Establishing World Class Connectivity

Inquiry by Culture, Media and Sports Committee

**Written Evidence submitted by Draughton Parish Council**

**Date: 16 September 2015**

Introduction

Draughton Parish Council submits this written evidence to the Inquiry on behalf of the residents of Draughton, which is a small rural village 3 miles outside of Skipton in North Yorkshire, comprising a core nucleus of households plus a number of farms and outlying properties, and with a population of 217 electors (as at 4 August 2015).

Current broadband speed in Draughton ranges from 1 – 1.5 Mbps. This only allows for basic internet use such as email, and prohibits video streaming and TV services.

Draughton is currently included within the Superfast North Yorkshire broadband rollout programme, and may possibly have access to fibre network services by the end of December 2016. However, we understand that, because of technical issues, we may instead find ourselves in the “hard-to-reach” 5% of communities who will be denied access, although, being within 3 miles of Skipton, we are not in a remote location. We are currently investigating other options for faster broadband delivery, such as wireless services.

Executive Summary

* Superfast broadband is an essential service, and needs to be made available to the whole population.
* Available alternatives are slower, more expensive and more complicated to organise.
* Lack of access to superfast is a serious disadvantage, especially for local businesses and homeworkers.
* As fibre superfast technology improves, the gap between communities connected to superfast services and those having to rely on inferior alternative services is likely to widen.
* The excessive costs of buying into an inferior alternative service impact unfairly on those living and working in hard to reach communities.
* The target should be to provide superfast broadband to 100% of the population, and Government should ensure that the costs of this are met.
* For households and businesses where it is genuinely impossible to provide fibre superfast, the premium cost of contracting with alternative providers should be recognised by Government.

Responses to Inquiry Questions

* What role should Government, Ofcom and industry play in extending superfast broadband to hard-to-reach premises?

*We believe that superfast broadband has now become a vital part of our infrastructure, perhaps now becoming as important as other utilities and services, like water and gas, and that therefore, the provision of it should be ensured by Government, if necessary by paying for it by public subsidy, but preferably by ensuring that the industry is contracted to provide it. Every effort should be made to connect hard to reach premises.*

*In Draughton parish, for the size of our population, we have a significant number of local businesses, including:*

* *7 working farms,*
* *a large and reputable nursing home,*
* *2 livery and riding stable businesses,*
* *a heritage railway,*
* *a building and property renovation business,*
* *a furniture renovation business,*
* *a holiday cottage rental business,*
* *the home management office for a paintball site,*
* *3 home-based accountants,*
* *a marketing company,*
* *a portrait artist;*
* *and other home-workers such as charity administrators.*

*All of these businesses are dependent on broadband for the most basic of their administrative services, such as communicating with and invoicing clients, and many are required to use online services, in order, for example, to submit returns to Government. Their requirement for an effective broadband service can only become more crucial as more and more services are moved online at national and local levels.*

*A significant proportion of the population which commutes to office and school work outside the village also works from home on a regular basis. This is obviously a common feature of village life, where travel to work may be difficult in poor weather. Such workers need superfast broadband speeds to match those of their colleagues using office systems in other locations, including offices in London, in order to communicate with them effectively.*

* Is there sufficient competition in these markets?  If not, how can any market failures best be addressed given the investments already made?

*There cannot be any meaningful competition in the provision of superfast broadband until the infrastructure for it (fibre to cabinet) is installed by BT. It follows that hard to reach communities, who may, by definition, end up being excluded from access to the infrastructure will not have the market choices open to other communities. This is a serious disadvantage.*

*Alternative broadband services provided by market competitors by other means (satellite and wireless) are slower, more expensive and more complicated to organise eg satellite systems only offer speeds up to 10 Mbps and are not as reliable as fibre.*

*The cost of installing the equipment to access wireless broadband locally is currently quoted at £150 per household, plus a monthly charge of up to £46 for speeds up to 30Mbps, compared with costs for a superfast contract available in other communities at £[], where the installation costs will have been borne by BT, not by individual householders. It is patently unfair that such excessive costs should be borne by individuals in rural or hard-to-reach communities, in order to achieve what is, in any event, an inferior service. Residents who also retain a BT landline for their phone will, in effect, be paying for a second broadband service which they cannot access.*

*Mobile phone coverage in Draughton is poor and does not offer an alternative at present.*

*As fibre superfast technology improves, the gap between communities connected by BT and those having to rely on inferior alternative services is likely to widen. This will become more important as Government increases its reliance on online services at national and local levels.*

*We believe that market competition cannot offer a solution to the problem of connectivity, as locations that are expensive to reach will never attract competing providers.*

* What are the commercial, financial and technical challenges the programme faces in reaching the final 5%?  What technologies exist to overcome them?  What investment is required, by whom and for what return?

*It is clearly more expensive to install the necessary infrastructure to connect communities which are furthest from existing cabinets, or where land features (eg hills, valleys) interfere with the transmission of signals. The technology is available and can be applied at a cost. The investment to do this is not about “return”. It is about providing an essential service to the whole population.*

* Given that in practice a Universal Service Obligation could not capture 100% of households, what should a USO for broadband look like?

*We believe that the presumption of the USO should be that contractors get as close to the target of 100% as possible, with the costs of installing the additional infrastructure borne by BT. The costs of extending the BT rollout to the communities in the hard to reach final 5% need to be fully examined and justified by BT.*

*With this analysis available, it should be clear that achieving 100% will be possible, at a price. We recognise, however, that the Government will have to balance costs and benefits, and may not be prepared to meet the price of underwriting this in full.*

*For households and businesses where it is genuinely unrealistic to meet the high cost of providing fibre superfast, we believe that the premium cost for them of contracting with alternative providers of satellite and wireless should be recognised by Government [in the form of subsidy for householders paying the installation costs to receive wireless services].*

*A possible way forward could also be for the USO to ensure that BT introduces differential contract pricing for landline phone services provided to households which have not been connected to fibre broadband so that they are not paying for services they cannot receive.*

* Should Government be investing more in research and development into finding innovative solutions to meet the communication needs of remote communities?

*This would clearly be helpful in improving on the longer term prospects of connecting remote communities, if they have no current option but to accept an inferior alternative in the short term.*

* Are BT and other communication companies investing sufficiently themselves in reaching these groups?

*No. They are investing in broadcasting sport, eg football.*

* What investment and progress are the mobile network operators making in improving mobile coverage across the UK and enabling a swifter process when users choose to change provider?  How could these best be improved?

*We believe that this also requires further investment by the industry. 4G mobile phone services could be a reasonable alternative to fibre, but Draughton, and many other rural locations, does not have good mobile phone coverage.*

* How have the existing Government broadband programmes been delivered?

*They have not been delivered yet as far as Draughton is concerned.*