



The National Assembly for Wales' Economy, Infrastructure and Skills Committee inquiry into digital infrastructure in Wales

Evidence from Mobile UK

Mobile UK is the trade association for the UK's mobile network operators: EE, Telefonica UK (O2), Three and Vodafone. Our goal is to realise the power of mobile to improve the lives of our customers and the prosperity of the UK.

Mobile UK welcomes the chance to provide evidence to the Welsh Assembly's very timely inquiry into digital infrastructure in Wales. Our submission focuses on mobile infrastructure. In summary:

- The landscape and geography of Wales presents operators with one of the most challenging regions to cover with a mobile signal, with the costs of additional deployment often exceeding any likely revenue gain. But mobile coverage is as important to people in Wales as it is to anyone else and action is required to bring Wales into line with the other nations of the UK.
- It is our experience that the best results are achieved if Government, operators and other stakeholders work cooperatively. Changes across a broad range of policy need to be considered:
 - Reform to planning regulations for telecommunications apparatus, in particular enhancements to Permitted Development Rights
 - Reform to planning regulations for housing and other construction, requiring developers to make greater provision for electronic communications
 - Other improvements within local authority planning (LPA): updating planning guidance, better training and more resources for planning officers, so that LPAs do not become a bottleneck
 - The business rates regime: make marginal investment more viable with business rates exemptions in selected areas (for example National Parks)
 - Access to public assets and other landowners: encourage Government to **much** more to make it easier for mobile operators to access suitable locations on which to place their apparatus

- develop partnership schemes for the parts of Wales where there is no commercial business case but where additional societal gains can accrue from wider coverage (for example, in the efficient delivery of public services)
- Coordination across Government: all measures will be much more effective if there is good coordination between government departments and between the Westminster Government and the Welsh Assembly Government.

Introduction

1. In all areas of daily life, the preferred platform for communications and online activity is increasingly mobile. This behavioural change is touching on many aspects of society. A generation of 'digital natives' is shaping a world that is driven by connectivity, innovation and a focus on 'mobile-first'.
2. 95% of us have a mobile (and about a third of us, more than one) and in the last three years mobile data volumes have tripled¹, as customers expand the range of usage. Over 6 million 'things' are also now connected over mobile networks, a number that is set to rise very rapidly with applications such as smart metering and the connected vehicle.
3. Mobile operators have played a central role in driving this progress by continually investing in their networks, value added services, and subscriber acquisition. In the current cycle mobile operators are investing around £2 billion per annum in new coverage, capacity and capability. In turn, business and consumer customers have shown extraordinary ingenuity in harnessing the power of mobile, to be more creative and productive, to offer new services, and to improve lives.
4. As a result, world-leading mobile infrastructure has now become central to a nation's or a region's competitive advantage.
5. As populations become more city based, those cities that offer the best environment ('smart', low carbon, mobile), underpinned by high speed mobile networks, will attract a talented workforce (and its tax base), creating a virtuous circle of improvement (a new industrial revolution).
6. Likewise, in the countryside, mobile networks will be needed to sustain active rural economies, to make farming more competitive in global markets, and to support rural communities, businesses and tourism. There is no room for complacency and plenty of opportunity.

Mobile networks in Wales

7. Ofcom's recent Connected Nations Report illustrated that in a number of respects mobile coverage in Wales lags behind other regions of the United Kingdom². For example, outdoor coverage from all operators reached 66% of premises in Wales as against 88% in the UK as a whole.

¹ Ofcom Communications Market Report

² <https://www.ofcom.org.uk/research-and-data/infrastructure-research/connected-nations-2016>

8. From one perspective, this is perhaps not surprising. The landscape and geography of Wales presents operators with one of the most challenging regions to cover with a mobile signal, with the costs of deployment often exceeding any likely revenue gain. But mobile coverage is as important to people in Wales as it is to anyone else and action is required to bring Wales into line with the other nations of the UK.
9. It is Mobile UK's experience that the best results are achieved when Government, regulators, mobile operators and other interested parties agree a way forward across a broad range of policy.
10. For example, in England planning reforms for telecommunications development have recently been brought into force. In Northern Ireland, the Executive has recently undertaken a consultation and Scotland has created a 'mobile action plan'. The Scottish Government has started to put in train some of the actions identified in the plan, such as a recent consultation on changes to planning regulations and introducing some pilot locations for business rate exemptions.
11. Mobile UK and its members stand ready to work in a similarly collaborative manner with Welsh Government ministers, the Welsh Assembly and all other stakeholders.
12. Changes across a broad range of policy should be considered:
 - Reform to planning regulations for telecommunications apparatus
 - Reform to planning regulations for housing and other construction
 - Other improvements within local authority planning
 - The business rates regime
 - Access to public assets and other landowners
 - Special partnership schemes
 - Coordination across Government

Reform to planning regulations for telecommunications apparatus

13. Reform of planning regulation for telecommunications apparatus has at least two aspects:
 - a) improving the processes whereby telecommunications development gets processed through Local Planning Authorities;
 - b) granting more flexibility over what apparatus can be built under Permitted Development Rights ('PD');
14. Timely permission for infrastructure means that new network can be rolled out faster, providing services to customers sooner. As a comparison with the current Scottish system, some operators report that within a particular Scottish local authority 92% of proposals went through as Permitted Development, facilitating completion of the

planning element of the project within just 11 months. Comparably, the Permitted Development figure for a similar number of proposals across various Welsh local authorities with similar geography was 35%, taking 26 months.

15. To be clear, Mobile UK is also calling for further reform of the Scottish system; this is an illustration of how far behind the current Welsh system is.
16. Greater flexibility over PD makes it easier to add capacity in urban areas (particularly as network design moves towards 5G and small antenna), better coverage on roads and rail, and wider geographic coverage in rural areas. Network designers are good at building networks within the existing PD rules, but clearly it would be better to have PD rules that allow the network designers to build the network in the most efficient way possible.
17. Examples of changes to PD rights that would be beneficial are:

Ground based masts up to 30 metres

30 metres would be higher than is allowed in England, but the landscape in Wales is very challenging. Placing masts is not just a matter of finding a location with good coverage potential; it is also necessary to get physical access, power and a connection into the core network (which may need line of sight for a wireless connection). Extra height can deliver flexibility and options. PD rights need to be expanded both for new masts and extensions to existing masts.

Locations for rooftop and small antennas

Demand for mobile data is increasing. Not only is more capacity required, but also transmitter sites (base stations) will need to be placed closer to where they are needed so as to deliver higher data speeds and/or lower latency (response times). The latter is especially relevant for sensory applications. Many of the new small antenna will be small – comparable to alarm boxes – and there is plenty of scope for PD rights to extended for rooftop and small antenna on dwelling houses, street furniture and many other locations.

Roadside and trackside

Improving coverage on roads and railways is a major priority and so it would be very helpful to reduce the distance restriction on apparatus being placed near a highway. The closer the antenna is to the highway, the easier it is to maximise coverage by shaping the signal to where it is needed. A much smaller distance than the current 20 metres would be appropriate (e.g. small antenna on top of bus tops or traffic lights). Similarly with small cells proposed on telegraph poles such a restriction 'within 20m of a Highway' will negate the benefits of relaxing rights for such installations. For fixed line, this is not applicable so why for mobile? In addition within 20m of a Highway is not specific enough; a Highway is a designation which can extend across the verge and footpath beside a road. It would be better to set the [reduced] distance from the edge of the road or track itself.

Redevelopment and other emergency needs

Quite regularly, mobile operators have to find alternative locations when a site on which a base station is placed becomes unexpectedly unavailable (e.g. the landowner needs to redevelop) or impaired (a neighbour builds a structure that severely blocks coverage). Relocation is time consuming and uncertain. It will be very beneficial for operators to be able to install temporary sites for up to 18 months, under PD, to allow enough time to make alternative permanent arrangements.

Reform to planning regulations for housing and other construction

18. At present there is insufficient onus on property developers to take account of the communications needs of the future occupiers of developments. Modern, environmentally-friendly building materials, moreover, can make it harder for mobile signals to penetrate indoors.
19. Building regulations should support provision for both external and internal coverage, and planning permission granted only on this basis. For new, large scheme developments, be they for residential or business use, a condition of planning approval should be that the developer funds the introduction of appropriate coverage.

Other improvements within local authority planning

20. The national planning policy for Wales (re-issued 9th November 2016) has a strong influence on how local authorities treat planning applications for telecommunications apparatus.
21. Alongside this, it is time for the current guidance in Wales (TAN19) to be reviewed and updated, in order to maximise the efficiency and understanding with which applications are processed. It is vital that these departments are properly trained and resourced, so that they do not become a bottleneck to achieving planning.

The business rates regime

22. Scotland is piloting an exemption from business rates for new mast development in more remote areas, in order to remove one barrier to rollout. And the UK Government's Autumn Statement included measures for rates relief for new fibre deployment. Surely this could be taken forward for new mobile sites in remote/not spot areas, plus transmission hop sites and any other rateable infrastructure. In Wales, perhaps such an exemption could cover all the National Park area, where it is particularly costly to deploy mobile infrastructure.

Access to public assets and other landowners

23. The state, in its many forms, owns a large portfolio of assets – land, buildings, street-works and many other structures that could be used for locating telecommunications apparatus. In spite of commitments from central Government to make it easier for operators to use public assets, very little progress has been made in this area, partly because of concerns around being seen to give state aid, partly because of standing orders from Treasury to maximise revenue from Government owned assets and partly because of the difficulty of processing agreements.

24. Mobile UK believes that significant progress could be made if there was more focus on this topic. If customers' future expectations for coverage and capacity are to be met, many thousands more mobile sites will have to be installed (mostly in urban areas). The reform of the Electronic Communications Code presents the opportunity to make this more viable by exerting downward pressure on market prices. As these 'market' prices are self referencing (i.e. the compensation paid to landowners for one site is set by reference to similar sites), leadership by state controlled entities has a knock-on effect in the private sector, making network deployment much more affordable (and thus minimising the impact on the prices paid by customers).

Special partnership schemes

25. Mobile UK believes that, although commercial network deployment will reach a significant portion of the landmass of Wales, there will be scope for partnership between state and the private sector to cover the most hard to reach areas – regions where there is no commercial business case but where additional societal gains can accrue from wider coverage (for example, in the efficient delivery of public services).
26. Lessons can be learned from the discontinued Mobile Infrastructure Project, by integrating any project more closely with the operators' business as usual processes, and at the same time maintaining fair competition and transparency.

Coordination across Government

27. As has recently been acknowledged by the National Infrastructure Commission, electronic communications infrastructure is fundamental to our future prosperity and competitiveness.
28. Upgrading this infrastructure, they also pointed out, can be achieved at a fraction of the cost of upgrading roads, railways, airports, and similar. While competition among private actors will be the primary driver of innovation and change, the Government at Westminster and all Government's of the nations can make a significant contribution. We agree with the NIC, though, that this will lead strong leadership and coordinated action across the machinery of Government.