

Connecting Devon and Somerset

Briefing June 29, 2021



Improving broadband for “Very Hard to Reach Premises”

Background

On March 21, 2021 the Department of Digital, Culture, Media & Sport (DCMS) published [an open call for evidence](#) on improving broadband for “Very Hard to Reach Premises” (VHTRPs) in the UK.

DCMS indicated it wished to hear views and experiences of consumers’ broadband connectivity in rural and remote areas of the UK. The Department also asked for information on both the known benefits of broadband services and the current barriers to deployment and take-up.

DCMS also invited evidence from broadband suppliers, vendors, local government, rural Local Enterprise Partnerships, and stakeholder groups.

The Department indicated that evidence gathered would enable it to assess the options available for delivering improved connectivity to areas where the costs of delivering better digital infrastructure have so far proven to be a barrier to deployment.

To help inform its response, Connecting Devon and Somerset has consulted with a range of stakeholder groups, communities, broadband providers, and elected Members. Groups consulted by CDS include the NFU, Federation of Small Businesses, South West Tourism Alliance, Living Options, Devon Association of Local Councils, and the Exmoor Hill Farm Network.

This briefing summarises findings from that consultation and are contained within the CDS response which is published in full [here](#).

Connecting Devon and Somerset’s consultation response

Summary

Feedback from stakeholders and communities consulted for this response underscored the increasing urgency for delivery to VHTRPs and the growing direct and indirect costs to businesses and residents of sub-superfast connectivity in an increasingly gigabit-centric world.

All the evidence points to an increasing need for Government and wider public sector investment in digital connectivity in rural areas and that the Very Hard to Reach Areas (VHTRAs) are at risk of being left behind without it. Gigabit solutions are needed to remove the digital divide and support the levelling up agenda.

The CDS response highlights a range of challenges and barriers that must be addressed including costs, industry capacity and the unintended negative impact of the Universal Service Obligation (USO) on the effectiveness of the Government’s Gigabit Voucher scheme.

Delivery of gigabit connectivity to all parts of the CDS region is seen as vital to support economic recovery plans and is, along with labour shortages, a key issue constraining businesses from being able to bounce back, support young people and their learning, and achieve shared low carbon ambitions.

The CV19 pandemic has further underlined the vital importance of good digital connectivity to economic and social well-being of rural areas. Even before the pandemic, the Connecting Devon and Somerset area included district local authority areas with the lowest average wages in the UK and some of the poorest for social mobility.

Respondents highlighted the increased take up of on-line support offered within the public health sector, especially within the younger demographic. Due to CV19, some services such as drug and alcohol support groups were offered as an online solution. In areas where there has been a good broadband service there has been an increase in the number of people accessing these services especially in younger persons where the take up in face-to-face support was lower.

Fast, reliable digital connectivity is an essential means of breaking down the barriers of isolation, strengthening community resilience and improving the lives of people in these communities.

There is an important and growing role for local programmes to play in ensuring the VHTRAs are not forgotten, both through the management of large contractual deployment as well as support for parallel community solutions through voucher supported projects.

CDS calls for a flexible approach from Government to improve broadband connectivity in very hard to reach areas in order to avoid the risk of communities being left behind.

In its response to DCMS, CDS states that a mix of large contractual delivery, in parallel with support for community solutions through voucher schemes, is needed to tackle the challenges of delivering broadband to the most rural communities.

Recommendations include:

- Greater collaboration in the market to ensure a joined up approach to VHTRPs. This should involve providers working on Superfast contracts, commercial operations, Gigabit Voucher schemes as well as the USO and Project Gigabit.
- The need to examine headroom within existing contracts and the opportunity to use that to introduce additional funds to allow those contracts to reach further.
- Fostering additional players in the market, especially those capable of delivering tactically and willing to deliver at a community scale in VHTRAs.
- Encouraging partnerships between tactical delivery partners working with larger providers to extend large contractual roll-out to nearby communities to reduce the impact on the pace of delivery of those larger contracts.
- Urgent resolution of the confusion caused by unintended conflicts between USO, Superfast contracts and Gigabit Vouchers projects.

Barriers

Viability and access to financial support is a growing issue for effective broadband delivery to VHTRPs. This is, in part, ameliorated by the Gigabit Voucher and may, in the medium term, also be addressed by Project Gigabit.

However, industry capacity remains a key barrier to delivery at pace, with provider and sub-contractor resources needing to increase staff numbers to keep pace with contract and community demand. Since there is a finite pool of professional telecoms technicians, planners and engineers within the UK, attracting and retaining staff is an ongoing industry-wide problem.

Training new generations to fill these roles takes time and, whilst both providers and Government are addressing the issue, there remains a shortage. This results in a highly competitive market for skilled staff with many providers reporting constant approaches to their staff from recruitment agencies seeking to fill other competitors' vacancies in the region.

These capacity issues are increasingly surfacing real tensions between volume delivery under Superfast contracts and demand-led, tactical deployment to VHTRP communities. Often the most appropriate provider to deliver a demand-led project is the one whose build is adjacent to the potential community but for whom, the delivery to that community would introduce an inevitable delay to the wider contractual build. This problem becomes more acute where the provider is asked to consider multiple Demand Led Projects (DLPs) along its contractual routes.

The alternative is to foster a wider pool of smaller, tactical providers with the skill and appetite to in-fill, perhaps striking partnership agreements with the volume provider in the region to access network backhaul. Failing to do either risks leaving VHTRP communities behind and ensuring even higher Cost Per Premise Passed (CPPP) levels for subsequent, retrospective builds.

Consultation with stakeholders confirmed that there remains considerable need to develop demand-stimulation activities that continue to promote the importance of good connectivity, such as the Devon County Council funded [Digital Advantage programme](#).

Other issues

There are ca. 41,000 premises in the CDS region that will remain at sub-superfast speeds after allowing for all contractual and other subsidised build in the region as well as all commercial build accepted in the recent CDS Open Market Review (OMR) refresh at the beginning of 2021.

CDS has analysed the locations of NGA white premises (premises which do not have a broadband service of at least 30 Mbps or credible commercial or publicly subsidised plans for such a service) in the Heart of the South West LEP geography of the CDS region.

Analysis of the distances between these premises reveals that around 3,400 are more than 200m apart. With indicative fibre build costs, averaged across the full range of build methodologies, currently at £15/ metre, the cost of reaching each of these premises would be around £5,750.

Using this approach to define VHTRPs, around 10% of remaining premises in the region constitute VHTRPs requiring on average over £4,000 more subsidy than the value of the Gigabit Voucher.

This approach illustrates one factor and it is acknowledged that a variety of factors will influence how hard to reach premises may be.

As an example of a solution, Wessex Internet have always shown a desire to connect whole communities, including in its contract with CDS and have historically been successful in this. This type of approach acknowledges that it will lead to an overall increased Cost Per Premises Passed (CPPP) for the footprint being implemented.

However, if the coverage is reduced by removing the VHTRPs, to the benefit of a lowering of the CPPP, it will create a gap in the coverage that may make it impossible for another operator to cover, especially at some point in the future.

Rural areas are much more prone to additional costs around tree cutting, collapsed or silted ducts, road closures, D-poles or inaccurate PIA records indicating potential available infrastructure which, on survey, turns out to be unusable for Direct In Ground (DIG) cable. This all leads to increased costs at the detailed design and planning stage.

CDS sees increasing instances where interplay with Universal Service Obligation (USO) is having unintended negative consequences. This is most often experienced where the viability of a demand-led project is threatened by an unpredicted parallel USO scheme which delivers to a proportion of the premises in a PRP but not all. The USO scheme will address the cheaper premises and in doing so rule them ineligible for voucher support.

Contract periods of two years negatively impact on the potential effectiveness of the Gigabit Voucher in cases where an individual cannot upgrade their package and therefore needs to run two contracts in parallel. This issue is most keenly felt by alt-nets who cannot offer packages from household ISPs and therefore cannot offer this migration path. A number of alt-nets say changing legislation to allow migration between different ISP contracts would be the most significant act to encourage higher participation in voucher schemes and, in many instances, make the difference between a scheme proceeding or collapsing.

Sector specific issues

Tourism

Owners of hotels and B&Bs are acutely aware that not having an extremely fast broadband connection can put-off customers and, in many cases, damage business reputations. Most tourists increasingly expect high quality connectivity and prioritise this in when making a booking.

Guests are often used to high levels of data and a very reliable service which is not available in rural areas. A challenge for local tourism accommodation providers is meeting the demand from customers for unlimited data access. One business reported using 4G with a cost of £350 per month, an expensive solution which is still unreliable in poor weather conditions. By contrast, the owner has a relative living in London who can secure the same data allowance for £20 a month.

Invariably solutions available in harder to reach rural areas not only have higher levels of associated build cost, due to distance, but often will then have other restrictions resulting from National Parks, AONB or ASSI considerations.

Businesses noted that attempting to operate in rural areas with poor internet connections was particularly challenging during the CV19 pandemic. Trying to stay in contact with employees was difficult and poor internet connection made matters more stressful.

Agriculture

Improved connectivity is increasingly helping farmers save money through tracking, monitoring, feeding, weather monitoring, buying and selling stock. For the transportation of livestock, it is now necessary to register the livestock online before any road movements. Consequently, where there is slow or unreliable connectivity, there can be immediate economic impacts, with farmers losing sales opportunities.

Rural diversification is increasingly reliant on high quality very fast broadband. Since very few farms these days do not have some element of diversification, lack of access to useable connectivity has the potential to undermine the overall viability of any given farm.

Improved connectivity is allowing greater social interaction for farming communities (that would in the past have experienced social isolation). This has been especially true during the CV19 pandemic where face to face contact (albeit on Zoom or Teams) has been made possible through broadband – and greatly appreciated.

Vulnerable groups

Good digital connectivity has the potential to be enabling for protected groups including people with disabilities, many of whom can be more isolated than much of society. It can be more difficult for disabled people to travel, and access services. Therefore, also being excluded due to poor connectivity can amplify these barriers.

Organisations supporting disabled people are particularly aware of the impact of the pandemic on protected groups. During lockdown there has been a requirement to deliver services digitally, however this was problematic in areas where there was poor connectivity:

- E consult System - to contact their GP the user can enter details of their query for the GP into an electronic form. However, it is necessarily a relatively comprehensive form to complete and does not save so poor connectivity considerably reduces its effectiveness. It is particularly difficult to complete the form on a phone.
- Benefits - Universal Credit is almost all online. If a user struggles to access data completing these forms can be an issue because applicants need to be online throughout. For some, this became a cause of significant anxiety because any recipient who does not report regularly can face financial sanctions.
- Some assessments which are done face to face can also be offered via video assessments but cannot be conducted where connectivity is poor and this can result in assessment delays which, in turn, impact on the services people receive.
- Other services which are not reliably available in areas with poor connectivity include use of screen reader kits for the visually impaired.

Health and Social care

Respondents from the health and social care sector have articulated that the need for good broadband speeds is vital to provide services to people in rural areas effectively.

A high proportion of care providers, care homes and clients in rural areas suffer from poor internet speeds which has a huge impact on the ability for organisations to carry out their role and for clients to be supported. This also has an impact on clients both in care homes and those people being cared for in their own homes.

Local Government

Devon Association of Local Councils (DALC) are aware that, following Government instructions to hold all Council meetings remotely, a few of the smaller councils were unable to do this due to poor connectivity. Conversely, Parish Councils who were able to hold online meetings found an increase in engagement from the public.

However now that Parish Council meetings have to be face to face meetings for Councillors, many are keen to capitalise on the learning over the last year and develop hybrid meetings, with the public joining remotely. Clearly, some councils cannot do this, where venues are not equipped with capable broadband and this is now seen as reducing the ability for public engagement at a local council level.

Conclusion

There was not one respondent who indicated either satisfaction with or resignation to maintaining the status quo. Nor were there any respondents who saw technologies like 4G or Satellite as anything more than potential interim, stop-gap solutions.

Delivery of gigabit connectivity to all parts of the CDS region is vital to support the Economic Recovery plans of partner local authorities and is, along with labour shortages, the key issue constraining businesses from being able to bounce back, support young people and their learning, and deliver on our shared low carbon ambitions.

There is no one single solution and a flexible response to local needs and conditions is therefore essential to overcoming some unique challenges.

However, all the evidence points to an increasing need for Government and wider public sector investment in digital connectivity in rural areas and that the Very Hard to Reach Areas (VHTRAs) are at risk of being left behind without it. Gigabit solutions are needed to remove the digital divide and support the levelling up agenda.

CDS says that ultimately “we must be clear that the very high cost premises of today's VHTRPs risk becoming the simply unaffordable costs of tomorrow’s impossible to reach premises (ITRPs) without a strategic approach to addressing them now.”

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June 29th, 2021*