

COUNTRYSIDE ALLIANCE BRIEFING NOTE: THE DIGITAL DIVIDE

General Debate, Westminster Hall

Thursday 4th November 2021

- **Addressing poor digital connectivity in rural areas would be one of the most potent means of bridging the UK's digital divide. Government and broadband providers' financial commitments to full fibre must be delivered in hard-to-reach rural areas to ensure they can benefit.**
- **Continued poor connectivity in rural areas represents a huge, missed opportunity for economic development. The current lack of broadband infrastructure serving small firms threatens the expansion of the rural economy, currently worth £400bn annually. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.**
- **The Countryside Alliance welcomes the continued investment in digital infrastructure through Project Gigabit and the Shared Rural Network that was announced in the Budget. Delivering full fibre and gigabit capable broadband to the countryside by 2025, as committed to in the 2019 Conservative General Election Manifesto, has already been watered down in 2020 so this additional funding is essential if the government wants to meet its ambition of levelling up.**
- **Countryside Alliance research conducted with the UK's largest rural alt-net, Gigaclear, revealed the extent to which COVID-19 has once again highlighted the disparity in broadband connectivity across the country. Millions of Britons have suffered as a result of poor connectivity and outages.**
- **As the Government rightly focuses on recovery, we believe connectivity should be at the top of the government's list of topics to review and is a key part of the levelling up agenda.**

Background

- Countryside Alliance research with Gigaclear, published in August 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; 32 per cent estimated it would help them recover twice as fast. By contrast just 8 per cent said more government financial support would be the biggest help.
- Our research also revealed 85 per cent of rural businesses reported their current internet connection as being either poor but manageable (47 per cent), or unmanageably poor (38 per cent). One in five have had to resort to working out of a café or equivalent public space to get the internet connectivity they need to operate.
- With more and more people working from home and opting for flexi-working, the productivity of the rural economy has huge potential which is, unfortunately, being held

back by the lack of resources currently available to them, such as adequate connectivity. The rural economy is already 16 per cent less productive than the national average, but if we were able to level the digital playing field for rural areas, the economy holds a potential growth of £43bn in England alone.

- Delivering this much needed resource to our rural communities must remain a priority for the Government as the Project Gigabit fund to upgrade the digital infrastructure of our rural communities will accelerate the country's recovery from covid, setting a good start for a 'green recovery' in our post-Covid world.
- BT Openreach has identified around 420,000 UK premises classified as 'remote' and noted that a significant majority of those it defines as 'very hard to reach' are in this classification. It has noted a correlation between an inability to access 'decent broadband' by any means and how rural an area is, and highlighted clear concentrations in Scotland, Northern Ireland, Wales, the North Yorkshire Moors and parts of Somerset.
- Business satisfaction with connectivity is lowest in remote rural areas and among those whose job requires them to travel. The British Chambers of Commerce found that 30 per cent of firms in rural areas had unreliable broadband, more than twice as high as those in towns and cities.
- April 2020 saw a 62 per cent rise in outages and a third of people surveyed had experienced internet issues during lockdown. This has impacted everyone from those trying to home school to homeworkers supporting the economy.

The Budget

- The Government has confirmed the investment of £1.2 billion from 2021-2022 to 2024-25 of the £5 billion Project Gigabit which aims to support the rollout of gigabit capable broadband in hard-to-reach areas across the whole of the UK.
- Project Gigabit targets properties that were not due for upgrade either from broadband companies or other public schemes. Alongside the Budget DCMS published its autumn update on the delivery plan, outlining details of its English Phase 3 rural projects. These are intended to cover around 570,000 premises in Essex, Lincolnshire, Devon & Somerset, Herefordshire & Gloucestershire, Dorset, Cheshire and North Yorkshire.
- In Scotland, an additional £8 million is being provided to connect an additional 3,600 premises in Aberdeenshire, Angus, the Highlands, Moray and Perth & Kinross. These premises were due to get access to superfast broadband through the Scottish Government's Reaching 100% (R100) programme but this announcement will allow them access to gigabit-capable broadband instead.
- An additional £180 million was announced over the next three years as part of the £500 million investment in the Shared Rural Network, which seeks to deliver high-quality 4G mobile coverage to 95 per cent of the UK. This is estimated to offer extra coverage to 280,000 premises especially in rural areas, particularly for Scotland, Wales and Northern Ireland.

Countryside Alliance position

- We welcome 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, has already been watered down in 2020 so this additional funding is essential if the government wants to meet its ambition of levelling up.
- Increased investment in full fibre connectivity by broadband operators is to be welcomed but this financial commitment must also be delivered in hard-to-reach rural areas to ensure they can also benefit from the opportunities fibre connection brings.
- Delivering full fibre and gigabit capable broadband to the countryside by 2025, as committed to in the Conservative General Election Manifesto, must remain a Government priority. It was disappointing in last year's Comprehensive Spending Review to see that commitment watered down to 85 per cent coverage.
- Continued poor connectivity in rural areas represents a huge, missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority. The current lack of broadband infrastructure serving small firms threatens the expansion of the rural economy, currently worth £400bn annually. The business opportunity includes 28 per cent of all UK firms and over one million small businesses.
- COVID-19 has once again highlighted the disparity in broadband connectivity across the country as the networks have struggled to keep up with unprecedented demand which has seen millions of Britons suffering as a result of poor connectivity and outages.

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