



## Our Response to CLG's 'Delivering Digital Inclusion: An Action Plan for Consultation'

### 1. Introduction

- 1.1 The Commission for Rural Communities (CRC) is the statutory voice for England's rural people, businesses and communities, providing well informed, independent advice to government and ensuring policies reflect the needs of people living and working in rural England, with a particular focus on tackling disadvantage.
- 1.2 The CRC has three key functions:
- Rural advocate – the voice for rural people, businesses and communities
  - Expert adviser – giving evidence based, objective advice to government (central regional and local) in taking account of rural needs and circumstances
  - Independent watchdog – monitoring and reporting on delivery of policies nationally regionally and locally
- 1.3 The CRC is responsible for hearing and capturing the concerns and priorities of rural people and their representatives and communicating these concerns publicly and to government.
- 1.4 The CRC welcomes this Digital Inclusion Action Plan, as we believe this creates an opportunity for service delivery bodies to work together to ensure full access to the benefits of digital technologies.
- 1.5 Digital Inclusion brings many benefits across social, economic and community areas:
- Individuals can access a wealth of information, training and employment, new forms of communication, access to shopping online, maintain a work life balance and enhance their lives by working from home, improved health and social care;
  - Business and industry can innovate more, be more competitive, enhance access to markets, provide round the clock access to its services and employ a more diverse workforce;
  - Voluntary organisations can also innovate and enhance their delivery of services;
  - Government can deliver improved services through E-Government.
- 1.6 However, we recognise a number of assumptions that have been made within the *Delivering Digital Inclusion Consultation Report* and the previous research report *Community Perspectives on Digital Inclusion*<sup>1</sup>. This response seeks to firstly, address some of the assumptions within the research report regarding rural communities; secondly, to highlight the issues relating to rural digital inclusion in response to the consultation and finally to put forward recommendations for action.

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<sup>1</sup> Community Perspectives on Digital Inclusion, Communities and Local Government, October 2008

## **2. Rural Communities and rural economies: issues relating to rural digital inclusion**

- 2.1 The demographics of rural communities show a mix of social and economic backgrounds; single parents, older people, migrants, disabled and low income households. It is important to understand that deprivation is harder to identify because it often sits alongside affluence and can be hidden.
- 2.2. Whilst there have clearly been many successes in increasing digital inclusion, significant groups and individuals still remain digitally disengaged. A number of factors have contrived to give people in rural areas less access to some digital services:
- I. Availability of broadband, the so called 'digital divide' between near universal urban and patchy rural coverage, has been and continues to be, a major issue. Coverage in rural areas is increasing very rapidly but is still quite patchy and there are issues around the range of services in more remote areas. Rural Areas suffer from slower download speeds and customer satisfaction still remains low. In 2008, OFCOM research into user experiences concluded that<sup>2</sup>  
  
*'Consumers in rural locations are significantly less satisfied with their broadband connection than are urban consumers. Given the lower average headline speeds in rural locations, we would expect satisfaction to be lower in rural households. This was the case, with 78% of rural users satisfied with their overall broadband connection compared to 85% of urban users. Those in rural households also express relatively high levels of dissatisfaction, 14 % compared to 8% of urban users  
Much of this difference is likely to be explained by speed degradation among Digital Subscriber Line (DSL) connections caused by the fact that rural customers typically live further from their nearest exchange and therefore have, on average, a longer line length from the exchange to the premises. (Around 80% of UK broadband connections are DSL, whereby broadband is delivered via the copper telephone wire; and a characteristic of DSL broadband, in contrast to cable broadband, is that speeds degrade significantly with the length of the line) '*
  - II. The use of digital television is lower in rural than in urban areas because of the lack of cable and digital terrestrial coverage. It is difficult to gauge how this may change as a result of the Digital broadcasting switchover .
  - III. Public internet access, through UK Online centres, Learn direct centres and Libraries is much poorer in rural areas 54 % of rural households compared to 90% of urban households have a public access point less than 2 km away.
- 2.3 Whilst these figures suggest that rural areas are not doing too badly, considering their remoteness and less obvious market value, nevertheless, there still exist digital technology access issues among some social groups and specific demographics in rural areas. This is particularly true for older people who make up the largest group of rural poor, and also young people in rural areas.
- 2.4 Lack of access to digital services could exacerbate the sense of isolation felt by many older people. It has the potential to limit their access to government services and preclude access to the full range of social benefits available through various interactive services, such as cheaper bills and health care diagnostics. For younger people it could limit job search opportunities and options such as on-line training, as well as limiting the social and recreational uses of the internet. Again this will only enhance feelings of isolation, perhaps increasing the movement of young people into the towns and cities.

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<sup>2</sup> Consumer experience of broadband performance, initial findings OFCOM, 2008

- 2.5 The contribution that rural economies can make has been highlighted in the recent CRC report, *England's Rural Areas, Steps to release their economic potential*<sup>3</sup>. The benefits of new technology and internet access to rural business are self evident. Digital engagement can increase business competitiveness and innovation by opening up access to national and international markets. It can allow companies to start up within or move into rural areas, and to diversify to meet the needs to the changing economy. This is particularly relevant in the current economic climate. It can deliver remote training to staff, and a range of services without the need to travel, thereby reducing the environmental impact of rural business. Many UK rural businesses are competing with not just urban businesses but rural businesses in other countries, (many of these countries have taken different paths, than the UK, in terms of broadband access). This dimension is important against the current position whereby existing providers see little or no incentive to keeping rural areas supplied with up to date and competitive bandwidth speeds.
- 2.6 Alongside the boom in home working and increases in new business start ups, we recognise that there is still constraint due to lack of broadband coverage and faster broadband speeds. This signals a very significant missed opportunity for rural communities and economies. The CRC feels that higher priority should be given to the very real competitive and social disadvantage which will without doubt, emerge if people and businesses in rural areas cannot access the ever increasing broadband speeds enjoyed by their urban counterparts in the rest of the UK and also their urban and rural counterparts globally. This absence of equitable provision for the needs of rural communities and economies, creates a real danger that lack of full broadband coverage, with the right speed and bandwidth, will stifle business innovation and social opportunities, and all of the potential benefits to rural economies and rural communities as a whole, will be lost. See table 1 below.

**Table 1: Broadband take up by rural area type.**

Area Type	Proportion (%) of households that have taken up broadband services (as at 2006)
Urban > 10K - Less Sparse	42.0
Urban > 10K - Sparse	32.4
Town and Fringe - Less Sparse	38.1
Town and Fringe - Sparse	32.9
Village, Hamlet & Isolated Dwellings - Less Sparse	38.0
Village, Hamlet & Isolated Dwellings - Sparse	31.1
England	41.2

- 2.7. The initial high cost of extending broadband coverage should not be used as an excuse not to do it, given the future cost savings which could be achieved through online provision of services. Equitable access to broadband, competitive bandwidth and advanced technology platforms would allow the provision of many services, such as remote access health diagnostics or community based services, at very low cost.

<sup>3</sup> CRC 74, England's Rural areas, steps to release their economic potential

### 3. Chapter One: Overview.

#### Question 1: How far do you agree with the definition of digital inclusion and the nature of the problem set out here?

- 3.1 The definition of digital inclusion, which covers *'Direct access to technologies'* and *'indirect use of technologies'* should also cover basic broadband provision and bandwidth and speed. This will ensure that all aspects of the relevant infrastructure are considered; access by the user, service provision by the service provider and quality of access and service through adequate bandwidth.
- 3.2 Digital mobile phone coverage is also an important rural issue. Coverage is currently measured by percentage of the *population* covered, not by *area* covered - which creates a misconception that coverage in rural areas is better than it actually is; market towns and more densely populated villages counter balancing the lack of coverage in more sparsely populated areas. Businesses in areas without mobile phone services are inevitably less competitive than those with a signal because of access to personnel and rapidity of response to queries. Sole traders in particular, will experience operational difficulties whilst trying to fulfill contracts and respond to enquiries for new work.
- 3.3 The CRC believes that the Digital Inclusion Action Plan in its current form does not fully represent the needs of rural communities. A greater commitment to address rural issues as a higher priority, through rural proofing is required within the action plan. Rural proofing is a commitment by Government to ensure domestic policies take account of rural circumstances and needs. It is a mandatory part of the policy process, which means as policies are developed, policy makers should:
- consider whether their policy is likely to have a different impact in rural areas, because of particular circumstances or needs
  - make proper assessment of those impacts, if they are likely to be significant
  - adjust the policy where appropriate, with solutions to meet rural needs and circumstances
- 3.4. Therefore the Digital Inclusion Action Plan needs to take greater account of the rural dimension within the report, so that the benefits to rural communities are not lost. The CRC is willing to work more closely with the cross-government Digital Inclusion team to ensure that the Action Plan is rural proofed and more rural specific evidence is available.

### 4. Chapter Two: Why is digital inclusion important?

- 4.1 As previously set out, rural communities stand to gain considerable social equity and improved social outcomes through better digital access. Rural economies would benefit from increased competitiveness, innovation and productivity. Service providers charged with delivering services to rural communities would be constrained in their ability to adopt innovative service delivery solutions. However, if greater priority is *not* given to the needs of rural communities, then the costs of the resulting digital *exclusion* in rural areas could be highly significant in terms of future community sustainability, economic performance and individual access to services. The ability of an individual, a community or a business in rural areas, to function at their fullest potential will *not* be realised if rural communities remain out in the cold in terms of their access to digital technologies: this includes equitable broadband coverage and competitive bandwidth speeds. The result could be that extra public investment is required to maintain rural communities and their services.

**5. Chapter Three: Direct benefits, who is missing out and why?  
Chapter Four: Indirect benefits – delivering social outcomes and services**

- 5.1 Whilst we agree with the analysis of the main barriers to engagement, there is still considerable imbalance within the report between the issues surrounding *direct access* to digital technology related to confidence, awareness of benefit and skills, versus *indirect access* related to service integration .
- 5.2 As services and innovative cost effective solutions delivering medical, educational and government information are developed and deployed, where they can be accessed, they have the power to transform communities as they deploy. Those areas without access will develop into places requiring an ever increasing amount of public funds to support. We wish to see more emphasis placed upon service integration and co-ordination across local, and regional service providers. There is a clear need for change at a strategic level, both regional and national, to ensure that existing strategies, service delivery plans and delivery mechanisms are co-ordinated and 'digital inclusion proofed' to take account of 'conduit as well as content'. We support the call for service delivery improvements for rural communities and for better integration of existing strategies. Much good practice exists in providing 'Total Assistance' services to Older people – delivering advice and information through readily available domestic terminals (i.e. TV and mobiles). We would welcome any measure to expand this approach across other service providers.
- 5.3 In addition we wish to see a stronger degree of importance placed upon the provision of infrastructure covering bandwidth and speed quality as well as geographical coverage . See Appendix 1 for further detail on Digital Subscriber Line (DSL) download speeds.
- 5.4 Recent actions and investment by BT, in particular removal of the distance-related limits for 512kb/sec ADSL, should enable 99.8% of lines that are connected to a broadband exchange to receive this service. This has the potential to make a tremendous difference to the availability of broadband to those in more remote areas. However, this investment merely enables rural communities to receive improved access to *basic* broadband, but still lag behind in terms of equitable access to the most competitive bandwidth speeds.
- 5.5. Without access to competitive bandwidth speeds, there is a very real chance that rural businesses and communities will gradually experience an ever increasing "divide" going forward without realising it until it is too late to intervene cost effectively and practically. Innovative and highly competitive businesses will establish where access to information, discussion and intelligence is available via Next Generation Access . Many businesses will struggle to keep pace in rural areas where access at high speeds is denied.
- 5.6 Recent developments in digital innovation at a regional level have occurred as a direct result of the *Digital Challenge* . This has enabled Local Authorities and their partners to develop a co-ordinated approach to delivering digital innovation and service delivery improvements. However, each project has developed in response to differing priorities. Whilst we recognise the importance of reflecting local priorities we also recognise that in rural areas there are some common themes which require attention. There is a clear need to support rural SME's to ensure that their economic potential is not lost, particularly during the recession. It is also important to ensure that rural service delivery improvements are not hindered because of distance decay or accessibility. A basic requirement underpinning this is provision of support for the work of the DC10plus network to continue it's good practice in sharing information and networking amongst Local Authorities and their partners, to further the development of digital technologies and digital inclusion.

## **6. Recommendations.**

**We call for additional funding for the Community Building Capacity DC10plus group activities to further digital inclusion networking, good practice and information sharing, in particular to cover rural accessibility.**

**We wish to see the Digital Inclusion Action Plan take account of the DWP UK National Action Plan on Social Inclusion and both CLG and DWP should work together to ensure that any future action on digital inclusion reflects DWP strategic goals.**

**We recommend that the Government should expand the Digital Challenge programme with particular emphasis upon supporting rural SME's during the recession , as well as integrated service provision.**

**We are pleased to hear Gordon Brown's recent announcement that the government would look to put in place large counter cyclical investment measures to combat the recession that would include plans to "invest in the future" through much larger "investment in the digital economy". This would include "High Tech Infrastructure" – spending on better broadband and fibre optic technology.**

**In response we would recommend that funding and support is committed to rural communities to deliver innovative and *appropriate* technical solutions to improve competitiveness and achieve increased bandwidth speeds and quality of service on a par with that delivered in urban centres. One potential for this may be the Rural Development Plan for England (RDPE) There are a number of examples of communities who have found solutions to the problem of low bandwidth by using WiMax and other technologies ; minimal funding and practical support is in many cases all that is required.**

**We reiterate the call for a new 2012 target by which Government and others can monitor the quality and reach of the next generation networks, as this would ensure that rural areas maintain equitable access to the developments of digital technology.**

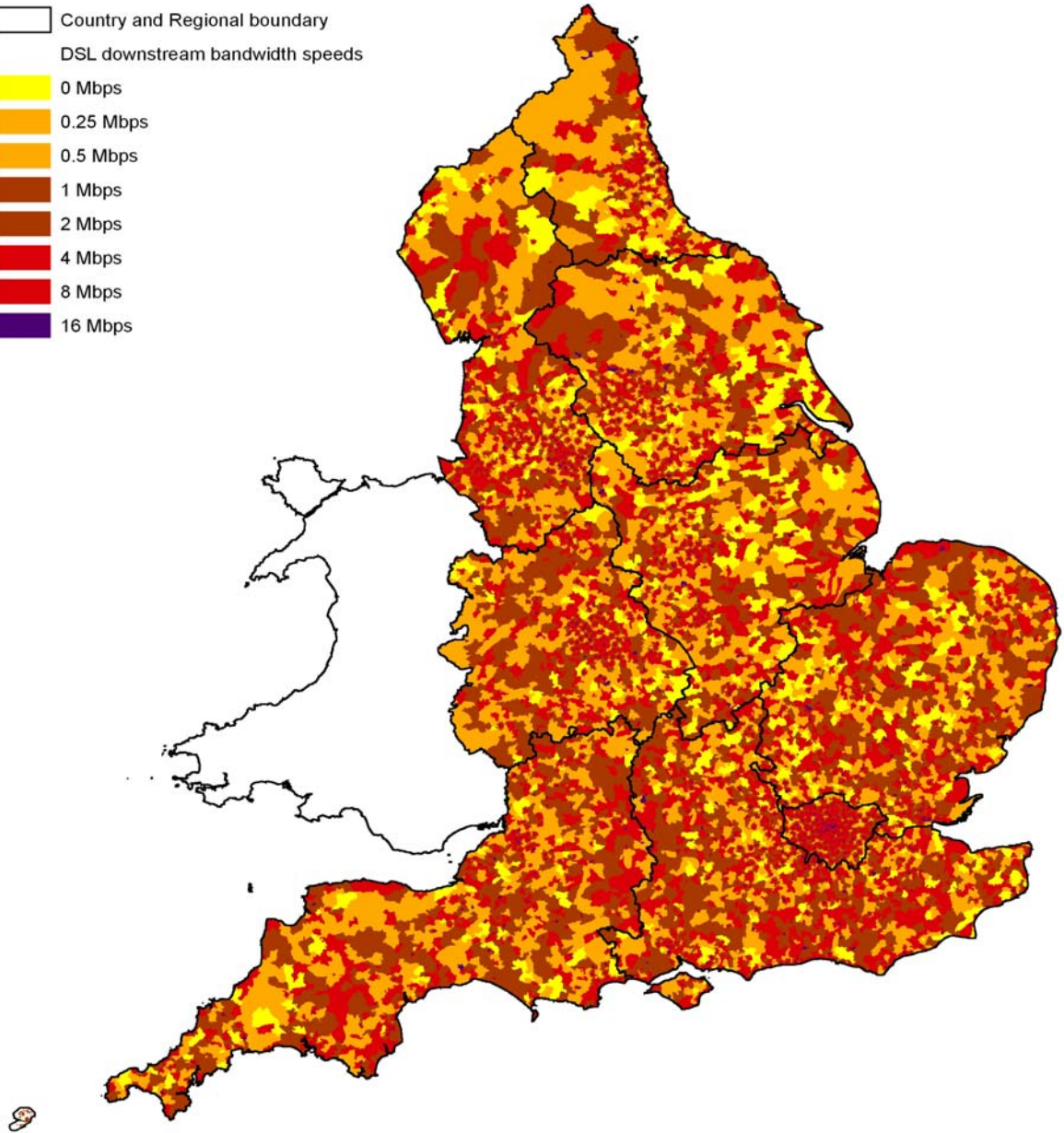
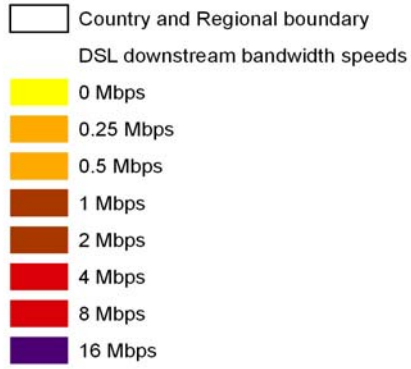
**We also support the concept of an updated Universal Service Obligation for Internet provision that reflects the market, covers bandwidth speed and also recognises the special needs of rural communities and the disadvantaged. Government and industry support would ensure an equitable distribution of costs.**

Commission for Rural Communities.

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## Appendix 1: Bandwidth speeds, 2008.

### Legend



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