

Digital Communications Infrastructure Strategy: NFU Consultation Response.

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The Digital Communications Infrastructure Strategy

Introduction

- The National Farmers' Union of England and Wales (NFU) is the voice of British farming. We provide professional representation for our 55,000 farming members. In addition we have 32,000 countryside members with an interest in farming and rural affairs.
- The NFU welcome the opportunity to respond to the Digital Communications Infrastructure Strategy consultation and would be pleased to discuss the issues raised in this submission with yourselves and other stakeholders in the digital communications industry.
- In this consultation we do not seek to answer all 44 questions, but emphasise key issues, many of which are cross cutting. Our focus is on assisting policy delivery rather than providing technical evidence, as we are a trade organisation rather than a digital provider, hence we only answer the questions at the start of the consultation in detail and provide a summary of the key issues driving the need for our response.
- In particular we welcome government's commitment to making the UK the best connected country in the world. We would emphasise the needs to be a universal commitment, not one that will still leave the rural area without adequate broadband and mobile phone coverage, whilst urban populations get faster and more efficient communications systems. We are concerned that the current provision of digital infrastructure for our member's businesses and their rural communities is too slow and delivery too uncertain. This has to change to allow the farming sector to fulfil its potential, meet the challenges of climate change and address environmental and welfare regulations. All this requires our members to have superfast digital services now.
- We ask that an accelerated programme of digital infrastructure is put into place. If this requires further regulation to allow a wider range of options to deliver the infrastructure needed, we request that this is brought forward without delay.
- We understand that 24 Mbps is the standard for current superfast broadband and that this is being exceeded in urban areas, we ask the same provision for rural areas.
- We would be happy to work with government and other stakeholders to help this happen.
- Notwithstanding the need for accelerating the provision of rural broadband, we believe that this consultation should be a starting point for debate and discussion and that other stakeholders should be encouraged to engage, including those who currently cannot access this consultation from their businesses.

The voice of British farming

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- We would ask that there should be more opportunity for the end users of the system to feedback, with consultations designed to encourage this.

NFU Summary response: The market need for an accelerated rural broadband and mobile phone provision and the role for government and the digital infrastructure industry.

- Universal superfast broadband and mobile phone coverage is needed for the United Kingdom as a whole. Near universal is not good enough, it excludes too many businesses outside urban areas. We welcome the current initiatives for rollout of infrastructure but know that this will not meet the needs of our most remote members, or even those close to urban areas in not-spots. We need reliable mobile phone coverage and understand that 99% coverage is the aim. However as recent Ofcom figures have reported coverage has to become more robust. Our members need to access a signal, retain a signal and use smart technology via phone. They need the confidence to make an emergency phone call anywhere in the country.
- We ask Government to provide a strategy for delivering genuine universal superfast broad band coverage and reliable phone coverage and ensure that users know when this will be delivered. This is the missing part of the digital story. We ask that this moves beyond the stated percentages as this will exclude too many actual rural businesses and communities who will not have a superfast broadband service this year or in 2017. Phase 2 broadband will not deliver for the rural economy and we don't have a current government strategy for those who definitely will not have a superfast solution. We need to move beyond the piecemeal to an integrated strategy. We need to be able to exceed European targets, not seek to reduce them for our rural areas.
- We would encourage wider digital industry stakeholders and Government to recognise that the digital economy extends beyond urban areas. There is a growing digital market in farming, its supply chain and other diversified rural industries. The farm and food sector employ 3.5 million people and is worth £97.1 billion annually. The farming has actually been growing as a sector, with output increasing from £16 billion to £25.7 billion between 2007 and 2013. The challenge we have in business terms is that the farming sector still only produces 60% of the nation's food; we have to become more self-sufficient, this will benefit all. Whilst the sector needs to keep growing it needs reliable, fast digital infrastructure to do so. To ensure it can invest and innovate and hence meet government targets for *Making the food and farming industry more competitive while protecting the environment* (DEFRA 2013).
- The national picture is that there are currently 60% of farms with broadband speeds of below 2 Mbps and 6% rely on dial up connections.

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- We therefore need Government to prioritise the delivery of superfast speed digital infrastructure to the agricultural sector and wider rural economy to support the growth in this sector. The food supply chain, higher regulation, and agricultural technology advances are all driving change. We need effective digital infrastructure to ensure our farming sector can become world leaders in agricultural technologies, form effective food chains, become more self-sufficient in quality, local produced food and to increase international trade. We have members already making extensive use of digital technology, for example to monitor animals, control building systems and use Wi-Fi enabled technology in their farm machinery. As farming continues to innovate reliable high speed broadband and phone have to become the norm.
- However we know for the farming sector and rural economy the digital divide is not just about superfast broadband and 4G phone supply. We need targeted intervention in 2014 to ensure everyone can make an emergency phone call to report a crime and be able access the internet. We have members with no access to digital technology whatsoever due to lack of infrastructure. Members who cannot engage directly with on-line government services and who cannot meet legislative requirements for their businesses without external support. They want and need to engage, but don't have the ability in terms of access to physical infrastructure. There may need to be innovative solutions to meet this sector of the market, but the concern is that there are rural not spots all over the country, not just in the more remote areas.
- Infrastructure should now be in place to run parallel with digital by default; however these services have been introduced before the infrastructure to support customer compliance. This creates significant issues for our member when accessing or complying with government policy and environment and welfare regulations, as well as tax and vehicle licencing. Common Agricultural Policy requires farmers to be digitally compliant from 2015. Alternative sources of information such as local government offices and libraries with digital resources are being closed down or reduced in rural locations.
- We would also emphasise the need to factor climate change into the provision of a digital communications strategy. It is increasingly important for our members to be able to future proof their business, given the likely probability of more extreme weather events, including droughts and flooding, and have access to early warning systems and future forecasting. Given the increasingly use of on-line systems and applications to manage reporting and responses to climate change events, there needs to be a reliable rural infrastructure in place to support this
- We would also highlight the need for digital infrastructure to meet wider rural community markets, the growing small and medium sized enterprises that are rural based and who need a change in rural broadband policy to flourish. The countryside is the place of choice for many creative industries as well as farm related diversification and tourism. 56% of our members have diversified activity on farm: additional or supporting businesses with local, regional and international markets. Diversified activities added £440 million to farming's bottom line in 2012/2013 a 16% increase on 2012. However our member's evidence is that these businesses need superfast broadband and reliable phone coverage to grow. Current policy is inhibiting their future development.

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- Our rural communities have wider social and welfare needs for digital technology. Overall rural populations are ageing, with less access to medical, social and educational services, all of which are markets for the digital sector. There is a huge market for the Internet of Things and market for products to opportunity to improve rural life.
- The NFU therefore asks the digital industry to embrace the market opportunities provided by the farming sector and wider rural economy, for which new as well as established technologies will play a part.
- The NFU ask Government to reduce the barriers to the effective role out of digital infrastructure to support a universal superfast broadband and mobile phone service. This will include empowering consumers to choose alternatives to fixed broadband supplies and investing in technology to make our rural broadband infrastructure more robust.
- We support the Government's commitment to making the UK the best connected country in the world

Question 1:

Is this an appropriate role for Government?

What other high level principles should government adopt?

What resources do you consider the Government should aim to employ to manage its role?

- We see the Government role as a cross cutting one. There should be a focus on developing a national digital infrastructure to promote farming business and the rural economy, as well as the digital industry and urban based demand.
- The NFU urge Government to provide a strategy that will help deliver a robust digital infrastructure to meet demand and addresses market failure where there is a genuine reason to do so. To see the wider, long term benefits rather than purely in terms of value for money in the short term. The government needs to commit to providing a universal resource for all; this is an essential utility and should have had a higher priority in terms of broadband rollout. The rural economy should not be left behind.
- We also see the government role as a facilitator to bring together the industry with their rural market and coordinate an accelerated programme for universal broadband delivery. To address genuine infrastructure delivery issues. We are not aware of landowner or planning issues preventing wider delivery of the current Mobile Infrastructure Project, but our members are concerned that that the funds should be evenly distributed to ensure coverage of not spots.
- We would ask that the government look to ensure there is emergency phone signal universally. This is not something Ofcom were not able to confirm to us, rather than actual coverage may vary. The ability to make a call can also be affected by choice of handset and whether the user is inside, outside or on the move.

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- We also think government should look to intervene now where programmes are not being delivered to target, or where local partners are struggling to support their endeavours, otherwise there will be not spots. This may need additional resource, smarter thinking and benchmarking.
- We do believe there may be a need for regulation if universal coverage cannot be achieved.
- We are concerned about the lack of a coherent picture for providing infrastructure for the rural areas and lack of known digital solutions. We believe government should encourage a wider choice of providers and technological solutions to access the rural market. Our members' have evidence of where current contracts and monopolies can create problems for broadband roll out and mobile phone coverage. Any strategy should look to cover a number of technical solutions and providers. We are aware of the urban solutions and broadband issues, but know that we need different approaches to achieve universal coverage.

Question 2: What potential opportunities are there for Government to leverage its combined buying power to support policy objectives?

- We believe that all routes should be considered if this means additional choice to the rural market and adequate safeguards can be provided.
- If new infrastructure is being provided, which could include digital technology, then access to this should be made available for local businesses and communities alongside routes.

Question 4: Is an on-going disparity of broadband services inevitable. If so, should this be addressed and how this might be done effectively?

- The NFU consider demand will generate the need for higher broadband speeds, hence why current the 2 Mbps minimum target for the last 5% is too slow now and unacceptable for any future scenario.
- The NFU believes regulation should be light touch and there should be opportunities to look for solutions, including using ideas from other countries, we should benchmark with the best.
- The NFU are keen for regulations to be kept for a minimum and not used to prevent development. For example where community projects and other non-traditional solutions seek to provide infrastructure (where there is no current market demand), we need to think more creatively to ensure these can be funded and are not prevented from connections to a wider network.
- We consider that Government should look to invest where there is market failure and seek enabling legislation where necessary.
- The disparity in services discussed within the document is not so apparent in other countries, so we know it is not inevitable. The government have started to address the need for intervention and additional resource, but this needs to be focused to quickly bring about higher standards. We believe 24 Mbps is the starting point for all, but appreciate this will change and need to be increased just to meet average household demand (our members will also have business demands).

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- We would encourage the industry to engage with the agricultural and farm sector and see where they can increase their market share; we see a number of solutions. Indeed the NFU already work with a satellite provider to enable our members to obtain satellite broadband.
- We would look to the government to work with agriculture and other stakeholders in rural areas, as well as the digital industry to try and bring other solutions to the market and to assist investment where needed, including empowering businesses to access the market. We anticipate there will be a number of technologies and delivery partners needed to future proof the system.

Question 5: How symmetrical will digital communications networks have to be in the future? Will this differ across other user types? What implications are there for fixed and wireless broadband provision?

- The NFU experience is that some members already use smart phones and tablets given they are more portable and hence useful over the wider farm and for monitoring.
- The farming industry is highly regulated and needs to share information with government departments and other regulators. Farmers have increasingly to be IT literate to farm.
- The use of smart phone and tablets can bring major efficiencies for the farming industry and hence will become more important in the future. They allow members to be able to access information via phone and tablet in the easiest form. For example the monitoring of animals, site security, storage of animals, water quality and supply, machinery and plant (including renewables), weather (including flood alerts). Our members are also increasing using social media and internet for example for trade, reporting of crime and animal welfare, as well as general business communication. This usage is all for their day to day business requirements in addition to compliance with regulations.
- Our members need to be able to access their data wherever they are on farm, market and show and need to be able to react to this data quickly. The impacts for farming go beyond efficiency, flood alert and welfare information needs to be available all the time and not restricted by not spots.
- Farming as an industry is and will increasingly be a major user of advanced digitally enabled technology and needs superfast technology to support this.

Question 6: Which countries should be our benchmarks on communication infrastructure to ensure that businesses remain in the UK and continue to invest?

- The NFU would encourage benchmarking with those countries who have fast rural connections. We need to match and exceed European partners and major importers to this country and understand the broadband impacts for our wider higher valued added markets such as the United States and China.
- These countries may have different regulatory systems, but there will still be potential for lessons learnt, given we may need to move away from a traditionally fixed system to access the most remote areas, where farming and the tourist economy still warrant a reliable service.

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- We know that other nation's farming economies impact on our self-sufficiency, and those with better broadband could have a market advantage.

3 Scenarios of future demand

4 Competition and regulation

5 Facilitating and encouraging investment.

- The NFU do not believe that the scenarios 1 or 2 are inevitable and then levels of demand in scenario 3 are more likely. As we have previously described, our members are increasingly using a variety of technology, with lack of fast, reliable connection being a major contributing factor to the roll out of technology. Our members will require superfast digital speeds, cloud storage and will embrace the Internet of Things. They will additionally need to meet higher regulatory demands using on-line resources.
- What is not clear from the commentary and indeed our member experience on the ground is whether the technology that will meet their market demands will be developed from the existing, traditional infrastructure we have in place, such as copper and other fixed systems, that has developed to serve the urban market. We expect there to be opportunities for the digital industry to develop new solutions.
- We know that Government has funded a limited trail of alternative technologies and would emphasise the need to embrace and assist research into technologies that will deliver in the short and long term to enable universal coverage. We expect that our members may have to use a range of solutions to meet their digital needs.
- We also ask Government to empower local businesses and communities to make their own choices of infrastructure. To help them get systems into place rather than having to wait for the long term roll out of traditional technologies that may not deliver, as they will not be cost effective for providers.
- The NFU ask the providers of digital technologies and infrastructure to engage with the farming community, to understand the market needs and opportunities for their services, for example so that they can understand how applications could work using 4G and 5G systems, wireless or satellite technology.
- In terms of regulation, we would ask that this be kept at a minimum, so we retain a competitive digital industry. We acknowledge that further regulation may be necessary to encourage a range of solutions to be available for our members. The NFU are concerned that the current broadband roll out has been too slow and inconsistent and that we move forward quickly and with certainty of delivery.
- We would not support any change to regulation that would result in a lower level of rural broadband speed than our European competitors, and would ask the Government to work to exceed targets and not seek to lower them.