



Antony Walker
Chief Executive
Broadband Stakeholder Group
Russell Square House
10-12 Russell Square
London
WC1B 5EE

PREDICTING UK FUTURE RESIDENTIAL BANDWIDTH REQUIREMENTS

I read, with interest, the recent Green Paper from the BSG and Analysys on the predictions for future bandwidth requirements for UK households over the next six years. I welcome the opportunity to respond on behalf of the Commission, an operating division of the Countryside Agency.

The Commission (and formerly the Countryside Agency) has done a number of pieces of work looking at the rollout, availability and usage of broadband and ICTs in rural communities across England. These have included a Best Practice Guide looking at 12 examples of community and other broadband schemes; a report, *Beyond Digital Divides: the future for ICTs in rural areas* looking at the future of ICTs in rural communities, which included various scenarios, I enclose a copy of this report. Under our rural watchdog role we also report annually on broadband availability and take-up in our State of the Countryside report and in the past we have examined this in our Rural Proofing reports.

At the launch event for our Beyond Digital Divides report last year I warned about the great dangers for rural communities and businesses of the reopening of a new urban / rural digital divide at higher bandwidths. Especially so soon after the great success of 'closing' the gap for first generation broadband. Unfortunately your recent work seems to suggest that my warnings were correct.

Whilst it is excellent that over 50% of households will be able to access the requirements for the most bandwidth hungry applications in 2008 and 2012 respectively, it is almost certain that most rural communities will be excluded from this capability. This will leave them (and potentially much of the urban fringe) at great disadvantage compared to urban households and other countries that already have, or will have, greater access to these bandwidths.

Rural economies are finding e-commerce increasingly important for efficiency savings, marketing products more widely etc. A new digital divide will become a significant problem, particularly if a two-tier system is allowed to develop. Businesses will become much less competitive than those in urban areas and other countries. Some rural businesses could even go to the wall, leading to a reverse in home based working and even a meltdown within some sectors of rural economies.

One of the main conclusions from Analysys is that teleworking will become particularly problematic as standard files that will be in usage in the future will be much larger than those used presently. This will mean vast sums of time being used downloading and uploading (especially on an asymmetric service). Compression technologies will of course improve, but it is doubtful that this will make up for the shortfall, and rural teleworking could become very difficult.

The Commission recently published a report, *Under the Radar*, highlighting the phenomenal growth of both home based businesses and workers based or part-based at home. All evidence points to this being a growing trend as employers recognise the benefits to health and efficiency of allowing a more flexible approach to work. Also more and more people

are finding that they can generate an income from home, either as an incubator, a hobby business, a pilot or a way of maintaining low overheads for an established or growing business.

A new digital divide could have particularly strong impacts on the disadvantaged in rural areas as there will be an increasing reliance on the web etc to access training and jobs as physical services are replaced. Rural areas have an especially (and increasingly) large ageing population. ICTs are excellent at combating isolation issues felt by many, for example increasing Voice over IP and web based videophones could really help to address this issue, but it is unlikely that the services will be available to many rural people.

The Government is currently very keen to engage the hard to reach and enable them to get into the labour market – e.g. DTI's *Improving the position of those at the bottom of the labour market*, and with Defra's increasing focus on tackling climate change, surely homeworking can make a very significant contribution to facilitating these priorities, and therefore enhancing the opportunities for homeworking should be very important across Government.

At the launch of Beyond Digital Divides last year I suggested that Ofcom and the Broadband Stakeholders Group could work together to monitor the development of higher bandwidth services across the country, reporting annually on the availability. This should allow us all to see where gaps are developing, early enough to perhaps prevent a full Digital Divide, with all its associated problems opening again.

Myself, and colleagues in the Commission would be very happy to meet up to discuss this issue further. If you would like to do this you can contact me on 01395 441144, or James Hatcher (who has day to day responsibility for this area) on 020 7932 5827, email: james.hatcher@countryside.gov.uk,

Yours sincerely,

John Varley
Board Member