

## Rural Digital Connectivity Working Group - Update

### Purpose of report

For direction.

### Summary

This paper updates members on the work of the Rural Digital Connectivity Working Group (the Group), summarises the current national digital connectivity policy context, and sets out for the Board's approval the priority areas the Group will focus on over the coming political cycle.

### Recommendations

Members are invited to:

1. **Note** the activity of the Group to date (paragraphs 3-18);
2. **Consider and comment** on the content of the proposed 'councillors digital connectivity handbook' (paragraphs 19-21);
3. **Consider and comment** on the areas the Group plans to focus on over the coming political cycle as outlined in (paragraphs 22-23).

### Action

- Officers will use members' comments to steer the focus of the Group

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## **Rural Digital Connectivity Working Group - Update**

### **Background**

1. The People and Places Board has helped establish local government as a credible and respected voice in the field of digital connectivity. To build on this position and advance their priorities in this area, the Board created the Rural Digital Connectivity Working Group, to deliver the Board's digital connectivity agenda. The Group is comprised of members of the People and Places Board (see Appendix A for full membership) and supported by officers from the Association of Directors of Environment, Economy, Planning and Transport (ADEPT).
2. This paper updates Members on the work of the Group, summarises the current national digital connectivity policy context, and sets out for the Board's approval the priority areas the Group will focus on over the coming political cycle.

### **National Policy Context and the Group's activity to date**

#### Future Telecoms Infrastructure Review

3. In July 2018 the Government concluded a [Future Telecoms Infrastructure Review](#) (FTIR) representing its most recent refresh of national digital infrastructure policy. Key recommendations and announcements made in the review and of interest to the Board include:
  - 3.1. The Government will determine the longer-term options for funding rural connectivity as part of the forthcoming Spending Review process.
  - 3.2. The Government plans for 15 million full fibre connections by 2025 and nationwide coverage by 2033.
  - 3.3. The Government will consult on new legislation to ensure full fibre connections to new build developments.
  - 3.4. The Government will pursue an 'outside in' strategy to prioritise the deployment of full fibre to the most difficult to reach premises.
  - 3.5. The Government and Ofcom will consider further how their future ambitions for fibre deployment can complement existing programmes including the roll out of the broadband Universal Service Obligation (USO) from 2020 to maximise investment in full fibre.
4. The FTIR contains many positives for local government including a win for the LGA on connectivity to new builds, as discussed later in this paper. Whilst it is welcome that Government has also put a timeline on achieving 100 per cent future-proofed full fibre connectivity across the country, there is no escaping the fact that a deadline 15 years away is far from ambitious and could easily be changed or even abandoned by a future government. Most important for local government will be how much public investment the Government is willing to commit to funding this ambition which it estimated would cost in

the region of £30 billion. The expected Spending Review is a key opportunity to influence thinking and gauge national interest. At present the Government has made clear its expectation that the majority of investment will come from the private sector, which could have implications for roll out in rural areas where the business case for extending connectivity is weaker for providers.<sup>1</sup>

### Broadband

5. Councils have strongly supported the extension of access to fast and reliable connectivity through the Superfast Broadband Programme. In January 2018 the Government announced 95 per cent of premises now have access to superfast broadband.
6. For the remaining areas, the new Broadband Universal Service Obligation (USO) will give residents and businesses the right to request a 10Mbps download and 1Mbps upload connection, up to a cost threshold of £3,400. Around 860,000 UK premises (3 per cent) cannot get broadband with these speeds.
7. Eight broadband providers initially registered their interest to provide the USO. BT were the only provider to register an interest to deliver the USO across the country (rather than regionally or locally). After undergoing an assessment process, Ofcom have chosen BT to supply the USO nationally with KCOM (a local provider) supplying the Hull City Region.
8. In anticipation of this result, the working group recently invited a senior executive from Openreach to their meeting to discuss the USO in greater detail. In conversations with the provider it became clear that there remains a lack of clarity from Government and Ofcom on how or when the USO will be implemented. Ofcom have now launched a final consultation on [the implementation of the USO](#), to which the LGA will respond to with oversight of the working group and Board lead members.

### Full fibre connectivity to new builds

9. Recent LGA research in partnership with Thinkbroadband has shown that at present, one in five rural homes built in the last three years is still not connected to superfast broadband. Moreover, one in 10 is unable to achieve the USO minimum speeds. In July 2018, the Board's Post-Brexit England Commission interim report called for legislation to require developers to connect properties to future-proofed digital connectivity.
10. The Government launched a formal consultation on introducing such legislation at the Autumn Budget. It outlined proposals for developers to be able to invoke a "duty to connect" on broadband providers to force them to connect premises to gigabit capable infrastructure should a commercial agreement be unable to be reached via normal routes.
11. As part of the building process, developers will be obliged to submit an iterative 'connectivity plan' to the local planning authority at different stages of a site's

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<sup>1</sup> [Future Telecoms Infrastructure Review](#)

development to “demonstrate it has consulted with at least two network providers to provide gigabit-capable networks” and to “inform local authorities when a site is connected.”

12. In a similar manner to the USO, there will be a maximum cost threshold per premises (which the paper suggests could be £3,000). This would mean if a 10-dwelling development would cost more than £30,000 to connect to gigabit-capable infrastructure, the broadband provider and developer would be allowed to consider cheaper infrastructure such as fibre to the cabinet or fixed wireless.
13. With the oversight of lead members and the working group, the LGA submitted a formal consultation response. It outlined local government’s support of the Government’s plans and detailed several key areas the Government needs to consider in more detail to ensure the policy is as effective as possible. These are:
  - 13.1. Government must ensure that broadband providers connect new build properties in good time to prevent costly delays to build out rate. Our response recommended Government monitor installation timescales over the first year of the proposal and, if necessary, bring broadband providers into line with the standard installation timeframes expected of utilities companies as outlined in recent Government guidance.<sup>2</sup>
  - 13.2. Government should set out the role it would expect the planning authority to play in the case of legal challenge being brought on the developer who has failed to connect a development appropriately. Considering the position of councils at the centre of communities, residents raising a legal challenge against a developer could expect local government to play a more active role in proceedings. As such the sector needs more clarification of its potential position in this circumstance before any policy is implemented.
  - 13.3. We agreed with Government that developers should engage with at least two broadband providers before connecting a development. We also advised that developers establish a conversation with the council responsible for digital infrastructure deployment in the area to explore whether there would be potential to leverage other digital infrastructure deployment programmes locally such as the Government’s Local Full Fibre Networks programme, or any areas where the Universal Service Obligation is being delivered.
  - 13.4. Finally, in a scenario where both the operator and developer cost thresholds are breached, and therefore both parties are allowed to consider a lower standard of connectivity, we outlined that the local council should be approached to help explore whether there is an opportunity to secure funding from a third party. This could prevent public funding having to step in at a later date to expensively retrofit full fibre connectivity to the premises
14. The working group also raised the issue of new build connectivity with Openreach at its last meeting. Members were informed that, as a result of the legalisation, Openreach has

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<sup>2</sup> [Government - Better Connected: A practical guide to utilities for home builders](#)

now discounted the costs of connecting smaller developments by 75 per cent (it currently connects developments above 30 premises for free). This, they felt, will put the onus on developers to cover the increasingly smaller costs of connecting developments to decent connectivity.

15. As policy in relation to new build connectivity develops, officers will explore opportunities for the group to liaise with the Department of Digital Media Culture and Sport on its plans for implementation.

#### Mobile connectivity

16. Many rural areas face challenges in terms of the quality of mobile coverage they receive, the lack of choice of mobile network operator (MNO) locally, and the prevalence of 'not spots.' According to Ofcom's latest figures, only 68 per cent of rural premises can receive an outdoor 4G signal from all operators, which falls to 29 per cent for indoor coverage.<sup>3</sup>
17. During the last political cycle the group spoke with representatives of Ofcom's mobile team to discuss the LGA's response to the regulator's 700Mhz spectrum/improving mobile coverage consultation. At this meeting, they outlined the need for Ofcom to create stronger obligations tied to the purchase of new spectrum to ensure rural mobile coverage was increased across all areas. Following this meeting, the group have asked that representatives from the major mobile operators be invited to discuss their plans to improve rural mobile connectivity at the next meeting.

18. **Members are asked to note the activity of the Group to date.**

#### **Improvement budget**

19. The group has approved the commission of a councillors' handbook on digital connectivity<sup>4</sup> which will be funded by the Government's improvement grant received by the LGA.<sup>5</sup> It will provide a clear and accessible guide to support backbench councillors with limited/developing knowledge in this area who wish to help their communities improve their connectivity. A supplier has been chosen and will draft a guide that will:

- 19.1. provide simple explainers on some of the technologies and terminologies in the digital connectivity policy space;
- 19.2. outline which stakeholders to engage and what actions can be taken to improve local speeds;
- 19.3. detail the avenues available to improve their speeds such as community demand aggregation;

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<sup>3</sup> Ofcom – Connected Nations Report October 2018

<sup>4</sup> You can find examples of other councillor workbooks on [our website](#).

<sup>5</sup> Unlike the Board's policy budget the improvement grant provided by MHCLG cannot be used to develop lobbying positions. Rather it is specifically to fund "a support programme to help local authorities to continue to improve and reform, by building the capacity and capability of the sector to enhance its effectiveness and resilience."

- 19.4. help councillors support communities to weigh up the benefits of improved connectivity and the requirements for new local infrastructure to support it such as a mast, against a desire to maintain local landscapes;
  - 19.5. outline how councillors can help create a local regulatory environment more conducive to rolling out better connectivity – whether through membership of a planning or scrutiny committee, as a portfolio holder or a ward councillor in the community.
20. The Members' Group will be kept updated on the progress of the handbook and will steer a first draft in due course.
- 21. Members are invited to consider and comment on the proposed content of the councillors' digital connectivity handbook.**

#### **The future focus of the Rural Digital Connectivity Working Group**

22. The group's Terms of Reference give it full discretion to determine its remit within the framework of the Board's key priorities on digital connectivity. At the last group meeting these were agreed as:
- 22.1. **Ensuring fast and reliable digital connectivity is provided to new builds** – the LGA has successfully argued for the implementation of legislation to oblige providers to connect all new build premises. However, it is recommended the group continues its focus on the Government's implementation plans and continues to seek opportunities to steer the design and implementation of any measures on behalf of the sector.
  - 22.2. **Continuing to engage with key stakeholders on the proposed roll out of the broadband USO and full fibre to rural areas.** The group's continued engagement with Openreach in particular provides a key opportunity for members to discuss the role local government can play helping providers expand digital connectivity to rural areas. The group will also consider in greater detail how best to inform the Government's upcoming Spending Review.
  - 22.3. **Pushing for ubiquitous 4G** – in light of the Board's ambition for the LGA to push for improved coverage for rural residents, the group has asked to engage with mobile network operators about the efforts they are undertaking to help improve coverage at a local level.
- 23. Members are invited to consider and comment on the areas the group plans to focus on over the coming political cycle.**

#### **Next steps**

24. Members are invited to:
- 24.1. **Note** the activity of the group to date (paragraphs 3-18);

- 24.2. **Consider and comment** on the proposed content of the councillors' digital connectivity handbook as outlined (paragraphs 19-21);
- 24.3. **Consider and comment** on the areas the Members' Group plan to focus on over the coming political cycle (paragraphs 22-23).

**Appendix A**

**Membership of the Rural Digital Connectivity Working Group**

- Cllr Mark Hawthorne, Gloucestershire County Council, Chairman
- Cllr David Thomas, Torbay Council, Conservative
- Cllr Rob Waltham, North Lincolnshire Council, Conservative
- Cllr Tom FitzPatrick, Norfolk County Council, Conservative
- Cllr Leigh Redman, Somerset County Council, Labour
- Cllr Sarah Osborne, Lewes District Council, Liberal Democrat
- Cllr Helen Grant, North Yorkshire County Council, Independent