RURAL BROADBAND:

LOCAL INTERVENTIONS TO ENHANCE DELIVERY TO RURAL AREAS

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EXECUTIVE SUMMARY

Following a long period when policymakers mainly viewed the rural broadband gap as a lag which market forces would eventually overcome, in 2006 addressing the (rural) broadband gap became an EU policy aim. This gained momentum in the UK with the advent of Next Generation Access (NGA) and policies were designed to address the ‘final third’ that the market was not expected to reach. There was little dedicated funding attached to these EU or UK ICT policies until 2010. Significant capital funding (£530m in the first instance) has now been made available via BDUK for Local Broadband Plans, which will encourage higher tier local authorities (or local enterprise partnerships) to intervene directly in the supply of broadband for the benefit of their ‘final third’ areas.

For some local authorities, the BDUK funding is taking them into new arenas. For others it is welcome funding to allow them accelerate their existing plans for rural broadband and make them into realities. It is timely, therefore to investigate how some local authorities have developed their roles in this respect and how they are responding to the BDUK challenge. All three case study local authorities considered in this report (County Durham, North Yorkshire and Northumberland) had already embarked on programmes of interventions to supply broadband to rural areas. The experiences of each of them provide invaluable insights into what might be involved for local authorities new to this arena. The report outlines a number of themes for local authorities to consider as they develop their Local Broadband Plans:

• The need for clear purposes that integrate with other local plans and needs, not driven by the availability of BDUK funding alone.
• The need for organisational capacity to undertake this new venture, not only in terms of staff numbers, but also in the development of appropriate skills.
• The need to understand the specialist subjects of both the technologies and the broadband market.
• The need for an understanding of the range of intervention mechanisms that could be applied. There is no easy option if effective use is to be made of the BDUK funding.

Local authorities are not the only organisations that have been intervening to provide broadband to rural areas beyond the reach of commercial suppliers. A significant effort has been made by a number of Community Broadband Organisations (CBOs). These are third sector organisations that provide broadband to their local communities by setting up their own networks. In March 2011, DEFRA announced funding of up to £20m for Rural
Community Broadband, which will perhaps help to support rural broadband roll out by such organisations.

Six CBOs were identified and studied as part of this project (Bay Broadband, Crosby Ravensworth Parish, Cybermoor, Fontburn, Weardalenet Ltd and WrayComCom). A pen portrait is provided of each. Although structurally dissimilar, the organisations had some common challenges and characteristics:

- All were facing significant challenges, that in addition to those that all community organisations might be expected to face, included:
  - The specialist nature of the technologies and the telecommunications market that they had to relate to. None had started out with any significant knowledge of either.
  - The newness of the service they were offering meant there was no local legacy of hard or soft infrastructure to build from.
  - Working in a new and unstable domain – technologies were developing, demand was changing, there was an immature commercial supply market, and the public sector was still determining its role.
- Despite these challenges which might lead to the conclusion that CBOs would be inherently unstable and unsustainable, they survived and succeeded. A number of common factors were discernible as contributing to this:
  - They were evolving and transforming themselves and what they did to adjust to the dynamic nature of the domain they were working in.
  - They were learning organisations, not in a formal sense but in an inquiring, experimental, and practical way.
  - They provided services that people wanted, even in places where commercial competition was introduced, in particular offering a more personalised and neighbourly approach to their support.
  - They were led by ‘broadband champions’ who showed incredible commitment to the delivery of broadband, enhanced by their personal need and their convictions about its transformative power for rural areas. They all also employed ‘outside the box’ approaches to many problems when more traditional solutions failed.

Reflecting on the present position of the roll out of broadband/NGA to rural areas, the first notable feature is how fast-moving the situation is. The second is that all three sectors seem to have a role to play in providing NGA services to rural areas. The commercial sector will cover areas where the demand is high. BDUK funding is allowing local authorities to
intervene to enable a greater reach of services. Although in national policy terms the role of CBOs is not as well defined, the three local authority case studies all recognised the difficulties of providing services to remote areas themselves and the possibility of working with CBOs where they existed. There are three pieces to the jigsaw of NGA delivery to rural areas: the private sector, the public sector, and CBOs. The public sector has to take responsibility for joining the pieces together and ensuring a complete picture.