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Dear Sir,

Yorkshire and Humber Rural Affairs Forum response to Digital Britain: The Interim Report

The Yorkshire and Humber Rural Affairs Forum welcomes the opportunity to respond to the publication in January of this year to the Digital Britain Interim Report. Our response is aimed at providing positive feedback to the report and is focused keenly upon the businesses and communities living and working across rural Yorkshire and the Humber.

While it is true to say that the digital information and communication sector touches the lives of all our people – whether they live in central Leeds or the furthest reaches of the Dales or Moors – our response to you at this time is very much focused upon the impact of digitalisation upon rural economic activity. In due course we would be keen to explore how the on going digitalisation of our key services too impacts upon rural communities and rural life and the extent to which this is addressing or widening relative disadvantage for those in most need.

However, this response, in relation to your Interim Report, focuses clearly upon direct economic impact of digitalisation and the extent to which your report does, or does not, recognise the needs of rural business and the opportunities digitalisation affords those businesses – existing and prospective – to compete in the global economy. In particular, we focus upon the benefits and current limitations of the digital network in the UK today and its availability to rural areas.

An overview of the Report

- Ø It is good to note the Report's recognition of lower existing bandwidth and experienced in rural areas and small towns today compared to urban areas and the national average.
- Ø The highlighting of community responses to 'Digital Exclusion' is also welcome, although this is always likely to be a patchy response and unlikely to provide a solution for the majority of rural areas, dependent as it is upon specific locality factors.
- Ø In particular, we welcome the UK government's recognition of the Council of the European Union's view on the necessity for 'Digital Inclusion' for remote, rural areas:

"...The Commission and the Member States are called upon to put in place measures aimed at ensuring an adequate participation to the information society, by enabling citizens to access and exploit ICT irrespective of location or socioeconomic

background, in particular in convergence regions and remote and rural areas of the European Union..."

- Ø However, we are disappointed by the Interim Report's failure to make specific reference to the 'digital divide' that clearly exists between urban and rural areas; a divide which becomes increasingly acute the further one travels from our urban centres. It is this very clear divide which requires urgent action from government and providers to enable rural areas to continue to make a full contribution to economic success (and recovery) for the nation as a whole.

This apparent unresponsiveness to rural areas appears in contrast to the on-going stated commitment of government to investing in the success of rural areas and to creating sustainable communities, resilient to economic fluctuations as well as to the increasing threat posed by climate change.

The Report's view that the 'market will provide' also apparently flies in the face of the position of the European Commission who have recently announced proposals to use intervention programmes to boost internet services and networks in rural areas – and have called upon Member States to do the same. Mariann Fischer Boel, European Commissioner for Agriculture and Rural Development, has recently said "*...if we're serious about having prosperous and vibrant rural areas, we still need to help everyone get the most out of modern technologies...*" In addition, this is further substantiated by Vivianne Reding, Commissioner for Information, Society and Media, stating that "*...broadband is an indispensable tool for businesses in rural areas, particularly SMEs who depend on a high-speed connection to the rest of the economy...*"

Digital Networks

- Ø The Report states clearly that "*...broadband digital networks, carrying very high capacity data and video information, at work, in the home and on the move, will be a major spur to innovation in the economies that adopt it...*" This statement in itself highlights the significant disadvantage that rural economies will be facing as digital becomes increasingly prevalent with the roll out of Next Generation Access Networks (NGA).
- Ø We are, therefore, disappointed that the Report does not challenge further the view of the Caio Review that market forces will be sufficient for the UK (including rural areas) to become competitive, with government intervention only required to show the way via frameworks, non-distorting initiatives, benchmarking and a risk assessment based intervention strategy should the market fail to deliver.
- Ø It is clear that for many rural areas in or beyond the "last mile" of the Access Network, only investment in wireless technologies such as those quoted in the Report (e.g. WiMax) will provide sufficient broadband speed potential to allow for a competitive position to be attained. As wireless technology currently stands, however, this will only provide a partial solution and we would argue that government investment is required now to enable this opportunity to be properly realised in the short to medium term.

Universal Connectivity

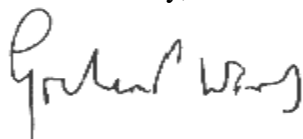
- Ø The Report sets out laudable aims for universality, which we endorse and applaud. At the same time you recognise the particular opportunities to meet public service challenges through universal broadband connectivity, noting those *"...remote from the physical distribution points for public service..."*
- Ø We would emphasise that universality is critical not just for those seeking access to services but also to those businesses that will increasingly rely upon high speed broadband access to do their business. These primarily small and micro businesses are the bedrock upon which the rural economy relies as land based industry continues to decline in relative importance as an employer or generator of wealth for rural communities.
- Ø However, equally important for rural areas is the minimum standards in broadband speed terms which may be imposed through any Universal Service Commitment (USC). If such a USC is developed, and average speeds are the benchmark to guide application, then this will clearly require considerable investment on behalf of providers to ensure that rural areas enjoy minimum speeds of 2Mb/s by 2012.

Looking Forwards

- Ø While the case for high speed broadband enabling business competitiveness is clear and the disadvantage experienced in this regard by rural areas, particularly remoter rural areas, is also well mapped, there is currently a lack of hard data to quantify the extent to which this disadvantage actually impacts upon rural economies in the Region.
- Ø However, research is currently in progress by Yorkshire Forward which will be published in the coming months. This research is based upon a comprehensive survey on the availability of broadband services across the region, including rural areas. It is anticipated that this research will allow a proper analysis to be undertaken into the extent of current broadband services, comparing different urban-rural typologies.
- Ø The Yorkshire and Humber Rural Affairs Forum is keen to continue our dialogue with BERR on the subject of Digital inclusion, from the perspective of businesses and service users across the rural areas of our region. Our perspective is well summed up by Fabio Colasanti, speaking on behalf of the European Commissioner for Employment, Social Affairs and Equal Opportunities at the recent e.inclusion Ministerial Conference held in December 2008 in Vienna:

"...Inclusion is a moral obligation, but also a huge economic opportunity..."

Yours faithfully,



Graham Ward, Chairman, Yorkshire and Humber Rural Affairs Forum