Labour Party Rural England Policy Review

Response from Mobile UK

July 2021

About Mobile UK

1. Mobile UK is the trade association for the UK's mobile network operators - EE, Telefonica UK (O^2), Three and Vodafone. Our goal is to realise the power of mobile to improve the lives of our customers and the prosperity of the UK.

2. As mobile increasingly becomes the device of choice for running daily life both at home and at work, customers have come to expect more extensive coverage, more capacity and greater capabilities. Our role is to identify the barriers to progress, and work with all relevant parties to bring about change, be they Government, regulators, industry, consumers or citizens more generally.

Introduction

3. Mobile UK welcomes the opportunity to respond to the Labour Party's Rural England Policy Review.

4. Mobile operators are committed to meeting the rising demand from customers for more capacity, coverage and capability throughout the UK. Our ability to deliver is dependent on many factors and stakeholders across Government and beyond: the devolved nations; Local Authorities; metropolitan mayors; Local Enterprise Partnerships; landowners; and infrastructure providers. All contribute to ensuring a positive environment for the rapid deployment of further mobile infrastructure.

5. Mobile operators are committed to improving coverage where people live, work and travel as part of the goal to ensure the UK is a leading digital economy with world-class connectivity. To maximise the opportunities from digital connectivity, it is essential that in the UK we have a world-leading framework, based on competition and supportive regulation that operators can work within, conducive to the cost-effective deployment of mobile infrastructure and seeks to reduce total cost of mobile infrastructure ownership. The policy should not be too directional or prescriptive, allowing the market to determine use cases.

6. The requests on mobile operators must be adequately balanced and prioritised to understand that the private capital they invest in the economy and the market economics they work within are finite and must be focussed accordingly.

7. It is important to note that, as well as investing in 5G, the mobile operators will continue to invest in 4G to extend their geographic footprint, to optimise its performance and to add to capacity for mobile data, the demand for which continues to rise. The Shared Rural Network, a £1bn initiative to extend 4G mobile broadband coverage, will underpin rural connectivity. The 4G network will also provide the foundation on which 5G is built. It is therefore essential that the Labour Party continues to take an interest in the deployment of 4G and to ensure that reforms considered as part of this discussion paper retain and work alongside those that have been recently introduced, in particular, the reformed Electronic Communications Code (ECC), or are currently being consulted upon, such as permitted development rights reform.

8. While Mobile UK speaks on behalf of the mobile industry, the widespread presence of fibre networks in general and 'full fibre' networks, in particular, will be crucial to delivering cost-effective access for mobile backhaul, with sufficient capacity to handle the increased data traffic. The Labour Party must consider alongside recommendations to better facilitate mobile deployment measures to reduce deployment time and costs for fixed telecommunications. This will help create a more robust business case for more extensive fibre roll-out across the country and enable fibre deployment suitable for mobile backhaul and FTTP.

Mobile UK Response Overview

9. Mobile UK believes the following changes across a broad range of policy must be considered by the Labour Party as part of its discussion looking at the rural policy in England. We believe that these recommendations would be a positive step in creating the right environment for mobile operators to assist in enhancing and expanding mobile connectivity in rural areas across the UK:

- **Support for ongoing reforms to planning regulations for telecommunications apparatus**, including enhancements to Permitted Development Rights and removing discrepancies in the regimes between fixed and mobile.

- **Support the current review of the Electronic Communications Code (ECC)**. There are clear signs that the Code is not working as intended or that the legislation is insufficiently clear in certain respects (such as sharing rights).

Mobile Communications – Critical Infrastructure

10. Mobile communication is part of the UK's critical infrastructure and is integral to people's lives. Mobile data use throughout the pandemic has increased by 34%%, with an average of 2.9GB on mobile connections per month in 2019[1], and this is expected to continue to grow as people's mobile usage patterns adapt to a post-Covid-19 world.[2]

11. The mobile industry has made considerable strides in improving mobile connectivity in recent years. The industry is re-investing over £2bn annually in new network equipment (around 15% of all mobile revenues) to improve capacity, footprint and performance.

12. The Shared Rural Network programme is a £1 billion joint investment between the industry and the UK Government to extend coverage to 95% of the UK's landmass by 2027. This includes £532 million in industry funding and will result in 84% of the UK having 4G coverage from all four operators (up from 67% today), increasing choice and boosting productivity in rural areas.

Policy Review – Mobile UK Response to Industry Relevant Questions

Q2. How have rural communities been impacted by the coronavirus pandemic, and how can they be helped to recover?

13. The pandemic has had a significant impact on working practices and behaviours, and mobile connectivity has been critical to adapting to this 'new normal'. From a connectivity perspective, the behavioural changes experienced in this period present considerable opportunities to the rural economy. Numerous surveys, including from the British Chambers of Commerce, suggest that the new work practices seen during the pandemic will not be fully reversed. The BCC's

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[1] Ofcom – Communications Market Update, 2020
[2] Ofcom – Communications Market Update, 2020

members stated the 80% expect to maintain or increase their lockdown levels of mobile usage, and 59% agreed that enhanced mobile coverage and data capacity would support their business to restart operations. Work and employment patterns will evolve into more people working remotely and at a greater distance to their nominal place of employment.

14. Purchasing patterns now emerging for rural housing suggest that much of this remote working will be undertaken from rural areas. While this will present challenges for rural housing supply and services, the overall impact on productivity will be positive. Rural areas will now support a much more diverse employment market, with a greater mix of higher-skilled jobs. Larger rural populations should also enable rural places to develop into more sustainable local economies.

15. Improved digital (fixed and mobile) connectivity will underpin these new opportunities.

16. In the last 20 years, mobile operators have, in aggregate, invested over £45 billion in their networks (as well as the near £30 billion paid in spectrum licence fees). They continue to invest at a rate of over £2 billion per year to meet the triple challenge of upgrading the technology, increasing network capacity and extending the geographic footprint across the UK.

17. The roll-out of 5G and improvements in rural connectivity, including through the Shared Rural Network (SRN) – a £1bn project designed to ensure that there is a 4G signal across 95% of the UK – will positively affect the UK economy across every part of the UK. These technologies will fundamentally change how we go about our daily lives and touch every industry, including those predominantly rural-based.

Q3. What do you think the future of the rural economy looks like?

18. Mobile UK believes that digital connectivity is hugely important to the rural economy. It will facilitate even more remote and home working while also providing the foundation for business across all sectors, including tourism and agriculture.

19. Both 4G and 5G technologies will increase rural opportunities in two key ways:

- **Future-proofing the rural economy**. From the farm to the manufacturer, all rural firms could have new tools to help them boost their business. 5Genabled remote working could help rural residents to access better jobs and training. New methods of engaging visitors could enhance tourism.

- **Improved digital connectivity.** 4G and 5G offer the possibility of reaching areas where fixed digital connectivity cannot. In other words, where difficult terrain prevents or severely hinders the laying of fixed digital wires, mobile connectivity could be part of a viable solution alongside existing technologies.

20. Mobile UK has produced an information booklet on how mobile connectivity can help rural communities called '*How 5G could increase rural opportunities'*. This document provides four case studies which have been replicated below:

- **The focus of farming's future -** Equipment that uses mobile connectivity will give farmers new tools to make their job easier and increase productivity. Mobile-enabled drones will enable farmers to capture images across many hectares of farmland. These images can analyse the quality and quantity of grass (an essential resource for managing livestock) or analyse soil to see where fertiliser is needed. As well as making farmers' jobs easier, farms will become more efficient and environmentally sustainable. The Government has been actively trialling the use of 5G on farms in Shropshire and Somerset.

- **Access to better education and health services –** Mobile connectivity will offer rural schools a new set of teaching devices. It will be easier to deliver uninterrupted remote lessons when necessary (such as during a pandemic). An enhanced and more reliable

digital connection offers an alternative to participating in university degrees and skills courses face-to-face. People living in remote areas will not have to travel to see a doctor; video conferencing could mean a diagnosis and prescription without the patient leaving the house.

- **A step-change in animal welfare -** mobile connectivity will collect data from sensors that will help to keep animals healthy. Salmon farms are testing these sensors to ensure that fish stocks are not living in a harmful environment. Trials have taken place using sensors to monitor the day-to-day health of cows, including their mobility and eating patterns. In North Wales, prototype sensors have even been developed to prevent sheep from being stolen.

- **A bigger pool of jobs to access -** Remote working was on the rise, even before COVID-19 forced offices to close. But remote working is not an option in places with no digital connectivity or poor digital connectivity. Jobs that require access to large amounts of digital information - such as those in financial services or online marketing - cannot be done currently from these locations. 5G will mean more digital-intensive jobs can be done from rural areas, boosting rural economies.

Q4. What are the main challenges facing farms and other businesses in rural communities?

Q5. What role can rural communities play in tackling the climate and nature emergency?

Q6. What changes to housing and planning policy are needed in rural areas?

21. Deploying mobile equipment in rural areas is complex. Examples of barriers that present themselves in the remoter areas are:

- the difficulty of finding suitable sites
- serving remote sites with power and access tracks
- linking masts into the rest of the network (the so-called 'backhaul'), which can be delivered by fibre or a fixed wireless link, and
- obtaining planning permission.

22. Mobile UK welcomes current proposals being put forward by the UK Government, alongside changes already enacted in Scotland by the Scottish Government, which seek to modernise the planning regime for telecoms equipment.

23. Proposals currently being consulted upon in England, and enacted in Scotland, will allow masts of up to 30 metres (in non-protected areas) and 25 metres (in protected areas) to be built under permitted development (albeit with the need to obtain prior approval for siting and design).

24. Overall the proposals are welcomed and will allow equipment to be rolled out more swiftly and simply than at present, further enhancing the industry's ability to meet national ambitions for 4G and 5G mobile coverage.

25. The proposals will make it easier to upgrade existing infrastructure and to share with multiple operators. It is further welcomed that the proposals would bring mobile telecoms closer in line with the rules and regulations that cover fixed-line operators.

26. A planning system that is fit for purpose, though, goes beyond getting the legislation right.

- It requires political leadership that recognises and extolls the benefits of digital connectivity and can confidently dispel the spread of misinformation; and
- a well-resourced and trained planning staff and appeals system.

27. Mobile UK calls on the Labour Party to engage with the industry and publicly back the proposed

changes to permitted development rights for electronic communications infrastructure so that
legislation can be rapidly enacted and in place to allow the rapid deployment of world-class mobile
networks.

Q7. What infrastructure and connectivity improvements are needed in rural areas?

The Shared Rural Network

28. The current centrepiece of investment in rural areas is the £1 billion Shared Rural Network programme (c.£532 million from the operators and £500 million from Government). This programme will transform mobile coverage in rural areas. Individually, each operator will reach 90% geographic coverage, which will result in 84% of the UK having 4G coverage from all four operators (up from 67% today), increasing choice and boosting productivity in rural areas. It is expected that mobile coverage will be extended to an additional 280,000 premises and an additional 16,000km of the UK's road network.

29. A report from Development Economics, commissioned by O2, has estimated that the first phase of the SRN programme will increase turnover for rural businesses by £187.7 million per annum and enable rural communities to contribute an added £58.9 million to UK GDP each year.

30. This extensive 4G coverage will also provide the underpinning for 5G investment in the future. Governments and numerous partners, including mobile operators, are exploring the use cases for 5G in rural areas through initiatives such as the Rural Connected Communities project and the Scottish Government's 5G rural connectivity hub8 in Dumfries and Galloway. Mobile UK has produced a 'minipack' which outlines how 5G could boost rural opportunities.

31. It is crucial, however, that to deliver the Shared Rural Network and other network improvements that the policy and legislative environment that underpins mobile network deployment is fit for purpose. For these reasons, in responding to this review, we have highlighted the Electronic Communications Code and Planning reform as critical areas of focus.

The Electronic Communications Code

32. The Electronic Communications Code was first introduced in 1984, giving operators the right to access land to install the infrastructure they needed for communications. Initially put in place to allow landlines to be installed, it is now widely used by mobile operators to erect sites.

33. Reforms to the Code introduced in 2017 were designed to recognise the importance of access to digital communications and put these services on the same footing as providers of other essential services such as electricity and energy.

34. However, the Code is not being implemented as intended. Progress is stalled by lengthy legal proceedings leading to significant delays to vital upgrades of existing telecom sites. Shared intentions to build better mobile networks are being frustrated, holding the UK and rural communities back. This presents a significant threat to ambitions for widespread mobile connectivity across the whole of the UK and the economic benefits that come with that, particularly to rural areas which tend to have lower 4G and 5G coverage.

35. Mobile UK supports reform to the Electronic Communications Code to facilitate the faster roll-out of vital mobile infrastructure and is a co-sponsor to Speed Up Britain, a cross-industry, non-partisan campaign, set up to work towards updating the Code and ensuring its effectiveness in delivering the infrastructure necessary to meet the demand for future connectivity.

36. Speed Up Britain submitted evidence to the Department for Digital, Culture, Media and Sport's consultation on Code reform earlier this year. It set out five key reforms in that submission, which, alongside Mobile UK, it believes would have a significant impact, including in improving connectivity in rural areas. We encourage the Labour Party to support the campaign's aims and

push for these reforms in the forthcoming Product Security and Telecommunications Infrastructure Bill. These are outlined below.

1) Remove the financial disincentives to site providers to conclude renewal agreements.

2) Remove inconsistencies between different legislative regimes.

3) Ensure code operators can use the Code to upgrade existing sites.

4) Clarify the Code's intention for the sharing and upgrading of sites.

37. Further information about the Speed Up Britain Campaign and the five reforms can be found at www.speedupbritain.com/about

Q8. How do you think public services can better support rural communities?

Q9. What are the specific challenges for different groups, and how can we ensure everyone living in rural communities has an equal opportunity to thrive.

Q10. What are the specific challenges for women and minority groups living in rural communities?

Q11. How would you define a "rural community", and what separate rural communities from urban areas?

Q12. If there is one policy idea that you would like to see Labour adopt to better support rural communities, what would that be?

38. Mobile UK has set out two key areas where we believe the Labour Party could focus its support for mobile network deployment, these are:

- Support for reform of the Electronic Communications Code;

- Support for permitted development rights reform to assist electronic communications infrastructure.

39. Beyond this, we also believe that there is scope to consider the following:

- Funding of digital champions for local authorities to act as single points of contact and coordinate digital communications policy and activity at a local level.

- Put on mobile infrastructure on an equal footing gigabit-capable fixed networks (which benefit from business rates holidays for new fibre investment.)