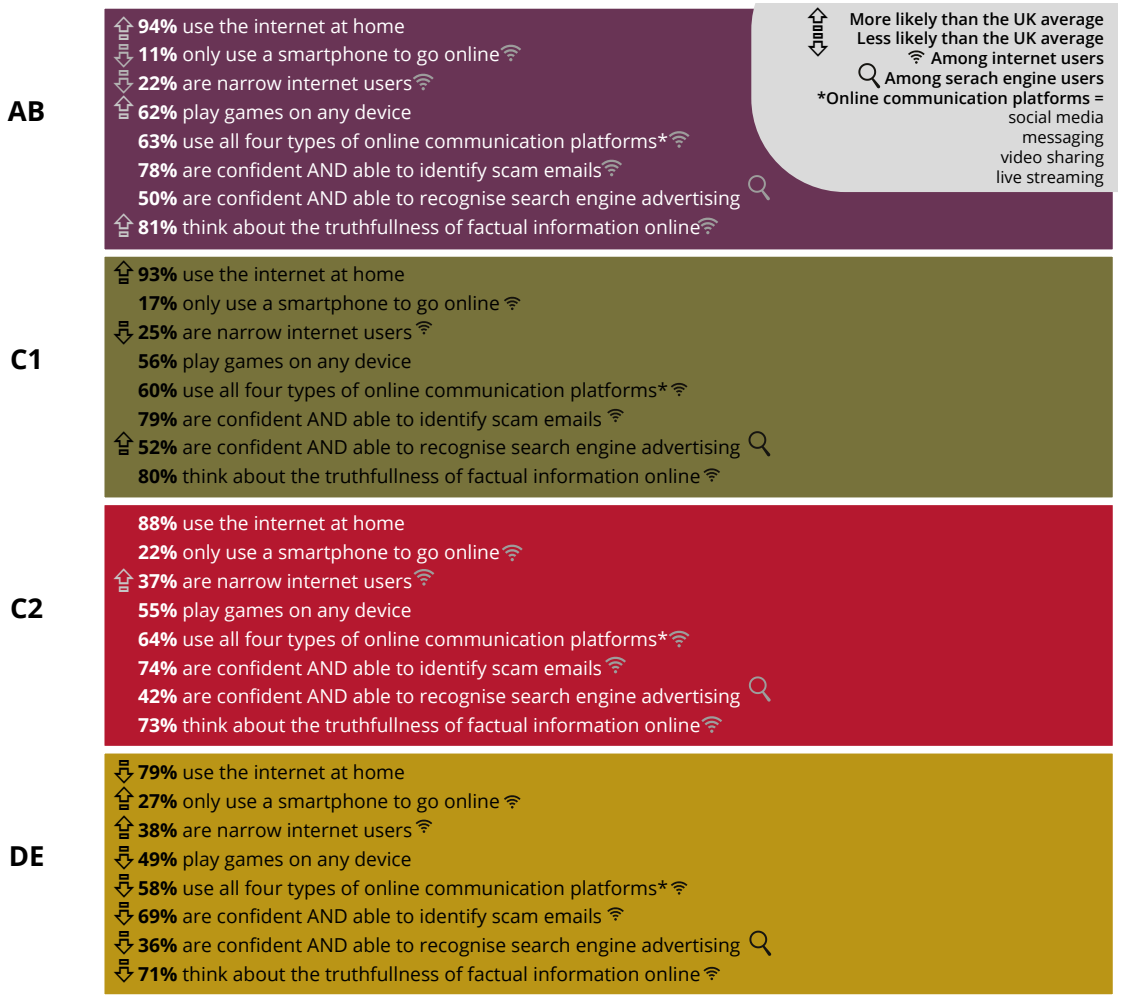
28 Office for National Statistics, 'Exploring the UK digital divide' (2019): https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019–03-04 [accessed 12 May 2023]

Figure 2: Internet use by age



Source: Ofcom, Adults' Media Use and Attitudes Report (2023), p 5: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf *[accessed 24 May 2023]*

Figure 3: Internet use by socio-economic background



Source: Ofcom, Adults' Media Use and Attitudes Report (2023), p 6: https://www.ofcom.org.uk/__data/assets/pdf_file/0028/255844/adults-media-use-and-attitudes-report-2023.pdf *[accessed 24 May 2023]*

Interrelated problems

18. The root causes of digital exclusion are often structural and reflect longstanding social, economic and regional disparities.[29] People are rarely digitally excluded for a single reason. For example, economic deprivation can prevent people from being able to pay for the internet, but deprivation is also associated with skills.[30] People with disabilities may struggle with the accessibility of websites, and are more likely to experience financial strain and lack basic digital skills.[31]

19. While some over 65s are regular internet users, many in this group face barriers in particular relating to confidence and skills. Age is also associated with higher levels of disability. This suggests age-related barriers to inclusion

29 Written evidence from HM Government—Department for Science, Innovation and Technology (DCL0057), p 3

30 Lloyds Bank, *2022 Consumer Digital Index* (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]

31 Written evidence from Mencap (DCL0027); Q 35 (Dr Christopherson); Ofcom, *Digital exclusion* (2022) https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2023]

will remain relevant for a long time as the UK's population ages.[32] Many individuals also say they simply do not wish to use the internet. Among internet non-users, some 86 per cent say it is a personal choice,[33] but other evidence suggests a range of factors influence this view, notably a lack of confidence or skills.[34]

Trajectories

20. On some measures, digital exclusion has been improving in recent years. The proportion of over 75s using the internet nearly doubled between 2013 and 2020.[35] Internet use has also increased more widely. In 2016, around 89 per cent of the population had used the internet in some form in the past three months. By 2020 that figure had risen to 92 per cent, and then 99 per cent by 2022 as the pandemic shifted more people and services online and many elderly individuals learned digital skills from younger relatives.[36]

21. But millions of people remain unable to access the benefits of an increasingly connected society.[37] And the experiences of pandemic lockdowns showed that many people who had not considered themselves digitally excluded faced significant difficulties when required to share internet connections and devices with others in the same household. Tackling digital exclusion is also not a static target: standards will continue to change as society becomes more connected, skills requirements change, and services and personal lives move online.

22. The consequences of being offline are becoming more acute. The Good Things Foundation Data Poverty Lab identifies 81 broad areas where the internet has become integral to daily lives.[38] The Government's 2022 Roadmap for Digital and Data sets out "ambitions for widespread digital transformation" in at least 75 public services.[39]

23. Such shifts mean key resources are increasingly inaccessible to those who would benefit from them most, from health advice and medical appointments

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32 House of Commons Library, UK disability statistics, Library Note, No 09602, July 2022 [accessed 23 May 2023]

33 Lloyds Bank, *2022 Consumer Digital Index* (2022), p 15: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 11 May 2023]

34 *Ibid.* See also Digital Poverty Alliance, *UK Digital Poverty Evidence Review* (2022), p 69: https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 11 May 2023]

35 Office for National Statistics, 'Internet users, UK: 2020' (7 August 2020): https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2020 [accessed 19 May 2023]

36 Lloyds Bank, *2022 Consumer Digital Index* (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 12 May 2023]. Classification refers to the Office for National Statistics (ONS) definition of 'recent internet user'. See ONS, 'Internet users data': https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2020#internet-users-data [accessed 12 May 2023]

37 Ofcom, *Digital exclusion* (2022), p 11: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 11 May 2023]; Lloyds Bank, *2022 Consumer Digital Index* (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 12 May 2023]

38 Good Things Foundation, 'Local communities and the internet ecosystem' (2022): https://www.goodthingsfoundation.org/insights/data-poverty-lab-local-communities-internet-ecosystem-kat-dixon/#why-does-data-poverty-matter-a-periodic-table-of-internet-elements [accessed 15 May 2023]

39 Central Digital and Data Office, 'Transforming for a digital future' (9 June 2022): https://www.gov.uk/government/publications/roadmap-for-digital-and-data-2022-to-2025/transforming-for-a-digital-future-2022-to-2025-roadmap-for-digital-and-data#foreword-from-the-parliamentary-secretary-for-the-cabinet-office-heather-wheeler-mp [accessed 15 May 2023]

to debt support and housing resources.[40] Many councils provide no offline access to housing benefit, council tax reductions, rebates, or Blue Badge applications.[41]

24. High street bank closures make it harder for people to manage money without digital tools.[42] Customer helplines are being replaced by chat functions or online contact forms requiring email addresses, leading to poorer service for those unable to use them. Over 90 per cent of jobs are reportedly advertised only online.[43]

25. These examples represent a small fraction of the society-wide shift towards life online.[44] As the digital exclusion expert Kat Dixon told us: "not having [internet] access … prevents access to modern life".[45]

26. **Digital exclusion remains a serious problem. Although there has been progress in recent years, millions of people still cannot access the internet or use it adequately. For some, skills and motivation are the main barriers. For others, affordability is the key obstacle. Others face barriers around accessibility, or poor mobile and broadband coverage. These groups face deepening isolation as society becomes increasingly digital.**

Cost of living

27. The annual rate of inflation reached 11.1 per cent in October 2022, a 41-year high, before easing slightly in subsequent months.[46] For those who are excluded because of affordability, these price rises compounded existing hardship.[47] Digitally excluded groups have less access to online deals, money advice and savings tools.[48]

28. Many internet packages have become significantly more expensive. Rocio Concha, Director of Policy and Advocacy for Which?, told us most providers were raising mid-contract prices by around 14 per cent in April 2023.[49] Some rose by 17 per cent.[50] Even before these changes, around 1.4 million households were struggling to pay their broadband bills and 2.3 million struggled with mobile bills, according to Ofcom's January 2023

40 Parliamentary Office of Science and Technology, 'COVID-19 and the digital divide' (17 December 2020): https://post.parliament.uk/covid-19-and-the-digital-divide/ [accessed 15 May 2023]
41 Age UK, 'Access denied' (16 January 2023): https://www.ageuk.org.uk/london/about-us/news/articles/2023/access-denied/ [accessed 7 June 2023]
42 Written evidence from the London Borough of Southwark (DCL0077) and Ross Oliver (DCL0019)
43 Q 2 (Helen Milner)
44 Q 30
45 Q 84
46 Office for National Statistics, 'Consumer price inflation' (November 2022): https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/november2022 [accessed 15 May 2023]
47 Research commissioned from YouGov data by Vodafone. See Vodafone, 'A million families at risk of falling the wrong side of the digital divide due to rising cost of living' (19 October 2022): https://www.vodafone.co.uk/newscentre/press-release/cost-of-living-million-families-risk-falling-wrong-side-of-digital-divide/ [accessed 15 May 2023]
48 Written evidence from the Good Things Foundation (DCL0042)
49 Q 5
50 MoneySavingExpert, 'Broadband and mobile users to be hit with price hikes of up to 17.3% in April—here's what you need to know' (11 April 2023): https://www.moneysavingexpert.com/news/2023/january/april-broadband-price-hikes/ [accessed 15 May 2023]

data.[51] Citizens Advice estimated up to a million people cut back or stopped paying for broadband because of affordability challenges last year.[52] The Good Things Foundation expected price rises would result in widening inequality and greater burdens on friends, family and public amenities to provide internet-related support.[53]

Cause for concern

29. We asked witnesses how digital exclusion compared to other challenges requiring Government attention. Tom Lowe, Head of Policy and Communications at the Digital Poverty Alliance, said it was a "massive issue" requiring urgent solutions.[54] Liam Halligan, a columnist at *The Telegraph*, and Economics and Business Editor at GB News Limited, thought the problem was less serious than energy poverty but still "a lot more serious than the Government make out … being on the internet is not an optional extra".[55]

30. We heard that immediate responses are needed to prevent financial pressures making more people digitally excluded over the next year, alongside longer-term plans to address the root causes of exclusion.[56] Several witnesses emphasised the need for interventions that differentiate between the needs of different demographics, and address multiple barriers facing a single individual at once.[57]

31. Paul Scully MP, Minister for Tech and the Digital Economy at the Department for Science, Innovation and Technology, said the Government treated digital exclusion as a "high priority" and was committed to ensuring "no one is left behind".[58] However, Liz Williams, CEO of the business coalition FutureDotNow, questioned whether the Government was taking digital exclusion seriously: "it is everybody's and nobody's responsibility at the moment. We do not have a clear national ambition".[59]

32. **Cost of living challenges have made a bad situation worse for people who struggle to afford internet access. The need for Government action is becoming increasingly urgent.**

51 Ofcom, *Affordability of communications services*, (April 2023) p 8: https://www.ofcom.org.uk/__data/assets/pdf_file/0020/260147/2023-april-affordability-of-communications-services.pdf [accessed 11 May 2023]
52 Citizens Advice, 'One million lose broadband access as cost-of-living crisis bites' (May 2023): https://www.citizensadvice.org.uk/about-us/about-us1/media/press-releases/one-million-lose-broadband-access-as-cost-of-living-crisis-bites/ [accessed 18 May 2023]
53 Written evidence from the Good Things Foundation (DCL0042)
54 QQ 13–15, Q 19
55 Q 92
56 QQ 19–23
57 Q 20, Q 49, Q 58
58 Q 110
59 Q 76

CHAPTER 3: THE CASE FOR INTERVENTION

Overview

33. Throughout our inquiry we heard calls for digital exclusion to be taken more seriously. Simeon Yates, Professor of Digital Culture at the University of Liverpool, told us it is generally somewhere on the Government's 'to do' list but rarely near the top.[60] This chapter sets out the case for making digital exclusion a priority for Government attention, focusing on economic benefits and savings for public services, levelling up, education, public health, democratic inclusion, and net zero.

Economic growth

34. Liam Halligan, a columnist at *The Telegraph* and Economics and Business Editor at GB News Limited, argued that tackling digital exclusion was not just about "being moral, right and the nice, cuddly thing to do" but "all about economics and productivity gains" and "a more efficient public realm".[61] EY, a consultancy, said digital disparities were undermining efforts to "rebalance and grow the UK economy" and warned "the UK will struggle to maintain competitiveness" as a result.[62]

35. The data on basic digital skill gaps summarised in the previous chapter underpin some of these concerns.[63] Liz Williams, CEO of the business coalition FutureDotNow, said workplace productivity was being held back.[64] According to Lloyds Bank, 8.6 million people are unable to complete the baseline tasks listed in the Essential Digital Skills for Work framework.[65] Basic digital capability is set to become the UK's biggest skills gap: 5 million workers are likely to be "acutely under-skilled" in this area by 2030, according to the Industrial Strategy Council.[66] The Government has said overall digital skills shortages cost the UK £63 billion each year.[67]

36. Anthony Walker, Deputy Chief Executive of techUK, said the Government and industry tended to focus on high-end technical skills, without sufficient acknowledgement of bottlenecks in basic digital skills for life and the workplace. He argued that "you get to that third point only if you are doing the other two".[68]

37. Fixing this problem will cost money, but the financial returns could be significant. A report by the Centre for Economics and Business Research (CEBR) found that that every £1 invested in basic digital skills could generate an overall return of £9.48 by 2032. The estimated cost of equipping 508,000 people per year with basic digital skills over that period was circa £1.4 billion, with a returned net present value of £12.2 billion. The CEBR estimated that

60 Q 89
61 Q 92, Q 99. See also Q 99 (Hugo Drayton)
62 Written evidence from Ernst & Young (DCL0065)
63 See chapter 7 for details on the digital skills framework.
64 QQ 76–77
65 FutureDotNow, *Unpacking the hidden middle* (2022), p 4: https://futuredotnow.uk/wp-content/uploads/2022/07/Unpacking-the-hidden-middle_final-digital.pdf [accessed 11 May 2023]
66 Industrial Skills Council, 'UK skills mismatch 2030' (2019): https:/industrialstrategycouncil.org/uk-skills-mismatch-2030-research-paper [accessed 11 May 2023]
67 Department for Digital, Culture, Media & Sport, 'New Digital Strategy to make UK a global tech superpower' (June 2022): https://www.gov.uk/government/news/new-digital-strategy-to-make-uk-a-global-tech-superpower [accessed 11 May 2023]
68 Q 75

filling basic digital skills vacancies would generate an estimated £2.7 billion for UK businesses, plus £586 million in increased worker earnings and £179 million in additional earnings from finding work. Increased tax revenue for the Government could amount to £483 million.[69]

38. Telecommunications upgrades, another key pillar of improving digital inclusion in poorly connected regions, can also deliver significant benefits. Between 2012 and 2016, the Government's £780 million investment in superfast broadband rollout to 4.8 million properties added 49,000 local jobs in target postcodes; increased local business turnover by almost £9 billion per year; and generated total productivity gains worth £690 million. Jobseeker's Allowance claims fell by 8,800.[70]

39. Recent plans to upgrade broadband in poorly served regions similarly forecast multi-billion pound benefits in gross value added (GVA), productivity boosts and employment opportunities over the next decade—many in digital exclusion hotspots.[71]

Public services

40. While much of our evidence cautioned against shifting all services online, we heard that boosting take-up of existing Government digital services could result in efficiency gains and cost savings.[72] The CEBR estimates the Government's efficiency gains would amount to £1.4 billion by 2032.[73] The chart below outlines potential accrued savings that would arise from enabling a higher proportion of people to use online transactional Government services (rather than paper forms, postal correspondence, phone calls or in-person engagement).

69 Good Things Foundation, *The Economic Case for Digital Inclusion Cebr 2022* (July 2022): https://www.goodthingsfoundation.org/wp-content/uploads/2022/07/Good-Things-Foundation-and-CEBR-2022-%E2%80%93-Executive-Summary.pdf [accessed 15 May 2023]

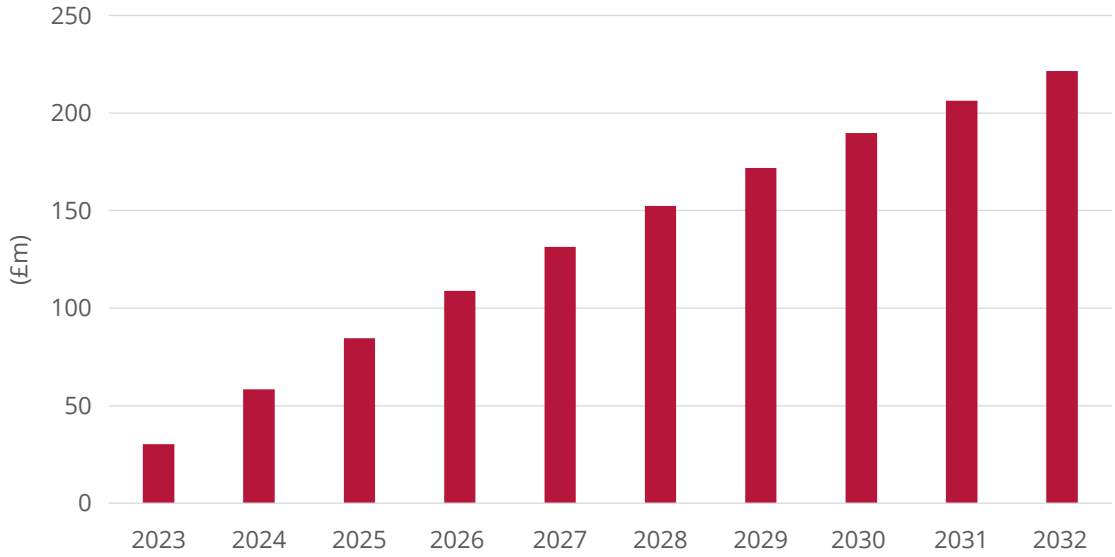
70 Department for Digital, Culture, Media and Sport, *Evaluation of the Economic Impact and Public Value of the Superfast Broadband Programme* (August 2018), p 6: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/734855/Superfast_Integrated_Report.pdf [accessed 11 May 2023]. The Government has referred to £780 million of investment. See Written Answer, HC45196, 13 September 2016. The National Audit Office reported that as of August 2020, the total funding spent by the Government on the programme was £719 million. Local bodies had contributed an additional £1.2 billion. This brings the total public funding to £1.9 billion. See National Audit Office, *Improving broadband* (Session 2019–2021, HC 863): https://www.nao.org.uk/wp-content/uploads/2020/10/Improving-broadband.pdf [accessed 22 May 2023]

71 Curia, *Connecting Cornwall* (2022): https://chamberuk.com/wp-content/uploads/2022/05/220506-Connecting-Cornwall-MP-version.pdf [accessed 11 May 2023]; Hatch, *The economic impact of Full Fibre from CityFibre's network* (March 2022), p 15: https://cdn.cityfibre.com/The-Economic-Impact-of-Full-Fibre-CityFibre-Final-Report-March-2022.pdf [accessed 11 May 2023]

72 QQ 9–11 (Rowlando Morgan)

73 Good Things Foundation, *The Economic Case for Digital Inclusion Cebr 2022* (July 2022): https://www.goodthingsfoundation.org/wp-content/uploads/2022/07/Good-Things-Foundation-and-CEBR-2022-%E2%80%93-Executive-Summary.pdf [accessed 15 May 2023]

Figure 4: Projected Government efficiency savings over time (£ million)



Source: Centre for Economics and Business Research, The economic impact of digital inclusion in the UK (July 2022), p 37: https://www.goodthingsfoundation.org/wp-content/uploads/2022/07/Economic-impact-of-digital-inclusion-July-2022.pdf *[accessed 7 June 2023]*

Need for Government analysis

41. While the existing data about the financial benefits of tackling digital exclusion are compelling, further analysis is needed to quantify fully the costs and returns. We noted it was difficult to know how benefits would differ across demographics and regions, for example.[74] Public service savings can be hard to assess accurately when multiple services are affected over different time periods.[75] Liz Williams criticised the absence of Government-led work:

> "There is undoubtedly a business case, but I cannot point to it, and I have been working in this area for decades. That is one of the reasons why, for example, maths might have got money that digital is not getting. Every time you talk to people, they ask, "Yes, but where's the business case?" and you go, "Well, nobody's done it". I wish the Treasury would do it."[76]

42. During our evidence session with the Minister, we learned that the Government had not conducted any economic assessments about the value of tackling digital exclusion and relied entirely on the work of charities and other external groups.[77]

43. **The economic case for tackling digital exclusion is clear: it would improve productivity, support economic growth and alleviate pressure on some public services. Yet the Government does not appear to have conducted a single assessment of the economic impacts of digital exclusion in recent years.**

74 Written evidence from the Digital Poverty Alliance and the Learning Foundation (DCL0081)
75 Institute for Government, *'Austerity' in public services* (October 2022): https://www.instituteforgovernment.org.uk/sites/default/files/publications/austerity-public-services.pdf; National Audit Office, 'Efficiency savings require learning past lessons' (December 2022): https://www.nao.org.uk/insights/efficiency-savings-require-learning-past-lessons/ [accessed 11 May 2023]
76 Q 78
77 Q 111

44. ***The Department for Science, Innovation and Technology should work with the Treasury and external stakeholders to publish (a) an assessment of the likely economic impact of digital exclusion over the next 10 years; and (b) value for money assessments of interventions to narrow the digital divide.***

Levelling up

45. Much of our evidence showed that measures to tackle digital exclusion would support the 2022 Levelling Up White Paper's aims to "spread opportunity more equally across the UK".[78] As Liam Halligan argued, improving digital access and telecommunications in deprived or remote regions would drive productivity and investment. The Government said other benefits included increased pay; stimulating innovation outside London; improving access to gigabit broadband; better skills training; and improving wellbeing across the UK.[79]

Education

46. We noted that improving basic digital skills in schools could help address educational inequalities as technology and online research become more embedded in the education system.[80] Dr Jake Anders, Associate Professor in Educational and Social Statistics, and Deputy Director at the Centre for Education Policy and Equalising Opportunities at University College London, told us that increasing amounts of important information is communicated by schools to parents and students through apps and online portals, which means those with lower digital engagement are "less able to engage with their learning".[81] JISC, an education membership organisation, said similar problems were evident in colleges and universities.[82] Participants in our business roundtable also noted that basic digital skills were increasingly important factors in social mobility in young people.[83]

Public health and wellbeing

47. The link between public health and digital inclusion was another key theme. Professor Hamish Laing, Chair of the Digital Inclusion Alliance Wales, said the Welsh Government had funded a national digital inclusion programme with close involvement of the Welsh Minister for Health and Social Services, because "there is a very important link to health and social care, and not just social justice and economic development."[84]

48. While spending too much time online can be problematic,[85] there are various direct benefits associated with being online. Internet users typically have

78 Department for Levelling Up, Housing and Communities, *Levelling Up the United Kingdom*, Cp 604, February 2022: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052708/Levelling_up_the_UK_white_paper.pdf [accessed 11 May 2023]

79 Written evidence from HM Government—Department for Science, Innovation and Technology (DCL0057)

80 Professor Van De Werfhorst et al, 'The digital divide in online education: Inequality in digital readiness of students and schools' (2022): https://www.sciencedirect.com/science/article/pii/S2666557322000295 [accessed 7 June 2023]; Written evidence from NRICH (DCL0002)

81 Q 28

82 Written evidence from JISC (DCL0022)

83 See Appendix 4

84 Q 49

85 High frequency internet use has been linked to anxiety and reduced social contact, for example. See written evidence from Understanding Society, the UK Household Longitudinal Study, University of Essex (DCL0005)

easier access to support services, health awareness tools, and opportunities to avoid loneliness through online engagements for example.[86] Conversely, as digitised healthcare becomes more common—for example through remote consultations, diagnostics and monitoring—there is a risk that health inequalities among digitally excluded groups will deepen.[87]

49. Significant cost savings could be achieved. The CEBR estimated NHS savings of up to £899 million by 2032 from reduced GP appointments.[88] The UK Government's 2022 Plan for Digital Health and Social Care envisages a "transformative programme of reforms", including helping over 500,000 patients manage long-term conditions at home through new technologies.[89] This all suggests basic skills are already important to improving health outcomes and will only become more so as the UK's shift towards digitised healthcare continues.[90]

Net zero

50. Some of our evidence highlighted how digital inclusion could support the UK's environmental commitments. Carbon-intensive travel can be reduced if people work remotely or conduct routine appointments online.[91] Further gains are available from donating used devices to initiatives like the Good Things Foundation national device bank.[92]

Democratic inclusion

51. Róbert Bjarnason, President of Citizens Foundation Iceland, told us that digital exclusion is also about democratic participation.[93] Digital exclusion commonly affects groups most reliant on public services and support. Yet as Ellen Judson, Head of CASM at Demos argued, the means to access information and engage in political discussion about these issues are increasingly online. Those without access risk being left voiceless.[94] Councillor John Hacking, Executive Member for Skills, Employment and Leisure at Manchester City Council, said the implications were also practical: the rollout of voter ID meant libraries were having to help many voters upload photographs to apply for identification documents, for example.[95]

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86 Virgin Media 02, *Three years of progress* (2021): https://www.virginmediabusiness.co.uk/pdf/RevTheEv/Three-Years-of-Progress_2021-Cebr-Report-VMBusiness%20VMBD_CEDG.pdf [accessed 11 May 2023]

87 Good Things Foundation, 'Health inequalities and mitigating risks of digital exclusion': https://www.goodthingsfoundation.org/insights/health-inequalities-and-mitigating-risks-of-digital-exclusion/ [accessed 15 May 2023]

88 Good Things Foundation, *The Economic Case for Digital Inclusion Cebr 2022* (July 2022): https://www.goodthingsfoundation.org/wp-content/uploads/2022/07/Good-Things-Foundation-and-CEBR-2022-%E2%80%93-Executive-Summary.pdf [accessed 15 May 2023]

89 Department for Health and Social Care, 'A plan for digital health and social care' (29 June 2022): https://www.gov.uk/government/publications/a-plan-for-digital-health-and-social-care/a-plan-for-digital-health-and-social-care#section-2-our-vision-for-a-digital-future [accessed 11 May 2023]

90 *Ibid.* The strategy recognises the need to "build general digital literacy, expert digital skills, and digital leadership".

91 Virgin Media O2, *Three years of progress* (2021): https://www.virginmediabusiness.co.uk/pdf/RevTheEv/Three-Years-of-Progress_2021-Cebr-Report-VMBusiness%20VMBD_CEDG.pdf [accessed 11 May 2023]

92 Good Things Foundation, 'National device bank': https://www.goodthingsfoundation.org/national-device-bank/ [accessed 16 May 2023]

93 Q 58

94 Q 96

95 Q 61

52. **Tackling digital exclusion would support a range of high-profile Government commitments, notably levelling up, improving public health and achieving net zero. There is also a strong civic case for addressing digital exclusion. It would help ensure many of the most vulnerable in society have a voice at a time when political debate and engagement are increasingly moving online.**

CHAPTER 4: EVALUATING THE GOVERNMENT'S WORK

Strategy and work programmes

53. In 2014 the Government published its Digital Inclusion Strategy. This identified four barriers to address: access, skills, motivation and trust.[96] It outlined ten actions to be delivered alongside industry and civil society—for example embedding digital inclusion in "wider government policy, programmes and digital services", and delivering a "digital inclusion programme" to support small businesses and third sector organisations. The objective was to "reduce the number of people without basic skills and capabilities by 25 per cent every two years so that by 2020 everyone who can be digitally capable will be".[97]

54. Successive governments introduced a variety of other initiatives, including support for using public services;[98] skills programmes and education entitlements;[99] support for small businesses;[100] resources for councils and community-level programmes;[101] wi-fi in libraries;[102] and major investments in broadband infrastructure.[103] The pandemic prompted further interventions to provide devices and skills support.[104] The Government has also encouraged internet providers to offer cheaper internet tariffs to help with the cost of living.[105]

55. This work is accompanied by an extensive range of initiatives from businesses, third sector organisations and local authorities. The Good Things Foundation for example runs the national digital inclusion network of grassroots organisations, basic skills courses, and set up national data and device banks in partnership with businesses such as Virgin Media O2.[106] The Digital Poverty Alliance has developed a long-term action plan calling

96 Cabinet Office, 'Government Digital Inclusion Strategy' (2014): https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy#actions [accessed 11 May 2023]

97 *Ibid.*

98 HM Government, 'Accessibility and assisted digital' (August 2018): https://www.gov.uk/service-manual/helping-people-to-use-your-service/assisted-digital-support-introduction [accessed 15 May 2023]

99 The Department for Education provides a legal entitlement to study free Essential Digital Skills Qualifications. From August 2023 this will include the new digital Functional Skills Qualifications. See written evidence from HM Government—Department for Science, Innovation and Technology (DCL0057)

100 HM Government, 'Help to grow': https://helptogrow.campaign.gov.uk/ [accessed 15 May 2023]

101 See for example Department for Education, 'Adult education budget: funding and performance management rules 2022 to 2023' (28 April 2023): https://www.gov.uk/government/publications/adult-education-budget-aeb-funding-rules-2022-to-2023/adult-education-budget-aeb-funding-rules-2022-to-2023 [accessed 15 May 2023]; Department for Digital, Culture, Media and Sport, 'UK Digital Strategy 2022' (4 October 2022): https://www.gov.uk/government/publications/uks-digital-strategy/uk-digital-strategy [accessed 15 May 2023]

102 Written evidence from HM Government—Department for Science, Innovation and Technology (DCL0057)

103 Building Digital UK, 'Project Gigabit' (1 April 2022): https://www.gov.uk/guidance/project-gigabit-uk-gigabit-programme [accessed 11 May 2023]

104 Department for Digital, Culture, Media and Sport, Department for Science, Innovation and Technology, 'Digital Lifeline Fund: Evaluation summary' (24 March 2022): https://www.gov.uk/government/publications/digital-lifeline-a-qualitative-evaluation/digital-lifeline-fund-evaluation-summary [accessed 11 May 2023]

105 HM Government, 'Cheaper broadband for struggling families' (14 August 2022): https://www.gov.uk/government/news/cheaper-broadband-for-struggling-families-14-august-2022 [accessed 15 May 2023]

106 Written evidence from the Good Things Foundation (DCL0042) and Virgin Media O2 (DCL0072)

for a cross-sector approach to awareness raising, business engagement and Government intervention.[107] Councillor John Hacking, Executive Member for Skills, Employment and Leisure at Manchester City Council said Manchester's 'Let's Get Digital' initiative was a good example of the type of work led by local authorities to tackle digital exclusion in partnership with community organisations, faith groups, health bodies and businesses.[108]

Out of date and insufficient

56. Internet use and Government work programmes have changed significantly since the 2014 strategy's publication. To take just one example, Ofcom figures on average monthly data use show a rise from 58 gigabytes in 2014 up to 482 gigabytes in 2022, suggesting an increase of 731 per cent since the 2014 strategy was published.[109]

57. The need for a strategy refresh was one of the most consistent recommendations made in our inquiry.[110] Helen Milner, CEO of the Good Things Foundation, said it was:

> "Shocking that the Government do not have a digital inclusion strategy and that the last one was in 2014. There are one and a half FTE [full-time equivalent] civil servants in what was DCMS working on this area … there is no focus on strategy and leadership for digital exclusion."[111]

58. Antony Walker, Deputy CEO of techUK, likewise thought "we have bits and pieces of policy, but we do not have a strategy".[112] Representatives from FutureDotNow, the Digital Poverty Alliance, Which?, Vodafone and Age UK all called for an updated strategy.[113] Several witnesses contrasted the UK Government's approach with that of Scotland and Wales, both of which have produced updated strategies recently.[114]

59. The Minister maintained that "we do not need a new strategy" and emphasised that its principles remained relevant. When asked about progress since 2014, he told us that the Government engaged with civil society and local authorities to review improvements.[115]

60. It is difficult to reconcile this position with a review of the strategy published on GOV.UK.[116] The last quarterly strategy progress report published on

107 Digital Poverty Alliance, *National Delivery Plan* (2023): https://digitalpovertyalliance.org/wp-content/uploads/2023/05/National-Delivery-Plan-Overview-2023.pdf [accessed 7 June 2023]
108 Q 61
109 Ofcom, *Connected Nations* (2015): https://www.ofcom.org.uk/__data/assets/pdf_file/0028/69634/connected_nations2015.pdf [accessed 7 June 2023]; Ofcom, *Connected Nations* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf [accessed 7 June 2023]. Data representation methods vary between the reports. This comparison is indicative only.
110 See for example written evidence from BT Group (DCL0015); Citizens Online (DCL0068); Local Government Association (DCL0062); the British Academy (DCL0023); Libraries Connected (DCL0033); Catch22 (DCL0070); Liverpool City Region Combined Authority (DCL0075); David and Jane Richards Family Foundation et al (DCL0026); Third Sector Dumfries and Galloway (DCL0043)
111 Q 19
112 Q 78
113 Q 15 (Tom Lowe, Rocio Concha), Q 19 (Helen Milner), Q 35 Sally West (Age UK); Q 42 Paul Morris
114 Q 49 (Sally Dyson, Professor Hamish Laing). A detailed assessment of the impact of these strategies was outside the scope of this inquiry.
115 Q 110
116 Cabinet Office, 'Government Digital Inclusion Strategy' (2014): https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy#actions [accessed 11 May 2023]

the website is dated March 2015.[117] The performance platform cited in the strategy stopped being updated in March 2021 and has been moved to the National Archives.[118] The strategy's central delivery partner, Go On UK, has not existed since 2016 and its successor Doteveryone announced its closure in May 2020.[119] The target completion date for the 2014 strategy was 2020.

61. **The Government has taken its eye off the ball. It has not refreshed the digital inclusion strategy since 2014 and seems to have ceased formally monitoring progress on it. The principles set out in the strategy may endure but the contention that digital exclusion is a Government priority is not credible.**

62. ***The Government should publish a refreshed digital inclusion strategy within six months of responding to this report. In the meantime it should provide an update on progress against the 2014 strategy objectives in response to this report.***

Lack of join-up

63. The Government's written evidence recognised many of the cross-departmental objectives cited earlier in this chapter. But the absence of published progress updates and lack of cross-Whitehall co-ordination suggested insufficient intentional progress against shared goals. The Government-led working group responsible for co-ordinating digital inclusion policy and stakeholder engagement was disbanded during the Covid-19 pandemic. Professor Ellen Helsper, Professor of Digital Inequalities at the London School of Economics and Political Science, said this unit had been a "phenomenally successful" forum for developing joined-up approaches and sharing best practice. Professor Simeon Yates believed it had been abandoned because digital exclusion "was not a number one priority".[120]

64. Witnesses said there was consequently no 'go to' place for the Government, local authorities and external groups to collate data and develop best practice.[121] Many of the group's reports are now unavailable[122] and several witnesses called for the group to be re-established.[123] The Minister did not plan to re-establish the working group or an equivalent "standing committee".[124]

65. **We have no confidence that the Department for Science, Innovation and Technology (DSIT) is making digital exclusion a priority in cross-Whitehall policy-making. There do not appear to be adequate formal structures for co-ordinating policy, updating targets, or reviewing progress at either an official level or ministerial level.**

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117 Cabinet Office, 'Government Digital Strategy: reports and research' (2015): https://www.gov.uk/government/collections/government-digital-strategy-reports-and-research#progress-reports [accessed 11 May 2023]

118 Government Digital Service, 'Historical performance platform' (22 March 2021): https://www.data.gov.uk/dataset/731b25a8-0462-4a7d-aa3f-5a5d44ae26d2/historical-performance-platform [accessed 11 May 2023]

119 Doteveryone, 'Five years fighting for better tech for everyone' (2020): https://doteveryone.org.uk/2020/05/five-years-fighting-for-better-tech-for-everyone/ [accessed 11 May 2023]

120 Q 89

121 Q 58 (Professor Helsper)

122 *Ibid.*

123 Q 58, Q 89

124 Q 110

66. ***DSIT should establish a cross-government digital exclusion unit. It should have a mandate for co-ordinating external stakeholders and working across departments to embed digital exclusion in priority policy areas, notably economic growth; levelling up; public health; education and skills; and employment and welfare.***

67. ***We further recommend that the Prime Minister's Office takes a direct interest in tackling digital exclusion and establishes a suitable mechanism to oversee progress on the refreshed digital inclusion strategy.***

Principles for intervention

68. While the case for further action is clear, the Government and Ofcom face numerous decisions on the appropriate extent of such action. Some say major intervention and extra funding are needed.[125] Others advocate a more limited approach, particularly in areas that might create market distortions.[126] We suggest three core principles to inform these decisions. These have consequential implications for the Government's new strategy and underpin subsequent recommendations we make in this report.

Pragmatic

69. First is pragmatism. Digital exclusion is inextricably linked with complex societal challenges which are not easily solved. Some people do not want to go online and their decision should be respected (as long as it arises from informed choices rather than barriers).[127] The definition of what 'digital exclusion' means, and measures of success, will likely continue to change as technologies, living standards and expectations evolve.[128]

70. These complexities mean some digital disparity will inevitably endure. But they are not an excuse for inaction. Incremental progress against clearly defined objectives is possible, as demonstrated by countries like Iceland and Estonia.[129] The Government's approach to digital exclusion must also remain flexible: as societal conditions change, so must objectives and workplans.[130]

71. Pragmatism should inform choices on where to allocate limited resources. Scaling up existing programmes would be more efficient than big new announcements, if less eye catching. Liam Halligan cautioned that some of the most important solutions are:

> "Just not sexy. Ministers like talking about unicorns and AI. They like being photographed with the tech bros in T-shirts and sand shoes, rather than dealing with what is a necessity of life now".[131]

125 Written evidence from the Local Government Association (DCL0062); Fabian Society, *Bridging the divide* (March 2022), p 5: https://fabians.org.uk/wp-content/uploads/2022/04/Bridging-the-Divide-web-file-Fabian-Society.pdf [accessed 6 June 2023]
126 Q 46 (James Barford), Q 36 (Dr Jake Anders), Q 93 (Liam Halligan)
127 Digital Poverty Alliance, *UK Digital Poverty Evidence Review 2022* (June 2022): https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 16 May 2023]; written evidence from Virgin Media O2 (DCL0072)
128 QQ 2–7
129 QQ 54–58
130 Q 81
131 Q 98

Proportionate

72. Second, actions should be proportionate to the scale of the challenge. Much of our evidence showed that the Government's primary role should be to set policy direction, strategy and targets; and to demonstrate the political will to drive change.[132] As Kat Dixon put it, the Government should set the "architecture for community groups to do the work on the ground".[133]

73. Tackling digital exclusion cannot be done for free, however. Our evidence identified basic digital skills, social tariffs and telecommunications upgrades as priorities for financial commitments. Much of this would build on existing Government work.[134]

74. We heard Ofcom should continue to encourage businesses to provide a fair deal for consumers, provide data that inform regulatory and executive policy decisions,[135] and communicate its intentions and remit carefully when considering marketplace interventions to manage the risk of creating unintended distortions.[136]

Joined up

75. Digital exclusion is inherently cross-cutting. Responses to it must be similarly joined up. The Department for Science, Innovation and Technology (DSIT) holds the main policy lead, but many delivery mechanisms sit elsewhere, including in at least six Government departments.[137] Some responsibilities are reserved to the UK Government, for example broadband policy, though many practical delivery mechanisms are delegated to local authorities and Devolved Administrations.[138] Ofcom oversees regulatory enforcement. Local authorities ensure strategies and services meet local needs.[139] Community organisations, charities and businesses often provide the expertise, local knowledge, time and resources to translate policy objectives into action on the ground.[140]

76. Being joined up will involve cohering action and aligning policies to ensure efficient resource allocation. As Kat Dixon noted, it is unhelpful to have a system that incentivises perverse outcomes and for charities to then bid for resources to offset them. She gave the example of internet providers being allowed to charge loyal customers more for broadband, and volunteers spending time and money helping vulnerable customers exit these over-priced

132 Q 19, Q 93
133 Q 86
134 Q 85 (Professor Simeon Yates)
135 Q 105, Q 107. Ofcom provides a range of surveys and data analyses on internet use and digital exclusion. See for example Ofcom, 'Digital exclusion research' (2023): https://www.ofcom.org.uk/research-and-data/multi-sector-research/accessibility-research/access-and-inclusion/exclusion [accessed 7 June 2023]
136 Q 46 (James Barford)
137 The Cabinet Office holds many of the core policy leads around digital inclusion. The departments for Education; Levelling Up, Housing and Communities; Work and Pensions; and Health and Social Care; and HM Treasury also oversee key policies and services.
138 See House of Commons Library, Superfast broadband in the UK, Briefing Paper, Number CBP06643, 4 March 2021 [accessed 24 May 2023]
139 Written evidence from Liverpool City Region Combined Authority (DCL0075); London Borough of Southwark (DCL0077); Shropshire Council (DCL0063); Kent County Council (DCL0054); Ealing Council (DCL0050); Mrs Helen Louise Atkin, Derbyshire County Council (DCL0041); North Somerset City Council (DCL0024); City of Wolverhampton Council (DCL0020); Manchester City Council (DCL0014)
140 Written evidence from Virgin Media O2 (DCL0072), TalkTalk (DCL0044); Cwmpas (DCL0038); Child Poverty Action Group (DCL0037); Starting Point Community Learning Partnership (DCL0016)

contracts. She suggested looking to other sectors for insights; regulatory intervention in the insurance industry has helped tackle loyalty penalties, for example.[141]

77. It also means spending more time co-designing solutions and pricing externalities more explicitly into public service design and delivery. Professor Simeon Yates said fieldwork research on the early stages of Universal Credit digitisation provided some examples of unintended consequences:

> "an awful lot of people had to fill it in who were not online, who did not have the digital skills or who had an inappropriate device. The interface design was not great. There were issues about saving your data … people [were] going to their local library or Citizens Advice to do this online because they had access there".[142]

78. Staff then spent time filling out forms, printing off individual pages (because the system was not designed to support this), and submitting forms for applicants.[143] Patricia Bailey, a member of the poverty charity ATD Fourth World UK and the APLE Collective, said that "for any changes to be effective, people with lived experience need to be involved in their development … We are the experts".[144] We noted that the online system had helped the Department for Work and Pensions to process an additional 2.8 million claims at pace during the early stages of the pandemic.[145]

79. **The Government must show leadership on tackling digital exclusion. This is a complex task and the Government cannot solve everything, but that is no excuse for inaction. Incremental progress against clearly defined targets is possible. The extent of Government intervention should be guided by three core principles: pragmatism, proportionality, and joined-up working.**

141 Q 86
142 Q 86
143 Some resource support was provided to help manage the transition though our evidence indicated this has fallen short of what was needed. See Q 86 and written evidence from the Local Government Association (DCL0062).
144 Q 33
145 The number of people claiming Universal Credit rose from 3 million in March 2020 to 5.8 million by November 2020. See House of Commons Library, Briefing Paper, Coronavirus: Universal Credit during the crisis, Number 8999,15 January 2021 [accessed 16 June 2023]

CHAPTER 5: AFFORDABLE INTERNET ACCESS

80. Access to an affordable and decent internet connection is key to digital inclusion. Cost of living challenges have made this issue particularly pertinent. In this chapter we examine how well the telecommunications market and industry initiatives are delivering affordable options. We focus on four areas: improvements to social tariffs; VAT on social tariffs; curbing excessive mid-contract price rise policies; and scaling up device donation schemes.

Social tariffs

81. James Barford, Director of Telecoms at Enders Analysis, told us that the UK is "broadly at the cheap, efficient" end of pricing across Europe in both fixed broadband and mobile internet services.[146] However, we heard that standard rates remain unaffordable for some low-income households. Most broadband and mobile providers therefore offer cheaper tariffs to people claiming Universal Credit and other benefits. These are generally known as social tariffs.

Box 2: social tariffs

According to Ofcom, social tariffs are "cheaper broadband and phone packages for people claiming Universal Credit, Pension Credit and some other benefits." Some providers call them 'essential' or 'basic' broadband. Unlike standard tariffs, they should not be liable to mid-contract price rises and should not impose exit fees. Most broadband social tariffs offer superfast broadband at speeds of over 30 Mbit/s—fast enough to stream films, video call or shop online. Most are £12–20 a month. By comparison, average broadband packages cost around £30 a month. Some mobile providers—for example EE (owned by BT Group) and VOXI (owned by Vodafone)—also offer mobile social tariffs.

Source: Ofcom, Pricing trends for communications services in the UK (1 December 2022), p 21: https://www.ofcom.org.uk/__data/assets/pdf_file/0029/248546/pricing-trends-in-UK-Communications-services-report.pdf *[accessed 11 May 2022]*

Advertising social tariffs

82. Take-up is low but increasing. In January 2022, just 1.2 per cent of eligible customers had signed up. By April 2023 this had risen to 5.1 per cent, representing 220,000 of around 4.3 million eligible households.[147]

83. The reasons for low take-up are varied. Some witnesses said it was partly due to stigma, or perceptions that lower-priced tariffs will be lower or insufficient quality, even when this is not the case.[148] One of the main reasons was a lack of awareness. Rocio Concha, Director of Policy and Advocacy at Which?, argued:

> "More needs to be done, and can be done, by the providers to tell their customers that they have social tariffs. If you go to the websites of some of the providers, you will not find that information."[149]

146 Q 44

147 Ofcom, 'Half of low-income households in the dark over broadband social tariffs' (24 April 2023): https://www.ofcom.org.uk/news-centre/2023/half-of-low-income-households-in-dark-over-broadband-social-tariffs [accessed 16 May 2023]

148 Q 40 (Helen Burrows), Q 93 (Liam Halligan); written evidence from Third Sector Dumfries and Galloway (DCL0043) and Hyperoptic (DCL0056)

149 Q 13

84. Ofcom's research suggests awareness of social tariffs among eligible customers has improved, rising from 16 per cent in February 2022[150] to 47 per cent in April 2023.[151] However, this suggests that over half of eligible households remain unaware.

85. Helen Burrows, Content and Services Policy Director at BT Group, one of the UK's largest providers, rejected criticism that BT was making social tariffs hard to locate. She maintained the deals were "findable" on its website and said 10 per cent of BT's new customers were on its social tariff.[152] Paul Morris, Head of Government Affairs at Vodafone, said his organisation advertised its social tariff prominently "on the banner of our website".[153]

86. We noted a range of methods were employed to inform people about social tariffs. But we heard providers may not advertise them directly to existing customers. According to Ofcom, most awareness comes through social media (26 per cent) and television (21 per cent): only nine per cent heard directly via their provider.[154] When asked why BT was not doing more to promote social tariffs, Helen Burrows told us:

> "Our teams put their resource behind marketing the social tariff to the groups that are aware of it in a way that follows the patterns of actual customer behaviour. … We do not do broader advertising because customers get very annoyed at being told about a product that they then find out they are not eligible for."[155]

87. Ofcom told us it could not mandate how social tariffs are advertised without new legislation, but could encourage providers to improve take up.[156] We were told that public service providers could play a greater role in raising awareness, for example through more prominent advertising in job centres,[157] and ensuring customer support staff are aware of social tariffs and how to access them.[158] The Government could also help improve awareness. Helen Milner noted that the Department for Work and Pensions and HM Revenue and Customs "interact with everyone on benefits, so they could just … ask whether they are struggling with affording the internet [and] tell them about social tariffs".[159]

Standardising and mandating social tariffs

88. Social tariffs can vary significantly in cost, speed and service provision. We heard different perspectives on whether they should be better standardised or made mandatory.

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150 Ofcom, 'Millions of low-income families missing out on £144 annual broadband' (15 February 2022): https://www.ofcom.org.uk/news-centre/2022/millions-of-low-income-families-missing-annual-broadband-saving [accessed 16 May 2023]
151 Ofcom, 'Half of low-income households in the dark over broadband social tariffs' (24 April 2023): https://www.ofcom.org.uk/news-centre/2023/half-of-low-income-households-in-dark-over-broadband-social-tariffs [accessed 16 May 2023]
152 Q 38
153 Q 38
154 Ofcom, 'Half of low-income households in the dark over broadband social tariffs' (24 April 2023): https://www.ofcom.org.uk/news-centre/2023/half-of-low-income-households-in-dark-over-broadband-social-tariffs [accessed 16 May 2023]
155 Q 38
156 Q 102
157 Written evidence from Jisc (DCL0022)
158 Written evidence from Starting Point Community Learning Partnership (DCL0016)
159 Q 15

89. Helen Milner of the Good Things Foundation said it was confusing for customers to understand and compare what was on offer. She argued take-up could be improved by having a "standardised definition of a social tariff".[160]

90. The charities Mencap and the David and Jane Richards Family Foundation called for social tariffs to be mandatory.[161] A recent Fabian Society report recommended mandatory social tariffs to guarantee a "comprehensive, robust and long-term approach" and address gaps in the provision of affordable internet.[162] The Digital Poverty Alliance said one option "could be for Government to mandate an industry wide social tariff" where the Department for Work and Pensions offers subsidy vouchers to internet providers.[163]

91. Other witnesses cautioned against standardising or mandating social tariffs, citing the risk of undermining consumer choice and potential impacts on competition. Rocio Concha, Director of Policy and Advocacy at Which?, said "we need to be careful with standardisation" and noted that "you cannot just have one type of social tariff". The speed and service type required for a large young family may be different to a single elderly pensioner, for example.[164]

92. The Internet Service Providers' Association argued that mandating or standardising social tariffs "may have unintended consequences and would not offer the same flexibility for consumers that the current voluntary system enables."[165] James Barford, Director of Telecoms at the consultancy Enders Analysis, said "sometimes new customer offers are actually cheaper than the social tariff, because you have competition working well".[166] Tim Stranack, Chief Executive of Community Fibre, said:

> "It is the competition in the market that is driving creativity, innovation and lower tariffs. I caution that mandating a tariff from Government or the regulator might have the unintended consequences of removing some of that … We saw what happened with mandated tariffs in the energy industry and some of the unintended consequences."[167]

93. The internet service provider (ISP) Hyperoptic argued that:

> "Mandated tariffs are likely to be below the speed/price balance currently offered by some ISPs and there is a significant risk that providers would seek to match the minimum provision rather than compete to offer something higher. There would be no impetus for an ISP to launch a new social tariff at current standards if they can fulfil their legal obligations at a lower level."[168]

94. Some witnesses identified the lack of consumer awareness of the social tariffs already available as being the most significant obstacle to uptake, rather

160 Q 18 (Helen Milner)
161 Written evidence from Mencap (DCL0027)
162 The Fabian Society, *Bridging the Digital Divide: Tackling Digital Inequality in a Post-pandemic World* (March 2022) p 16: https://fabians.org.uk/wp-content/uploads/2022/04/Bridging-the-Divide-web-file-Fabian-Society.pdf [accessed 14 June 2023]
163 Written evidence from the Digital Poverty Alliance (DCL0052)
164 Q 18
165 Written evidence from the Internet Service Providers' Association (DCL0058)
166 Q 45
167 Q 38
168 Written evidence from Hyperoptic (DCL0056)

than provision itself.[169] Kat Dixon, a digital exclusion expert, thought that significant further regulatory intervention could damage goodwill among providers to tackle digital inclusion.[170]

95. **We welcome recent improvements in the availability and awareness of social tariffs. But take up stands at just five per cent.**

96. ***We urge internet providers to do more to increase social tariff uptake and review whether their current promotional strategies are delivering results. Ofcom should provide a clearer expectation of what constitutes a social tariff and work with providers, consumer organisations and comparison websites to make it easier for customers to compare deals. Ofcom should be empowered to regulate how and where companies advertise social tariffs, and hold them accountable.***

VAT on social tariffs

97. We heard that many people on Universal Credit and other benefits still struggle to afford social tariffs. Tom Lowe, Head of Policy and Communications at the Digital Poverty Alliance, cited research suggesting that "a really affordable social tariff for universal credit recipients would be closer to the £4 to £7 range than to the standard £15 to £20 range that is currently offered."[171]

98. Removing VAT from social tariffs would be one of the most straightforward ways of reducing the cost.[172] Helen Milner said it would cost the Treasury £151.2 million per year if every Universal Credit recipient took it up. Current take-up rates suggest it would cost around £7.5 million per year.[173] Both BT and Vodafone committed to passing any such VAT cut onto their customers.[174]

99. Paul Scully MP, Minister for Tech and the Digital Economy, said "we need some guarantee that, if you are going to start removing VAT, it will be passed on".[175] Holly Creek, Deputy Director for Wireless Infrastructure, Spectrum and Consumer Policy at the Department for Science, Innovation and Technology, added there was a "high bar of evidence for doing so". There are precedents including VAT cuts to e-books in April 2020[176] and women's sanitary products in January 2021.[177] The Government could also review practices from water utilities.[178]

100. Other witnesses noted that removing VAT from retail social tariffs may not lower prices enough for consumers on the lowest incomes, and said wholesale prices should also be reviewed. Helen Milner argued this would "make sure that there is a level playing field for all providers providing social tariffs".[179]

169 See for example Q 13 (Rocio Concha); Ofcom, 'Half of low-income households in the dark over broadband social tariffs' (24 April 2023): https://www.ofcom.org.uk/news-centre/2023/half-of-low-income-households-in-dark-over-broadband-social-tariffs [accessed 16 May 2023]
170 Q 89 (Kat Dixon)
171 Q 13
172 Q 13 (Rocio Concha); written evidence from the Internet Service Providers' Association (DCL0058)
173 Q 14 (Helen Milner)
174 Q 42 (Helen Burrows, Paul Morris)
175 Q 119
176 HM Treasury, 'VAT scrapped on E-publications' (30 April 2020): https://www.gov.uk/government/news/vat-scrapped-on-e-publications [accessed 11 May 2023]
177 HM Treasury, 'Tampon tax abolished from today' (1 January 2021): https://www.gov.uk/government/news/tampon-tax-abolished-from-today [accessed 11 May 2023]
178 Q 119
179 Q 14

Liam Halligan said that Openreach, the main wholesale provider to retail social tariffs, "does not offer a social tariff. That of course puts a floor on many other things … The Government leaning heavily on BT Openreach to offer a social tariff, nearer zero than £14 or £15, would be transformational."[180] Paul Morris, Head of Government Affairs at Vodafone, said "Openreach should be providing a wholesale social tariff … We are all paying Openreach for a service [… and it] should be making its contribution".[181]

101. James Barford noted that wholesale tariffs would need to be funded by someone: "it could be the Government funding those individual tariffs or, in effect, everybody else funding them through a rebalancing of the prices".[182] BT Group's written evidence said suggestions that "Openreach pricing is 'the problem'" overlooked two key issues:

> "First, Openreach already waive connection fees for low income households new to broadband and eligible for social tariffs and that otherwise Openreach pricing is regulated by Ofcom to support network rollout and upgrade. Second, that price is not the primary barrier for the largest cohort digitally excluded, and likely not the only barrier for other digitally excluded groups too."[183]

102. **Most social tariffs are still too expensive for the most financially vulnerable. *The Government should remove VAT from retail social tariffs and from the wholesale broadband used to provide them. The Government must then work with Ofcom to monitor social tariff prices to ensure these savings are passed on to consumers.***

103. **Removing VAT may not be enough to lower prices to an affordable level for those on the lowest incomes. Lowering the wholesale price floor for sales of social tariffs is one way to address this. *We recommend Ofcom consults on requiring Openreach to offer a wholesale social tariff.***

Internet voucher schemes

104. We also heard social tariffs are not the only option for providing more affordable internet access for those on the lowest incomes. Alternatives include TalkTalk's voucher scheme for jobseekers. This gives jobseekers six months of free broadband, with no contract or credit checks. The Department for Work and Pensions is responsible for identifying and referring recipients based on need via job coaches.[184] TalkTalk suggests this model could be extended to other cohorts, such as families whose children need the internet for school but cannot afford it.[185] Similarly, Hyperoptic provides an Affordable Product Scheme to housing associations and local authorities, offering 10 per cent of social housing residents a year's free broadband.[186]

105. **We welcome the introduction of alternative voucher and discount schemes. These provide flexible ways to help people afford internet access. *The Government should work with industry to explore***

180 Q 94
181 Q 40
182 Q 45
183 Written evidence from BT Group (DCL0083)
184 Written evidence from TalkTalk (DCL0044)
185 Written evidence from TalkTalk (DCL0044)
186 Written evidence from Hyperoptic (DCL0056)

options for expanding these schemes during cost of living challenges to help wider groups at risk of digital exclusion.

Mid-contract price rises

106. Recent mid-contract price rises for broadband and mobile customers present another challenge for internet affordability. Under current contracts, providers can increase prices mid-contract by the rate of inflation plus an additional amount set out in their terms and conditions. In April 2023 some of these rises exceeded 17 per cent.[187] Rocio Concha said there were:

> "people who will find them very difficult to afford … [they] may be trapped in a lose-lose situation because some of these contracts have exit fees, so you might find yourself unable to pay the increase but also that it is very expensive to get out of the contract."[188]

According to Which? the average fee for exiting a contract can be over £200.[189] We noted that some exit fees were reportedly over £500.[190]

107. Some witnesses said mid-contract price rises should be paused for financially vulnerable customers, or exit fees waived.[191] However, broadband and mobile providers argued the increases were attributable to inflation and the investments they are required to make by the Government in the UK's 5G and full-fibre broadband infrastructure.[192] Ofcom also noted that the UK's broadband and mobile network was undergoing a "much-needed upgrade" requiring significant investment from telecoms companies.[193] Some industry analyses suggested that inflation and network investments meant the price rises would not result in significant profits for internet providers.[194]

108. Despite these commercial constraints, the way mid-contract price rises are formulated and communicated provides insufficient clarity to customers. According to recent Ofcom research, around a third of telecoms customers do not know whether their provider can increase their price during a contract's lifetime. Among those who do know, around half do not know how this would be calculated.[195] Even the most well-informed customers will

187 MoneySavingExpert, 'Broadband and mobile users to be hit with price hikes of up to 17.3% in April—here's what you need to know' (11 April 2023): https://www.moneysavingexpert.com/news/2023/january/april-broadband-price-hikes/ [accessed 15 May 2023]

188 Q 13

189 Which?. 'Millions of broadband customers trapped between price hikes and exit fees of over £200' (28 February 2023): https://www.which.co.uk/news/article/millions-of-broadband-customers-trapped-between-price-hikes-and-exit-fees-of-over-200-aSw513S5J6m3 [accessed 11 May 2023]

190 Q 104

191 Q 5 (Rocio Concha)

192 Q 39 (Paul Morris and Helen Burrows)

193 Ofcom, 'Telecoms price rises—what are your rights?' (20 January 2023): https://www.ofcom.org.uk/news-centre/2023/telecoms-price-rises-what-are-your-rights [accessed 16 May 2023]

194 Analysys Mason, 'The telecoms industry faces challenging conditions in 2023' (23 November 2023): https://www.analysysmason.com/press/research-predictions-2023 [accessed 16 May 2023]; Enders Analysis, *BT: Consumer slows, but Openreach concerns recede* (8 February 2022): https://mcusercontent.com/e582e02c78012221c8698a563/files/770fa6c1-6353-6f38-07b8-f24d71987998/BT_Consumer_slows_but_Openreach_concerns_recede_2023_013_.01.pdf [accessed 11 May 2023]; Enders Analysis, *Vodafone: changing tack, if not direction* (6 February 2023): https://mcusercontent.com/e582e02c78012221c8698a563/files/9ca584c3-29d9-73e9-f240-c3383f896142/Vodafone_Changing_tack_if_not_direction_2023_011_.01.pdf [accessed 11 May 2023]

195 Ofcom, Mobile in Contract Price Rises Survey (February 2023) https://www.ofcom.org.uk/__data/assets/excel_doc/0017/253214/extract-mobile-in-contract-price-rises-survey.xlsx [accessed 16 May 2023]

not know what inflation-linked rises will be in future.[196] In February 2023, Ofcom announced a review into whether inflation-linked, mid-contract price rises give phone and broadband customers sufficient certainty and clarity on what they can expect to pay.[197]

109. **Mid-contract price rises are partly a result of legitimate investment needs and economic constraints for providers. But their scale is concerning, with many exceeding already high inflation rates. The rises compound existing cost of living pressures. And the level of exit fees is often unjustifiable. We therefore welcome Ofcom's review of how mid-contract price rises are formulated and communicated to consumers.**

110. ***We encourage Ofcom to set out options for providing greater certainty to consumers throughout mobile and broadband contract lifetimes. We further encourage Ofcom to review how exit fees are calculated and investigate options for reducing their cost.***

Affordable devices

111. Another obstacle to digital inclusion is the lack of adequate devices. This was a prominent issue during the pandemic.[198] To take just one example, the City of Wolverhampton Council told us that a significant proportion of schoolchildren, youth unemployment programme participants and jobseekers had not had adequate devices to access online services.[199]

112. A number of device donation initiatives were set up during the pandemic, including by the Government, schools, community groups, businesses and the BBC Local Radio Give a Laptop campaign. In January 2021, the Asda Foundation, Dell Technologies and Vodafone said they were working to provide 7,000 laptops to help schools tackle digital exclusion.[200] In March 2022 the Good Things Foundation launched the National Device Bank which refurbishes donated devices and provides them to those who cannot afford or access them.[201] This is delivered alongside its National Data Bank, which provides free mobile data.[202]

113. Some witnesses thought these schemes might provide a long-term answer to problems with device access.[203] Others were more sceptical. South Essex Community Hub suggested that as the second-hand market value for devices increases, individuals may become less likely to donate.[204] Others noted that

196 Ofcom, 'Ofcom to review inflation-linked telecoms price rises' (9 February 2023): https://www.ofcom.org.uk/news-centre/2023/review-of-inflation-linked-telecoms-price-rises [accessed 16 May 2023]
197 *Ibid.*
198 Digital Poverty Alliance, *UK Digital Poverty Evidence Review 2022* (June 2022) p 9: https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 16 May 2023]
199 Written evidence from City of Wolverhampton Council (DCL0020)
200 Asda, 'Asda to provide 7,000 Dell laptops to help schools tackle digital exclusion' (January 2021): https://corporate.asda.com/newsroom/2021/01/21/asda-to-provide-7-000-dell-laptops-to-help-schools-tackle-digital-exclusion [accessed 15 June 2023]
201 Good Things Foundation, 'UK's first ever National Device Bank is launched' (17 March 2022): https://www.goodthingsfoundation.org/what-we-do/news/national-device-bank-built-news/ [accessed 16 May 2023]
202 Good Things Foundation, 'Good Things Foundation strategy 2022–2025' (May 2022): https://www.goodthingsfoundation.org/insights/strategy/ [accessed 16 May 2023]
203 Written evidence from Let's Get Digital, Manchester City Council (DCL0014), North Somerset Together, North Somerset City Council (DCL0024), Rural Services Network (DCL0028)
204 Written evidence from South Essex Community Hub (DCL0021)

devices can quickly become obsolete, and if individuals do not have the skills to install updates or upgrade, simply owning a device will not make them digitally included.[205]

114. Helen Milner noted that the UK has the world's second-highest level of landfill e-waste per head of population, and called on the Government to donate old devices:

> "At the moment, industry, businesses and other large organisations are stepping up to the plate to give us their devices, which is fantastic, but if the millions of pieces of equipment the Government have could come back into reuse, that would be a game-changer."[206]

115. Local authorities can also play a leading role. Manchester City Council told us that their donation schemes had provided over 1,000 devices to Manchester residents since 2020.[207] To make the scheme more sustainable, the Council commissioned Community Computers to refurbish old devices and sell them at low cost to Manchester residents. Each library is a donation point, enabling residents to recycle their old devices more easily, rather than throwing them away.[208]

116. **Device distribution schemes cannot solve digital exclusion on their own. But they are a practical way of reducing barriers to getting people online. These initiatives should be scaled up.**

117. ***The Government should lead by example by encouraging public sector organisations to securely wipe, refurbish and donate old devices to digital inclusion device distribution schemes. It should encourage businesses to do likewise.***

205 Written evidence from Citizens Online (DCL0068)
206 Q 19
207 Written evidence from Let's Get Digital, Manchester City Council (DCL0014)
208 Written evidence from Let's Get Digital, Manchester City Council (DCL0014)

CHAPTER 6: CONNECTIVITY AND COVERAGE

118. The availability of internet coverage is a further factor in digital exclusion.[209] The number of people unable to obtain any form of suitable connection is relatively small and declining. Around 80,000 premises in the UK cannot receive what Ofcom defines as a "decent broadband service": at least 10Mbit/s download speed and 1Mbit/s upload speed.[210]

119. The rest of the UK is relatively well connected.[211] Around 97 per cent of UK homes are covered by superfast broadband networks, 70 per cent by gigabit-capable broadband and 42 per cent by full-fibre broadband.[212] 4G mobile coverage from each individual mobile network operator reaches around 99 per cent of premises.[213]

Box 3: Broadband key terms

Standard broadband: the most commonly available type of broadband, delivered through copper phone line wires. Speeds can be up to 24 megabits per second (Mbit/s), but actual speeds depend on how far a premises is from the telephone exchange, and according to Ofcom will typically be much lower.

Superfast: also called patrial-fibre or fibre-to-the-cabinet. The speed most people can get, faster than pure copper, is around 30–70 Mbit/s.

Full fibre: fibre-optic broadband is capable of speeds of 1+ gigabits per second (1Gbit/s+).

Gigabit-capable: any broadband capable of speeds of 1Gbit/s or higher.

Source: Ofcom, Connected Nations 2022 (15 December 2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf *[accessed 16 May 2023]; Ofcom, 'Broadband basics':* https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/advice/broadband-speeds/broadband-basics *[accessed 7 June 2023]*

120. Some regional variations remain. Superfast broadband is available in 98 per cent of homes in urban areas, compared with 86 per cent of homes in rural areas.[214] Gigabit-capable broadband is available in 76 per cent of homes in urban areas, but only 37 per cent of homes in rural areas.[215] The Rural Services Network told us "not-spots", where no 4G signal is available, made up 3 per cent of England's rural landmass.[216] Scotland has the highest proportion of 4G not-spots in the UK, at 17 per cent of its landmass.[217] Holly Creek, Deputy Director for Wireless Infrastructure, Spectrum and Consumer Policy at the Department for Science, Innovation and Technology, told us that the shared

209 QQ 3–4 (Helen Milner)
210 Ofcom said in December 2022 that it expected 15,000 of these to be covered by publicly-funded schemes in the next 12 months. See Ofcom, *Connected Nations 2022* (15 December 2022):https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf [accessed 16 May 2023]
211 For the purposes of digital exclusion and with reference to the risk factors that affect digital exclusion.
212 Full-fibre and gigabit-capable broadband partially overlap. See Ofcom, *Connected Nations 2022* (15 December 2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf [accessed 16 May 2023]
213 *Ibid.*
214 Ofcom, *Connected Nations 2022* (15 December 2022) p 11: https://www.ofcom.org.uk/__data/assets/pdf_file/0034/249289/connected-nations-uk-report.pdf [accessed 16 May 2023]
215 *Ibid*, p 9
216 Written evidence from The Rural Services Network (DCL0028)
217 Written evidence from Citizens Advice Scotland (DCL0040)

rural network programme provides 95 per cent 4G coverage across the UK landmass, not just at premises.[218]

121. We heard about pockets of poor connectivity in urban areas, many of which are in deprived areas of smaller cities and towns. These include towns such as Blackpool (3.9 per cent full fibre availability), Darlington (18.9 per cent) and Middlesborough (19.5 per cent).[219]

122. The Government has backed multi-billion pound schemes such as Project Gigabit and the Gigabit Voucher Scheme to improve UK-wide connectivity, including in areas that are less commercially viable for large operators to reach. These were generally well regarded by our witnesses. Lindsey Fussell, Group Director for Networks & Communications at Ofcom, said the UK had been "very far behind" on the rollout of full fibre networks five years ago, but the Government's strategy had generated "significant acceleration".[220]

Box 4: Project Gigabit and the Gigabit Voucher Scheme

Project Gigabit is a £5 billion programme targeting homes and businesses not included in broadband suppliers' existing rollout plans, in mostly rural and remote communities. Under the programme, phased contracts are launched to reach parts of the UK that would otherwise not be commercially viable for suppliers.

The Gigabit Voucher Scheme provides £210 million of voucher funding for people experiencing slow broadband speeds in rural areas. Vouchers worth up to £4,500 for homes and businesses help cover the costs of installing gigabit-capable broadband. Eligible businesses or residents can access the scheme via a registered broadband supplier.

Source: Building Digital UK, 'Project Gigabit' (1 April 2022): https://www.gov.uk/guidance/project-gigabit-uk-gigabit-programme *[accessed 11 May 2023]; HM Government, 'Gigabit Vouchers':* https://gigabitvoucher.culture.gov.uk/ *[accessed 11 May 2023]*

123. In 2018, the Government introduced a broadband Universal Service Obligation. This granted people in poorly connected areas the right to request a "decent broadband service" of at least 10Mbit/s download speed and 1Mbit/s upload speed.[221] An industry fund subsidises installation costs up to £3,400.[222]

124. Some have argued that the "decent broadband service" speed definition is not enough to accommodate videoconferencing and other tasks that have become a common feature of post-pandemic life. The Rural Services Network said it should be "urgently" upgraded to specify superfast broadband download speeds of 25 to 30 Mbit/s to "level the playing field for rural residents and businesses".[223] Upload speeds are also increasingly important: traditionally most home broadband use has involved downloading content, but activities

218 Q 112
219 Written evidence from BAI Communications (DCL0034)
220 Q 105
221 The Electronic Communications (Universal Service) (Broadband) Order 2018 (SI 2018/445)
222 Ofcom, 'Your right to request a decent broadband service: What you need to know' (20 March 2023): https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/broadband-uso-need-to-know [accessed 14 June 2023]
223 Written evidence from the Rural Services Network (DCL0028)

that became much more common during the pandemic such as online meetings require simultaneous downloading and uploading.[224]

125. **The rollout of broadband and mobile data infrastructure has progressed well over the past five years. However, areas of poor connectivity persist. Rural and remote areas are particularly affected, though pockets of poor urban connectivity are also notable. *The Government's focus on connecting poorly served areas through Project Gigabit and the Gigabit Voucher Scheme should continue.***

126. **Expectations of what constitutes a "decent broadband service" will continue to change as the internet becomes ever-more embedded in personal and working lives. We are concerned that the Universal Service Obligation minimum standard is not keeping pace with modern requirements for digital inclusion. *We recommend that Ofcom reviews the adequacy of the Universal Service Obligation and definition of a "decent broadband service", taking into account the potential impact on private and Government investment that would arise from any changes.***

Altnets and telecoms competition

127. Altnets, or alternative networks, provide another way of connecting underserved areas. These 'challenger' broadband providers are typically backed by Government support and private investment. They range from major businesses through to smaller local community fibre providers, social enterprises and not-for-profit organisations.

Box 5: The UK broadband market

The UK broadband market is made up of wholesale and retail providers. Wholesale providers sell broadband products to retail companies who then sell broadband products and services to consumers.

A large proportion of the UK fibre network is run by Openreach (a legally separate arm of BT Group plc) and Virgin Media. There are also a number of smaller "challenger providers", often referred to as 'altnets'. These are often backed by large private investors, with an estimated £15 billion having been invested in UK challenger networks.

According to Enders Analysis, by July 2022 around a third of the altnet sector was accounted for by CityFibre, a third by the London-focused trio of Hyperoptic, G.Network and Community Fibre, and the final third by a series of smaller companies, such as Wildanet.

Source: Enders Analysis, 'Altnets in the UK: Growing pains' (19 July 2022): https://www.endersanalysis.com/reports/altnets-uk-growing-pains *[accessed 6 June 2023]; 'Altnets take on incumbents in fight for UK fibre broadband customers', Financial Times, (20 March 2022):* https://www.ft.com/content/098513d5-681c-47f2-be20-ba0bba4cb15f *[accessed 6 June 2023]; 'Fibre broadband gold rush', Financial Times, (26 July 2021):* https://www.ft.com/content/0af3b0ea-a803-4b23-be18-a47717c095eb *[accessed 6 June 2023]*

128. Altnets have provided some competition to larger providers in the fibre rollout. Tim Stranack, CEO of Community Fibre, an altnet focused on the London market, said this was "driving creativity, innovation and lower tariffs."[225]

224 Uswitch, 'Internet upload speeds explained' (31 August 2021): https://www.uswitch.com/broadband/guides/upload-speeds/ [accessed 16 June 2023]

225 Q 38

129. As well as their commercial operations, we heard that many altnets contribute in other areas of digital inclusion such as skills and confidence. Helen Wylde, CEO of the altnet Wildanet, said its mission-driven business model meant it made a profit but spent time and resources helping individuals to understand how to use their new internet connections, and connecting community centres free of charge to create digital hubs.[226] These activities are particularly suited to smaller altnets which are often rooted in and trusted by local communities.[227]

130. Industry analysts said that many altnet business models were coming under pressure as Openreach expands its fibre network, and that consolidation among altnets was likely in the near future—particularly those based in commercially competitive urban areas.[228] Tim Stranack highlighted a risk that Openreach could acquire disproportionate market power following future consolidations and argued that the Government should "recommit on [its] policy of infrastructure competition".[229]

131. However, Lindsey Fussell told us "it is not [Ofcom's] job to back up the business models of every single company out there. Consolidation is a sign of a healthy market, but we are absolutely committed … to playing a full role in making sure that competition operates fairly".[230]

132. We also heard about the importance of encouraging consumer take-up of faster broadband speeds, not just incentivising the rollout of connectivity.[231] Helen Burrows, Content and Services Policy Director at BT Group, said the issue of uptake required a "similar level of policy focus" to network investment and upgrade but believed "it has not had that so far."[232] Some industry analysts noted that take-up had been a particular challenge for the altnets and would be a significant factor contributing to consolidation.[233] Ofcom said it was working to provide further guidance to companies about better promoting the take-up of faster broadband services.[234]

133. **Altnets deliver important competition to larger broadband providers and valued services for underserved communities—particularly in rural areas. Many altnets provide extra support, for example connecting digital inclusion hubs and providing doorstep help to customers.**

134. **The rollout of full fibre may lead to some altnet consolidation. While this is a feature of a competitive market, the loss of altnets would mean fewer digital inclusion benefits that arise from their social enterprise-based work.**

135. **Much attention has been paid to broadband rollout. More attention should be paid to take-up rates and the implications for competition and the health of the telecommunications market.**

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226 QQ 38–42
227 Q 38
228 Q 44 (James Barford, Ian Streule)
229 Q 41
230 Q 105
231 Written evidence from TalkTalk (DCL0044), Q105 (Lindsey Fussell)
232 Q 42
233 Q 44 (James Barford)
234 Q 105 (Cristina Luna Esteban)

136. ***In setting strategic priorities for Ofcom, the Government should prioritise the long-term benefits to consumers of market competition and recognise the benefits to digital inclusion provided by altnets. Ofcom should have regard to the levels of take up of full fibre products and the breadth of infrastructure competition when reviewing the state of competition in the telecommunication market.***

CHAPTER 7: SKILLS

Basic digital skills gaps

137. Digital skills are foundational to many of the UK's ambitions for growth, productivity and innovation. As the Minister for Tech and the Digital Economy Paul Scully MP told us, "we talk a lot about making the UK a science and technology superpower by 2030 … but it means nothing if you do not have the customers or the skills base to use the products, never mind produce them in the first place."[235]

138. The Government has supported several basic skills initiatives,[236] including the Future Digital Inclusion programme funded by the Department for Education which helped over 1 million people with basic skills between 2014 and 2021.[237] In this section we concentrate on five areas for further work: more attention, better join-up, consistent use of existing skills frameworks, less focus on qualifications and more support for community-level delivery.

Data on basic skills gaps

139. The Essential Digital Skills Framework is measured by Lloyds Banking Group on behalf of the Department for Education (see Box 1 in the introduction to this report for detail). It sets out different ways of categorising basic digital skills and highlights the fast-changing nature of the capabilities required to navigate life online.[238]

140. In the UK today, around 10.2 million adults (20 per cent) are unable to complete all eight of the Foundation tasks needed to set someone up for using the online world. Approximately 5 million (10 per cent) cannot use an app, and around 4.5 million (8 per cent) cannot turn on a device and enter login information by themselves. Around 2.4 million (4 per cent) are not able to do any of these core tasks.

141. The second measure is the Essential Digital Skills for Life, which involves 26 skills needed to navigate life online. According to Lloyds, around 88 per cent of adults (circa 46.5 million) have these digital skills. Around 7 per cent (3.7 million) of UK adults have partial life skills, indicating some degree of digital engagement. The remaining 5 per cent (2.7 million) do not have any digital life skills.

235 Q 110

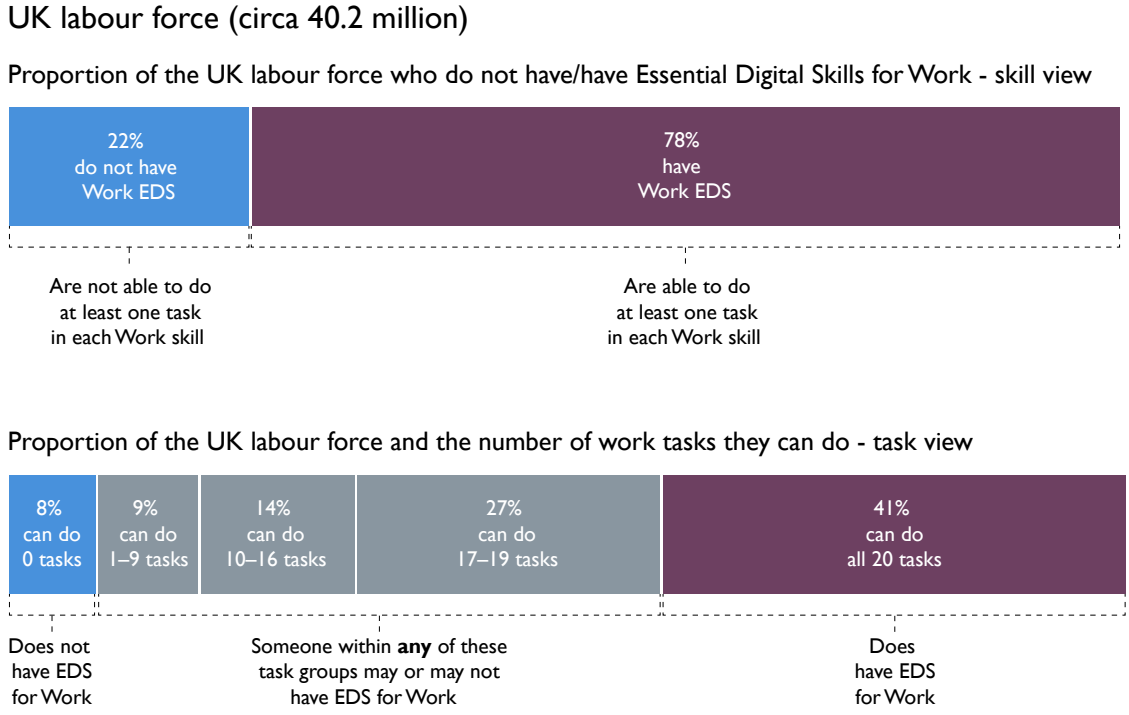
236 See for example HMG Government, 'Digital—Essential Skills': https://skillsforlife.campaign.gov.uk/courses/essential-skills-digital/ [accessed 19 May 2023]; Department for Digital, Culture, Media and Sport, 'UK Digital Strategy 2022' (4 October 2022): https://www.gov.uk/government/publications/uks-digital-strategy/uk-digital-strategy [accessed 15 May 2023]; HM Government, 'Digital Skills Council': https://www.gov.uk/government/groups/digital-skills-council [accessed 19 May 2023]; HM Government, 'Digital Skills Partnership' (January 2023): https://www.gov.uk/guidance/digital-skills-partnership [accessed 19 May 2023]. The Government also states the Department for Work and Pensions is supporting claimants in developing their digital skills through the Claimant Commitment. See Department for Work and Pensions, 'Universal Credit and your claimant commitment' (9 January 2023): https://www.gov.uk/government/publications/universal-credit-and-your-claimant-commitment-quick-guide/universal-credit-and-your-claimant-commitment [accessed 19 May 2023]

237 Written evidence from the Good Things Foundation (DCL0042)

238 Lloyds Bank, *2022 Consumer Digital Index* (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 16 May 2023]

142. The third measure is the Essential Digital Skills for Work, which involves the core skills to thrive in an online workplace. Around 5.6 million employed adults (18 per cent) cannot do all 20 work tasks.[239]

Figure 5: Overview of basic digital skills at work



Source: Lloyds Bank, 2022 Consumer Digital Index (2022): https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/230310-lloyds-uk-essential-digital-skills-for-work.pdf *[accessed 16 May 2023]*

More attention

143. Hugo Drayton, Chair of Citizens Online, emphasised that "everything in life is now dependent upon having access to these essential digital skills".[240] Yet as we set out in chapter 3, several witnesses believed that basic skills received insufficient Government attention.[241] Helen Milner suggested they had been "airbrushed out" of the digital skills policy area that until recently sat in the then Department for Digital, Culture, Media and Sport.[242] Liz Williams said the issue deserved a similar level of attention to that which is given to maths.[243]

144. Antony Walker, Deputy CEO of techUK, said one major issue was that there was no "clear owner" of basic digital skills policy in Government, noting that "we sometimes have the odd initiative or things set up to make it appear as though there is real co-ordinated action, but there is not."[244] Hugo Drayton said another part of the problem was that basic digital skills gaps were too

239 Lloyds Bank, *2022 Consumer Digital Index* (2022) pp 59–60: https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/221103-lloyds-consumer-digital-index-2022-report.pdf [accessed 16 May 2023]
240 Q 92
241 Q 52
242 Q 23
243 Q 77
244 Q 78

often attributed to elderly groups, whereas there "are a lot of young people who simply cannot get going in life".[245]

The Essential Digital Skills Framework

145. Liz Williams said that, with some further work, the Essential Digital Skills Framework could be a "great asset" in tackling digital exclusion,[246] but it was not being used consistently across Government: "Different departments are creating their own variants of it. You have all this sporadic effort. The wheels are turning, but not turning in the same direction".[247]

146. We heard there were opportunities to use the Framework more proactively. Essential digital skills for work could be embedded in apprenticeships and adult education programmes, for example.[248] School leavers could be required to demonstrate essential digital skills for life.[249] We heard frustration that while the Framework is owned by the Department for Education, it is not systematically applied to those below 18, meaning that each year another cohort leaves school without being assessed.[250] We noted that some young people may be adept at using social media but could still struggle with basic life and workplace tasks.[251] Some evidence suggested schools should focus more on basic digital skills rather than coding.[252]

147. The Framework could also be embedded more prominently in the resources provided to job coaches, librarians and other frontline staff likely to engage with those at risk of digital exclusion.[253] This would help staff on the ground identify needs and target resources efficiently. Many local authorities and libraries already do this, but our evidence highlighted significant geographical variation.[254]

148. **Millions of people still lack the most basic digital skills for work and life. This problem affects a range of age groups. Addressing it should be a Government priority but there is insufficient leadership to make this happen.**

149. **The Essential Digital Skills Framework provides a good basis for driving improvements but it is not being used to its full potential. *The Department for Education should use it to set basic digital skills targets at different education stages, including for school leavers. Apprenticeships and adult education courses offer further opportunities to test and provide basic skills training for people already enrolled on education programmes. The Department for Education should encourage a consistent cross-government approach to using the Framework.***

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245 Q 92
246 Q 75 (Liz Williams)
247 Q 76
248 Q 77 (Liz Williams). For case studies see for example Learning and Work Institute, *English, maths and digital delivery in traineeships and apprenticeships* (2020): https://learningandwork.org.uk/wp-content/uploads/2020/02/EMD-in-traineeships-and-apprenticeships.pdf [accessed 19 May 2023]
249 Q 79 (Antony Walker)
250 Q 79 (Liz Williams)
251 Q 79
252 Written evidence from North Somerset Together, North Somerset City Council (DCL0024)
253 Written evidence from Dr Ralitsa Hiteva, Dr Cian O'Donovan and Dr Kate Simpson (DCL0053)
254 Written evidence from Care & Repair Cymru (DCL0036), Dr Ralitsa Hiteva, Dr Cian O'Donovan and Dr Kate Simpson (DCL0053)

Not just qualifications

The Digital Entitlement

150. The Government established the Digital Entitlement in 2020. This provides adults with no or low digital skills with the statutory right to undertake specified digital qualifications up to level 1 free of charge.[255]

151. We heard that these formal qualifications are often not effective for target groups. The Good Things Foundation found that only 22 per cent of those with no formal qualifications expressed an interest in taking part in a digital skills programme.[256] It said the Essential Digital Skills Qualification was "too big a step" and unlikely to meet the needs of a diverse range of digitally excluded people "who do not seek formal qualifications but would benefit from digital skills support in familiar, community settings."[257] Starting Point Community Learning Partnership in Stockport noted that digitally excluded groups often had "poor education experiences resulting in a lack of literacy and confidence in the education sector."[258]

152. The House of Lords Covid-19 Committee welcomed the introduction of the Digital Entitlement but concluded that "undertaking formal qualifications … will not be the right solution for everyone."[259] Helen Milner from the Good Things Foundation said the digital entitlement was "failing those people; it is a bit 'Tick, done that. Off it goes' … but it is not working and no one is asking why."[260]

Local and community-based interventions

153. The importance of community-based, locally delivered digital exclusion interventions and partnerships was a consistent theme in our evidence. As Councillor John Hacking of Manchester City Council told us, local authorities provide a range of support services and resources,[261] but success is heavily reliant on partnerships with the "private sector, health, the public sector … the voluntary community and faith sectors. We have digital champions in all those fields, and digital buddies who will go into community centres and talk to people."[262]

154. We heard that people needing support were often best served by trusted local organisations rather than large institutions.[263] Local organisations have embedded relationships in their communities to identify and engage digitally excluded individuals in ways that larger institutions cannot.[264] As

255 Level 1 is an entry-level qualification. For further information, see HM Government, 'What qualification levels mean': https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels

256 Good Things Foundation, *Future Digital Inclusion: delivering basic digital skills for those in need* (June 2019), p 21 (June 2019): https://www.goodthingsfoundation.org/wp-content/uploads/2021/02/realist_evaluation_v2.pdf [accessed 16 May 2023]

257 Written evidence from Good Things Foundation (DCL0042)

258 Written evidence from Starting Point Community Learning Partnership (DCL0016)

259 Covid-19 Committee, *Beyond Digital: Planning for a Hybrid World* (1st report, Session 2019–21, HL Paper 263) para 41

260 Q 23

261 Q 61 (Councillor John Hacking)

262 Q 61

263 Written evidence from Dr Caitlin Robinson (DCL0003), Starting Point Community Learning Partnership (DCL0016), the British Academy (DCL0023), North Somerset Together, Somerset City Council (DCL0024), Good Things Foundation (DCL0042), Kent County Council (DCL0054)

264 Written evidence from Dr Caitlin Robinson (DCL0003), the British Academy (DCL0023) and the Centre for Care and the Information School, University of Sheffield (DCL0048)

Helen Milner argued, "the formal education sector, which spends millions of pounds on adult learning, is not reaching these people."[265]

155. We also heard there is a role for businesses to invest in training their own employees. Rowlando Morgan, Head of Environment, Infrastructure & Local Growth at the Centre for Economics and Business Research, noted that there may be limited incentives for industry investment given the risks of trained employees leaving.[266] But firms nevertheless stand to benefit significantly from improved workplace productivity, technology adoption and cyber security basics.[267]

156. Community-based engagement services can provide a good platform for generating interest and confidence in using the internet.[268] Professor Simeon Yates gave the example of one individual maintaining that:

> "'Computers are not for me' … I realised he was into fishing and put him on a fishing website. The next week he is pushing the other older people out of the way to get to the laptop. You do not know that at government level."[269]

157. Some witnesses said the Government should provide more funding to civil society schemes with a proven track record.[270] Others suggested the funding allocation system itself needed to change. Many noted that the short-term basis on which funding is allocated inhibits long-term commitments to tackle deep-rooted issues.[271] Dr Hamish Laing from the Digital Inclusion Alliance Wales shared the benefits of more long-term funding in Wales:

> "Digital Communities Wales has now had six years of funding. That certainty of funding is very helpful, because when working with communities it takes time to build relationships".[272]

158. During our visit to Skills Enterprise in East Ham, we heard that the charity struggled to attract funding for initiatives that would help address digital exclusion. It found these were too often reserved for larger institutions or formal educational settings such as local colleges, even when smaller and more agile organisations might be better placed to deliver the funding stream's objectives.[273]

159. **Formal qualifications are not always the best way to help adults obtain basic digital skills. Local interventions and more informal engagements delivered through community hubs can provide a key way of reaching digitally excluded individuals, and building the motivation, confidence and skills needed to get online. But many**

265 Q 16
266 Q 20 (Rowlando Morgan)
267 FutureDotNow, *Unpacking the hidden middle* (2022): https://futuredotnow.uk/wp-content/uploads/2022/07/Unpacking-the-hidden-middle_final-digital.pdf [accessed 15 June 2023]
268 Q 28 (Sally West)
269 Q 85
270 Written evidence from Dr Caitlin Robinson (DCL0003), Dr Ralitsa Hiteva, Dr Cian O'Donovan and Dr Kate Simpson (DCL0053)
271 Written evidence from the Centre for Care and the Information School, University of Sheffield (DCL0048), the Local Government Association (DCL0062), Starting Point Community Learning Partnership (DCL0016), the City of Wolverhampton Council (DCL0020), the British Academy (DCL0023), North Somerset Together, North Somerset City Council (DCL0024), Libraries Connected (DCL0033), Kent County Council (DCL0054)
272 Q 52
273 Appendix 4

smaller organisations find it difficult to access the resources to deliver such work, particularly when funding schemes are designed for larger institutions.

160. ***The Government should ensure community-level interventions feature prominently in its digital inclusion strategy refresh. This does not mean they need to offer formal qualifications. The Government should work with funders and local authorities to review the criteria and systems for distributing funding for basic skills support to ensure that smaller organisations are not prevented from accessing the resources needed to deliver local-level interventions.***

CHAPTER 8: ACCESSIBLE SERVICES

User-centred digital services

161. In our inquiry we explored why the shift towards digital was typically viewed as a 'good thing' by service providers when it left many customers frustrated, reduced in-person interactions and rendered sections of the population unable to use valued services.[274] The House of Lords Covid-19 Committee found many areas where digital has proven to be "a very poor substitute for 'in person' services and interactions".[275]

162. Joanna Causon, CEO of the Institute of Customer Service, said most users preferred digital interaction but "a small but significant minority, around 15 per cent" struggled.[276] She emphasised that essential services should maintain offline alternatives.[277] Owen Barry, Managing Director of Justice, Central Government and Transport at Capita, thought that digital transformation efficiency gains had stagnated somewhat in recent years but believed that such projects were "driven by customer and general public expectation" rather than pure cost-saving.[278]

163. We heard that the accessibility of digitised services, both in their design and associated support provided, often did not meet expectation or demand. The Government's 2012 'Digital By Default' strategy for public service delivery was a good example. It aimed to make central government smaller, faster, more unified, more accountable and more commercially capable.[279] The Government said digital services would be "so straightforward and convenient that all those who can use digital services will choose to do so, whilst those who can't are not excluded and that those in the latter category would be supported through the principle of 'Assisted Digital'."[280]

164. Yet we heard that the consequent shift to digitised services has intensified the social and economic exclusion among many groups.[281] Universal Credit was cited. A 2020 National Audit Office review found that only around 20 per cent of Universal Credit applicants were able to verify their identity online, and highlighted concerns that people with low digital skills might find it particularly difficult to provide the evidence required and submit claim applications.[282] Patricia Bailey from the poverty charity APLE Collective said it had created "too many hurdles where, if you cannot provide an email address, you cannot claim."[283]

274 Q 60
275 Covid-19 Committee, *Beyond Digital: Planning for a Hybrid World* (1st report, Session 2019–21, HL Paper 263), p 3
276 Q 60
277 Q 60
278 Q 62
279 HM Government, *The Civil Service Reform Plan* (June 2012): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/305148/Civil-Service-Reform-Plan-final.pdf [accessed 16 May 2023]
280 Cabinet Office, *Government Digital Strategy* (November 2012): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/296336/Government_Digital_Stratetegy_-_November_2012.pdf [accessed 16 May 2023]
281 Q 86 (Professor Simeon Yates); Digital Poverty Alliance, *UK Digital Poverty Evidence Review 2022* (June 2022) p 9: https://digitalpovertyalliance.org/wp-content/uploads/2022/06/UK-Digital-Poverty-Evidence-Review-2022-v1.0-compressed.pdf [accessed 16 May 2023]
282 National Audit Office, *Universal Credit: getting to first payment* (Session 2019–2021 , HC 376), p 12: https://www.nao.org.uk/wp-content/uploads/2020/07/Universal-Credit-getting-to-first-payment.pdf [accessed 16 May 2023]
283 Q 30

165. Paul Waller, Research Principal at Thorney Isle Research, said that "central government has from time to time proposed to provide 'offline access to services' … but this has not always materialised."[284]

166. Professor Simeon Yates told us:

> "a lot of digital solutions push the problem down … we are still treating the digital delivery of public services a bit like Ryanair. 'We'll make a huge saving. We'll push the process of administering whatever this social service is on to the client'."[285]

167. We heard that countries such as Iceland had prioritised local, in-person support to accompany their digital transformation strategies. Róbert Bjarnason, President of Citizens Foundation Iceland, explained that resources were targeted to libraries, city service centres and closed-down bank branches to transform them into digital support centres.[286] Kristina Reinsalu, Programme Director of e-Democracy at the e-Governance Academy Estonia, said Estonia had focused its limited resources on public libraries "in even the smallest rural areas and villages, where we launched free-access internet points with mentors and people who could [provide] support".[287]

168. The Government said it was already supporting in-person hubs, for example by providing wi-fi in libraries and support for community organisations. We noted however that the current level of support suggests staff in these organisations may lack sufficient resources and training to address the scale and variety of help needed. Libraries Connected, a representative organisation, said that while libraries were playing an increasingly important digital inclusion role, staff "cannot meet the demand" due to a lack of capacity, restricted opening hours and limited equipment.[288] The Local Government Association also told us that pressure on council budgets has led to a 43.5 per cent net decrease in expenditure on libraries between 2009 and 2019.[289]

169. **The shift towards digital by default public services has not been accompanied by commensurate support for those who struggle with digital access. Libraries and community organisations have taken on additional responsibilities to fill these gaps, but without sufficient resources and training.**

170. ***The Government's digital inclusion strategy refresh should include support for place-based in-person initiatives to help those who cannot navigate online access to essential services. This could include boosting the role of libraries, community centres and local amenities as inclusion hubs, in partnership with businesses.***

171. **Not everyone wants to be online, or online all the time. And some services are better in person. Private and public service providers should avoid viewing digital as a cheap substitute for good customer service. Adequate provision must be maintained for those who cannot or do not wish to use online services.**

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284 Written evidence from Paul Waller (DCL0010)
285 Q 86
286 Q 57
287 Q 57
288 Written evidence from Libraries Connected (DCL0033)
289 Written evidence from the Local Government Association (DCL0062)

Accessible design

172. Making online service designs more accessible would help address a significant obstacle to digital inclusion for people with disabilities. Some assistive technologies are available, such as screen readers for those with visual impairments, though they have limitations and not everyone can use or afford them.[290] In 2018 the Government issued regulations for public sector websites to improve accessibility. By 2020, some 74 per cent of UK council websites still lacked adequate features for screen readers, however.[291]

173. The British Academy thought more attention should be paid to the Government's Service Standard manual, which sets digital service provision and inclusive design standards.[292] It argued there was "little pressure on departments to uphold this standard or for the National Audit Office to audit it."[293]

174. Dr Robin Christopherson, Head of Inclusion at AbilityNet, thought existing regulations provided a good starting point, noting the Equality and Human Rights Commission and the Cabinet Office monitored compliance and could impose fines.[294] He suggested further improvements could be achieved by encouraging businesses to see the commercial benefit of providing inclusive services; and by extending public sector standards to private sector services.[295]

175. We also noted that improving accessibility standards for people with disabilities would further enable them to use digital services with independence and privacy. This is particularly significant when accessing health and other services which require entering sensitive personal information. A recent report found that enabling those with disabilities to use digital services with confidence "might lessen the pressure on support staff and give people with learning disabilities more control and agency."[296] Evidence from APLE Collective, a network of individuals who experience poverty, highlights that being forced to rely on support from others to access digital services, particularly in public places like libraries, can compromise privacy.[297]

176. **Too many online services have poor accessibility for those with additional needs.** ***As part of the strategy refresh, the Government should audit public sector websites for compliance with accessibility standards and regulations.***

177. ***The Government should encourage private sector organisations to adopt website design accessibility standards used by the public sector. This could start with the most significant public-facing services, for example in healthcare, finance and housing.***

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290 Written evidence from National Network of Parent Carer Forums (DCL0059)
291 Socitm, *Top five most common accessibility issues faced by UK council websites* (2020): https://s3.eu-west-1.amazonaws.com/socitm.net/wp-content/uploads/2021/09/10091333/Socitm-Report-Top-top-five-most-common-accessibility-issues-2020-1.pdf [accessed 16 May 2023]
292 HM Government, 'Make sure everyone can use the service': https://www.gov.uk/service-manual/service-standard/point-5-make-sure-everyone-can-use-the-service [accessed 15 May 2023]
293 Written evidence from the British Academy (DCL0023)
294 Q 35
295 Q 35
296 Magdalena Mikulak, Sara Ryan, Siabhainn Russell, Sue Caton, Richard Keagan-Bull, Rebecca Spalding, Francesca Ribenfors, Christopher Hatton, 'Internet is easy if you know how to use it: Doing online research with people with learning disabilities during the COVID-19 pandemic', *British Journal of Learning Disabilities*, vol. 51, issue 2 (2022), pp 269–278: https://doi.org/10.1111/bld.12495
297 Written evidence from APLE Collective (DCL0013)

Predictive analytics

178. We heard that digitally excluded groups may be poorly served by trends towards greater use of machine learning and predictive analytics in public-facing services. The Alan Turing Institute notes that governments "are major holders of data which data science and AI can harness to improve the design and provision of public services."[298] The use of machine learning tools in decision-making is growing across Government and public services, according to the Centre for Data Ethics and Innovation.[299]

179. Most tools are still in the initial phase of development and deployment.[300] Professor Helen Margetts, Director of the Public Policy Programme at the Alan Turing Institute, told us that local government has "been more keen and probably used these technologies faster than central government."[301] Dr Adrian Weller, Director of Research in Machine Learning at the University of Cambridge, said that in 2018 around 53 out of 96 local authorities surveyed and about a quarter of police authorities were using algorithms for prediction, risk assessment and assistance in decision-making.[302]

180. We heard that digitally excluded groups were likely to be underrepresented in some data sources, whilst belonging to demographics that are typically overrepresented in other sources.[303] Professor Helen Margetts explained that this could have practical consequences across a range of areas, particularly if the data are used to inform service improvements or resource allocation decisions. She gave the example of trying to complain about a poor service:

> "In the end, the only thing that got me noticed was going on to Twitter … which [the providers] were actually recommending … So think about their complaints data. Somebody who was digitally excluded could not complain during that period; they had no way to complain. They are not in the data so, if they run any sort of algorithm on their complaints data, those people are not there, and they do not know what their problems are."[304]

181. We noted that there did not appear to be an overall assessment on the use of such tools across central and local public services and the implications for digital exclusion policy.[305] Rachel Coldicutt, Executive Director of Careful Industries and Promising Trouble, noted that automated decision-making in welfare policy was already "common throughout Europe" and thought it was likely to become a feature across multiple sectors including justice, migration and health. She cautioned about the importance of safeguards, highlighting

298 The Alan Turing Institute, 'Public Policy': https://www.turing.ac.uk/research/research-programmes/public-policy [accessed 15 May 2023]
299 Centre for Data Ethics and Innovation, *Review into bias in algorithmic decision-making* (27 November 2020): https://www.gov.uk/government/publications/cdei-publishes-review-into-bias-in-algorithmic-decision-making/main-report-cdei-review-into-bias-in-algorithmic-decision-making#policing [accessed 16 May 2023]
300 Centre for Data Ethics and Innovation, *Review into bias in algorithmic decision-making* (27 November 2020): https://www.gov.uk/government/publications/cdei-publishes-review-into-bias-in-algorithmic-decision-making/main-report-cdei-review-into-bias-in-algorithmic-decision-making#policing [accessed 16 May 2023]
301 Q 70
302 Q 70
303 Q 71
304 Q 71
305 Q 70 (Professor Helen Margetts)

the example of the Netherlands, where faulty data led to 20,000 families being wrongly accused of child benefit fraud in 2021.[306]

182. **As public-facing services become increasingly digitised, machine learning tools and predictive analytics are likely to influence policy choices and service delivery. Digitally excluded groups are at risk of being poorly represented in key datasets, and hence face further marginalisation.**

183. ***The Government should commission a review to understand the extent of predictive analytics in public-facing services, their likely trajectory over the next five years and the effects on digital exclusion policy. In the meantime the Government should require public service providers using predictive analytics to consider the use of data and the impacts on those who are digitally excluded.***

306 Written evidence from Careful Industries and Promising Trouble (DCL0088)

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Digital exclusion

1. Digital exclusion remains a serious problem. Although there has been progress in recent years, millions of people still cannot access the internet or use it adequately. For some, skills and motivation are the main barriers. For others, affordability is the key obstacle. Others face barriers around accessibility, or poor mobile and broadband coverage. These groups face deepening isolation as society becomes increasingly digital. (Paragraph 26)

2. Cost of living challenges have made a bad situation worse for people who struggle to afford internet access. The need for Government action is becoming increasingly urgent. (Paragraph 32)

The case for intervention

3. The economic case for tackling digital exclusion is clear: it would improve productivity, support economic growth and alleviate pressure on some public services. Yet the Government does not appear to have conducted a single assessment of the economic impacts of digital exclusion in recent years. (Paragraph 43)

4. *The Department for Science, Innovation and Technology should work with the Treasury and external stakeholders to publish (a) an assessment of the likely economic impact of digital exclusion over the next 10 years; and (b) value for money assessments of interventions to narrow the digital divide.* (Paragraph 44)

5. Tackling digital exclusion would support a range of high-profile Government commitments, notably levelling up, improving public health and achieving net zero. There is also a strong civic case for addressing digital exclusion. It would help ensure many of the most vulnerable in society have a voice at a time when political debate and engagement are increasingly moving online. (Paragraph 52)

Evaluating the Government's work

6. The Government has taken its eye off the ball. It has not refreshed the digital inclusion strategy since 2014 and seems to have ceased formally monitoring progress on it. The principles set out in the strategy may endure but the contention that digital exclusion is a Government priority is not credible. (Paragraph 61)

7. *The Government should publish a refreshed digital inclusion strategy within six months of responding to this report. In the meantime it should provide an update on progress against the 2014 strategy objectives in response to this report.* (Paragraph 62)

8. We have no confidence that the Department for Science, Innovation and Technology (DSIT) is making digital exclusion a priority in cross-Whitehall policy-making. There do not appear to be adequate formal structures for co-ordinating policy, updating targets, or reviewing progress at either an official level or ministerial level. (Paragraph 65)

9. *DSIT should establish a cross-government digital exclusion unit. It should have a mandate for co-ordinating external stakeholders and working across departments to embed digital exclusion in priority policy areas, notably economic growth; levelling*

up; public health; education and skills; and employment and welfare. (Paragraph 66)

10. *We further recommend that the Prime Minister's Office takes a direct interest in tackling digital exclusion and establishes a suitable mechanism to oversee progress on the refreshed digital inclusion strategy.* (Paragraph 67)

11. The Government must show leadership on tackling digital exclusion. This is a complex task and the Government cannot solve everything, but that is no excuse for inaction. Incremental progress against clearly defined targets is possible. The extent of Government intervention should be guided by three core principles: pragmatism, proportionality, and joined-up working. (Paragraph 79)

Affordable internet access

12. We welcome recent improvements in the availability and awareness of social tariffs. But take up stands at just five per cent. (Paragraph 95)

13. *We urge internet providers to do more to increase social tariff uptake and review whether their current promotional strategies are delivering results. Ofcom should provide a clearer expectation of what constitutes a social tariff and work with providers, consumer organisations and comparison websites to make it easier for customers to compare deals. Ofcom should be empowered to regulate how and where companies advertise social tariffs, and hold them accountable.* (Paragraph 97)

14. Most social tariffs are still too expensive for the most financially vulnerable. (Paragraph 102)

15. *The Government should remove VAT from retail social tariffs and from the wholesale broadband used to provide them. The Government must then work with Ofcom to monitor social tariff prices to ensure these savings are passed on to consumers.* (Paragraph 102)

16. Removing VAT may not be enough to lower prices to an affordable level for those on the lowest incomes. Lowering the wholesale price floor for sales of social tariffs is one way to address this. (Paragraph 103)

17. *We recommend Ofcom consults on requiring Openreach to offer a wholesale social tariff.* (Paragraph 103)

18. We welcome the introduction of alternative voucher and discount schemes. These provide flexible ways to help people afford internet access. (Paragraph 105)

19. *The Government should work with industry to explore options for expanding these schemes during cost of living challenges to help wider groups at risk of digital exclusion.* (Paragraph 105)

20. Mid-contract price rises are partly a result of legitimate investment needs and economic constraints for providers. But their scale is concerning, with many exceeding already high inflation rates. The rises compound existing cost of living pressures. And the level of exit fees is often unjustifiable. We therefore welcome Ofcom's review of how mid-contract price rises are formulated and communicated to consumers. (Paragraph 109)

21. *We encourage Ofcom to set out options for providing greater certainty to consumers throughout mobile and broadband contract lifetimes. We further encourage Ofcom*

to review how exit fees are calculated and investigate options for reducing their cost. (Paragraph 110)

22. Device distribution schemes cannot solve digital exclusion on their own. But they are a practical way of reducing barriers to getting people online. These initiatives should be scaled up. (Paragraph 116)

23. *The Government should lead by example by encouraging public sector organisations to securely wipe, refurbish and donate old devices to digital inclusion device distribution schemes. It should encourage businesses to do likewise.* (Paragraph 117)

Connectivity and coverage

24. The rollout of broadband and mobile data infrastructure has progressed well over the past five years. However, areas of poor connectivity persist. Rural and remote areas are particularly affected, though pockets of poor urban connectivity are also notable. (Paragraph 125)

25. *The Government's focus on connecting poorly served areas through Project Gigabit and the Gigabit Voucher Scheme should continue.* (Paragraph 125)

26. Expectations of what constitutes a "decent broadband service" will continue to change as the internet becomes ever-more embedded in personal and working lives. We are concerned that the Universal Service Obligation minimum standard is not keeping pace with modern requirements for digital inclusion. (Paragraph 126)

27. *We recommend that Ofcom reviews the adequacy of the Universal Service Obligation and definition of a "decent broadband service", taking into account the potential impact on private and Government investment that would arise from any changes.* (Paragraph 126)

28. Altnets deliver important competition to larger broadband providers and valued services for underserved communities—particularly in rural areas. Many altnets provide extra support, for example connecting digital inclusion hubs and providing doorstep help to customers. (Paragraph 133)

29. The rollout of full fibre may lead to some altnet consolidation. While this is a feature of a competitive market, the loss of altnets would mean fewer digital inclusion benefits that arise from their social enterprise-based work. (Paragraph 134)

30. Much attention has been paid to broadband rollout. More attention should be paid to take-up rates and the implications for competition and the health of the telecommunications market. (Paragraph 135)

31. *In setting strategic priorities for Ofcom, the Government should prioritise the long-term benefits to consumers of market competition and recognise the benefits to digital inclusion provided by altnets. Ofcom should have regard to the levels of take up of full fibre products and the breadth of infrastructure competition when reviewing the state of competition in the telecommunication market.* (Paragraph 136)

Skills

32. Millions of people still lack the most basic digital skills for work and life. This problem affects a range of age groups. Addressing it should be a Government priority but there is insufficient leadership to make this happen. (Paragraph 148)

33. The Essential Digital Skills Framework provides a good basis for driving improvements but it is not being used to its full potential. (Paragraph 149)

34. *The Department for Education should use it to set basic digital skills targets at different education stages, including for school leavers. Apprenticeships and adult education courses offer further opportunities to test and provide basic skills training for people already enrolled on education programmes. The Department for Education should encourage a consistent cross-government approach to using the Framework.* (Paragraph 149)

35. Formal qualifications are not always the best way to help adults obtain basic digital skills. Local interventions and more informal engagements delivered through community hubs can provide a key way of reaching digitally excluded individuals, and building the motivation, confidence and skills needed to get online. But many smaller organisations find it difficult to access the resources to deliver such work, particularly when funding schemes are designed for larger institutions. (Paragraph 159)

36. *The Government should ensure community-level interventions feature prominently in its digital inclusion strategy refresh. This does not mean they need to offer formal qualifications. The Government should work with funders and local authorities to review the criteria and systems for distributing funding for basic skills support to ensure that smaller organisations are not prevented from accessing the resources needed to deliver local-level interventions.* (Paragraph 160)

Accessible services

37. The shift towards digital by default public services has not been accompanied by commensurate support for those who struggle with digital access. Libraries and community organisations have taken on additional responsibilities to fill these gaps, but without sufficient resources and training. (Paragraph 169)

38. *The Government's digital inclusion strategy refresh should include support for place-based in-person initiatives to help those who cannot navigate online access to essential services. This could include boosting the role of libraries, community centres and local amenities as inclusion hubs, in partnership with businesses.* (Paragraph 170)

39. Not everyone wants to be online, or online all the time. And some services are better in person. Private and public service providers should avoid viewing digital as a cheap substitute for good customer service. Adequate provision must be maintained for those who cannot or do not wish to use online services. (Paragraph 171)

40. Too many online services have poor accessibility for those with additional needs. (Paragraph 176)

41. *As part of the strategy refresh, the Government should audit public sector websites for compliance with accessibility standards and regulations.* (Paragraph 176)

42. *The Government should encourage private sector organisations to adopt website design accessibility standards used by the public sector. This could start with the most significant public-facing services, for example in healthcare, finance and housing.* (Paragraph 178)

43. As public-facing services become increasingly digitised, machine learning tools and predictive analytics are likely to influence policy choices and service

delivery. Digitally excluded groups are at risk of being poorly represented in key datasets, and hence face further marginalisation. (Paragraph 182)

44. *The Government should commission a review to understand the extent of predictive analytics in public-facing services, their likely trajectory over the next five years and the effects on digital exclusion policy. In the meantime the Government should require public service providers using predictive analytics to consider the use of data and the impacts on those who are digitally excluded.* (Paragraph 183)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Baroness Featherstone

Lord Foster of Bath

Baroness Fraser of Craigmaddie

Lord Griffiths of Burry Port

Lord Hall of Birkenhead

Baroness Harding of Winscombe

Baroness Healy of Primrose Hill

Lord Kamall

The Lord Bishop of Leeds

Lord Lipsey

Baroness Stowell of Beeston (Chair)

Baroness Wheatcroft

Lord Young of Norwood Green

Declarations of interest

Baroness Featherstone

No relevant interests declared

Lord Foster of Bath

No relevant interests declared

Baroness Fraser of Craigmaddie

Chief Executive of Cerebral Palsy Scotland, which is a member of the Scottish Council for Voluntary Organisations (renumerated)

Board member of the British Library (renumerated)

Board member of Creative Scotland (renumerated)

Chair of the Scottish Government National Advisory Committee for Neurological Conditions

Trustee of the Neurological Alliance of Scotland

Lord Griffiths of Burry Port

No relevant interests declared

Lord Hall of Birkenhead

Family member previously worked for Capita.

Baroness Harding of Winscombe

Trustee of Go ON and Doteveryone (engagement ceased in 2019)

Former Chief Executive of TalkTalk (2010–2017)

Adviser on telecommunications market to Vitrifi Ltd (interest ceased 7 March 2023)

Family member is a non-executive director of Ofcom

Baroness Healy of Primrose Hill

No relevant interests declared

Lord Kamall

Former member of techUK Brexit advisory committee

Former member of Coalition for a Digital Economy advisory board (also invited to re-join but awaiting advice from the Advisory Committee on Business Appointments)

The Lord Bishop of Leeds

No relevant interests declared

Lord Lipsey

President of the Society of Later Life Advisers

Baroness Stowell of Beeston (Chair)

Agreed to be proposed for election as an officer (at the AGM to be held on 13th July 2023) of the All Party Parliamentary Group on Customer Service

Baroness Wheatcroft

Chair of the Financial Times appointments and oversight committee

Former employer of a witness (Liam Halligan)

Lord Young of Norwood Green

Former BT national negotiator in pay and conditions

A full list of Members' interests can be found in the Register of Lords' Interests: https://members.parliament.uk/members/lords/interests/register-of-lords-interests

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at https://committees.parliament.uk/committee/170/communications-and-digital-committee/publications/ and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral evidence and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

*	Rocio Concha, Director of Policy and Advocacy and Chief Economist, Which?	QQ 1–23
**	Tom Lowe, Head of Policy and Communications, Digital Poverty Alliance	
**	Helen Milner OBE, Group Chief Executive Officer, Good Things Foundation	
*	Rowlando Morgan, Head of Environment, Infrastructure & Local Growth, Centre for Economics and Business Research	
**	Sally West, Policy Manager, Age UK	QQ 24–36
*	Dr Robin Christopherson MBE, Head of Digital Inclusion, AbilityNet	
*	Dr Jake Anders, Associate Professor, Centre for Education Improvement Science, Centre for Education Policy and Equalising Opportunities, University College London	
**	Patricia Bailey, Member, ATD Fourth World UK and APLE Collective	
**	Helen Burrows, Content and Services Policy Director, BT Group	QQ 37–42
*	Paul Morris, Head of Government Affairs, Vodafone	
**	Tim Stranack, co-founder, Community Fibre, and Chair, Independent Networks Cooperative Association	
**	Helen Wylde, Chief Executive Officer, Wildanet	
*	James Barford, Director of Telecoms, Enders Analysis	QQ 43–47
*	Ian Streule, Partner, Analysys Mason	
**	Professor Hamish Laing, Chair, Digital Inclusion Alliance Wales	QQ 48–53
*	Sally Dyson, Head of Digital and Development, Scottish Council for Voluntary Organisations	
*	Róisín Wood OBE, Chief Executive Officer, Community Foundation Northern Ireland	

*	Kristina Reinsalu, Programme Director of e-Democracy, e-Governance Academy, Estonia	QQ 54–58
*	Róbert Bjarnason, President, Citizens Foundation Iceland	
*	Professor Ellen Helsper, Professor of Digital Inequalities, London School of Economics and Political Science	
*	Owen Barry, Managing Director of Justice, Central Government and Transport, Capita	QQ 59–68
*	Joanna Causon, CEO, The Institute of Customer Service	
**	Councillor John Hacking, Executive Member for Skills, Employment and Leisure, Manchester City Council	
*	Jemma Waters, Head of Digital, Group Customer Inclusion, Lloyds Banking Group	
*	Professor Helen Margetts, Director of the Public Policy Programme, The Alan Turing Institute	QQ 69–73
*	Dr Adrian Weller MBE, Director of Research in Machine Learning, University of Cambridge	
**	Liz Williams MBE, Chief Executive Officer, FutureDotNow	QQ 74–82
**	Antony Walker, Deputy Chief Executive Officer, techUK	
*	Professor Simeon Yates, Professor of Digital Culture, University of Liverpool	QQ 83–90
*	Kat Dixon, independent expert	
*	Liam Halligan, Columnist, The Telegraph, and Economics and Business Editor, GB News	QQ 91–100
*	Ellen Judson, Head, Centre for the Analysis of Social Media, Demos	
**	Hugo Drayton, Chair of Trustees, Citizens Online	
*	Lindsey Fussell Group Director for Networks & Communications, Ofcom	QQ 101-109
*	Cristina Luna-Esteban, Director of Telecoms Consumer Protection, Ofcom	
**	Paul Scully MP, Parliamentary Under Secretary of State (Minister for Tech and the Digital Economy), HM Government—Department for Science, Innovation and Technology	QQ 110-121
**	Holly Creek, Deputy Director for Wireless Infrastructure, Spectrum and Consumer Policy, HM Government—Department for Science, Innovation and Technology	

Alphabetical list of all witnesses

*	AbilityNet (QQ 24–36)	
**	Age UK (QQ 24–36)	DCL0049
	Dr Bitrus Amos, Research Associate, Department of Economics, University of Sheffield (joint submission)	DCL0026
*	Analysys Mason (QQ 43–47)	
*	Dr Jake Anders (QQ 24–36)	
	Anonymous 1	DCL0018
**	APLE Collective (QQ 24–36)	DCL0013
*	ATD Fourth World UK (QQ 24–36)	
	Helen Louise Atkin, Health Improvement Practitioner, Public Health Derbyshire County Council)	DCL0041
	BAI Communications	DCL0034
	Dr Josie Barnard, Associate Professor in Creative and Digital Practice, De Montfort University	DCL0078
	The British Academy	DCL0023
	British Computer Society (joint submission)	DCL0052
**	BT Group (QQ 37–42)	DCL0015
		DCL0083
*	Capita (QQ 59–68)	
	Careful Industries and Promising Trouble	DCL0088
	Care & Repair Cymru	DCL0036
	Catch22	DCL0070
	Centre for Care, University of Sheffield	DCL0048
*	Centre for Economics and Business Research (QQ 1–23)	
	Child Poverty Action Group	DCL0037
	Professor Gobinda Chowdhury, Professor, University of Strathclyde (joint submission)	DCL0008
	Citizens Advice Scotland	DCL0040
*	Citizens Foundation Iceland (QQ 54–58)	
**	Citizens Online (QQ 91–100)	DCL0068
	CityFibre	DCL0067
	City of Wolverhampton Council	DCL0020
*	Community Fibre (QQ 37–42)	
*	Community Foundation Northern Ireland (QQ 48–53)	
	Coventry Citizens Advice	DCL0025
	Cwmpas	DCL0038

*	Demos (QQ 91–100)	
	Digital Connectivity Forum	DCL0071
**	Digital Inclusion Alliance Wales (QQ 48–53)	DCL0046
		DCL0085
**	Digital Poverty Alliance (QQ 1–23)	DCL0052
*	Kat Dixon (QQ 83–90)	
*	e-Governance Academy, Estonia (QQ 54–58)	
	Ealing Council	DCL0050
*	Enders Analysis (QQ 43–47)	
	Ernst & Young	DCL0065
	Dr Becky Faith, Research Fellow, Leader of the Digital and Technology cluster, the Institute of Development Studies and Co-Lead of Research Theme 4, Digit at Digital Futures at Work Research Centre/Institute for Development Studies	DCL0061
	Professor Sara de Freitas, BT Professor and Director of the Digital Futures Institute and DigiTech Centre, University of Suffolk	DCL0001
**	FutureDotNow (QQ 74–82)	DCL0087
**	Good Things Foundation (QQ 1–23)	DCL0042
*	Liam Halligan (QQ 91–100)	
	Dr Morgan Harvey, Senior Lecturer, University of Sheffield (joint submission)	DCL0008
	Dr David Hastings, Assistant Professor, Northumbria University (joint submission)	DCL0008
	Healthwatch Worcestershire	DCL0029
*	Professor Ellen Helsper (QQ 54–58)	
**	HM Government—Department for Science, Innovation and Technology (QQ 110-121)	DCL0057
		DCL0089
	Dr Ralitsa Hiteva, Senior Research Fellow, Science Policy Research Unit, University of Sussex (joint submission)	DCL0053
	Hyperoptic	DCL0056
	Iberians & Latin Americans in Wales (ILA-WALES)	DCL0007
**	Independent Networks Cooperative Association (QQ 37–42)	DCL0076
*	The Institute of Customer Service (QQ 59–68)	
	Institute for Social and Economic Research, University of Essex	DCL0005
	Internet Service Providers' Association	DCL0058

	Jisc	DCL0022
	Kent County Council	DCL0054
	John Knight	DCL0009
	Dr Victoria Knight, Associate Professor of Research, De Montfort University	DCL0017
	Learning Foundation	DCL0081
		DCL0082
	Paul Lewzey	DCL0031
	Libraries Connected	DCL0033
	Liverpool City Region Combined Authority	DCL0075
*	Lloyds Banking Group (QQ 59–68)	
	Local Government Association	DCL0062
	The Local TV Network	DCL0045
**	Manchester City Council (QQ 59–68)	DCL0014
*	Professor Helen Margetts (QQ 69–73)	
	Mencap	DCL0027
	Minderoo Centre for Technology and Democracy, University of Cambridge	DCL0039
	Mobile UK	DCL0030
	National Network of Parent Carer Forums	DCL0059
	National Pensioners Convention	DCL0060
	Navigate	DCL0006
	North Somerset Council (on behalf of North Somerset Together	DCL0024
	NRICH	DCL0002
	Dr Cian O'Donovan, Senior Research Fellow, Department of Science and Technology Studies, University College London (joint submission)	DCL0053
*	Ofcom (QQ 101-109)	
	Professor Jacqueline O'Reilly, Co-Director, Digit & Professor Comparative Human Resource Management, Digital Futures at Work Research Centre, University of Sussex Business School (joint submission)	DCL0061
	Ross Oliver	DCL0019
	Dr Maurice J Perks	DCL0079
	Promising Trouble	DCL0035
		DCL0088
	David and Jane Richards Family Foundation (joint submission)	DCL0026

	Dr Caitlin Robinson, UKRI Future Leaders Fellow, School of Geographical Sciences, University of Bristol	DCL0003
	Rural Action Derbyshire	DCL0051
	Rural Services Network	DCL0028
*	Scottish Council for Voluntary Organisations (QQ 48–53)	
	Professor Vania Sena, Chair in Entrepreneurship and Enterprise, Management School, University of Sheffield (joint submission)	DCL0026
	Shropshire Council	DCL0063
	Dr Kate Simpson, Research Associate, Dyson School of Design Engineering, Imperial College London (joint submission)	DCL0053
	Sky	DCL0073
	Smartline Project, University of Exeter	DCL0032
	South Essex Community Hub	DCL0021
	Southwark Council (London Borough of Southwark)	DCL0077
	Starting Point Community Learning Partnership	DCL0016
		DCL0055
	Stepping Stone Projects	DCL0004
	The Sutton Trust	DCL0047
	TalkTalk	DCL0044
	TechResort	DCL0066
**	techUK (QQ 74–82)	DCL0084
	Third Sector Dumfries and Galloway	DCL0043
	Dr Panayiota Tsatsou, Associate Professor, Senior Fellow of Higher Education Academy, School of Media, Communication and Sociology, University of Leicester	DCL0069
	Dr Enrico Vanino, Senior Lecturer in Economics, Department of Economics, University of Sheffield (joint submission)	DCL0026
	Dr Rachel Verdin, Research Fellow, Digital Futures at Work Research Fellow, University of Sussex Business School (joint submission)	DCL0061
	Virgin Media O2	DCL0072
	VIVID	DCL0074
*	Vodafone (QQ 37–42)	
	Emma Walker	DCL0064
	Paul Waller, Research Principal, Thorney Isle Research	DCL0010
*	Dr Adrian Weller MBE (QQ 69–73)	

	Which? (QQ 1–23)	
**	Wildanet (QQ 37–42)	DCL0086
	Chris Winter	DCL0080
*	Professor Simeon Yates (QQ 83–90)	

APPENDIX 3: CALL FOR EVIDENCE

The digital divide is the gap between those who have adequate access to digital technology, such as the internet and computers, and those who do not. People without adequate access to digital technology are often referred to as being "digitally excluded". There are many reasons for digital exclusion, including:

- not being able to access infrastructure that provides access to the internet, for example living in a location without sufficient broadband or mobile coverage or being unable to afford a connection package;
- not having access to a device such as a smartphone, laptop or tablet which can connect to the internet;
- not having the skills to use a device and/or navigate the online environment with confidence;
- choosing not to use the internet and/or learn the necessary skills required.[307]

Digital exclusion varies across different demographics of UK society. Some of the main factors linked to the digital divide in the UK include age, region, socioeconomic status and whether a person has a disability. The Covid-19 pandemic prompted many services and activities to move online, raising concerns about deepening digital exclusion. The economic impacts are thought to be extensive, and several recent studies have indicated the potential to unlock economic growth by addressing the digital divide.

Ninety-five per cent of UK premises reportedly have access to a superfast broadband connection. The Government's target is for at least 85 per cent to have access to faster gigabit-broadband by 2025.[308] However, access to a connection does not mean that a household can afford to or will choose to pay for broadband and/or mobile data.

Cost of living pressures may be pushing more people into digital exclusion. Lloyds' Consumer Digital Index for example found that by May 2022 an estimated 35 per cent of the population reported that the rising cost of living was impacting their ability to go online.

Digital exclusion may in turn exacerbate cost of living pressures. Items bought online can be cheaper than in shops; research commissioned by Vodafone suggested that households without internet could spend £286 a month more on average. In an increasingly online world, digital exclusion inhibits people's ability to apply for jobs, access training opportunities and engage with many public services. Evidence indicates that people on lower incomes are more likely to be digitally excluded; this risks compounding economic disadvantage and increasing inequality. Interventions to address this relationship have the potential to reduce taxpayer burdens, improve individual livelihoods and unlock economic growth.

Inquiry questions

1. What are the main causes of digital exclusion in the UK? What is the economic and social impact?

307 See Ofcom, *Digital exclusion* (2022): https://www.ofcom.org.uk/__data/assets/pdf_file/0022/234364/digital-exclusion-review-2022.pdf [accessed 22 February 2023]

308 Department for Digital, Culture, Media and Sport & Building Digital UK, 'Project Gigabit Delivery Plan—autumn update 2022' (30 November 2022): https://www.gov.uk/government/publications/project-gigabit-delivery-plan-autumn-update-2022/project-gigabit-delivery-plan-autumn-update-2022#progress-towards-a-gigabit-uk [accessed 22 February 2023]

2. How has the rising cost of living affected digital exclusion?

    (a) To what extent does digital exclusion exacerbate cost of living pressures?

    (b) What are the long-term implications of this relationship?

3. What are the obstacles to greater digital inclusion? Where is policy intervention likely to have the greatest impact over the next 12 months and 5 years?

    (a) To what extent would these changes help unlock economic growth?

4. How effective are Government initiatives at addressing digital exclusion? What further action is needed, and what should be done to provide offline access to services?

5. How well are existing industry initiatives (for example cheaper internet tariffs) addressing digital exclusion? How could they be enhanced?

6. How effective is civil society at supporting digital inclusion? How could this work be enhanced, and what is the appropriate balance between civil society and Government intervention?

7. What lessons can the UK learn from abroad?

The Committee invites written contributions by Tuesday 7 March.

APPENDIX 4: VISIT AND PUBLIC ENGAGEMENT

Committee visit to Skills Enterprise

On 28 March the Committee held a visit to Skills Enterprise in the London Borough of Newham. In attendance were Baroness Stowell of Beeston, Lord Foster of Bath, Baroness Fraser of Craigmaddie, Lord Griffiths of Burry Port, Lord Hall of Birkenhead, Baroness Harding of Winscombe, Baroness Healy of Primrose Hill, Lord Bishop of Leeds, Lord Lipsey and Lord Young of Norwood Green.

Skills Enterprise is a charity aiming to "include the excluded through digital skills training, employment support, crisis support service and community cohesion and participation".[309] It is a digital inclusion hub and forms part of the National Digital Inclusion Network. The purpose of the visit was to develop a better understanding of the impacts of digital exclusion on individuals, and to see how community-level interventions can address challenges around a lack of skills, devices, connectivity and data.

The visit involved talks from the Skills Enterprise team and the Good Things Foundation, followed by a roundtable with members of the public who use the centre.

The Committee heard that Skills Enterprise offered digital skills training alongside a range of other support services, for example advice on debt management and financial literacy. We noted that the engagement with staff from the local job centre was an encouraging indication of the value provided by joined-up community-level support services. Chief Executive Mala Muthu explained that the charity sought to provide a holistic support package and could use an individual's engagement with the centre to identify the root causes of digital exclusion and work to address them. She noted that small local organisations were often best placed to identify and help digitally excluded individuals, but often struggled to access resources which were reserved for large institutions—even when the latter were less well suited.

The roundtable with the public involved small group discussions about why individuals used the centre, the value they gained from it, the impacts of digital exclusion and how it affected daily lives. The Committee heard various perspectives on these issues: some participants had experienced major improvements to their skills, confidence and financial wellbeing as a result of having received digital inclusion support, while others continued to struggle with life online.

Mala noted that long-term partnerships with large and small charities and businesses, drawing on local networks, were key to delivering effective interventions that addressed the multiple overlapping causes and consequences of digital exclusion.

Committee roundtable with businesses

On 3 May the Committee held a virtual roundtable discussion with a range of small, medium-sized and large organisations. The purpose was to discuss the impact of digital exclusion on businesses and to hear about the role of the private sector in helping to address digital exclusion challenges.

309 Skills Enterprise, 'Assume it's possible': https://www.skillsenterprise.co.uk/ [accessed 30 May 2023]

In attendance were Baroness Stowell of Beeston, Baroness Fraser of Craigmaddie, Lord Hall of Birkenhead, Baroness Harding of Winscombe, Baroness Healy of Primrose Hill, and Baroness Wheatcroft.

The discussion topics included challenges around staff or customers lacking digital skills; the impacts on businesses; and the role of the private sector and the Government in addressing basic digital skills shortages.

The Committee heard various perspectives on these issues. Many participants emphasised the business impacts of basic digital skills shortages and said that partnerships were key to addressing the issue. We heard however that progress could be slow, particularly among smaller businesses which often lack the resources to engage in skills programmes or invest in new digital tools.

Some highlighted the social impact of such shortages, noting that basic digital skills were an increasingly important factor in social mobility among young people. Others outlined how addressing digital exclusion and improving basic skills would support the Government's levelling up objectives.

We heard that many businesses were actively engaged in helping to tackle digital exclusion by supporting device and data donation schemes, and partnering with community organisations to help people and small businesses improve basic digital skills.