

Superfast Broadband

The Case for North Yorkshire to be a Market Test Area

Why North Yorkshire?

North Yorkshire comprises eight Parliamentary constituencies: Harrogate and Knaresborough, Richmond, Scarborough and Whitby, Selby and Ainsty, Skipton and Ripon, Thirsk and Malton, York Central and York Outer.

Most of these constituencies have a very high proportion of rural areas contained within them with large distances between communities. Indeed in parts of Skipton and Ripon, Thirsk and Malton and Richmond the levels of rurality are some of the highest of anywhere in the United Kingdom.

This presents challenges of infrastructure which for too long have been ignored as insurmountable. Quality, super-fast broadband connections would do a huge amount to bring communities, that have so often been ignored, together.

Current Infrastructure Available

As the following table shows, it is clear the infrastructure development that has happened in many parts of the UK has not happened to the same extent in North Yorkshire.

Whilst the UK average for the percentage of premises in low-speed areas is 18 per cent, across North Yorkshire it is 30 per cent. And even that figure masks the problem. If you take out the two most urban constituencies of York Central and Harrogate and Knaresborough, the average rises to 38 per cent – more than double the national average.¹

| Constituency | Population | Business premises | Households | Total premises | Population in low-speed areas | Premises in low-speed areas | % population in low-speed areas | % premises in low-speed areas |
|-----------------------------|----------------|-------------------|----------------|----------------|-------------------------------|-----------------------------|---------------------------------|-------------------------------|
| Selby and Ainsty | 93,103 | 1,985 | 38,228 | 40,213 | 48,965 | 21,423 | 52.6% | 53.3% |
| Richmond (Yorks) | 106,698 | 2,984 | 43,105 | 46,089 | 42,565 | 18,669 | 39.9% | 40.5% |
| Thirsk and Malton | 99,168 | 3,222 | 42,385 | 45,607 | 37,690 | 17,367 | 38.0% | 38.1% |
| Skipton and Ripon | 100,157 | 3,355 | 42,670 | 46,024 | 34,662 | 16,218 | 34.6% | 35.2% |
| York Outer | 90,568 | 1,746 | 38,959 | 40,705 | 30,857 | 14,472 | 34.1% | 35.6% |
| Scarborough and Whitby | 96,226 | 3,238 | 42,942 | 46,180 | 26,852 | 12,906 | 27.9% | 27.9% |
| Harrogate and Knaresborough | 104,400 | 3,272 | 44,160 | 47,433 | 7,889 | 3,653 | 7.6% | 7.7% |
| York Central | 104,079 | 2,813 | 44,772 | 47,584 | 5,200 | 2,342 | 5.0% | 4.9% |
| TOTAL N YORKS | 794,399 | 22,615 | 337,221 | 359,836 | 234,681 | 107,051 | 29.5% | 29.7% |
| TOTAL NATIONAL | 61,400,406 | 1,705,976 | 25,939,995 | 27,645,971 | 11,130,026 | 5,071,010 | 18.1% | 18.3% |

¹ Estimates are based on the results of Point Topic surveys of both the Consumer and Business markets combined with operator reports on broadband numbers and a wide variety of official statistics on both demographics and business premises.

Many of the figures for these constituencies would also be higher were it not for the innovative approach taken by many of the public sector organisations in North Yorkshire who came together and recognised that internet access was a limiting factor for many of them and the communities they served.

NYNet was, therefore, set-up, primarily by North Yorkshire County Council with the support of Yorkshire Forward and the European Union, to try and solve this problem. It has rolled out a super-fast internet network intended to ensure that North Yorkshire is not left behind by the rest of the world in the next phase of the internet revolution. NYNet has already completed a network for a range of public sector services in the county such as libraries and schools. It has also connected up several business parks to the high speed network with more to follow.

Outside of the centres of York, Harrogate and potentially Scarborough, such expansion is highly unlikely to happen if the market is left to itself. As an example, according to the broadband data specialists, Point Topic, 60.8 per cent of premises in the Skipton and Ripon constituency would need some form of subsidy (as current commercial investment plans stand) in order to receive superfast broadband in line with the previous government's target of 90 per cent of homes and businesses by 2017. This provides some idea of the scale of the issue in the county.

The Market Town's Initiative

To try and make sure the core infrastructure is available, NYNet have put forward 'The Market Town's Initiative'. This would connect many of North Yorkshire's towns to a superfast broadband network. The towns currently proposed are - Bedale, Kirbymoorside, Richmond, Bentham, Knaresborough, Ripon, Boroughbridge, Leyburn, Selby, Easingwold, Malton/Norton, Settle, Filey, Masham, Skipton, Grassington, Middleham, Stokesley, Hawes, Northallerton, Tadcaster, Helmsley, Pateley Bridge, Thirsk, Ingleton, Pickering and Whitby.²

This plan is already at an advanced stage and NYNet are confident that their plans would work. They have deliberately chosen areas where they do not believe the market is strong enough that a telecommunications company such as BT would expand high speed broadband themselves.

If Broadband Delivery UK chose the initiative as a pilot they would be making sure that high speed broadband was able to be disseminated to as many people as possible. This is because, with the backing of Broadband Delivery UK rather than a commercial partner, all the return on investment would come into communities rather than a commercial organisation's bottom line. NYNet believe this would then allow the sort of community group to be set-up to expand the superfast network to whoever was able to form such a group, for competitive charges. If it was left to a commercial partner to do this then some communities may benefit, but only those where the company could justify a business case for the expansion to happen.

If chosen as the pilot, this project would have the added benefit of being already well planned and ready to execute. Whilst this makes it different from many of the other schemes that will be submitted to Broadband Delivery UK (in that NYNet is already a formed company and many of the tender processes would not need to

² NYNet - <https://www.nynet.co.uk/serviceproviders.php>

be gone through) it presents a huge opportunity to demonstrate quickly that superfast broadband can work and can be rolled out to communities that want it using the Big Society concept.

The Big Society

Currently, the villages of Newton-on-Radcliffe and Stape are benefitting from a pilot scheme which, it is hoped, will provide the basis for further roll-outs to communities across North Yorkshire and is a visible demonstration of how the Big Society concept would work for delivering superfast broadband.

NYnet has provided fibre-based internet near the villages (often using the infrastructure already in place for community buildings like schools and council offices) and then uses wireless transmission by community interest company NextGenUs UK Community Interest Company (CIC) to reach homes and businesses up to 24 kilometres (15 miles) away. The initiative employs community service provider Beeline Broadband to deliver the internet connection. Beeline can extend the service to other nearby villages but needs at least ten people to sign up to a connection in around them to make the service viable.

This scheme is, very obviously, an example of the Big Society in action. It allows communities to come together and express a desire for superfast broadband and have that easily managed and delivered within the community. NYNet's vision is to make this sort of scheme available to communities across North Yorkshire. In order for that to happen though, the investment in the network backbone throughout the county would need to happen through the Market Town's Initiative and the money would need to come from non-commercial sources.

Economic and Enterprise Benefits

The speed of a broadband connection dictates how quickly you can see pages on websites or download large files such as films or design work or whether you can use certain services such as online TV.

Slower speeds can confer competitive disadvantages on businesses, for example affecting on-line booking services and provision of wi-fi services. For residents, it affects working from home or internet shopping. For both it may determine where they locate.

2.75 million people, mostly in rural areas, have broadband speeds of less than 2 Mbps often because of long distances from an exchange. Superfast broadband would instantly remove this barrier and open access to many more services that require high quality fast connections to operate.

Businesses in Yorkshire are already struggling from the recession and the recovery here looks weaker than in many other parts of the country. Indeed the Yorkshire and Humber region has suffered the greatest decrease, of 1.2 per cent, in the number of businesses, according to the latest figures.³

³ Inter Departmental Business Register (IDBR), Office for National Statistics - <http://www.statistics.gov.uk/cci/nugget.asp?id=1238>

Those figures are backed up when you examine the increase in the numbers of people claiming Job Seekers Allowance. According to the latest figures, across North Yorkshire there has been a 124 per cent increase since 2005 in those out of work and on benefit. This is substantially higher than the figure for the Yorkshire and the Humber region as a whole (99 per cent) and even that figure is high compared to the UK-wide average (73 per cent).⁴

| | % change in number claiming JSA since April 2005 |
|-----------------------------|--|
| Selby and Ainsty | 127% |
| Richmond (Yorks) | 96% |
| Thirsk and Malton | 135% |
| Skipton and Ripon | 153% |
| York Outer | 133% |
| Scarborough and Whitby | 98% |
| Harrogate and Knaresborough | 139% |
| York Central | 109% |
| | |
| North Yorkshire | 124% |
| Yorkshire & The Humber | 99% |
| UK | 73% |

North Yorkshire has been hit hard by the recession and the fear of many businesses is that they do not have the tools, such as superfast broadband, to allow them to grow in the future.

Rural areas already suffer from a lack of infrastructure with poor transport links and services like Post Offices that have disappeared in recent years. In the commercial world this produces a downward spiral – the rurality of an area makes it less attractive for businesses to invest in so it is less commercially viable for services like superfast broadband. The majority of businesses in many parts of North Yorkshire are small firms and farmers looking to diversify. Offering superfast broadband would unlock the potential of many of our rural communities, invite businesses in to grow the rural economy and break down what has become a digital divide between rural and urban areas.

The benefit of choosing North Yorkshire to market test superfast broadband is that, through NYnet’s existing work, it is already possible to see the generation of return on investment.

The Yorkshire and The Humber region has almost a fifth of workers currently employed in the public sector. Generating private sector investment is, therefore, going to be crucial in the coming years with the reductions in public spending to tackle the deficit. Since its launch, NYnet has generated three and a half million pounds of private sector investment across North Yorkshire. The figure shows the potential of superfast broadband connections to North Yorkshire.

⁴ Department for Work and Pensions

Learning Opportunities

Across North Yorkshire, many people are currently disenfranchised from learning opportunities because of a lack of infrastructure. If people do not have access to learning face-to-face then they should have the ability to access services offered online. At the moment neither of these are realities for many people in rural area of the county. A lack of accessible superfast broadband is a barrier to learning.

Conclusion

The impact of allowing North Yorkshire to market test superfast broadband would be to generate new private sector growth amongst businesses and entrepreneurs, generate new learning opportunities for residents and allow the Big Society to help break down the barriers that exist between rural areas and urban areas.

Residents and businesses in North Yorkshire feel let down by a lack of investment in recent years. Superfast broadband would empower communities, allow them to reach their potential and make a real difference to the lives of many people in the short-term and for decades to come.