

**2023 ISPA Annual General Meeting
Chairman's Report**

Introduction

It gives me great pleasure to welcome you all to the 2023 ISPA AGM in my first year as Chair of ISPA. I am pleased to report that ISPA has continued its role as the voice of the UK internet sector, providing support to members, promoting the industry's interests to policymakers and showcasing the sector at a critical time for our industry.

We are proud to represent the full breadth of the industry through our 160 members, covering the full internet access ecosystem that includes communications providers that serve consumers and businesses, those that build their own networks and those that resell the infrastructure and services of others to end users. As ever, ISPA has looked to represent the sector as a whole, as well as providing support to the wider sector and members that do not have their own regulatory and policy teams.

It has been another significant twelve months for the sector. Thanks to the efforts of ISPA members gigabit-capable broadband is now available to half the UK, with a vibrant mix of ISPs providing critical and reliable services to consumers and businesses. I am particularly proud to see how members have worked to help customers during the past twelve months, from social tariffs to tailored support. This is particularly important as members have not been immune from the difficult economic headwinds we are facing, with a more challenging economic environment making the investment case more difficult and impacting customers. As ever, our sector does not stand still and there are a number of big strategic programmes and changes coming in that will impact members, customers and the UK as a whole - from One Touch Switch to switch off the PSTN to one day moving to all-IP - that ISPA is engaged in. This is against the backdrop of great political uncertainty, with four Prime Ministers in the past four years, and as we plan for a General Election in 2024.

My priorities

Working with my fellow Council members, I have identified four priorities for my chairmanship. Watch this space as ISPA develops actions and activities around these areas. As ever, I welcome feedback and input from members to deliver these.

1. Support members with policy and regulatory compliance - we will continue doing what ISPA is best known for: supporting members with an ever-changing regulatory and political environment.
2. Forward looking and agenda setting - building on the core day-to-day policy and regulatory support, to be more agenda-setting, shaping what the future looks like for the industry from government, regulatory and market perspectives.
3. Customer Market Education - setting the agenda by talking more about industry trends and changes (value of fibre, consolidation, digital economy), how industry is helping customers and the UK (investment, digital inclusion) and technology - tapping into members' expertise and knowledge.
4. Technology - We look to harness the significant technical resource within the membership to inform our policy work, events and member engagement.

Membership

2022 was a solid but quieter year for membership, with fewer members added and less churn than recent years. Eleven new members joined, with five lost, making a net increase of six. This contrasts with 2021 where we saw a net increase of twelve new members, with twenty-six new members added. This year

has yet to see the significant M&A activity expected through market consolidation – with a few notable exceptions- but we remain prepared for bigger changes in 2024. Our sector is large and competitive enough to maintain several trade associations. I am pleased that since 1995, ISPA has been able to adapt to industry shifts and remains the leading broad internet trade association. As we enter a period of predicted consolidation within industry, ISPA is well placed to manage this and continue as a key representative voice.

Finance

For the fifth successive year, ISPA made a surplus thanks to a 12.5% increase in member fee revenue, and through the financial policy put in place in 2018. A surplus of £21,055 was posted in 2022, up from £8,628 in 2021. Further details are contained in the financial report and accounts shared with members for the AGM.

The established financial policy continues to deliver modest surpluses. The arrangement is based on capping the fee paid to Clarity, the company that provides secretariat services to ISPA and is overseen by ISPA Council, based on a percentage of the membership fees collected from the previous year. In addition, ISPA receives an annual licence fee of £30,000 from Clarity to run an events programme at no risk to ISPA. This successful policy gives ISPA stability and an active events programme.

Membership fees, which are based on turnover of member companies, were raised by a less than inflationary 5% in 2022, with a long-standing early payment discount still in operation to encourage prompt payment and offset the rise.

Secretariat

It was with recording that the consultancy that has provided secretariat services to ISPA for many years – Political Intelligence UK – was acquired by a marketing and communications consultancy, Clarity Global, in 2022. The same team remains in place, but ISPA now has more services and skill sets available to it across marketing, communications and digital. Council and myself were kept informed of developments and are supportive of this change.

Council

ISPA is governed by a management committee elected from the membership that provides overall strategic oversight on finances, policy, membership and strategy. ISPA Council relies on the skills and insight from a strong and diverse group of industry figures, including those with legal, policy, technical and operational expertise. Meeting throughout the year, and supported by the Secretariat, I would like to thank my fellow Council members for their support and input into ISPA over the past 12 months.

The past twelve months saw some long-standing Council members stand down, including treasurer Ali Law (Sky) and former Chair, Andrew Glover (Air Broadband). Andrew remains as an adviser to Council as our representative on the TOTSCo board. This year's AGM sees several vacancies on Council following the completion of members' two-year terms of office and two Council members co-opted in the past year are required to stand at the AGM. I am pleased to welcome the following new and returning council members:

1. Sinead Coogan-Jobes* – Sky
2. Jacquie Mellor – VMO2
3. Georgina Rudak – Trenches Law
4. Gemma Whiteley – Verizon
5. Mick Everett – Blue Spider
6. Will Black* – BT
7. Emma Shearer* – CityFibre

8. Ben Stone* – Gigaclear

*New or co-opted in the past twelve months.

With as many candidates as vacancies, there is no need for an election at the AGM. Welcome to new and returning council members.

Engaging with members

One of ISPA's main aims is to bring members together and allow for debate, discussion and collaboration. 2022 was the first year since the pandemic largely unaffected by lockdown restrictions and ISPA was pleased to be able to hold three large in-person events, as well as a range of webinars across the year. ISPA once again held the Parliament & Internet Conference to bring together members with parliamentarians, government officials, NGOs and the media to discuss pressing policy issues. The Business Summit featured a packed agenda on market issues, with more than 150 in attendance. ISPA's biggest event, the ISPA Awards, crowned a successful year with close to 400 guests celebrating the best and brightest industry has to offer. Online events have become a regular and established part of ISPA's event programme. A series of webinars brought members and partners together on key topics such as take up and customer satisfaction.

In addition to events, we aim to provide opportunities for members to engage with ISPA in various formats. Regular working group meetings bring together dozens of members to debate and set ISPA policy with fellow members. While regular online meetings are here to stay and make it easier for members to join and increase ISPA's membership engagement, we have reintroduced a face-to-face regular policy meeting. Introduced last year, a monthly all-member call to inform members of regulatory and industry developments at a high level.

Policy

Policy is at the core of ISPA's work and we have continued our active policy agenda across working groups and issues. As ever, we focus on areas where there is common ground and consensus across the membership, with working groups on broadband, online harms and cyber security taking forward ISPA's work. The groups provide a platform for government, regulators and others to speak to and learn from members and help set the policy agenda in our core areas. I would encourage members to actively engage in subgroup activity, which is now easier than ever as meetings are held remotely. Our focus remains on bringing members together on shared interests and concerns and providing an industry voice on a wide variety of priorities.

At a time of an increased regulatory burden, and with a general election expected by the autumn of 2024, ISPA's priorities have included:

- Representing members on One Touch Switch as board members of TOTSCo – having helped establish TOTSCo, ISPA has continued to represent members as part of the small retail provider constituency, working to ensure all parts of our membership are able to meet the new switching requirements and are kept informed.
- Tackling barriers to broadband rollout – an issue that unites members, ISPA continues to push to make the rollout of networks quicker and easier. From helping with implementation of new regulations through the PSTIA and TILP to working with the DfT on flexipermits.
- Social tariffs, affordability and cost of living – at a time of rising inflation and stresses on household budgets, we have been encouraging members to offer a social tariff worked with government to make it easier for members to do so, as well as representing the sector in the media.

- Fraud – as government worked on a long-awaited fraud strategy, we have worked closely with government to set out the hard work of the sector to combat and mitigate fraud.
- Online Safety Bill – ISPA has been working closely with government and parliament over the parts of the Bill that affects members – such as ISP blocking – as the Bill moves through parliamentary scrutiny.
- GigaTAG – with take up of gigabit broadband a critical issue, we sat on the expert advisory group, GigaTAG, that published a series of policy recommendations to boost take up.
- Investment – to help inform the growing debate and concern around broadband investment, we interviewed a range of fibre broadband investors and published a report on the findings.
- Net Neutrality – as the regulator looks again at its rules and consults widely, ISPA is providing an industry wide view, arguing for greater flexibility.
- Working with the Home Office to make new powers around the Computer Misuse Act workable.
- Responding to a busy legislative agenda, with several bills progressing through Parliament of some relevance to members, from the Data Protection and Digital Information Bill, which is updating the UK's data laws post Brexit, to the Digital Markets and Competition Bill seeking to give more powers to competition authorities to tackle the largest tech platforms.
- Broadening our engagement with political parties, including the Labour opposition.
- Regular parliamentary engagement, including several appearances at a select committee witness.

EuroISPA

ISPA continues to represent members at European-level discussions and feed back insight and information sharing from Brussels. This year ISPA has taken on a co-chair role of the Markets & Services Committee, the group that brings together European associations on broadband and market issues.

Member benefits

In addition to events, we continue to offer members free ADR membership, as well discounts to third party benefits.

I would like to thank all members for their continued support of ISPA over the last year and look forward to another eventful year ahead.