

Welsh Government response to the Economy, Infrastructure and Skills Committee report into Digital Infrastructure in Wales

1. Communication problems have dogged what has otherwise been a successful Superfast Cymru scheme. Some lessons appear to have been learned along the way and it is vital that any future programmes take these on board from the start. BT should continue to inform potential customers that they are able to access superfast services beyond the end of its contract. The Welsh Government should consider making communication with the public a performance requirement of any future contracts.

Accept:

The Welsh Government will consider including specific performance measures on communicating with the public in the grant agreement or contract for the Superfast Cymru successor scheme.

2. The Welsh Government should consider establishing a repayable grant or equity scheme to enable small operators to fill in gaps in the network. It should also explore the viability of public ownership or forming public partnerships with service providers to develop infrastructure in specific areas.

3. Future schemes should build on the success of Access Broadband Cymru and Ultrafast Connectivity Voucher which respond to consumer demand. By adding a repayable grant or equity scheme to its toolbox, the Welsh Government would have three means by which to support the final few thousand premises to enjoy the benefits of fast broadband access. The Welsh Government should also tailor this scheme to make it more accessible to Small and Medium-sized Enterprises.

Accept in principle:

We will explore a range of funding and ownership models to deliver access to next generation broadband for homes and businesses in Wales through the successor project to Superfast Cymru and for any future changes to our voucher schemes.

We are aware of the UK Government digital infrastructure investment fund (DIIF) and it will be important that any new funding model in Wales takes into account the existence of the DIIF and where appropriate complements it.

4. It is vital that the hardest to reach communities and individuals are now engaged in the process to ensure that potential solutions can be tailored to their needs. Connecting the final 4% is will be more expensive, and it is vital that communities buy in to the solutions being proposed.

5. The Welsh Government should conduct an assessment of future needs to inform the next stages of development. Given the cost of connecting the final 4%, which have proved beyond the reach of the market, it is vital that their connectivity is suitable not just for the present, but also for the future.

Accept:

We have undertaken a public consultation as part of the process, known as an open market review, to identify which premises will remain unserved following the completion of the Superfast Cymru project and which telecommunications companies are not planning to serve under their commercially driven roll-outs.

Officials are assessing the responses to the consultation and the wider open market review process. This process will inform the nature of the successor project to Superfast Cymru.

6. The Welsh Government should consider making future public subsidy conditional on supporting government policy to improve digital infrastructure and to ensure that it meets the needs of consumers in the future, in particular any likely convergence between broadband and mobile internet connectivity.

Accept in principle:

This is a complex issue and the implications of introducing such a requirement will need to be explored fully before any decisions can be taken.

The revised Electronic Communications Code as set out in the Digital Economy Act, and the accompanying regulations, sets out a statutory regime which governs the rights of electronic communications operators, the likes of BT, EE, Vodafone etc., to install and maintain infrastructure on public and private land. The revised Code will make it easier for the operators to install equipment on private and public land in Wales.

7. The Welsh Government, considering local topography, should reform the planning regime to support investment in digital connectivity, in particular to allow the installation of masts that cover a wider geographical range. In turn, the Welsh Government should work with operators and planning authorities to ensure that plans are clearly communicated to the affected communities and that the key benefits of mobile connectivity are actively promoted.

8. While the Welsh Government does not have the power to compel mobile operating companies to share their infrastructure, it should explore the feasibility of using the planning regime to encourage operators to share infrastructure to ensure a range of coverage in current not spot areas.

Accept:

We are currently examining the scope for future changes to the Permitted Development Rights Order, including existing rights for mobile telecommunications apparatus. We have commissioned research to inform changes to permitted development rights for telecommunications equipment to improve mobile connectivity. Research will be completed in November 2017.

How mobile network operators communicate with local communities during the planning process for mobile phones is set down in the code of best practice on mobile phone network development. The mobile action plan recognises that the current code is in need of update. Through the action plan mobile network operators will work with the Welsh Government to revise and, if appropriate, consolidate the code of best practice and Technical Advice Note (TAN19) on mobile network infrastructure development.

We recognise the benefits of encouraging the mobile network operators to share masts to both improve coverage and to reduce the impact on the landscape. Mobile operators already share masts to a significant degree through joint ventures between Vodafone and O2 Telefonica (CTIL) and EE and Three (MBNL). CTIL and MBNL build masts on behalf of the mobile network operators. There are also technical constraints that make further sharing challenging including the differing characteristics of spectrum owned by each operator. We will continue to explore with the mobile network operators how mast sharing can be further encouraged.

9. The Welsh Government should work with Mobile Network Operators and Ofcom to consider whether offering non-domestic rates relief for new masts in non-commercial areas would have a significant impact on investment.

Accept:

The mobile action plan for Wales includes a commitment for the Welsh Government to assess the impact of a reduction in non-domestic rates for new mobile infrastructure (masts, small cells etc.) on investment decisions by the mobile operators. In addition the plan states that where evidence suggests that a reduction in non-domestic rates would encourage investment the Welsh Government will consider providing non-domestic rates relief on appropriate mobile mast sites.

10. The Welsh Government's forthcoming Mobile Action Plan should include firm commitments to work closely with stakeholders, in particular to:

- **collaborate with local Government, UK Government, regulators and the industry to develop mobile infrastructure making the most of existing infrastructure and publicly owned assets where possible;**
- **collaborate with stakeholders from across the industry to ensure that Mobile Network Operators share coverage in not-spot areas; and**
- **collaborate with local authorities and landowners to ensure that Mobile Network Operators can have access to publicly funded assets to install masts and other apparatus and to explore the benefits of mast sharing with the emergency communication system in rural not-spots.**

Accept:

On the use of public assets for mobile infrastructure the mobile action plan outlines the important role the Welsh Government can play in facilitating relationships between mobile network operators and mobile network infrastructure providers, and estates managers and other interested parties in Welsh public sector bodies.

The action plan also commits the Welsh Government, in partnership with other public sector bodies, to undertake an audit of the existing asset registers, including the proposed publicly available national public asset register, and assess their suitability for use by mobile infrastructure providers.

With regard to the Emergency Service Mobile Communications Programme the mobile action plan sets out how the Welsh Government is working in collaboration with the programme to look at how new Home Office funded mobile masts could be future proofed, specifically where it is considered that wider benefits could be delivered which may allow multiple mobile operators to install their transmission equipment to provide coverage in remote areas where building a mast is not commercially viable.

As outlined above mobile operators already share masts to quite a significant degree through joint ventures CTIL (Vodafone and O2 Telefonica) and MBNL (EE and Three). There are technical constraints that make further sharing challenging including the differing characteristics of spectrum owned by each operator.

11. Ofcom needs to use all its regulatory powers to ensure that it meets its target of 100 per cent geographical coverage. At a minimum, this should be a condition of future spectrum auctions.

Accept:

The mobile action plan sets out how the Welsh Government will work with Ofcom to understand the opportunities and challenges of a more geographically differentiated approach to regulation to ensure that it is fit for Wales. Part of this will be to continue to call on Ofcom to impose appropriate coverage obligations for Wales in future spectrum auctions. The coverage obligations should provide a good quality and usable signal for both voice and data in the places where people live, work, travel and spend their spare time.

12. The Welsh Government and planning authorities should provide a tool kit with clear business and grant application advice to communities who wish to access public funds to create their own solutions to enhance mobile connectivity in their area. Examples of good practice should also be promoted in rural areas where connectivity is problematic.

Accept:

Welsh Government officials already provide advice to communities looking to enhance mobile coverage in their area, including in support of the successful Ger-y-Gors mast project in Ceredigion. Officials will continue to provide advice and support to similar community projects and if demand for similar community based mobile infrastructure projects grows then we will certainly consider providing consolidated advice in the form of a toolkit or other appropriate format.