

COUNTRYSIDE ALLIANCE BRIEFING NOTE: IMPLEMENTATION OF THE SHARED RURAL NETWORK

Westminster Hall, Helen Morgan MP

Wednesday 24 January 2024

- **The Countryside Alliance welcomes continued investment in digital infrastructure through the Shared Rural Network and Project Gigabit.**
- **The absence of broadband infrastructure serving small firms threatens the expansion of the rural economy. The business opportunity includes 28% of all UK firms and over one million small businesses.**
- **A report issued by Vodafone in November 2023 found that nearly half (46%) of rural deprived areas are classed as 5G not-spots, whereas the same can only be said for 2.7% of urban deprived communities.**
- **Ofcom's Connected Nations report, published in December 2023, provided further evidence of rural areas lagging behind urban areas in 5G access, 5G installations on mobile network infrastructure, 4G outdoor availability and 4G and voice indoor availability.**
- **We support Government proposals for policy interventions and agree that an alternative approach is required to ensure hard to reach premises can receive a gigabit-capable connection. We are concerned, however, about where the funding will come from.**
- **The Universal Service Obligation remains crucial in rural areas for ensuring equitable access to communication and information technologies. It helps bridge the digital divide, fostering economic development, education, and healthcare access in regions that might otherwise be underserved or excluded.**

Background

- **The Shared Rural Network is a UK Government initiative intended to address poor mobile and mobile data connectivity in rural areas by arranging for the UK's four mobile network operators to upgrade their infrastructure and share access with one another.**
- **The networks, EE, Three, VMO2 and Vodafone, are targeting coverage of an additional 280,000 premises and an additional 16,000km of the UK's roads, with geographic coverage extending to 79% of Areas of Natural Beauty, up from 51%, and 74% of National Parks up from 41%. Each network intends to reach 90% coverage across the UK, resulting in 84% of the UK having 4G coverage from all four operators.**

- The operators intend to invest £532m to eliminate the majority of ‘partial not-spots’ – areas which receive coverage from at least one, but not all, operators. The UK Government has committed a further £500m to build new masts to eliminate ‘total not-spots’ – hard to reach areas where there is currently no coverage at all.¹
- The grant agreement for the project was signed in March 2020 and the first sites started going live that summer. Following a public procurement process the first suppliers for the element targeting total not-spots were appointed in summer 2022, and the first planning applications were submitted in summer 2023. Currently there are about 25 sites in the planning/acquisition stage, but none have yet begun construction.
- The Ofcom deadline for delivery of industry-funded coverage improvements in partial not-spot areas is this June and the deadline for delivery of publicly funded coverage improvements in total not-spot areas is early 2027, but it is expected coverage will be delivered to 95% of the UK by the end of 2025.²

Rural ‘not spots’ and deprivation

- Last November, Vodafone issued a report it had commissioned, with analysis carried out by WPI Economics, which found that nearly half (46%) of rural deprived areas are classed as 5G not-spots, whereas the same can only be said for 2.7% of urban deprived communities.
- Scotland, Wales, East Anglia, Cumbria and the South-West are the worst performing areas of Britain and have been identified as having a lack of connectivity and high levels of deprivation. In addition, over half (53.8%) of the rural constituencies in Wales are total 5G not-spots.
- As a result, almost a million (838,000) people living in deprived rural areas are losing out on the benefits that 5G could provide – from better access to healthcare to more educational opportunities.
- Accompanying the report, Vodafone UK pledged to close the digital divide between rural and urban areas by delivering on the Government’s 2030 5G coverage ambitions, set out in the Wireless Infrastructure Strategy. It plans to do so by providing 95% of the UK population with 5G standalone coverage by 2030, extending to 99% by 2034, as part of its proposed merger with Three UK.³
- [The full report](#), from page 6, gives a breakdown of all predominantly or significantly rural constituencies across Scotland, England and Wales, giving, for each constituency, percentile indices for poor coverage and deprivation and the percentage of the constituency that is a total or partial not-spot.

¹ Shared Rural Network, [About the Shared Rural Network](#)

² Shared Rural Network, [Programme Timeline](#)

³ Countryside Alliance, [New study finds poorest rural areas are missing out on digital connectivity](#), 09.11.23

- Then in December, Ofcom produced its annual Connected Nations report on digital connectivity. With respect to mobile, it found that in 2023 5G availability across the UK from at least one network reached 93% (High Confidence) and 85% (Very High Confidence), up from 78% and 67% respectively in 2022. However, while around 34% of mobile infrastructure sites in urban areas have 5G deployed on them, the rates for suburban and rural areas fall to 20% and 10% respectively.
- Rural areas are also lagging in outdoor 4G coverage. Individual operators' 4G coverage outside rural premises ranges from 94-98% (up from 93-98% last year), while each network continues to serve 99%+ of urban premises.
- 4G and voice indoor coverage across networks saw an availability rate of 73-82% in rural areas in 2023, up from 71-81% in 2022, but these also lag behind urban areas which enjoyed an availability rate of 96-98% in 2023, with no change from the previous year.⁴

The need for rural broadband

- The Countryside Alliance surveyed its membership on the most important issues that will strengthen the rural economy. We had over 1,000 responses, showing the strength of feeling about the importance of the rural economy. The results showed that 70% of respondents felt digital infrastructure was the most important issue in relation to the rural economy followed by the provision of services.
- Our research showed that 70% of respondents were concerned that slow speeds are a barrier to growth, the lack of connectivity was leading to increased isolation and social exclusion, and that fibre connectivity should be available to all, no matter where they live.
- Comments from the survey included:
 - *“Poor internet access from (home), leads to loss of business opportunities. It also adds to toxic emissions, by causing travel which might otherwise be avoided. The loneliness factor must be considered as regards the elderly which can add to potential illnesses linked to loneliness and a concomitant addition to National Health costs. Rapid introduction of fibre-optic broadband is necessary to combat and reduce the above-highlighted issues.”*
 - *“Employers simply do not set up where digital coverage is thin or lacking. BT Openreach needs to be strictly regulated. Where we live there is no landline broadband and it is common for our phone line to be out of order. We used satellite for a while but have now migrated to 4G. However, that is both expensive and temperamental.”*
 - *“Problems of safety if an accident takes place. Lack of opportunity to make use of the world wide web for educational purposes. All villages should be connected by now, so start to connect isolated homes as well.”*
 - *“The inability to react to the changing working environment which in turn leads to the breakdown of community. Good digital connectivity facilitates not just working from home but enables people to work together and form rural hubs or serviced offices which can then support better local amenities.”*

⁴ Ofcom, [Connected Nations: UK Report 2023](#), 19.12.23

- Delivering a strong economy, increased productivity and thriving communities cannot be achieved without recognising the vital role the countryside has to play in boosting our productivity. Rural communities must get their fair share of funding for digital connectivity.
- A further Countryside Alliance survey conducted with Gigaclear in 2021 found 80% of rural businesses agreed that ultrafast fibre connectivity would have the single biggest positive impact on their business recovery post-Covid, ranking above Government subsidy; 32% estimated it would help them recover twice as fast.
- Covid-19 once again highlighted the disparity in broadband connectivity across the country as the networks have struggled to keep up with unprecedented demand which saw millions of Britons suffering as a result of poor connectivity and outages. Our research also revealed 85% of rural businesses reported their current internet as being either poor but manageable (47%), or unmanageably poor (38%).

Countryside Alliance position

- The Countryside Alliance welcomes continued investment in digital infrastructure through the Shared Rural Network and Project Gigabit. The commitment in the 2019 Conservative General Election Manifesto to deliver full fibre and gigabit capable broadband to the countryside by 2025, has already watered down in 2020 so additional funding that was since announced is essential to the levelling up ambition.
- The Countryside Alliance also supported the Government's proposal for policy interventions as outlined in its recent consultation on hard to reach premises and agreed that an alternative approach is required to ensure these premises can receive a gigabit-capable connection. We also believe that any policy to deliver connectivity to hard to reach areas must be technology agnostic.
- However, we are concerned about funding. Although the Government has secured funding for an initial grant programme for some of these premises, it is unclear how the whole programme will be funded. The Government has committed up to £5 billion to the Project Gigabit programme and it is expected to be complete by 2030.
- The Universal Service Obligation remains crucial in rural areas for ensuring equitable access to communication and information technologies. It helps bridge the digital divide, fostering economic development, education, and healthcare access in regions that might otherwise be underserved or excluded.
- The Government has made a policy decision to deliver more services online to make savings. As such, it is only right and fair that everyone has access to broadband to enable them to engage in the digital world. Remote rural communities must not be penalised by paying an excessive connection charge to access basic services, as necessitated by the Government policy of digital by default.

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