

Paper to lie before both Houses of Parliament for a period of 40 days, during which time either House may resolve that the draft statement be not approved.



Department for
Science, Innovation
& Technology

Draft Statement of Strategic Priorities for Telecommunications, the Management of Radio Spectrum, and Postal Services

Paper to lie before both Houses of Parliament for a period of 40 days, during which time either House may resolve that the draft statement be not approved.



Department for
Science, Innovation
& Technology

Draft Statement of Strategic Priorities for Telecommunications, the Management of Radio Spectrum, and Postal Services

Presented to Parliament pursuant to Section 2C of the Communications
Act 2003

February 2026



© Crown copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at

ISBN 978-1-5286-6223-9

E03543360 02/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Introduction	4
Statement of Strategic Priorities.....	5
Strategic Priority 1: Driving growth through world-class fixed and wireless digital infrastructure	5
1a. supporting growth through access to gigabit-capable fixed telecoms connections	5
1b. supporting growth and productivity through investment in high-quality 5G networks.....	8
1c. supporting growth and productivity through modernisation of fixed and wireless telecoms networks	10
Strategic Priority 2: Supporting growth through a transparent, competitive, and fair retail market for consumers	11
Strategic Priority 3: Driving growth through maximising access to spectrum	14
Strategic Priority 4: Maximising opportunities for growth through secure and resilient telecoms infrastructure	18
Strategic Priority 5: Supporting growth through resilient and sustainable postal services	20

Introduction

The key mission of this government is to drive growth in the UK economy and deliver for working people.

This means having a pro-growth policy and regulatory environment that supports innovation and investment in infrastructure whilst ensuring people feel empowered when interacting with the market and confident they are getting a good deal. The sectors referenced in this statement play a crucial role in this, in turn supporting growth across the digital economy. Economic growth is the primary objective of this government, and Ofcom must have regard to when making regulatory decisions. This Statement sets out 5 strategic priorities to support growth which Ofcom must have regard to when exercising its regulatory functions. As appropriate, Ofcom should also align its strategic approach with the 10 Year Infrastructure Strategy, the government's approach to economic regulation, and the wider regulatory reform agenda.

Ofcom should continue to collaborate with all interested parties to maximise the growth and innovation benefits of AI, including through its ongoing support of the Government's pro-innovation, regulatory approach to AI and delivery of the AI Opportunities Action Plan. This includes promoting safe AI innovation to support fast, wide and safe development and adoption of AI.

In accordance with the legislative framework, Ofcom must provide an annual report setting out the actions that have been taken in consequence of the statement. The government expects to receive an initial report from Ofcom on how they plan to have regard to the SSP 40 days after the SSP is designated.

Strategic Priority 1: Driving growth through world-class fixed and wireless digital infrastructure

The government ambition for telecoms is high. Over 87% of UK premises have access to a gigabit-capable connection¹ and the government wants to see this extend to 99% by 2032. And while 4G connectivity across 95% of the UK's landmass will help ensure that communities and business everywhere can benefit from good connectivity, our ambition is to go further and to have high quality, standalone 5G in all populated areas of the UK by 2030.

1a. supporting growth through access to gigabit-capable fixed telecoms connections

Ofcom's regulatory regime has facilitated significant investment and growth in the fixed telecoms market. Building on this success, Ofcom should over the course of this Parliament ensure that encouraging of investment and economic growth are key factors taken into account in its regulatory decisions.

To support competition:

The government regards network competition as a crucial driver of broadband roll-out. Competition across the UK, including in Hull, is necessary to promote investment as well as foster innovation and will help ensure low prices and more choice for consumers in the long-term.

The key ways in which Ofcom can continue to support access to gigabit-capable fixed telecoms connections are:

- Ofcom should exercise its regulatory powers to take prompt steps to remedy actions which present a risk to effective competition. Ofcom should closely monitor Openreach's commercial terms and pricing, given that Openreach benefits from economies of scale that new entrants cannot rely on yet. Ofcom should prevent Openreach from offering commercial arrangements that would have a detrimental effect on the establishment of sustained competition, while sustained competition is still developing in the market.
- Having several networks building in the same area is only the first step towards having established competition, and the government expects Ofcom to take an evidence-based approach when considering whether it is appropriate to remove remedies, so that competition can be maintained over time. Regulatory intervention should be proportionate, and we would expect the regulator to apply remedies in an adaptive way as competition evolves.
- Future regulation should allow firms making large and risky investments the opportunity to make a return commensurate with the level of risk incurred at

¹ ThinkBroadband, '85% Gigabit coverage reached – the journey since 2018', October 2024, <<https://www.thinkbroadband.com/news/10343-85-gigabit-coverage-reached-the-journey-since-2018>> accessed 05 February 2025.

the time of making the investment decision. This is often referred to as the 'fair bet' principle, which the government continues to support. Regulation should continue to support operators' investment in the continued roll-out of fibre networks over the next five years and beyond. As such, Ofcom should ensure predictable and evidence-based regulatory decisions, focused on its core objectives of promoting competition and protecting consumers, and should monitor the impact of regulation on investment.

- Promoting investment and competition in the fixed telecoms market should continue to be prioritised over regulatory measures to further reduce retail prices in the near term.
- Ofcom should work with government to monitor the evolution of the market and its impact on consumers and the sector, ensuring it can continue to deliver our objectives of growth, investment and consumer protection.

To support broadband for businesses:

- Ofcom should continue to ensure that businesses across the country, including those in rural areas, are able to access the fast, reliable, and resilient broadband services they need to thrive. The regulator should work to ensure a healthy business connectivity market is treated as a priority, and in light of its growth duty,² Ofcom should have regard to the impact on UK economic growth, as well as investment and competition in the telecoms sector, when assessing whether to introduce or remove regulatory remedies.
- The regulator should ensure the promotion of competition in the leased line market.

To support universal access:

- Ofcom should monitor pricing differences in gigabit-capable broadband between geographic areas and localities. For any areas of the UK with only one network operator, Ofcom should, alongside government, consider steps to ensure consumers do not have to pay prices above the normal rate of return due to a lack of local competition.
- The regulator should work with government to review the Broadband Universal Service Obligation (originally intended to act as a digital 'safety net') and to agree and then make any appropriate changes.

To support infrastructure sharing:

Introducing unrestricted access to Openreach's national network of underground ducts and poles via its Physical Infrastructure Access (PIA) product has transformed

² Department for Business and Trade and Department for Business, Energy and Industrial Strategy, 'Growth Duty', 30 March 2017 <www.gov.uk/government/publications/growth-duty>, accessed 05 February 2025.

the competitive landscape of the UK fixed telecoms market. It is the government's view that:

- Ofcom should ensure that Openreach continues to provide unrestricted access to its physical infrastructure to all communications providers on equivalent terms, unless it can demonstrate that a difference is justified.
- To ensure sustainable long-term competition in the fixed telecoms market, Ofcom should ensure Openreach complies with the "no undue discrimination" condition set out in Ofcom's Significant Market Power (SMP) conditions, thereby treating all communication providers in a fair and transparent way.
- Ofcom should closely and proactively monitor Openreach's compliance with the no undue discrimination principle, so that communications providers have confidence that Ofcom takes allegations of anti-competitive behaviour seriously.
- Ofcom and the Openreach Monitoring Unit (OMU) should take reasonable and practicable steps to demonstrate transparency in its monitoring and enforcement activities, including by publishing regular reports on its work. This extends to demonstrating greater transparency in how Ofcom calculates and sets PIA prices. It is important that communications providers have confidence that Ofcom, and in particular the OMU, takes allegations of anti-competitive behaviour seriously. If Ofcom finds that Openreach is not complying with its regulatory obligations, it should consider all enforcement options to ensure compliance.
- Any changes to the PIA framework in the Telecoms Access Review should be proportionate, evidence-based, and support competition and investment within the fixed telecoms market. The regulator should also use the evidence received from industry to ensure the pricing model is fair and reasonable, both to Openreach and to PIA users, and publish an explanation for how the pricing is calculated.
- Beyond the PIA product, the regulator should work with network operators alongside the government to ensure that existing ducts and poles are shared wherever possible to minimise the duplication of broadband infrastructure.

To support take-up:

- Ofcom should report every six months on levels of take-up alongside reporting on coverage.
- Ofcom should continue to monitor the use of One Touch Switch and its success. More widely, the regulator should take all efforts to support effective and straightforward switching between providers in order to enable competition and enable more people to benefit from gigabit broadband.

- Ofcom should continue to support greater use of consistent terminology between providers.³

1b. supporting growth and productivity through investment in high-quality 5G networks

Widespread deployment and adoption of high-quality 5G can help people become better connected and our businesses and public services to become more efficient and innovative. As 5G deployment is commercially driven, it is critical that government has the pro-investment policy and regulatory regime that will deliver the connectivity the UK's citizens, businesses, and public services need in all areas of the country.

We are seeking Ofcom's support in the following ways: ensuring effective competition; monitoring investment in 5G networks and the cost of regulation; and identifying any regulatory changes that may be needed.

To ensure effective competition:

Ofcom should ensure that competition in the mobile market is working effectively and should proactively identify where it may not be. To support this:

- At appropriate intervals Ofcom should assess the technological developments and competitive dynamics shaping the mobile market and consider the impact this may have on operators' ability to invest in network infrastructure.
- In considering competition issues in the market and how to address them, Ofcom should continue to work closely with the Competition and Markets Authority, under concurrent competition powers, on issues that cut across sectoral and competition concerns.
- Annual Licence Fees (ALFs) for mobile spectrum are set by Ofcom to reflect the market value of the spectrum based on its opportunity cost. This is intended to provide a long-term indication of the value of spectrum to incentivise its optimal use. As such, the ALF framework must support optimal market outcomes.

To monitor investment in 5G networks and the cost of regulation:

Commercial investment in high-quality 5G networks must be underpinned by a stable policy and regulatory framework. Investment in 5G should be closely monitored by Ofcom and appropriate options considered if it becomes clear that investment in networks is not being achieved at sustainable levels. In particular we would welcome regular reporting from Ofcom on the cost of regulation to industry, the impact of

³ Ofcom, 'Customers to get clearer broadband information', 16 September 2024, <<https://www.ofcom.org.uk/phones-and-broadband/bills-and-charges/customers-to-get-clearer-broadband-information/>> accessed 10 January 2025.

regulation on investment and whether the regulatory framework could be amended to better support long-term investment and growth in telecoms networks.

Building on the launch of the updated mobile coverage checker 'Map Your Mobile', Ofcom should continue to develop its coverage reporting of 4G and 5G networks and help track progress of the mobile network operators' delivery of 4G across the UK's landmass, including through the Shared Rural Network programme. Technological developments impacting mobile coverage, such as Direct to Device connectivity, should also be referenced when appropriate. Specifically, we have asked Ofcom to continue improving the quality of its coverage reporting on mobile network availability and quality, including by:

- keeping under review, and consider explicitly for each of its reports, its definitions of what constitutes "good" 4G and 5G and the signal strength thresholds it uses to measure this, so that these definitions continue to reflect consumer and business expectations as user requirements and behaviours evolve;
- ensure that the public reporting of mobile coverage and performance provides users with the information they need in a user friendly and easy-to-understand format;
- provide timely coverage and performance data sets to consumers and continue, through the Connected Nations data releases, to report on a per Local Authority, combined authority and per constituency basis;
- report on the availability of standalone 5G in the same way that it reports on the availability of 4G and combined standalone and non-standalone 5G; and
- provide specific coverage and performance data for the UK's road and rail infrastructure in its reporting, considering both measured and crowdsourced data to take a proportionate approach. Alongside these specific cases, such data should be considered where there is benefit in supporting broader government policy initiatives and priorities. Ofcom should consider working with local authorities, as well as third party organisations to gather this data in a robust manner.

We welcome Ofcom's efforts to support widespread adoption of advanced 5G as this will drive significant economic benefits. Whilst any changes to the Open Internet Access regulations⁴ would be a decision for government, it is important Ofcom continue to support an approach to the open internet that fosters innovation by ISPs and the wider internet ecosystem, whilst protecting consumers.

- Ofcom should continue to work closely with government on net neutrality, including informing government of the impact the updates to net neutrality

⁴ The Open Internet Access (EU Regulation) Regulations 2016, made 24 May 2016, <www.legislation.gov.uk/uksi/2016/607/contents>, accessed 05 February 2026.

guidelines⁵ have had on the market to date and whether they consider any further changes are required.

1c. supporting growth and productivity through modernisation of fixed and wireless telecoms networks

The UK's existing fixed and mobile digital infrastructure is in the process of a once in a generation modernisation. Fixed networks are being upgraded from copper lines to fibre cables. Mobile networks are seeing older 2G and 3G networks replaced by 4G and 5G networks.

Telecoms networks are privately owned, with decisions to modernise taken by industry, and programmes run by industry. The Government supports safely modernising telecoms networks. Modernisation supports economic growth, improves network security, and provides a better service to customers. Modernisation is also necessary to protect lives given many existing networks are increasingly unreliable, putting the vulnerable and critical national infrastructure (CNI) at greater risk.

- Ofcom should collaborate with the telecoms industry, government, and other partners (like the telecare sector) to ensure that there is no significant adverse impact (risk to life) on CNI throughout modernisation programmes, and that vulnerable consumers are protected. This entails actively monitoring the industry transition programmes of all providers to ensure providers put in place appropriate safeguards, including reporting of consumer harm, and taking measures to avoid harm to vulnerable customers and CNI. Ofcom should specifically work with industry and government to put in place and implement voluntary charters with appropriate safeguards for all current and future modernisation programmes.
- The regulator should also ensure that these transitions do not have an adverse impact on wholesale competition. Ofcom should set out clear, realistic and achievable criteria for when copper regulation can be withdrawn, in order to inform the networks operators who will make the final decisions.
- Consumers being switched from copper to fibre need the appropriate level of information regarding the technology available to them, what their options are, and their ability to switch provider. Consumers also need information on back-up power sources in the event of power cuts and what alternative forms of connectivity may be available to them.

⁵ Ofcom, 'Statement: Net Neutrality', 26 October 2023 <www.ofcom.org.uk/internet-based-services/network-neutrality/net-neutrality-review/> accessed 05 February 2026.

Strategic Priority 2: Supporting growth through a transparent, competitive, and fair retail market for consumers

The telecoms sector is fundamental to the success of the UK's economy, and we rely on the sector to support improved connectivity, provide access to digital services, and enable innovation. It is also vitally important that consumers are treated fairly, and have confidence in the quality of service they receive.

The Government recognises the ongoing cost of living pressures facing households across the UK. It is vital that the telecommunications market delivers for people - providing fair, transparent, and affordable services that meet the needs of all consumers, including the most vulnerable.

Recent work by Ofcom and industry stakeholders has made important strides in improving consumer protections, transparency, and affordability. These efforts should be evaluated in a timely manner to ensure they are delivering meaningful outcomes.

Ofcom should remain alive to developments in the market, continuing to undertake a regular reporting cycle which is able to identify trends. Ofcom should stand ready to take further action where necessary to ensure consumers are informed, empowered and appropriately protected, particularly in relation to pricing practices, contract clarity, and switching barriers.

- The government supports Ofcom's shift in focus towards monitoring and evaluating consumer-focused interventions and would see merit in Ofcom evaluating the impact and costs of regulatory interventions collectively.
- It is important that overall satisfaction is sustained and improved where possible.⁶ Ofcom, where appropriate, should work with operators to address specific concerns about customer care. This includes ensuring complaint handling processes are fit for purpose and ensuring that the routes available for consumers to escalate their concerns, such as Alternative Dispute Resolution services, are clear and offer a consistent experience for customers.
- Ofcom should continue to explore steps which may improve consumer confidence in new and emerging broadband and mobile retail providers. For example, among other things, by focusing on providers compliance with their regulatory obligations and – where appropriate – encouraging them to sign up to voluntary approaches such as the automatic compensation scheme.

⁶ Ofcom, 'Comparing customer service: Mobile, home broadband and landline' 22 May 2025, <www.ofcom.org.uk/siteassets/resources/documents/phones-telecoms-and-internet/comparing-service-quality/2025/comparing-customer-service-report-2025.pdf?v=397528> accessed 05 February 2026.

- Ofcom should continue to use its levers to identify and address the vulnerabilities in telecoms networks that are exploited by criminals to scam consumers. We expect Ofcom to have further close collaboration with government and other relevant stakeholders over the coming years to help reduce fraud that impacts consumers. The Government are interested in what benefits smart data schemes may bring. Ofcom will be an important stakeholder in helping to assess the potential merits of establishing a Smart Data scheme in telecoms, including determining the costs and benefits of such a scheme, and whether this can be achieved on a voluntary basis.

To support digital inclusion:

- This government believes in opportunity for all and recognises that robust connectivity for individuals and businesses, irrespective of their location, is a vital enabler of digital inclusion, which sits at the heart of our plans. Additionally, promoting digital inclusion will kickstart economic growth by enhancing job opportunities, increasing earning potential, and driving productivity and efficiency. However, digital inclusion encompasses more than merely affording and accessing broadband or mobile service. As outlined in the Digital Inclusion Action Plan, UK regulators have a vital role in protecting and informing the public. The government would encourage Ofcom to consider how they can best contribute to addressing digital exclusion, including collaboration with other regulators where appropriate. The government encourages Ofcom to use its levers to promote safe digital participation. The government would encourage Ofcom to consider how they can best contribute to addressing digital exclusion, including collaboration with other regulators where appropriate.

To support vulnerable consumers:

- The government would like to see Ofcom to continue to take all opportunities to improve the consumer experience in the telecoms sector, particularly for vulnerable consumers, including those with disabilities and those who are financially vulnerable.
- The government would like to see a more consistent approach across the sector to vulnerability, and Ofcom might consider lessons learnt during the COVID pandemic, the rise in the cost of living, the Public Switched Telephone Network (PSTN) migration to Voice over Internet Protocol (VoIP), and the 3G switch-off to encourage operators to adopt a more consistent approach and where possible share data to ensure that vulnerable consumers are accurately identified, and getting a consistent level of support. These lessons should in particular be applied to the 2G switch-off and other modernisations.
- Ofcom should continue to work with other sector regulators and government to establish the best way to achieve a cross-sector method to identify and support vulnerable consumers.

To support the consumer voice:

- It is essential that regulations are informed by the groups and individuals they are likely to impact.
- Ofcom should continue to make additional efforts to engage with those groups likely to be affected by regulatory changes, including individual businesses and residential customers. The Communications Consumer Panel maintains an important role ensuring the interests of consumers are represented. It needs to be suitably informed and engaged on issues likely to affect consumers of telecoms services and their views and opinions should be given due weight.

Strategic Priority 3: Driving growth through maximising access to spectrum

We must continually strive to maximise access to and use of spectrum for the growing number of wireless applications across the economy. For example, Advanced Connectivity Technologies, such as 5G and 6G, non-terrestrial networks, advanced WiFi (including direct-to-device services) all depend on appropriate access to spectrum.

Ensuring this access will require a range of measures, including implementing new spectrum management techniques, adopting innovative technologies that support spectrum efficiency, and taking steps to enhance spectrum sharing, where appropriate. For example, AI-enabled tools, as well as dynamic and automated spectrum access could hold potential for more efficient spectrum management and use. Ofcom should continue to ensure that regulation is designed to encourage innovation and does not act as a barrier to new technological developments. Other steps include:

- Maintaining and building on the pioneering approach set out by Ofcom through the introduction of the spectrum sharing framework in 2019, including the availability of the 3.8-4.2 GHz band for shared access licences.
- Full automation of the licensing process for bands under the Shared Access licence framework could unlock growth across different sectors. Ofcom should assess the potential of full automation of the shared access licences and explore how this might further reduce licensing approval times.
- Ofcom should continue work to ensure those who have an occasional need for shorter-term license durations, such as the Programme Making and Special Events (PMSE) sector, are able to access these licences in a timely manner via the shared access bands.
- We encourage Ofcom to continue to support the evolution of spectrum access mechanisms and improvements in spectrum sharing, for example, to consider how AI-enabled tools could facilitate more efficient spectrum use and allocation. We expect learnings from initiatives such as DSIT's spectrum sandboxes to inform future policy and regulatory decisions.

To support public sector spectrum access:

- The public sector is a major user of spectrum, in particular for defence and scientific research such as climate monitoring and astronomy. The government's goal is to ensure that public sector users have access to the spectrum they need to support strategic government priorities and deliver critical services, while ensuring efficient use of spectrum and maximising opportunities to boost spectrum value and growth through sharing or release for commercial applications.

- Following the conclusion of the Public Sector Spectrum Release Programme, DSIT is working across departments and with Ofcom to implement a new public sector spectrum framework. Ofcom will continue to have a crucial role to play in this framework, including through proactive cooperation with relevant government departments and agencies to understand their strategic requirements, by providing regular reports to government on emerging civil demand, and by inputting to relevant boards.

To ensure Emergency Services, transport, and utility sector telecommunications needs are met:

- Ofcom should ensure that the requirements of the Emergency Services Network, along with other safety-of-life services and considerations – including those in the maritime and aviation sectors – are appropriately factored into spectrum allocation decisions.
- Ofcom should continue its work with the government and other relevant regulators and stakeholders to review the telecommunications needs and potential spectrum requirements of the transport and utility sectors. The government intends to set out the needs of these sectors by the end of 2026, and Ofcom will play an important role in ensuring that the appropriate long-term solution is identified.
- Ofcom should continue working with industry and the Civil Aviation Authority to develop technical parameters and commercial licensing arrangements to support drone operation using cellular technology. Using cellular communications for drone flight, can, among other uses, help emergency services and Ofcom should continue to ensure its operating licence for unmanned aircraft systems remains fit-for-purpose.

To support spectrum for audio and video Programme Making and Special Events (PMSE):

PMSE refers to the use of wireless devices for creating content and managing events, this includes equipment such as wireless cameras and microphones. There has been a steady rise in the use of PMSE audio and video services, which are crucial for the creative industries (e.g. film and TV production, theatre, and concerts) and sports events.

- Ofcom is undertaking a review of spectrum requirements and technological trends for audio and video PMSE. The findings of this review should be used to inform the UK's future spectrum management approach and ensure appropriate continued spectrum access for this important growth sector.

To support the Future of Digital Terrestrial TV (DTT):

- Ofcom is proactively engaging with the government on the Future of TV Distribution Project. We encourage Ofcom to continue this engagement, including to ensure that there is appropriate consideration given to important

factors including the potential value of the spectrum, the potential digital inclusion benefits, and the need to continue serving audiences.

- Ofcom should also advise government of the possible impact of any decisions taken on the future of TV distribution on the PMSE sector, to ensure that these users that deliver significant value to the UK creative sectors continue to have suitable access to spectrum.

To support space sector ambitions:

- Space and global satellite services support 18% of UK GDP and space is one of the five NATO operational domains, as highlighted in the Strategic Defence Review. Our critical national infrastructure depends on space services.
- Spectrum is an essential component of these space services, including communications, astronomy, satellite broadband and TV, global positioning services, earth observation, and monitoring the weather and climate. The global nature of space spectrum use means international cooperation is imperative.
- Access to appropriate spectrum is essential for enabling a resilient, competitive, and innovative UK space sector that delivers real benefits to citizens and ensures secure capabilities. Shaping the international spectrum framework so that it supports the space services that we rely on, including space science services and meteorology, and ensures that the UK space industry can thrive globally, should be a priority for Ofcom.
- Ofcom's spectrum management objectives should enable the development of competitive and resilient UK capabilities in space domain awareness, in-orbit servicing, assembly and manufacture, space data applications, position, navigation and timing services, and satellite communications.

To maximise influence in international spectrum negotiations:

- Global coordination and management of spectrum use is essential to ensure efficient allocation and use of spectrum, protect users against harmful interference and enable economies of scale and interoperability across regions.
- We want to work collaboratively with our allies and global partners in international fora to establish common interests, advocate for UK consumers and businesses, and push for an international framework on spectrum that works for the UK, Europe and globally.
- Ofcom should reflect and seek to achieve UK government objectives when representing the UK at international fora. This includes continuing to work closely with the government to ensure that strategic priorities, such as national security and resilience, are appropriately considered and reflected throughout international negotiations. Relevant spectrum fora include the International Telecommunication Union (ITU) and European Conference of Postal and Telecommunications Administrations (CEPT).

Fit for purpose regulatory regime:

- We expect Ofcom to proactively update government on changes to the suitability of the current spectrum management framework and the scope for legislative updates to support advancements in regulatory tools.
- Ofcom should continue to regularly review and report on its performance against its statutory duties and objectives in carrying out its spectrum management functions.

Strategic Priority 4: Maximising opportunities for growth through secure and resilient telecoms infrastructure

The government, Ofcom and the telecoms industry must work together to ensure the UK's publicly available networks and services, including relevant land-based and subsea infrastructure, are appropriately and proportionately protected against threats and hazards. They must also be able to respond effectively to disruptive incidents affecting the UK's networks or services.

To achieve these objectives, the government advocates a proactive regulatory approach to the security and resilience of telecoms networks and services. The Telecommunications (Security) Act 2021 and associated Electronic Communications (Security Measures) Regulations 2022, have placed new security obligations on public telecoms providers. These obligations are designed to address security compromise risks, including cyber security threats. Ofcom is responsible for monitoring and enforcing compliance with these legal obligations, including:

- **Assessing the security practices of larger telecoms providers.** This includes ensuring providers are complying with their relevant security duties and using Ofcom's powers to request and review relevant information, interview technical and management staff and observe work on company premises.
- **Taking action where security is, or is at risk of being, compromised.** The Act requires telecoms providers to report security compromises to Ofcom. Where a compromise is reported, or where Ofcom considers there a risk of it occurring, Ofcom can require the provider to inform the affected people and businesses. Where Ofcom has reasonable grounds for believing that the compromise or risk of it occurring results from a breach of a security duty, it can require providers to take action to limit or mitigate the incident's impact.
- **Making information available to the Government, including through annual security reports.** Ofcom must provide specific annual security reports to the government, in addition to updates on general network security and resilience as part of its existing infrastructure reports.

It is crucial that the networks that provide electronic communication services are resilient to disruption. The government's resilience priorities in this area include:

- **Power resilience:** power resilience of telecoms networks and services is a cross-sectoral challenge, involving both the telecoms and the energy sector.
- We encourage Ofcom to continue its work on power resilience and conclude its review into mobile power resilience as soon as possible, to reflect the data gathered from mobile operators, the power sector and other relevant sources, and consideration of what measures in the mobile access network may be appropriate and proportionate. We expect Ofcom to work closely and collaboratively with communications providers, the government and the power

sector to implement measures that reduce power cuts resulting in service loss; and to reduce the impact of service loss to customers. As a follow-on piece of work, we would welcome Ofcom reviewing how power outages may affect fixed voice and broadband networks in the UK to ensure there is an up-to-date and holistic approach across the whole network.

- **Incident reporting and publication of outage data:** the procedures for communications providers to report security and resilience incidents is kept up-to-date, and that the data provided to the public on incidents, which is currently in the form of a summary text in the annual Connected Nations report, is more detailed, interactive, and transparent. This will help the public understand the picture in their local area and allow Government and stakeholders to better understand issues and trends, both of which may drive better performance and outcomes for the public.
- **Satellite emergency calls:** Ofcom should ensure that access to emergency services via 999/112 through all spectrum adheres to the same regulations as mobile and fixed line communications.
- **Net zero and climate adaptation:** Ofcom should continue to support HMG's wider duty under the Climate Change Act 2008 to assess the risks of climate change and set out its policies for meeting those objectives, through Ofcom's existing work under the Communications Act 2003. This includes continuing to provide resilience standards and guidance to communications providers to ensure they are adopting measures which factor climate change implications into their network planning and decision making to maintain network and service reliability.
- **Secure, resilient, and innovative telecoms supply chains:** a healthy and diverse supply chain for the technology that goes into the UK's telecoms networks is essential for security and resilience – ensuring that UK network operators can deliver good, reliable connectivity for all. Innovation in future telecoms technologies – one of the critical technologies identified by government – will also drive growth. Ofcom should provide a regulatory environment that supports operators to adopt innovation in their supply chain so that the UK is seen as a leading place to develop these technologies.

Strategic Priority 5: Supporting growth through resilient and sustainable postal services

The postal service is a vital part of the UK's communications fabric. It is a key component of our modern economy - connecting businesses with customers across the country and around the world and providing them with access to a vast range of products and services. Ensuring the effective and sustainable provision of postal services is integral to driving growth in the economy.

As we have set out in our priorities for the telecoms sector, in carrying out its functions related to postal services, it is essential that Ofcom's approach to regulatory decisions is informed by the wide range of stakeholders that will be impacted. The government therefore encourages Ofcom to continue to engage with groups such as consumer advocacy and business representative bodies on issues likely to affect users of postal services and their views and opinions should be given due weight.

The government's postal policy priority continues to be the provision of a universal postal service that meets the needs of users and is affordable, efficient, and financially sustainable in an open and competitive postal market.

The government supports Ofcom's approach to promoting competition to spur innovation in modes of parcel delivery services, such as drones and robots, in response to consumers' changing needs and technological developments in AI and GPS to optimise operational efficiencies.

Securing the provision of a universal postal service

We recognise that the sector has changed significantly in recent years - the volume of letters being sent has declined, matched by a considerable growth in parcel volumes. Growth in postal services is driven by rising e-commerce transactions, technological innovations in logistics, AI integration, and expanding cross-border trade, opening new markets and opportunities to grow the economy.

- In considering how these dynamics impact on the financial sustainability of the universal service, Ofcom should consider the reasonable needs of users of postal services, particularly vulnerable customers and businesses that rely on the service, while providing appropriate incentives for Royal Mail, as the universal service provider, to continue to make the necessary investment to modernise the business.

On international treaty obligations for postal services under the Universal Postal Union (UPU), the government will continue to explore any alignments between

Ofcom's work on both financial sustainability and quality of service, and the efforts to give further transparency to international quality measures within the UPU network.

Quality of Service

The government recognises the important service that Royal Mail provides to users across the UK under its Universal Service Obligation (USO), including those who are vulnerable or live in remote areas. Ofcom's research shows that people prioritise reliability in receiving letters. It is therefore a key priority for government to ensure that customers can expect a reliable service, and that Royal Mail is incentivised to meet the quality-of-service targets that Ofcom consider meet the reasonable needs of users and fulfil its duty to consider the need for the USO to be sustainable.

In line with its duties, the government welcomes Ofcom's approach to proactive engagement with Royal Mail on its quality-of-service delivery to ensure a return to consistently high levels of service. This involves monitoring Royal Mail's delivery of its quality-of-service improvement plan, and to take appropriate and timely action where failures are identified.

Improving the consumer experience in the postal services sector when things go wrong, particularly for vulnerable consumers and those with disabilities, is a priority. The government welcomes Ofcom's continued monitoring of delivery operators' compliance with their regulatory obligations, and additional guidance, on complaints handling and the requirement for parcel operators to have established policies for the fair and appropriate treatment of disabled consumers.

- Ofcom should take enforcement action where it considers it appropriate to do so.

Competitive market: importance of bulk and access mail

Strong, effective competition can open up access to markets and drive innovation, investment and productivity that benefits UK citizens, businesses and the economy.

Ofcom has reported that more than 8 in 10 addressed letters are sent by large organisations such as the NHS and banks. Ofcom's regulatory framework requires Royal Mail to provide access to its network to other postal operators or users of postal services. However, delivery standards are agreed under contracts with those access operators and not monitored by Ofcom in its assessment of Royal Mail's quality of service performance. The government recognises that this means a lot of the important mail that consumers rely on falls outside of the scope of the universal service obligation and Ofcom's regulatory quality of service targets, even if this is an end-to-end service provided by Royal Mail's commercial arm. However, Ofcom does consider these services in the round as Royal Mail's 'Reported Business'.

- Ofcom should give due regard to the importance of bulk and access mail on different postal user groups and access operators, as well as whether further regulatory interventions are needed to ensure high levels of reliability for all users of postal services.

Security and resilience of postal services infrastructure

Given its important communications role, ensuring the security and resilience of the UK's universal postal service network is a strategic priority for the government, particularly in light of evolving risks and threats such as the 2023 ransomware cyber incident.

The government recognises contingency planning is an operational matter for Royal Mail as an independent business. As part of our approach to support and strengthen the UK's universal postal service infrastructure and economy, the government will seek to increase collaborative working with Ofcom, Royal Mail, and the national technical authorities to further our shared interests in a resilient and sustainable postal service.

ISBN 978-1-5286-6223-9

E03543360