

LGA submission – Ofcom Award of the 700 MHz and 3.6-3.8 GHz spectrum bands

March 2019



Submission

1. About the Local Government Association

- 1.1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government. We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government.
- 1.2. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems. The LGA covers every part of England and Wales, supporting local government as the most efficient and accountable part of the public sector.

2. Introduction

- 2.1. Local government has been a key player in the roll-out of improved digital connectivity to the hardest to reach areas over the last five years. It has partnered with the communications industry to extend coverage to local communities via the Superfast Broadband Programme and has worked closely with mobile network operators (MNOs) and local communities to find the best locations for new mobile infrastructure. Councils across the country are also adopting digital infrastructure strategies to set out how they will support the extension of digital connectivity to all residents and businesses.
- 2.2. With mobile data consumption in the UK forecast to increase sevenfold by 2021¹, extending excellent mobile coverage across the country is key to ensuring all residents have equal access to what is now a necessity of modern-day life. However, whilst rural residents have seen significant advances in the power of their smartphone devices, they have not seen an equivalent increase in the strength, speed and capacity of their mobile coverage. In striving to become a world leader in 5G coverage which will naturally benefit urban areas owing to greater density of sites on which small cells can be hosted, Government and Ofcom must not forget the plight of residents in rural areas who can struggle to even get voice signal.
- 2.3. In 2016, Ofcom Chief Executive Sharon White, wrote to MNOs asking them to work with the regulator on an aspiration to achieve 100 per cent UK landmass coverage and to “stretch our thinking as to what may be possible.”² With the sentiments of this letter in mind, three years on, the LGA believes that by reducing the 700Mhz and 3.6-3.8 GHz spectrum bands coverage obligations and offering no clear guarantee on how progress to reach these goals will be monitored, Ofcom is failing to send the right message to mobile network operators, or meet its own aspirations to adequately leverage the auction of a key national asset to assure coverage for as many premises as possible. We believe Ofcom must work with MNOs and local government to deliver more ambitious coverage levels for all residents.

¹ [CCS Insight: UK mobile data usage will grow sevenfold by 2021](https://www.ccsinsight.com/insights/uk-mobile-data-usage-will-grow-sevenfold-by-2021)

² https://www.ofcom.org.uk/__data/assets/pdf_file/0024/94740/Text-of-letter-sent-to-MNO-CEOs.pdf

Ofcom's coverage obligations

Ofcom's previous coverage obligations (March 2018 consultation)	Ofcom's new coverage obligations (December 2018 consultation)
Provide a good quality mobile service to 92 per cent of UK landmass including at least of 92 per cent in England	Provide a good quality mobile service to 90 per cent of the UK landmass , including at least 90 per cent of England,
Good quality in-building coverage to 60 per cent of rural premises that have no coverage (equating to 120,000 premises)	Outdoor coverage to at least 140,000 premises to which currently do not have good coverage; deploy at least 500 new wide area mobile sites
3-year deadline	4-year deadline

3. The change to Ofcom's coverage obligations since the March 2018 consultation

- 3.1. We are disappointed that Ofcom has changed the premises obligation from delivering "good quality in-building coverage" to 60 per cent of rural premises to delivering "at a minimum outdoor coverage" to at least 140,000 premises. This represents a significant climbdown from the previous coverage obligation. It is now unclear how these new obligations will improve the mobile connectivity for the 33 per cent of English rural premises which cannot make a basic phone call indoors on all four networks or the 58 per cent of rural premises that cannot access 4G on all four networks indoors.³
- 3.2. We are also disappointed that Ofcom has chosen to roll back its England landmass coverage obligation from 92 per cent to 90 per cent which now only requires mobile operators to *maintain* current landmass coverage in England (which is currently at 90 per cent) and not improve it.
- 3.3. We would recommend that, at the very least, Ofcom raise their England landmass obligation back to the previously suggested level of 92 per cent and ensures providing indoor coverage is a stipulation for the 140,000 rural premises obligation. We would also recommend that Ofcom considers adopting the same "outside in" approach, prioritising hardest to reach areas first, which was recently adopted by Government as part of its Future Telecommunications Infrastructure Review.
- 3.4. Whilst we welcome the creation of 500 new masts we note that Ofcom considers this the "conservative end of the range...to deliver the benefits we are seeking". We also note that Ofcom outlines that to ensure these new sites support wide area coverage in rural areas, it will "provisionally consider including a requirement that new sites are more than 1-2 kilometres from an individual operators existing network." We are concerned that the short distance from the edges of existing network resources may not offer significant benefit to the more challenging and rurally isolated landmass of the UK. We would like to see Ofcom evidence the effect of increasing the distance of the restriction radius would have on improving coverage.

³ [Rural Services Network – State of Rural Services 2018](#)

3.5. Finally, we call on the Government, having pledged to extend mobile coverage to 95 per cent geographic coverage of the UK by 2022, to outline how they intend to achieve this considering these newly rolled back obligations.

4. The implementation of national targets

4.1. We are disappointed that Ofcom has not followed our previous recommendation to replace national aggregate targets with localised ones. As we have previously outlined, national targets mask significant imbalances in the levels of coverage across England, especially in rural areas. This is already seen today where in some local authority areas such as West Somerset (31 per cent 4G landmass), Copeland (38 per cent 4G landmass) and Richmondshire (51 per cent 4G landmass) coverage lags far behind the national 90 per cent figure.⁴

4.2. National aggregate targets allow MNOs to pick and choose the easiest areas to connect and can leave significant parts of the countryside without signal. We note that Ofcom outlines that a sub-regional licensing auction model would be complex to deliver and manage. However, it is unfortunate that the regulator presents no alternative or complementary options to help tackle areas in England where coverage is lagging. We have previously outlined that Ofcom should model a recommended level of coverage for each local authority area and monitor MNOs' progress on meeting these recommended targets at yearly intervals. If it is clear local targets will not be met, the LGA recommends Ofcom helps facilitate conversations between MNOs and councils on what local interventions can help spur on greater coverage.

The change of delivery deadline from 3 to 4 years.

4.3. The LGA does not see sufficient evidence outlined by Ofcom to warrant the increase of the coverage obligation delivery deadline from three to four years and believes Ofcom should reverse its decision.

4.4. As part of its reasoning for the extension, Ofcom cites that obtaining planning permission can present a "commercial challenge [...] for deploying new mast sites in more remote locations." The LGA does not recognise the planning regime as a significant impediment to the deployment of mobile infrastructure.

4.5. Indeed, we note that:

4.5.1. Arqiva, the infrastructure provider responsible for delivering the Mobile Infrastructure Project, has previously outlined that "only five planning applications [out of 110 that were submitted as part of the programme] were refused."⁵

4.5.2. EE/BT submitted evidence to Ofcom outlining that that, "typically, for a rural site they would plan for around an 18-24 months delivery cycle."

4.5.3. Over the past four years planning restrictions have been relaxed to allow the creation of new masts up to 20m in height and the ability to extend existing masts up to 25m without having to seek full planning permission. However, MNOs have faced a lack of scrutiny from Ofcom on whether they are utilising these new freedoms to their full potential.

⁴ Ofcom – Connected Nations Data 2018

⁵ <https://www.computerweekly.com/news/4500277419/Mobile-Infrastructure-Project-was-a-failure-admits-Vaizey>

- 4.6. To ensure as streamlined a planning process as possible we would recommend that mobile network operators share their roll out plans with local government. Many councils are exploring the measures they can take to support the expansion of mobile coverage in their local areas. To fully understand the added-value they can bring, be it using public land, reform of local planning policy, or helping providers join up on their streetworks, councils need to have an accurate idea of the future roll out plans of MNOs.
- 4.7. Councils have shared with the LGA their frustrations that MNOs are unprepared to share information on the potential location of their new sites until the submission of a planning application. We recommend that MNOs are encouraged to share their roll out plans with councils as well as other mobile providers up to six months before submitting an application in order to give councils the time to consider what policy or practical interventions they can make to support greater expansion of mobile connectivity in their local area.

Monitoring MNO compliance with the new obligations

- 4.8. We remain concerned with how Ofcom proposes to ensure compliance with any new coverage obligations.
- 4.9. The LGA has raised with Ofcom its concerns on how MNOs' purported levels of mobile coverage are verified. Feedback we have received from councils suggest the mobile coverage data that Ofcom uses to outline coverage, which is based on a predicted signal strength, is inaccurate, and unreflective of consumer experience on the ground. We note that Ofcom has undertaken a series of "real life" tests of 4G services available in UK cities, gathering data directly using smartphones to assess coverage.⁶ Whilst this method presents one of the most accurate ways to understand actual consumer experience on the ground, Ofcom has failed to carry out any such analysis in rural areas. It is now increasingly falling to councils themselves to conduct their own testing initiatives in rural areas to hold mobile network operators to account on their coverage. We therefore recommend that a proportion of licence funding from receipts is 'ring fenced' and contributes towards Ofcom undertaking detailed and periodic verification of MNO's coverage claims using on the ground signal testing methods.
- 4.10. The LGA notes that the current obligations will require MNOs to roll out signal that will provide "data connections to deliver a speed of at least 2 Mbps." This strike us as a particularly unambitious target, especially considering a 3G signal can, at its maximum, deliver almost four times this speed, and 4G over fifty times and the average 4G speed in London is 25.09Mbps.⁷ With mobile data demands in the UK forecasted to increase sevenfold by 2021, the LGA believes a 2Mbps requirement does not provide sufficient headroom to meet consumers' growing needs. We recommend that Ofcom considers raising this level to 10Mbps to match the broadband Universal Service Obligation. Indeed, in some cases we expect the incumbent universals service provider may rely upon the MNO network to provide service to consumers. We believe that there is an opportunity to align the minimum data speed requirements across both networks to at least a minimum of 10 Mbps.
- 4.11. We also ask that Ofcom introduces safeguards to ensure that mobile services to any new housing developments and schemes are excluded from

⁶ [Ofcom - Smartphone Cities](#)

⁷ <https://kenstechtips.com/index.php/download-speeds-2g-3g-and-4g-actual-meaning>

⁸ <https://www.speedtest.net/reports/united-kingdom/>

the 140,000 new premises coverage obligation to ensure that this investment benefits existing poorly-served areas.

4.12. Finally, we note that Ofcom “anticipates that to meet the [coverage] deadline, operators are likely to deploy a significant number of sites well before [4 years], and that consumers should therefore benefit from some coverage improvements beforehand.” We believe that Ofcom must publish what it considers to be sufficient annual progress towards the overall coverage obligations and report back on MNO’s progress through the Connected Nations Report.

5. Utilising other measures such rural roaming to incentivise MNOs to improve mobile connectivity.

5.1. The LGA supports Ofcom’s proposal to create an option within the spectrum licences for mobile network operators to voluntarily agree to introduce future rural roaming across mobile networks. We also welcome Government’s intervention in its ‘Statement of Strategic Priorities for telecommunications, the management of radio spectrum and postal services’ which directs Ofcom to “fully consider the costs and benefits of achieving rural roaming.”⁹ We believe Ofcom should outline how it intends to do this in its 2020 Annual Plan.

⁹ [DCMS - Statement of Strategic Priorities for telecommunications, the management of radio spectrum and postal services](#)