

# Social Study 2010

The Economic Impact of  
BT in the United Kingdom  
and Northern Ireland



# Foreword



As Northern Ireland's largest communications services provider to the consumer, business, public sector and wholesale markets BT plays a key role in the economic, business and community life of the region.

In BT we work closely across Northern Ireland, England, Scotland, and Wales building solid strategic relationships and developing partnerships working with regional agencies, governments, local authorities, business and community organisations. Through this integrated, local partnership approach we are uniquely positioned to share our knowledge, resources and capabilities and ensure that BT's activities match the aspirations of the communities across Northern Ireland as effectively as possible, bringing solutions and investment that stimulate success and growth in local economies.

As we move through a period of economic recovery it is vital that BT continues to play its part in the local business and community life. Our continued investment in advancing Northern Ireland's communications infrastructure will, for example, help to stimulate and drive sustainable growth for all, while the BT Young Scientist & Technology Exhibition stimulates a passion for the key STEM subjects, innovation and entrepreneurship in schools across the region. This report demonstrates BT's ongoing commitment and highlights the financial impact of the purchasing power of the company and its employees, the detailed ongoing effects and economic impacts on the national, regional and local economies as well as giving an insight into the wider social contribution of BT's programmes and activities.

We all have a part to play in building the success and sustainability of Northern Ireland. BT people who live, play, work and do business in their local communities have a genuine desire and commitment to make a positive contribution to their society. It is vital as a business that we continue to grow and help our customers, stakeholders and employees alike to thrive as we work together to tackle the challenges ahead.

Graham Sutherland  
*Chief Executive Officer,  
BT in Northern Ireland*

## About DTZ

DTZ is a leading global real estate advisor and consultancy firm. More than 10,000 staff advise and act for leading multi-national companies, major financial institutions, governments, developers and investors in 43 countries around the world. With offices in 148 cities, DTZ provides integrated services in corporate consulting, agency, brokerage, valuation, corporate finance, property management and research. DTZ Holdings plc is a publicly quoted company, listed on the London Stock Exchange since 1987.

Website: <http://www.dtz.com>

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# 1. Introduction

This study demonstrates the economic contribution of BT to the UK national and regional economies in terms of jobs, output and Gross Value Added (GVA)<sup>1</sup> supported. This covers BT's operations and the knock-on impacts as BT spends with suppliers and employees spend their incomes. Wider social contributions to communities are also demonstrated through BT's Corporate and Social Responsibility agenda.

The economic impact study has been prepared by DTZ Consulting, working in partnership with BT to identify appropriate data, and with BT people to understand key local trends and projects.

The aims of this study are to provide:

- A quantitative assessment to demonstrate the output, employment, income and value added through BT's operations in the UK;
- Demonstrated impacts at UK level and across the 9 English regions together with Scotland, Northern Ireland and Wales;
- Key statistics and impact at sub-regional level within each of these geographies as appropriate; and
- Qualitative analysis of the contribution that BT makes through local initiatives, investments and its corporate and social responsibility agenda.

All calculations have been prepared with figures provided by BT. The procurement information presented is based on the financial year ending March 2010. Employee and income data are correct as at same date. All data are referenced to financial year 2009/10 unless otherwise stated.

All impact calculations have been conducted in accordance with Government guidelines and the HM-Treasury's Green Book Guidance for appraisal and evaluation, and consistent with the ONS (Office for National Statistics) national accounts.

The remainder of the report is laid out as follows:

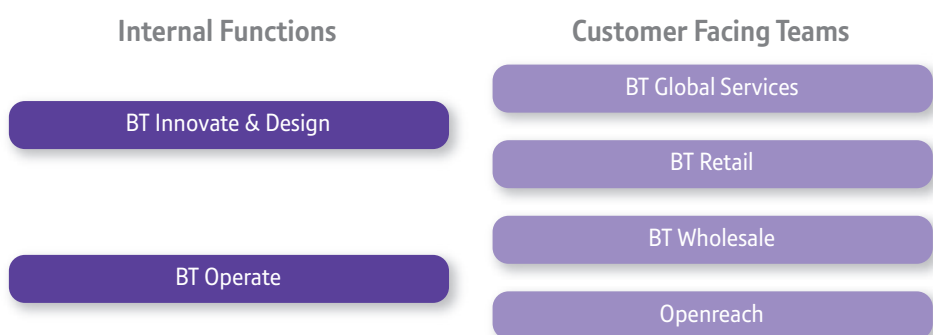
- Section 2 provides a brief overview of BT's operations.
- Section 3 outlines the approach for impact modelling.
- Section 4 outlines in the total impact of BT across the UK.
- Section 5 provides the economic results for the 9 English regions, Scotland, Wales and Northern Ireland, plus sub-regional summaries as appropriate.

<sup>1</sup> Gross Value Added (GVA) measures the value of all goods and services produced in an economy and forms a common performance indicator used by the Government to measure economic performance.

## 2. An Overview of BT

This section provides a brief overview of BT<sup>2</sup>.

BT is structured around four customer-facing lines of business, with two additional internal support functional units. BT Retail, BT Wholesale and Openreach operate mainly in the UK, and are the largest communications services provider to the consumer and business markets. BT Global Services operates in the UK and globally. BT Innovate & Design and BT Operate manage the BT network, IT and testing facilities, deploying and managing platforms, systems and processes that support BT products and services. At 31 March 2010, BT employed around 78,200 full-time equivalent people in the UK, and around 17,900 outside the UK. BT also employs 32,000 people indirectly, through agencies and contractors, giving a total labour resource of around 128,100. Combined, these units have revenue of over £21 billion per annum.



### Cost Transformation

In order to transform the company during the current global financial downturn, BT has driven significant cost saving. BT states that improvements in efficiency have enabled a reduction in their total labour resource with the majority of this reduction in indirect labour.

### Investment

BT has continued to invest significantly during the economic downturn, continuing with core strategic programmes and new initiatives. Key investments include:

- **Building future networks:** BT has committed to investing up to £2.5 billion – one of the largest investments of this kind undertaken in Europe – to roll out super-fast broadband (fibre) to two-thirds of the UK by 2015\*.
- BT continues to invest in response to market demand in a range of broadband access technologies and options. Increased access speeds will be available over the existing copper infrastructure, a mix of copper and fibre and also over fibre direct to premises. This mixed economy model includes an extensive footprint of higher speed Ethernet and ADSL 2 + (currently available to over 55 percent of UK premises, with plans to increase to up to 75 percent by Spring 2011).

<sup>2</sup> Further details available within the BT Group Plc Annual report 2009

<http://www.btplc.com/sharesandperformance/annualreportandreview/annualreportandreview.htm>

\* subject to an acceptable environment for investment.

- In 2010 BT invested **£789 million in R&D to support innovation**. This covers everything from scientific research to the development of new products and services and comprised capitalised software development costs of £345m and R&D operating costs of £444m. BT also works with more than 30 universities around the world to support innovation.
- BT committed 1 percent of pre-tax profits to **activities that support society**. In 2010 this amounted to a total of £26.4m comprising of time, cash and in-kind contributions in the community.

### **Implications for Impact Calculation**

These cost transformation activities and investments have a significant impact on BT's overall impact in the UK, and across all UK geographies. This can occur through a number of channels:

- **Changing the value and location of procurement** – restructuring has changed the value of expenditure with suppliers, and in some cases switching contracts to alternative suppliers. The same level of investment in different regions will support a varying number of jobs depending on regional economic circumstances.
- **Changing the composition of procurement** – BT's total spend in the regions and nations will vary according to the type of investment. In turn, this will affect the knock-on level of employment supported along the supply chain. The same level of investment in different sectors will support a varying number of jobs depending on regional economic circumstances. One-off capital investments will also contain a degree of temporary impacts recorded in the financial year, which will not continue to future years.

Further detail on the methodology applied for calculating impact is provided in the following section.

# 3. Study Approach

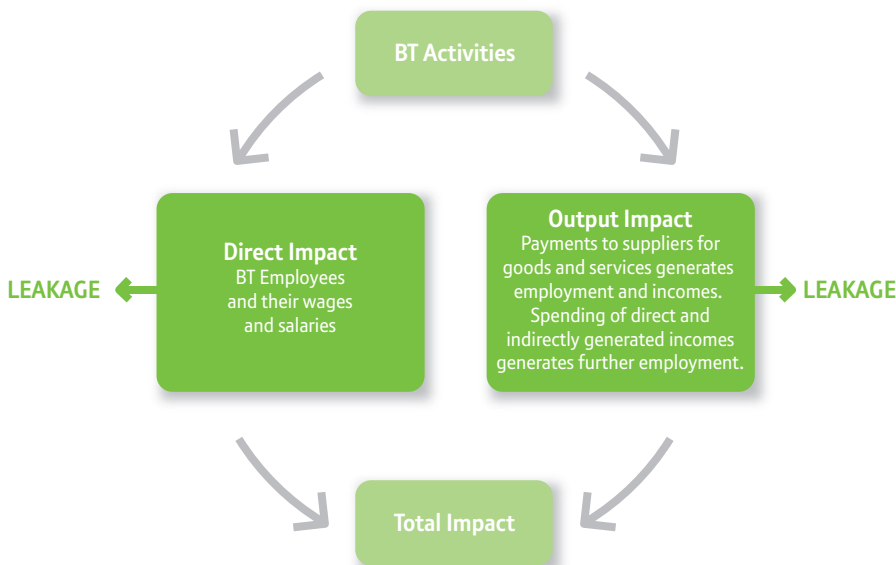
## 3.1 Economic Approach

The economic impact of BT's activities on national income and employment can be estimated by combining the following effects:

- **Direct impact:** persons employed directly by BT (including contractor employees) who receive wages and salaries;
- **Indirect impact:** income and employment created in businesses which supply the goods and services used by BT in its day to day activities; and
- **Induced impact:** further income and employment generated as wages created directly and indirectly are spent within the economy.

These indirect and induced impacts are based on non-wage and salary expenditure of BT in the United Kingdom in support of its day-to-day operations. Some of the expenditure will be on the UK sourced goods and services and some will represent leakages from the economy i.e. payment of taxes and goods purchased from outside the United Kingdom.

Indirect impacts are not restricted to the “first round” effect of purchases by BT. Suppliers to BT will purchase some of their inputs from other suppliers in the United Kingdom and so on, with leakages of expenditure at each stage in the process. People employed directly and indirectly will spend part of their incomes within the economy e.g. purchasing food, clothing, entertainment etc which represents an additional source of employment. As with indirect income and employment creation, there are further leakages of expenditure from the local economy in the form of non-local purchases, savings and national taxes.



## 3.2 National and Regional Impact

The process by which BT's expenditure creates income for its suppliers and its suppliers' suppliers can be estimated using Input-Output tables. Input-Output tables show the flows of expenditure which take place between sectors of the economy and allow the impact of a given level of expenditure on income and employment to be calculated.

These are published by the Office for National Statistics at UK level, and the public sector in Scotland, Wales and Northern Ireland. For English regions, tables are published on an ad hoc basis by regional observatories, and thus may not be consistently up-to-date. DTZ have therefore adjusted the UK tables for the regions to account for local industrial structure, capacity and the higher level of leakages that result.

The national (UK-level) impact has been calculated by aggregating the impacts across the 9 English regions, Northern Ireland, Scotland and Wales. The regional impacts have been calculated from BT's regional data on:

- **Procurement expenditure** – this gives the Indirect impact of BT expenditure in each region.
- **Wages and Salaries** – this gives the Induced impact as employees spend their incomes in the local economy.

**Modelling this data** gives the total output impact of BT in each region i.e. the value of turnover that is captured in GDP statistics. The regional Input-Output tables can then be used to convert this impact into further jobs, income and GVA generated in supplier and consumer industries.

**Definition:** Gross Value Added (GVA) measures the value of all goods and services produced in an economy and forms a common performance indicator used by the Government to measure economic performance. GVA combines wages and operating profits from companies and other organisations. Growing GVA can reflect improvements in workforce skills, productivity, R&D and innovation. The regional figures for BT show the value added directly through BT's services and additional value generated through BT's suppliers across the UK regions and nations.

### 3.3 Sub-Regional Impacts

The more local the impact assessment, and more specific the geography investigated, the less robust the model. This is because datasets are not available at a sufficiently local level to definitively map expenditure patterns. The balance of imports and leakages will differ significantly between areas, depending on the tendencies of locals.

Sub regional, County and Local Authority level impacts have therefore been calculated by distributing the total regional impact according to the level of direct employment and procurement in each area.

The nature of the raw procurement and employment datasets results in redistribution effects at the regional and sub-regional level. This is common to impact studies and is due to two main effects:

- **The Headquarters (HQ) effect:** national procurement contracts are often allocated to regions according to the suppliers HQ address. However, it may be that these services are actually provided from a series of regional depots. In this case, the impact of procurement expenditure is allocated to the HQ region, rather than the regional depot where activity is taking place. Thus, one region may be over-estimated and another correspondingly under-estimated.
  - Procurement expenditure with worker agencies and contractors was manually adjusted to account for this redistribution effect.
- **Employee residence vs. workplace expenditure:** employees will spend a proportion of their income at their place of work and place of residence. For commuters, the national average expenditure pattern has been applied according to their place of work.

The overall national level results are not affected by these redistribution effects, as they balance across regions. All modelled figures presented in this report have been rounded to avoid spurious precision. Totals presented in tables therefore may not sum due to rounding.

Benchmark information is based on comprehensive national sources where presented:

- Employment benchmarks are taken from the ONS Annual Business Inquiry.
- GVA benchmarks are taken from the ONS regional accounts, published December 2009.

# 4. The Economic Impact of BT in the United Kingdom

This section presents the economic impact of BT across the UK. The results presented in this section are the national impact, built up from the impacts across each of the 9 English regions, Northern Ireland, Scotland and Wales.

BT employs 79,805 employees in the UK directly – equating to an FTE (full time equivalent) of 78,200, with a further 4,368 contractors. This gives total direct employment of 84,173. BT employees are split across the geographies as illustrated:

BT UK Regions and Nations	BT employees	
	Work in Region	Live in Region
East of England	10,339	10,682
East Midlands	3,826	4,397
London	13,022	11,588
North East	3,769	3,752
North West	7,900	7,943
Northern Ireland	2,311	2,315
Scotland	7,055	7,125
South East	10,265	11,157
South West	6,121	5,871
Wales	2,923	3,457
West Midlands	6,707	6,221
Yorkshire & the Humber	5,567	5,319
<b>TOTAL</b>	<b>79,805</b>	<b>79,827<sup>3</sup></b>

<sup>3</sup> The difference between work-based and resident based employees comprises those who commute from outside the UK (predominantly Republic of Ireland) and those who may have a recorded main residence outside the UK.

### UK key points

- BT directly employs 79,805 people living and working in the UK and a further 4,368 contractors.
- Total income of BT employees was £2.7 billion in 2009/10.
- BT spent a total of £7.7 billion with suppliers based in the UK in 2009/10.
- Including direct and knock-on effects, BT is estimated to support some 270,000 FTE jobs in the UK with a total value of £37 billion in 2009/10 which will be recognised in official GDP figures.
- GVA associated with these total BT impacts was £13 billion in 2009/10. This accounts for 1% of the UK's total GVA. BT's direct GVA alone (excluding knock-on impacts) accounts for 0.5% of the UK's total.



## 4.1 Economic Impacts

### 4.1.1 Direct Impact

Figure 4.1 illustrates the profile of direct BT people according to core line of business. Openreach is the largest single line of business, accounting for over a third of all employees (over 30,000), followed by BT Retail.

Around 80% of BT employees in the UK work flexibly in some way. This includes 9,641 registered BT Homeworkers (12% of the direct regional workforce). Flexible working helps employees achieve a better work life balance and reduces the environmental impact and cost of travel.

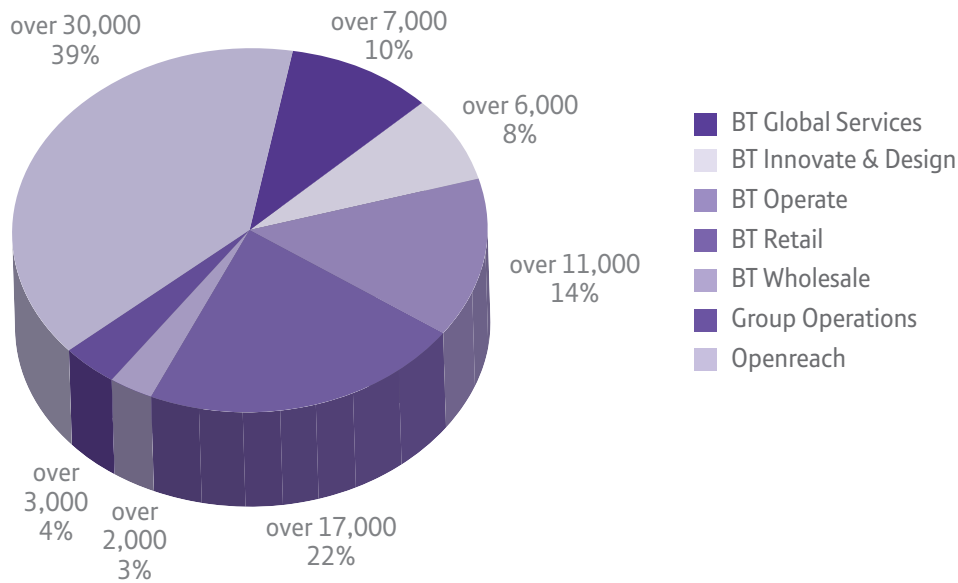


Figure 4.1: Count and Share of BT People by Line of Business, 2009/10

### 4.1.2 Procurement Impact (Indirect)

BT spent a total of £7.7 billion (£7,718 million) with UK-based suppliers in 2009/10. In turn, this supports employment and income in BT's immediate supplier industries, and their subsequent suppliers in turn to meet this derived demand.

In total, this procurement expenditure supported over 100,000 jobs along the BT supply chain, with a total output value of £11.2 billion in 2009/10. Within this total, c. £6 billion is GVA, a common Government measure of value and productivity. Figure 4.2 summarises the annual indirect impacts generated by BT procurement expenditure in the UK.

Indirect (supply chain) impacts	Value
Employment supported amongst suppliers	111,300 FTEs
Output generated amongst suppliers	£11 billion
GVA (Gross Value Added) generated	£6 billion
Income of supply chain employees	£3.6 billion

Figure 4.2 – Summary of Indirect Impacts in the UK

### 4.1.3 Impact of Employee Expenditure (Induced)

BT employees and contractors based in the UK earned nearly £2.7 billion in 2009/10. In turn, their expenditure supports further employment and output in consumer industries. Through this wage expenditure channel, BT supported a further 72,200 FTE jobs in the UK economy, with associated turnover of £5.3 billion in 2009/10. Figure 4.3 illustrates the wider induced employment and output supported through this employee expenditure.

Induced (wage expenditure) impacts	Value
Employment supported in consumer industries	72,200 FTEs
Output generated amongst consumer industries	£5.3 billion
GVA (Gross Value Added) generated	£2.9 billion
Income of supported employees	£1.4 billion

Figure 4.3 – Summary of Induced Impacts in the UK

### 4.1.4 Total Impact in the UK

Combining BT's direct impact and employment with the indirect supply chain impact and induced wage expenditure impact gives the total impact of BT operations in the UK. In total, BT supported nearly 270,000 FTE positions in the UK economy through direct and knock-on effects, with a value of £37.5 billion in 2009/10 (which will be captured in official GDP statistics). This is summarised in Figure 4.4:

Impact type	Indicator			
	Employment	Output £ million	GVA £ million	Income £ million
Direct	84,173	£20,900	£3,700	£2,700
Indirect	111,300	£11,200	£6,000	£3,600
Induced	72,200	£5,300	£2,900	£1,400
<b>Total</b>	<b>267,800</b>	<b>£37,500</b>	<b>£12,600</b>	<b>£7,700</b>

Note: totals may not sum due to rounding of modelling indirect and induced impacts.

Figure 4.4 – Summary of Total Operating Impacts in the UK

## 4.2 Wider Social Impacts

The economic impact is one aspect of BT's total contribution in the UK. BT also provides significant support in the areas of business, local communities and non-profit organisations through direct funding and/or the provision of in-kind contributions.

- BT committed 1 percent of pre-tax profits to **activities that support society** in 2010. In the financial year 2009/10 this amounted to a total of £26.4m, comprising of time, money and in-kind contributions, in the community.
- **Helping to tackle climate change:** BT has cut their carbon footprint by 51 percent from 1997. The current carbon strategy is estimated to have prevented over 27,000 tonnes of CO2 emissions in 2008/09. The target for 2020 is to reduce global carbon intensity by 80%.
- **Corporate Responsibility recognition:** In 2010 BT was ranked amongst the top 5% in the Dow Jones Sustainability Index for a 9th successive year, and was ranked 7th in Britain in the Top Green Companies Awards announced by the Sunday Times.
- **Focus on Skills:** Continued investment in the BT Apprentice Scheme is designed to help staff acquire new skills and meet the changing needs of customers during the current financial downturn. There are over 700 apprentices currently working across BT and during 2011 BT plan to recruit 200 more. BT recognises that skills are important at all levels within the company and this year over 5,000 employees will take accredited learning or apprenticeship certificates. BT has been accredited by the 'Investors in People training standard' and maintained this since 1998.
- **BT in the Community:** Over 4000 employees volunteered to support schemes in 2010 across schools, charities and community organisations. This equated to over 28,000 days of volunteering activity valued at £9.4m (BT estimate). BT works with charity partners across the UK including Childline, Comic Relief, Sport Relief and the British Red Cross. BT use their communication expertise to support various fundraising telethons as well as the Disasters Emergency Committee (DEC) Through this activity BT helped those charities to raise more than £100m.
- **Bringing it all together for 2012:** BT is the official communications services partner for the London 2012 Olympics and Paralympic games. Working with their fellow London 2012 technology partners, BT will carry every image, every commentary, every sports report, and every visit to the London 2012 Games website and millions of calls, e-mails and text messages.
- **Supporting local businesses:** BT Local Business is a network of 47 independent local businesses spread across England, Wales and Scotland that are licensed to sell BT products and services. Each BT Local Business (BTLB) is itself a small business, so they understand the specific needs and issues faced by other small businesses in the area.
- **Driving connectivity:** BT has the largest wi-fi estate in the UK and it is growing daily. Access has now been provided to over 2million FON and BT Openzone hotspots in various locations such as high street chains, hotels, transport hubs, residential and commercial sites.

## 5.6 Northern Ireland

### Northern Ireland key points

- BT employs 2,430 people in Northern Ireland.
- The total income of BT employees working in Northern Ireland is £72m.
- BT spent a total of £66 million with suppliers based in Northern Ireland and providing Northern Ireland based services during 2009/10 financial year.
- Including direct and knock-on effects, BT supports 4,800 FTE jobs in Northern Ireland with a total value of £806 million in 2009/10 which will be recognised in official GDP figures.
- In employment terms, BT's impact is equivalent to Northern Ireland's entire Estate Agency Industry.
- GVA associated with these total BT impacts is £214 million in 2009/10. This accounts for some 1% of Northern Ireland's total GVA.



## 5.6.1 Northern Ireland Impact

### 5.6.1.1 Direct Impact

BT directly employs a total of 2,311 people in Northern Ireland, with a further 119 employed as contractors. This gives a direct total of 2,430 employees. The total wages and salaries across these direct employees is £72 million per annum.

Around 80% of BT employees in Northern Ireland work flexibly in some way. This includes 102 registered BT Homeworkers (4% of the direct Northern Ireland workforce). BT believe that allowing people more time to work in their local areas enlivens local communities by keeping people active in supporting local businesses and in volunteer work in, for example, local schools and hospitals.

### 5.6.1.2 Procurement Impact

BT spent a total of £66 million with suppliers based in Northern Ireland and providing Northern Ireland based services in 2009/10. In turn, this supports employment and income in BT's immediate supplier industries, and their subsequent suppliers in turn to meet this derived demand.

Within this total, the key supply industries include telecoms equipment, business services and other computer & IT services. Figure 5.6.1 summarises the top suppliers in Northern Ireland by value.

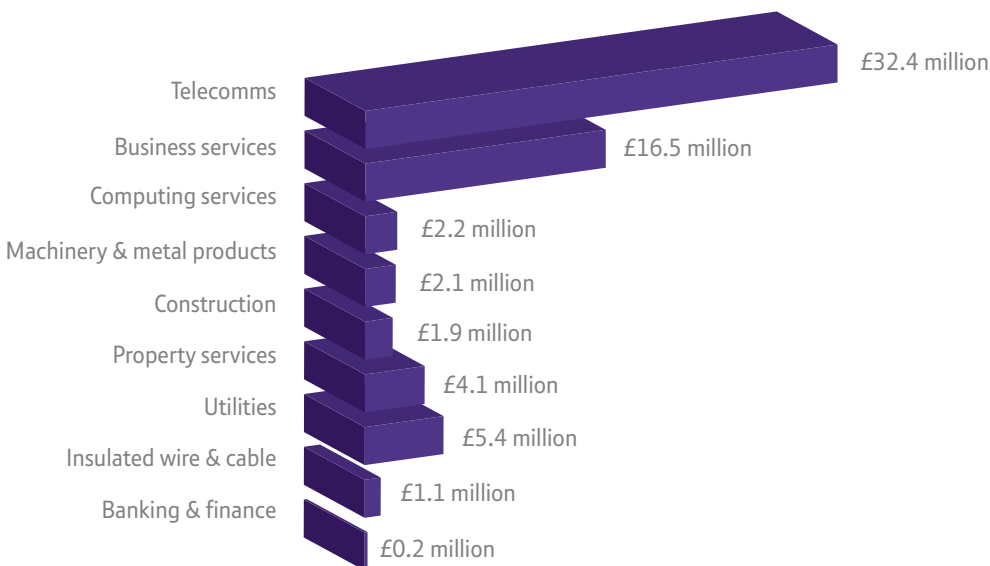


Figure 5.6.1 – Top Supplier Sectors by Value of Expenditure

Figure 5.6.2 summarises the annual indirect impacts generated by BT procurement expenditure with immediate suppliers and their subsequent suppliers based in Northern Ireland.

<b>Indirect (supply chain) impacts</b>	<b>Value</b>
Employment supported amongst suppliers	1,200 FTEs
Output generated amongst suppliers	£100 million
GVA (Gross Value Added) generated	£54 million
Income of supply chain employees	£30 million

**Figure 5.6.2 – Summary of Indirect Impacts in Northern Ireland**

### 5.6.1.3 Impact of Employee Expenditure

BT employees and contractors based in Northern Ireland earned £72 million in 200/10. In turn, their expenditure supports further employment and output in consumer industries in Northern Ireland. Figure 5.6.3 illustrates the wider induced employment and output supported through this employee expenditure.

<b>Induced (wage expenditure) impacts</b>	<b>Value</b>
Employment supported in consumer industries	1,200 FTEs
Output generated amongst consumer industries	£100 million
GVA (Gross Value Added) generated	£50 million
Income of supported employees	£25 million

**Figure 5.6.3 – Summary of Induced Impacts in Northern Ireland**

### 5.6.1.4 Total Impact in Northern Ireland

Combining BT's direct impact and employment with the indirect supply chain impact and induced wage expenditure impact gives the total impact of BT operations in Northern Ireland. This is summarised in Figure 5.6.4:

<b>Impact type</b>	<b>Indicator</b>			
	<b>Employment</b>	<b>Output £ million</b>	<b>GVA £ million</b>	<b>Income £ million</b>
Direct	2,430	£604	£108	£72
Indirect	1,200	£100	£54	£30
Induced	1,200	£100	£50	£25
<b>Total</b>	<b>4,800</b>	<b>£800</b>	<b>£212</b>	<b>£130</b>

Note: totals may not sum due to rounding of modelling indirect and induced impacts.

**Figure 5.6.4 – Summary of Total Operating Impacts in Northern Ireland**

## 5.6.2 Sub-National Impact

Key statistics for selected cities and towns within Northern Ireland are presented in Figure 5.6.5 below:

Location	Direct employment*		Total impacts		
	Work in area	Resident in area	Employment	Output £ million	GVA £ million
Belfast	1,229	590	2,300	£401	£105
Enniskillen	288	240	400	£82	£18
Londonderry	159	147	250	£49	£12
Portadown	132	<100	200	£38	£8

\* direct employment includes contractors

Note: financial impacts are rounded to the nearest £ million and employment to the nearest 50, thus may not sum to regional total.

Figure 5.6.5 – Summary of Sub National Impacts in Northern Ireland

## 5.6.3 Wider Impacts

The earlier analysis highlighted the importance of BT to the Northern Ireland economy in terms of employment and procurement. BT provides significant support in the areas of business, local communities, non-profit organisations through direct funding and/or the provision of in-kind contributions.

- BT commits a minimum of 1 percent of pre-tax profits to activities that support society. In the financial year 2009/2010 this amounted to a total of £895,750 in Northern Ireland comprising of time, cash and in-kind contributions in the community.
- BT's social programmes are focused to maximise its positive impact on society by working with key external stakeholders, such as central and local government and not-for-profit organisations. The Betterworld Campaign gives young people in the UK and around the world the skills they need to succeed in life, to improve their world and also to increase their communication and ICT skills. BT's Northern Ireland community investment includes its own bespoke programme, as well as a share of BT's UK wide initiatives.
- BT delivers programmes in Northern Ireland designed specifically for local communities that take into account education, political and cultural differences. Much of this activity is focused on education, skills, and social and digital inclusion as well as climate change. In Northern Ireland 34 schools entered the BT Young Scientist & Technology Exhibition, the largest and longest running event of its kind in Europe, which BT organises and sponsors. Over 100 BT employees are involved in the staging of the annual event.

## Case Study: BTYSTE

The BT Young Scientist and Technology Exhibition (BTYSTE) sees over 100 BT volunteers help manage and run the event each January. Affectionately known as the BT Red Coats, the team contribute more than 4000 hours in volunteering over the 5 days of the event. Volunteers are also active from May through to October visiting local schools in their community to present on BTYSTE, encouraging them to enter and talking about their own careers at BT. In addition, BT has a dedicated team at work on the event for 12 months who work closely with one of the original founders Dr Tony Scott and with a wide range of stakeholders from judges, media, and schools to key partners, chiefly both of the Departments of Education in Rol and NI and of course major exhibitors.



*BT 'Redcoats' at the BTYSE.*

- BT's contribution to charitable causes includes provision of a wide range of communication tools for telethons such as Comic Relief and Children in Need. BT's support through a number of Telethons helped £150 million in the 2009/10 financial year, Children In Need raised £39 million and Sport Relief £40.6 million.
- BT's digital inclusion campaign demonstrates how communications can help improve society. Partnerships with organisations such as Age NI, Action MS and Disability Action have helped people from all over Northern Ireland gain access to the internet and learn basic IT skills and BT Volunteers have helped deliver these programmes.
- As part of the BT Community Connections project local communities in Northern Ireland were awarded 42 multi media internet ready PCs with a value of almost £30,000 during 2009/10.
- BT is committed to reducing carbon emissions and minimising the impact on the environment of its operations globally. In particular, BT contributes to initiatives that seek to address climate change. BT in Northern Ireland is actively involved in environmental education and awareness programmes with schools, in partnership with The National Trust and with Tidy NI through the Eco-Schools programme. BT in Northern Ireland is currently ranked first in its sector for environmental management and performance in the Business in the Community NI Arena Network Environmental Benchmarking Survey. During 2009/10 BT launched a range of environmentally friendly home communications products to help our customers reduce their energy usage.
- BT's ongoing strategy is to enable more BT people to get involved in helping the communities in which they live and work and during 2009/10 14 employees in Northern Ireland who do voluntary work in their own time received BT Community Champions Awards with a value of over £5,000. 27% of BT employees volunteered in some way to support a range of BT initiatives aimed at helping local communities and voluntary organisations, with over 1,000 days spent volunteering. 17 employees are registered as school governors.

### Case Study: Garret Kavanagh

As part of the Business in the Community (BiTC) Building on Talent scheme Gareth Kavanagh ran a project in conjunction with the Cedar Foundation to produce a video to highlight the impact of Brain injury and the support that the Cedar Foundation offer. Garret said ' It was a chance for me to step outside of my comfort zone to try something in the voluntary sector and lead a project I would never likely have come across in BT. Working with the Cedar Foundation I was able to identify their requirements and ultimately decide we needed specialist skills. Using the local BiTC network I engaged the support of Belfast Metropolitan College who had the expertise and equipment to make the project a success.'

A professional video highlighting the brilliant work that the Cedar foundation does was produced and a number of case study videos that are now available via the website. Garret commented ' When I look back I am delighted with the results and that I was given to opportunity to take part.'

- BT's corporate responsibility approach has been widely recognised through a number of regional, national and global awards. In June 2009 BT was named Responsible Company of the Year by Business in the Community (BiTC) NI for its commitment to Corporate Responsibility. In May 2009 BT received 'platinum plus recognition' from BiTC for its impact on society.
- The use of broadband to access the internet has expanded considerably and Northern Ireland has one of the most advanced communications infrastructures in the world and in 2006 became the first region outside London to achieve 100% broadband availability, following a partnership with the Department of Enterprise, Trade and Investment and EU programme for Prosperity.
- BT's investment in the DETI Next Generation Broadband Project is in addition to BT's existing commercial investment plans for Northern Ireland. BT continues to invest in response to market demand in a range of broadband access technologies and options in the region. Increased access speeds will be available over the existing copper infrastructure, a mix of copper and fibre. This mixed economy model includes an extensive footprint of higher speed Ethernet and ADSL 2 + providing download speeds up to 24Mbps. From early 2010, substantial numbers of customers in Northern Ireland have had access to fibre-based, super-fast broadband via BT's network. BT Wholesale is deploying fibre to the cabinet (FTTC) technology at exchanges in Northern Ireland. This is bringing speeds of up to 40 Mb/s – and potentially 60 Mb/s – to Balmoral, Bangor, Newtownards and Lisburn - the first exchanges to benefit from this initial deployment.

In December 2009, the Department of Enterprise, Trade and Investment announced its visionary Next Generation Broadband Project, a £48m investment in communications infrastructure that will ensure that 85% of businesses will have access to next generation broadband speeds by 2011. BT is investing close to £30million in the project, with a further £16.5 million coming from the Department of Enterprise Trade and Investment (DETI), under the European Regional Development Fund's (ERDF) European Sustainable Competitiveness Programme and £1.5 million from the Department of Agriculture and Rural Development (DARD), under the European Agricultural Fund for Rural Development (EAFRD) Rural Development Programme.

Under the project fibre to the cabinet technology will be deployed to the majority of businesses, with other fixed line solutions being used where appropriate. The tender specified that businesses in urban areas should receive a minimum downstream speed of 10Mb/s and businesses in rural areas 2Mb/s. This will be delivered with many businesses set to receive speeds well in excess of those benchmarks.

- BT provides high speed wireless broadband access at over 2 million hotspots including coverage across 12 major UK city centres. In Northern Ireland this includes a total of around 15,000 residential hotspots provided by BT FON and independent commercial hotspots provided by BT Openzone via the Business Hub.

### Research and Development

- As an innovative company and industry leader BT invested £1.1 billion in Research and Development, much of it with external companies in the communications development market. The bulk of this expenditure was focused on BT's advanced research and technology division at Adastral Park, Martlesham, which also has a satellite Global Development Centre with 220 employees in Belfast. BT has also sponsored research with Northern Ireland based universities and companies.

Further information about BT in Northern Ireland can be found at [www.bt.com/btregions](http://www.bt.com/btregions)



*Ian Livingston, CEO, BT Group and Arlene Foster, Minister of Enterprise, Trade & Investment at the launch.*



Bringing it all together

### Offices Worldwide

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