

Broadband

SECTOR REACTS TO AMBITIOUS LABOUR BUDGET PLANS

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THAT ELECTION SEEMS SO LONG AGO - IT'S BEEN A LONG WAIT TO SEE WHAT THE AUTUMN BUDGET MIGHT BRING. THE NEW GOVERNMENT HAS UNVEILED AMBITIOUS PLANS TO BOTH INVEST IN NEGLECTED PUBLIC SERVICES AND FILL THE £20BN DEFICIT LEFT BY THE PREVIOUS ADMINISTRATION.



"I can see why they've done it but it's going to hurt"

In a number of controversial strategies from inheritance tax to national insurance, the Autumn Budget introduces measures that will impact the UK broadband and telecommunications sector, largely as part of their focus on building a sustainable infrastructure for growth and promoting green energy.

Under the "Green Prosperity Plan," Labour has committed to decarbonising the UK's energy grid by 2030. This plan is expected to support telecommunications by facilitating investment in infrastructure powered by clean energy sources like wind and solar. Additionally, the budget includes incentives aimed at upgrading digital infrastructure, crucial for the industry as we expand our fibre networks and 5G capabilities across the UK.

Significant impact will come from changes in corporate tax rates and deductions related to energy use. The government's clean energy agenda includes gradual increases in green levies, which may affect energy costs for operators that rely on significant power for data centres

and network operations. Labour's stance against issuing new oil and gas exploration licenses, while ensuring an existing strategic gas reserve, could also indirectly impact the operational expenses for large telecom firms if energy prices fluctuate due to limited gas supply.

Labour's overall aim of reducing the cost of living through better digital access could encourage efforts to broaden affordable broadband coverage, potentially introducing more competition in the market as the government collaborates with private providers to ensure connectivity. This is especially relevant as Ofcom data highlights continued demand for reliable broadband services, with increasing full-fibre and 5G deployments being key to meeting consumer needs.

Predictably enough there have been howls of indignation about the budget at large - particularly where private schools and farmers are concerned - from the usual critics. Other than outgoing leader Rishi Sunak's uncharacteristically angry and final rebuke in the House of Commons on the day, until very recently the Conservatives have barely looked

FROM THE INDUSTRY

up from their own ongoing leadership concerns as they continue to face something of an existential crisis of their own.

Concerns centre on Labour's long-standing ambition to provide public broadband access and partially renationalise British Telecom (BT), which they argue could harm the private sector. The Daily Mail and The Telegraph claim that nationalising broadband would lead to massive, unsustainable costs — citing figures as high as £100 billion to expand and maintain a full-fibre network nationwide.

Critics also argue that such plans could stifle private investment and that current competition among broadband providers has fostered innovation and lowered prices. Right-leaning media also point out that Labour's plan to tax tech companies to fund broadband expansion could push those costs back onto consumers, at a time when economic pressures are high.

Overall, Labour's budget is likely to prompt a gradual shift towards sustainable, high-capacity telecommunications infrastructure, though

firms will need to adapt to potential increases in operational costs from green initiatives and policy changes around energy supply.

The European Union (EU) considers the UK's recent Labour budget, especially regarding broadband and digital infrastructure, as part of its broader alignment with digital transformation goals across Europe. Although Labour's plans to expand gigabit broadband access and achieve nationwide 5G by 2030 have not prompted a formal EU response, the strategy is broadly in line with recent EU policies on connectivity and tech growth, such as the EU's Gigabit Infrastructure Act. This legislation, which aims to expedite high-speed network rollouts across member states, aligns with Labour's push for improved broadband to drive digital innovation and economic growth in the UK.

From Brussels' perspective, these UK goals, despite Brexit, may reinforce competitiveness and regulatory consistency with Europe's broader telecom advancements.



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