

KCOM

THE POWER IS ALL YOURS

Mid-year update 2024/25



November 28th 2024 marks 120 years to the day since the Hull Corporation Telephone Department opened its first telephone exchange, paving the way for increased connectivity in the region and the KCOM that exists today.

In the decades since, KCOM has grown and evolved into Hull and East Yorkshire's leading internet provider. In 2024, KCOM retains the pioneering spirit that put it at the forefront of delivering fast, secure and reliable connectivity to the region.

The six months to 30th September 2024 have seen steady progress for KCOM. Set against a backdrop of continuing economic uncertainty and changing market conditions, efforts have focused on consolidation within its existing footprint and innovating for customers.

KCOM's strategy is underpinned by customer growth and service innovation on our path to becoming a full fibre company. We obsess about our customers and work hard every day to provide the best service and online experience in the market. We empower our customers and communities to do more with their connectivity and this makes Hull and East Yorkshire a thriving place to live, work and play.

The Consumer and Enterprise divisions created last year have been forging ahead to drive retail, business and wholesale growth across Hull, East Yorkshire and North Lincolnshire. This report provides an overview of key activity.

KCOM's work has also been recognised by the industry-leading ISPA Awards. KCOM won in the Best Sustainability category and was short-listed in the Best Consumer ISP, Best Enterprise, Best Digital Inclusion and Diversity, Equality and Inclusion categories.

With 2024 being a year of celebration of heritage while also looking to the future, the next 12 months represent an opportunity for the business to innovate further and deliver exceptional customer service and experience. KCOM remains true to its pioneering routes, looking to build on commercial success while supporting the communities it serves.



A Milestone Year



KCOM is celebrating its milestone 120th anniversary in 2024, making it one of the oldest telecommunications companies in the world. Despite the changing times, KCOM has remained at the heart of the community it serves.

To mark the business's 120 anniversary, we have engaged in a series of fundraising activities for our three official charities of the year – Hull & East Yorkshire Children's University, Hull and East Yorkshire Mind and Age UK Hull & East Yorkshire.



Events have included a 120km sponsored walk, a sponsored cycle, promotional match day events with Hull City, which is also celebrating its 120th anniversary, and 10km run. We have also hosted a birthday party for children from eight local primary schools, celebrating KCOM's history and heritage with our region's next generation of pioneers.

Network Consolidation

In 2024, as a response to the changing economic landscape, KCOM is focussing its efforts on customer growth and innovating within its existing footprint, while pausing network expansion activity. More than 305,000 premises are now covered by KCOM's network which straddles the Humber estuary across both East Yorkshire and North Lincolnshire. Recent expansion connected 24 more towns and villages to our network.

The One Network migration programme, upgrading legacy copper wires to full fibre VOIP, continues. More than 40 per cent of copper voice customers have been migrated to fibre voice services so far, with particular care given to vulnerable customers in the region. KCOM has worked closely with the Government and Ofcom to ensure the migration to fibre works for everyone.

There has been continued investment to upgrade and future-proof the network, including progress towards rolling out next generation XGS-PON enabled technology. This will allow symmetrical upload and download speeds of up to 10Gbps.



KCOM Enterprise

The newly created Enterprise division has made major strides so far this year, securing major public sector contracts and partnerships with substantial wholesale and business operators.

In November, KCOM announced a wholesale agreement with the Telecom Acquisitions Limited (TAL) to drive connectivity to KCOM's full fibre network, increasing the dynamism of the region's broadband market through wholesale access. TAL's Eclipse Broadband is now able to market and support solutions on the expanded KCOM network in parts of East Yorkshire and North Lincolnshire.

KCOM continues to underpin the region's public services, recently winning contracts as the partner of choice for Hull City Council, East Riding of Yorkshire Council, Humber Fire and Rescue, and Hull University Teaching Hospitals.

The latest phase of KCOM partnership with East Riding of Yorkshire Council (EYRC) to deliver public Wi-Fi has been successfully completed. Part of EYRC's 'Smart County' programme, the service will improve internet access for residents, businesses and visitors.

A first wave trial of infrastructure sharing (PIA) in Hull now successfully underway, working towards a long-term product offering that is right for residents and the region.

The Enterprise division has continued to simplify and improve its service portfolio for business through a series of initiatives. This has included developing a 24/7 service wrap for its customers to give them the best possible care.

Our relationships with our wholesale and business partners remain of paramount importance to us and we continue to focus on working closely with them; innovating and developing solutions that support delivery of their strategies.

The business has also invested in recruitment, training and upskilling for its sales and customer-facing teams, resulting in a significant uplift in the business's ability to deliver an exceptional customer service.

KCOM Consumer

The newly created Consumer division is constantly improving its customer offering and has recently announced collaborations with national and international brands.

KCOM offers one of the most trusted customer experience in the industry, backed by its positive Trustpilot and tNPS scores in comparison to other leading and established telecoms providers.

May saw the launch of the new “The Power is all yours” brand campaign, promoting KCOM’s fast, secure and resilient network. This commitment to delivering seamless, reliable connectivity is KCOM’s major differentiator setting it apart from competitors.

In November, KCOM Consumer announced a collaboration with global brand eero, an Amazon company, to provide its devices to customers. The



collaboration will enhance the in-home broadband experience for customers on KCOM’s network, offering more personalisation, prioritisation and protection for their online lives.

A constant focus across the customer care teams this year has been on training and delivering a quality service, reducing waiting times and helping to provide a single visit problem resolution.

In September, KCOM took part in National Customer Service Week. As members of the Institute of Customer Service (ICS), the business used the event to highlight key themes such as customer loyalty, leadership, and recognition, with activities aimed at raising awareness and enhancing service culture at KCOM.



Group services

Progress has been made on key programmes within our Group Services team within the past six months.

During the summer, the Finance team successfully completed the re-financing of the business, extending our banking facility for another two years. The business has also successfully brought procurement back in house, realising improved ways of working and greater value for money.

The Regulatory team has continued to work with Ofcom and the Department for Science, Innovation and Technology (DSIT) on key issues, particularly the Public Switched Telephone Network (PSTN) switchover. KCOM signed a new charter of commitment to safeguard Critical National Infrastructure assets in addition to its work to protect vulnerable customers during migration from copper to fibre.

Sustainable Future

Sustainability is embedded into KCOM's strategy and the business is committed to being a great place to work that's dedicated to its community and the environment.

Environment

As part of a commitment to become a Net Zero business by 2040, in the first half of the year KCOM has focussed activities on reducing energy consumption within its operations. Recent investment includes improved vehicle telematics systems, which will enable more efficient operation of the current fleet and also assist with increasing the number of electric vehicles in the fleet.



KCOM has also continued with the implementation of energy efficiency plans which have reduced consumption of purchased electricity by 5% compared to FY23. Activities have included the migration of services from less efficient legacy platforms, upgrades to heating, ventilation and air-conditioning (HVAC) systems, as well as more efficient utilisation of company premises. The business has also participated in phase 4 of the UK government Energy Savings Opportunities Scheme (ESOS).

In the latest submission, KCOM achieved a GRESB (Global Real Estate Sustainability Benchmark) Assessment score of 85, in line with the industry average of 86. The business continually reviews and seeks to improve all elements of its performance against this framework. GRESB is an organisation that rates and benchmarks real estate portfolios, infrastructure funds, and assets based on environmental, social, and governance (ESG) data.

Community

In the past six months, KCOM's engagement team has continued to deliver strong support for local charities and groups helping to empower communities and support all aspects of digital inclusion across our region.

This has been delivered through financial support in the form of community and digital grants, corporate sponsorship of major cultural events and also through KCOM employee volunteering hours and support in kind.



Community Grants remain the cornerstone of KCOM's support for local charities. This year, in addition to these Community Grants, new Digital Grants were also launched specifically designed to help communities adversely affected by digital exclusion. The first round of Digital Grants distributed more than £30,000 in funding.

Between April and September, KCOM employees donated a total of 500 volunteering hours to local community groups.

The Learning Zone, situated in KCOM's Carr Lane offices, welcomed 800 children and young people via partnerships with groups such as Hull & East Riding Children's University.

Customer Champions also delivered 12 IT Drop-in Sessions in our Learning Zone to help older people thrive in a digital world.

As part of KCOM's Official Community Partner status with Hull City AFC, more than 500 tickets were given away for Hull City matches to local schools, colleges, charities, and community organisations.

KCOM employees have delivered numerous workshops and talks within schools and colleges helping to broaden horizons and encourage students to consider a career in STEM. The business was represented at Humber STEM Day, providing an educational activity for 200 students based around digital inclusion, and at Women into Manufacturing and Engineering (WiME) events, encouraging more women to follow careers in engineering, tech and digital sectors.

With the cost of living crisis, KCOM continues to promote and encourage sign up for its well-subscribed Flex package, a social tariff that gives full fibre connectivity to those households eligible for support.



Colleagues

For employees, the past six months have seen a variety of inclusion and engagement activities including a series of 'Fireside Chats' giving insights into diverse lives and experiences. These chats have included talks on Women in the Workplace, Neurodiversity and promoting Black voices within the business.

The Inclusion Team goes from strength to strength, holding themed weeks and events to reflect the diverse nature of KCOM employees and to make everyone feel welcome within the business.

