The Rt Hon John Healey MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

September 2026

Dear Chancellor,

HM Treasury Autumn Budget Submission: Unlocking Growth by Mobilising Britain

Ahead of the upcoming Budget, Mobile UK—representing the UK's four mobile network operators: BT/EE, Virgin Media O2, and VodafoneThree—welcomes the Government's commitment to accelerating national infrastructure investment. As HM Treasury prepares its fiscal plans, we believe digital connectivity must be treated as a strategic priority to realise your mission of securing long-term economic growth across every postcode.

The UK has reached a **pivotal moment**. Digital connectivity is no longer a commercial convenience; it is critical national infrastructure that serves as the invisible thread uniting businesses, public services, and communities. Yet, while the UK performs strongly on affordability, it continues to lag behind international peers on network performance, speed, and advanced mobile coverage. Without decisive action in this Budget, we risk compounding this connectivity deficit at the very moment our economy needs a catalyst for productivity.

Through our national campaign, **Mobilise Britain**, Mobile UK has set out a clear vision for how government and industry can partner to build world-class digital foundations. The mobile sector acts as a powerful economic multiplier: our analysis demonstrates that for every £1 invested by mobile network operators, £5 is generated in the wider UK economy. Beyond direct economic output, mobile connectivity underpins digital inclusivity, drives cross-sector innovation, enhances public safety, and ensures more reliable access to vital public services such as healthcare, education, and banking. Crucially, mobile infrastructure offers an exceptionally rapid route to regional growth, delivering tangible benefits across broad geographic areas far faster than traditional infrastructure projects.

Realising this ambition, however, requires removing persistent structural barriers that dampen private sector investment:

- **Relief from Escalating Energy Costs:** Mobile networks are highly energy-intensive critical assets, consuming nearly 1 TWh of electricity annually. Despite network power costs soaring by roughly 70% in recent years, mobile operators remain excluded from energy support mechanisms provided to other energy-intensive sectors (such as the British Industrial Competitiveness Scheme). Escalating power bills and non-commodity energy charges directly constrain capital that would otherwise be deployed into expanding network coverage and resilience. The Treasury should introduce appropriate energy support mechanisms or levy relief that recognise mobile networks as essential national infrastructure.
- **Spectrum Licence Fee Reform:** Reducing annual spectrum licence fees represents an immediate, cost-effective lever to free up private capital for reinvestment. Allocating these savings toward commercially challenging locations would mirror successful targeted interventions, such as the Scottish Government's £29 million commitment, where equivalent UK-wide support is currently absent.
- **Enabling Investment Frameworks:** Creating a supportive fiscal framework will ensure the

mobile industry can deliver on its potential as a key partner in achieving our shared ambitions for the UK. In parallel, the Government must use its ongoing Mobile Market Review to establish an enabling policy landscape—paired with essential planning reforms and modernised net neutrality rules—that reduces rollout friction and restores commercial investment returns.

Public and private investment must work in lockstep. While our members continue to invest billions annually, strategic public funding is essential to reach uneconomic rural communities and vital road and rail corridors where a commercial case cannot stand alone.

This Budget provides the opportunity to back the mobile sector, cut unnecessary operational burdens, and formally mobilise Britain. We would welcome the opportunity to meet with you and the Treasury ministerial team to discuss these proposals in detail.

Yours sincerely

Hamish MacLeod
Chief Executive
Mobile UK