

## **Broadband, Mobile and the Digital Divide**

### **Purpose**

For discussion and direction.

### **Summary**

This paper provides an update on the LGA's recent activity on digital connectivity.

### **Recommendation**

Members to note update.

### **Action**

Officers to take forward as directed by members.

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## **Broadband, Mobile and the Digital Divide**

### **Introduction**

1. At the last Board, members approved a programme of work that would see the Board pursuing three areas of focus:
  - 1.1. **Providing political leadership and steer as the LGA seeks to influence the drafting of the Digital Economy Bill;**
  - 1.2. **Pursuing a stronger focus on mobile connectivity with the aim of supporting local government to play an impactful role in catalysing improvements to mobile provision in rural areas;**
  - 1.3. **Building on the success of the first phase of the Up to Speed campaign by developing a further a range of online resources to support councils to extend provision to the final 5 per cent**

### **The Digital Economy Bill - Update**

2. The Committee stage of the Digital Economy Bill's passage through the House of Commons began last month. Last week, the Committee scrutinised elements of the Bill itself following a range of amendments submitted from Parliamentarians. Members will find our brief on the Public Bill Committee stage in Appendix A which also outlines amendments, other than our own, which we supported.
3. LGA officers arranged for two amendments to the Bill to be tabled. These were as follows:

#### **Universal Service Obligation**

4. **The Secretary of State must lay before each House of Parliament an annual report about the implementation of the universal service order for all areas pursuant to the provisions of this Act**
  - 4.1. **The annual report must include information on:**
    - 4.1.1 **the number of premises that have been supplied with the minimum download speed as specified in the USO secondary legislation,**
    - 4.1.2 **the number of premises that have been required to cover some of the cost of connection,**
    - 4.1.3 **of the premises in (b) the average cost of connection per premise covered by residents, disaggregated by local authority area,**
    - 4.1.4 **the number of premises that have chosen not to be connected via the universal service order after being provided with an estimate, and the**

**amount of time on average it takes to provide an estimate and connect a premise, disaggregated by local authority area.**

**4.2. The annual report must be laid before each House of Parliament as soon as practicable after 31 March each year.**

5. We believe it is key that Government reports on the success of the broadband USO to allow local authorities to appropriately scrutinise its progress. Despite receiving support from several Committee members, the amendment was taken to a vote and rejected 10 to 8. Officers will still have an opportunity to try to re-table the amendment when the Bill passes through the House of Lords. Ofcom officials have separately confirmed to officers they will now consider how they report on the progress of the Universal Service Obligation in their annual Connected Nations Report.

**Automatic Compensation**

6. **To prevent residents and businesses suffering from long-term broadband outages, the Bill should be amended to include a specific obligation for providers to fix faults with connections within appropriate timescales.**
7. This amendment would see this Bill include a specific obligation for providers to fix faults with connections within appropriate timescales. We would then expect the Government to lay the precise timescale down in secondary legislation. As an example of an appropriate timescale, Ofcom compels Openreach as a minimum over the course of a given year to complete “around 80%” of fault repairs within two working days of being notified.<sup>1</sup>
8. This amendment was discussed and voted on at Bill Committee on 20 October.<sup>2</sup> Unfortunately, we were not successful and the amendment was rejected 10 to 7. Officers will look to bring a similar amendment to the Bill as it passes through the House of Lords.

**Digital Skills**

9. Last month, [the Government announced](#) it would introduce its own amendment to the Bill to make training in basic digital skills free for adults lacking relevant qualifications. The LGA broadly supports this amendment but has specific concerns regarding how it will be funded and delivered locally.
10. The Government has stated funding to deliver the measures will come out of the existing Adult Education Budget (AEB), worth £1.5 billion per year. The fund consolidates current skills funding for adults – Adult Skills Budget, Community Learning, and Discretionary Learner Support. It is being progressively devolved which is welcome news, but its consolidation represents a 48% cut in funding. National entitlements are already likely to account for £0.5 billion.

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<sup>1</sup> <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2014/famr-statement>

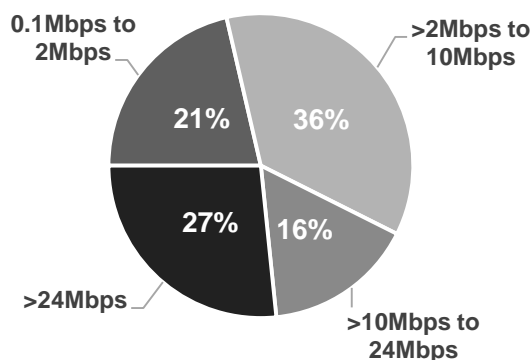
<sup>2</sup> <https://goo.gl/9gJTdi>

11. We remain concerned that Government adding more and more criteria to how the AEB will be spent will be unhelpful, given there will already be so many calls on its use. We will continue to lobby Government on this front and are pursuing conversations with civil servants to seek clarification.

### **Up to Speed Campaign**

12. Officers have continued to develop the Up to Speed Campaign and its accompanying website including inviting our member councils to share examples of best practice relating to the extension of digital connectivity. There has been a keen interest from our members to showcase their work on the site, and we have already posted [the first of a new series of case studies](#) online, with others to follow shortly.
13. The website has had over 1500 speed tests taken since the campaign was established. Whilst this sample size of results is not large enough to draw robust national conclusions, it is nonetheless indicative of the download speeds faced by the audience the campaign has been engaging with. As shown in figure 1, a total of 57 percent of speed tests taken did not achieve above the Universal Service Obligation proposed minimum download speed of 10Mbps. Indeed, 21 percent did not even achieve higher than 2Mbps.

Fig.1 - Up to Speed Campaign  
Speed tests results - breakdown by download speed



14. The data also mirrors the disparity in internet speeds faced by households across the country. Those tests taken by households supplied with fibre to the premise connections recorded an average of 60Mbps download speeds. Conversely, those with either mixed fibre, or solely copper connections achieved an average of 10Mbps download speed.
15. As part of the campaign's focus on the Universal Service Obligation, we also launched a press release last month calling for all connections provided under the USO to include a subsidised social tariff so that those who are unemployed or on low incomes can get an affordable service should they face undue hardship in paying a market rate. The release received coverage from [BBC Online](#), [The Times](#) and [the Sun](#).

### **Ofcom attendance at January Board**

16. Finally, members were keen to invite Sharon White, Chief Executive of Ofcom, to the Board to discuss a range of areas of importance to councils including the broadband Universal Service Obligation and the future of mobile provision. Neither Ms White nor a senior Ofcom official were available to speak at the November's Board. However, they have requested that the Board consider inviting an Ofcom representative to present at the January 2017 Board after the publication of their 2016 Connected Nations Report which provides the latest coverage data summarising of the current state of the country's mobile and broadband connectivity, and after the publication of their report on the design of the broadband Universal Service Obligation.