



Department for Science, Innovation & Technology

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Dear Sir Geoffrey,

I am writing to update you and the members of the Public Accounts Committee (PAC) following the agreement of a new deal for the Total Not Spots (TNS) element of the Shared Rural Network (SRN).

The SRN has already achieved its primary objective of delivering mobile coverage from at least one mobile network operator to 95% of the UK's landmass. This was achieved over a year early following the completion of the industry funded Partial Not Spots element of the programme. The delivery of the Extended Area Service (EAS) part of the programme is also progressing well, with over 55 existing EAS masts in England, Wales and Scotland now upgraded to deliver 4G coverage from all the UK's main mobile network operators. We will continue to work with the Home Office to activate further sites as planned until January 2027. The implementation of the new deal to address total not spots will enable us to go further and improve mobile connectivity in some of the most challenging parts of Britain.

The TNS part of the programme will deliver new 4G coverage in Scotland through the installation of new masts. I'm delighted to report the Government and mobile network operators have actively listened to community concerns and have committed to focusing this final phase of the programme on delivering coverage in areas where people live, work or travel, and walking and hiking routes.

In summary, sites have been selected based on covering a higher number of premises, road and rail routes, high activity areas, and other key infrastructure (outlined below). A revised target has been set for the TNS element to provide a minimum of 0.2% coverage uplift (reduced from the previous 1%) by January 2027, though we expect the mobile network operators to deliver more than this from the revised portfolio.

Costs for the programme have been significantly reduced, falling from £300.7 million to £150 million. Our analysis indicates that despite costs falling by 50%, we will retain 68% of the benefit value of the programme – a net win for the taxpayer.



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We wrote to you in March 2025 via the Treasury Minutes Progress Update report outlining progress against the three recommendations pertaining to SRN following our oral evidence session in front of PAC last year. Following publication of the new TNS deal, we are delighted to provide further evidence on how it delivers against those three recommendations.

Recommendation 1: The Department and BDUK should work closely with the mobile network operators to ensure that government:

- **Gets the information it needs from the operators to gain certainty on the cost increases; and**
- **Uses this information to inform decisions on how cost increases will be managed while at the same time ensuring that coverage targets are met.**
- **Fully considers emerging new technologies such as low orbiting satellites to ensure investments produce the most cost-effective results.**

The new TNS deal includes provisions for enhanced data collection from the mobile network operators, including detailed per-site cost and delivery information and forecasts. A new cost threshold mechanism means that mobile network operators must notify BDUK should costs exceed, or are predicted to exceed, 90% of a given site's baseline costs, or the cost-per-pixel threshold for the project. BDUK will review any sites in breach of these thresholds.

The total envelope for the project is also linked directly to the coverage delivered by the mobile network operators, to a maximum of £150 million. This means that should the mobile network operators only achieve the 0.2% target, the grant funding provided will be reduced to £106.6 million. The full £150 million will only be provided should the mobile network operators reach 0.3% coverage or higher.

The revised TNS project site list has been selected by the mobile network operators where mobile telecoms infrastructure has been deemed specifically necessary. This recommendation is fully implemented.

Recommendation 2: Now that the proposed locations of Shared Rural Network masts are more certain, the Department should revisit its cost benefit analysis to determine more precisely who will benefit, and how, from its investment in 4G connectivity. It should use this information to inform final decisions on mast locations and numbers and to communicate the case for investment to stakeholders.

Site deliverability and the proposed benefits were central to negotiations over the new deal. Quantitative thresholds were set for coverage of:

- 192 premises, or one premises where there was no existing coverage.
- At least 14 km (8.7 miles) of roads premises, roads, rail and high activity areas were applied to the existing portfolio of sites.
- At least 1.5 km (0.9 miles) of A Roads and Motorways.
- At least 1.2 km (0.75 miles) of rail routes (excluding cuttings and tunnels).
- At least 4.5 million Strava incidents, using data from the popular fitness app to track areas of high activity.



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These values were selected by taking the average of the top 25% of sites for each benefit, ensuring the new deal was targeted towards retaining only the highest benefit sites in the original portfolio.

Alongside these quantitative measures, qualitative thresholds were also set to allow for sites carrying specific (but not necessarily quantifiable) benefits. These included sites covering areas of historic, heritage, or conservation significance, supporting current or future critical infrastructure, high risk areas (e.g. coastlines), and those with community support.

In each of these criteria, we asked that mobile network operators consider only sites without significant local opposition. Including these qualitative thresholds was important, as it has allowed for some of the less tangible benefits to be realised (for example, the new deal portfolio will provide coverage to 15 operational wind and hydro power plants, and a further 18 currently under construction).

The mobile network operators selected sites (or clusters on average) that hit any one of these quantitative or qualitative thresholds, resulting in benefits valued at c.33% higher per site than was previously the case.

We have already begun to communicate this renewed focus on benefits with key external stakeholders such as the Highlands Council (who have the highest number of TNS planning applications), John Muir Trust and other partner organisations (who have been the main opposition group) and interested MPs who now have a reduction of masts in their constituencies. The sentiment from these key stakeholders has been positive and they have welcomed the more targeted, reduced number of new masts in rural parts of Scotland. This recommendation is fully implemented.

Recommendation 3: With clearer information about the proposed location of masts, the Department should now confirm which areas of the UK will still not have 4G connectivity once the Shared Rural Network programme is complete. It should assess the impact of this on communities in these areas and develop a plan for alternative ways of ensuring they get the connectivity they need.

Mova (formerly DMSL), the joint company set up by the mobile network operators to manage the SRN, will shortly be publishing a new coverage map, showing where coverage from the project has and will be delivered.

Alongside the mobile network operators, we continue to actively monitor the benefits SRN sites provide. A report by the consultancy Farrpoint on behalf of EE in June 2024 showed a range of between £249,000 and £6.9 million of social and economic benefits across each of the four sites already delivered through SRN.¹ The Department of Science, Innovation and Technology continues to engage with the mobile network operators over plans for further programmes to develop the UK's mobile connectivity landscape, including through wider provision of 5G; evidence and experience gathered from the benefits of the SRN will be used to inform any further programmes or projects to ensure that people across the UK can continue to get the connectivity they need. This recommendation has a target date of January 2027, to

¹ June 2024, Farrpoint, *Rural 4G Connectivity: Analysing the community benefits of mobile investment* <<https://www.farrpoint.com/news/rural-4g-connectivity-report-ee>> [Accessed 25/04/2025]



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allow for further evaluation activity to take place, we will continue to update you via Treasury Minute Progress Updates, next scheduled in July

The Department looks forward to updating you on the SRN's delivery progress over the coming years.

Yours sincerely,

A handwritten signature in grey ink that reads "Sarah Munby".

Sarah Munby