

DCMS consultation on Statement of Strategic Priorities for Tele-communications, the Management of Radio Spectrum and Postal Services

Response from the Rural Services Network

1. The Rural Services Network (RSN) welcomes this opportunity to comment on this draft DCMS Statement of Strategic Priorities, which is intended to provide guidance for the regulator, Ofcom, with regards to its activity overseeing the broadband, mobile and postal markets.
2. The RSN is the national champion for rural service provision, ensuring that rural people across England have a strong voice. It fights for a fair deal for rural communities, to maintain their social and economic viability for the benefit of the nation as a whole. Membership of RSN comprises around 150 local authorities (county, unitary, district and borough councils) and over 75 other service providers from the public, private and civil society sectors e.g. land-based colleges, fire and rescue authorities, housing associations and bus operators.
3. The focus of this response is to comment on certain issues concerning the fixed broadband and mobile markets.
4. The RSN welcomes the setting of some guidance through a Statement of Strategic Priorities. Much of the strategy direction is supported, though we do have various concerns which we explain below. Our starting point is that many rural communities and rural-based businesses have been left behind in terms of digital connectivity as a result of market failure in sparsely populated and isolated locations. This point is self-evident from the monitoring statistics which are published in the Ofcom *Connected Nations* reports.
5. The RSN welcomes the principle of introducing a **broadband Universal Services Obligation** (USO) in 2020 to help address connectivity in remaining (largely rural) locations where a workable connection speed still cannot be achieved. That said, the RSN has concerns with the USO as currently set, which are:
 - a) The USO has been set too low. Bandwidth requirements are increasing and a download speed of 10 Mbps will soon be out-of-date (if it is not already). The USO level should be reviewed urgently, so it can be introduced at a more practical level which will make sense for the next few years;

- b) When a USO request is being met it should happen in a way which delivers best value for money and not simply the cheapest fix. A solution which gets a premises just over the 10 Mbps threshold will represent poor value for money if there is nearby infrastructure which could be built into offering superfast (or higher) speeds. Indeed, that would be short-sighted if there is an opportunity to deliver the longer term goal of full fibre;
 - c) The £3,400 limit for delivering a USO connection free of charge places a cost penalty on isolated rural customers. Whilst it is accepted there are cases of extreme isolation, the limit should be raised and the USO deliverer should be required to bundle premises together, wherever possible, in order to reduce the cost per premises.
- 6. The RSN holds a largely positive view of the Government's **Future Telecoms Infrastructure Review** (FTIR), which – looking forward – recognises that many rural areas are likely to prove uncommercial for the roll out of full fibre and 5G networks. Particularly helpful is the ambition for nationwide **full fibre coverage** (by 2033) and the 'outside-in approach' to be applied, so that public intervention and investment will focus on hard-to-reach areas, delivering in them to "a similar timescale" to commercial areas. It is noted that the intended outcome is "no areas ... systematically left behind". This appears to learn lessons from the approach taken when rolling out superfast broadband networks.
- 7. The RSN is, however, concerned that the outcome (or target) set for **5G roll out** is more ambiguous and could lead to rural areas again being left behind. Delivering to "the majority of the population" by 2027 could simply be achieved by delivery to commercial urban areas, with rural areas (which comprise 17% of England's population) losing out. It is imperative that DCMS guidance addresses this point, perhaps again by applying the 'outside-in approach'. In the shorter-term, the 5G Testbeds and Trials Programme, which looks helpful, must be used to explore adequately 5G delivery in rural areas.
- 8. The RSN is pleased to see **network roaming** included as an option for improving mobile connectivity in rural areas. This, as stated, has potential to address partial not-spots and to make networks more reliable in rural areas. We note that the recent Ofcom consultation on the spectrum auction referred to roaming as something it is willing to see included within bids. We consider the DCMS guidance should be stronger. Network providers would be more incentivised to improve their rural coverage if they knew that failure to do so may result in roaming being imposed at some future date.

9. The RSN considers that improving 4G coverage in rural areas is a critical shorter-term outcome. Missing from the Statement of Strategic Priorities is any target for improving access to networks **inside premises**. Ofcom data shows that a particular rural issue is poor coverage inside buildings (not least because of weak signal strength). This reduces the practical usefulness of mobile networks. Users should not have to step outside every time they want to make a phone call (let alone use an app or go online).
10. The Statement of Strategic Priorities makes useful reference to Ofcom closely **monitoring** investment in 5G networks. The RSN considers that more should be said about monitoring, including 4G and full fibre (as well as 5G). It will be key to reviewing progress against the outcomes, to steering and adapting public interventions and investment, and to providing public accountability. To ensure real clarity on this point we consider that Ofcom should be asked:
- a) To monitor delivery against the set outcomes and targets on at least an annual basis;
 - b) To include, within their monitoring, a rural analysis which shows how rural areas are faring compared with urban areas; and
 - c) To report on their findings at least annually in a publicly available document or documents.
11. Finally, within the chapter on ‘furthering the interests of telecoms consumers’ the RSN considers that guidance should be given to Ofcom about improving the **information available to consumers**. When selecting network providers consumers need access to accurate and consistent information about the geographic extent and quality of networks. Ofcom could usefully work with network providers and relevant local authorities to improve this information. Fixed network information is often insufficiently detailed in rural areas and mobile network information can be especially hard to access.
12. In short, the RSN welcomes the creation of this guidance for Ofcom and it supports much of the current thrust of Government telecoms policy (such as the introduction of a broadband USO and the overall approach taken in the FTIR). However, there are various concerns how these will be implemented. We consider the Statement of Strategic Priorities should be stronger on network roaming and on monitoring. It should also include guidance to deliver outcomes for improving mobile connectivity inside premises and improving the network information that is made available to consumers.

Submitted: 26th March 2019