

## **COUNTRYSIDE ALLIANCE BRIEFING NOTE: PROVISION OF BROADBAND FOR RURAL COMMUNITIES**

**Westminster Hall, Chris Loder MP**

Wednesday 13 December 2023

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- **The Countryside Alliance welcomes continued investment in digital infrastructure through Project Gigabit and the Shared Rural Network.**
- **The absence of broadband infrastructure serving small firms threatens the expansion of the rural economy. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.**
- **All forms of technology must be considered when trying to connect hard to reach areas. 5G, satellite and fixed wireless should be considered alongside fibre to the premises technology.**
- **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**

- This debate follows the closure of two DCMS consultations, which ran from 02 October to 27 November: one on [improving broadband for very hard to reach premises](#), the other on [reviewing the Universal Service Obligation](#) (USO).
- The USO consultation asks whether changes are required to ensure that it remains up to date. The current standard, which confers a legal right to request a decent broadband service of at least 10 Megabits per second download and 1 Megabits per second upload where this can be achieved at a reasonable cost (fixed at £3,400 ex-VAT per connection), commenced in 2020. The Countryside Alliance supports the proposed increase of the USO to 20Mbps as outlined in the consultation.
- The very hard to reach places consultation seeks views on how best to improve broadband for these premises, which are overwhelmingly situated in rural locations, including questions about barriers to delivery.
- The Government currently estimates that potentially fewer than 100,000 premises are likely to be classed as being “very hard to reach”. They are, however, likely to have a delivery cost significantly above the limits of commercial investment cases, the gap funding

approach to Project Gigabit procurements, and the broadband Universal Service Obligation's reasonable cost threshold.

## 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 per cent 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 per cent 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.”*
- 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 per cent 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 per cent 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 per cent of rural businesses reported their current internet as being either poor but manageable (47 per cent), or unmanageably poor (38 per cent).

## **Countryside Alliance position**

- The Countryside Alliance welcomes continued investment in digital infrastructure through Project Gigabit and the Shared Rural Network. Delivering full fibre and gigabit capable broadband to the countryside by 2025, as committed to in the 2019 Conservative General Election Manifesto, was already watered down in 2020 so additional funding that was since announced is essential to the levelling up ambition.
- The absence of broadband infrastructure serving small firms threatens the expansion of the rural economy. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.
- Rural digital connectivity will not only allow the rural businesses to realise their potential but could play a vital part in addressing climate change by reducing damaging emissions. It will allow people to work from home, thus being less dependent on private transport.
- All forms of technology must be considered when trying to connect hard to reach areas. 5G, satellite and fixed wireless should be considered alongside fibre to the premises technology.
- The Countryside Alliance's response to the hard to reach consultation supported the proposal for policy interventions 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.
- Responding to the USO consultation, the Alliance made the case that the USO 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 USO must be kept separate from commercial delivery and other interventions and we emphasised the importance of ensuring universal access to broadband services as a basic utility. Treating broadband as a public utility, with a separate policy framework, helps address issues of digital equity and ensures that everybody has access to essential communication and information services.
- 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.

### **For more information please contact:**

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