

Written evidence submitted by The Local Government Association

Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London
SW1A 0AA

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Dear Meg,

DCMS recall (Broadband) inquiry.

The Local Government Association (LGA), as the national voice of local government, welcomes the opportunity to submit evidence to the Public Accounts Committee's inquiry into progress towards the Government's revised timeline for rolling out broadband.

In the last decade local government has been a key player in the roll out of improved digital connectivity to the hardest to reach areas. Councils recognise the importance of world-class digital connectivity and have been at the centre of delivering the Superfast Broadband Programme, partnering with the communications industry to extend coverage to local communities. They have committed £740 million to extending connectivity to the hardest to reach, developing significant expertise and knowledge of the digital needs of their local communities. The LGA has also worked with Government to support the work of [the Barrier Busting Taskforce](#) to share best practice in the sector. The taskforce was set up to identify and address the barriers preventing the fast, efficient and cost-effective deployment of gigabit-capable broadband and improved mobile coverage. Local government has also worked closely with mobile network operators (MNOs) and local communities to find the best locations for new mobile infrastructure.

Reliable and fast broadband connectivity is crucial to enable people to fully participate in society and engage in 21st century education and employment systems. Yet too many people still do not have access to an adequate connection, particularly in rural areas and people from low-income households. Addressing gaps in our broadband infrastructure, and at pace, will be crucial to deliver on the Government's levelling up agenda, tackle inequalities and unlock inclusive economic growth.

Good digital connectivity is particularly important for disabled people, who are at higher risk of facing social isolation and for whom it may be easier to access services online. Digital exclusion due to poor connectivity amplifies the barriers disabled people face in accessing services, connecting with friends and family, and fully participating in society. Additionally, people from protected groups may be particularly impacted by digital exclusion if they are unable to connect to others with shared experiences, exacerbating a sense of isolation and negatively impacting on their mental health and well-being. On behalf of councils, the LGA wants to work in partnership with government to accelerate the progress that is being made and ensure that communities and households who are the most in need are prioritised in the future rollout.

The COVID-19 crisis

The COVID-19 crisis has reinforced that broadband is essential infrastructure. We live in an increasingly digital world, with banking, democratic functions, job applications, benefits and other public services increasingly being moved online. During the pandemic, access to effective broadband services and mobile internet became even more essential to facilitate working and learning from home, and allowed council's to continue to meet virtually to continue their democratic and day to day activities.

As the UK entered lockdown in 2020, councils quickly mobilised to provide pupils with devices and internet connections to allow them to continue their education, and worked in partnership with their local Voluntary Community and Social Enterprise sectors to help people without digital access stay connected. The Government also delivered over a million laptops and tablets, and thousands of families have received additional data from mobile operators, following the Department of Education's work to help children without internet access get online.

During the pandemic online [meetings worked effectively for councils](#), with many seeing an increase in public participation and councillor attendance. We are calling for the flexibility to hold online and hybrid meetings to be restored to councils, to maintain these gains in accessibility and secure the future resilience of democratic processes. To support this, it is important that councils in every area are equipped with capable broadband connections, to ensure all areas can benefit equally from the increased democratic accessibility online meetings offer.

Unequal broadband coverage

Despite the progress made during the pandemic, [6 per cent of all five to 15-year-olds](#) still have no fixed broadband access in their home. Vast regional disparities in our broadband infrastructure also persist. [17 per cent of rural residential premises and 30 per cent of rural commercial premises](#) still do not have access to superfast broadband (30 Mbit/s or higher). Since the gigabit rollout was launched in 2014, builds have disproportionately been focussed in urban areas. [Analysis from the County Council's Network](#) shows that just 21 per cent of premises in county areas have access to gigabit broadband. By comparison, London now has 70 per cent gigabit coverage, and large towns and cities in the North and the West Midlands, have on average 51 per cent coverage. This needs to change if rural England is expected to seize the benefits of home working and attract high tech, high value businesses.

With the shift to home and hybrid working, residents in these areas continue to face a particular disadvantage in the labour market. Similarly, businesses who are unable to pivot their working models due to poor connectivity are particularly vulnerable to the impacts of public health restrictions and home-working guidance. As we move into recovery, tackling this digital divide will be essential to address social and economic inequalities. We are asking for continued transparency from the Government around contingency measures for those residents who are in hard-to-reach areas to ensure no one is left behind.

Timeline for the broadband rollout

The Government previously committed to spending £5 billion to roll out gigabit broadband to all premises by 2025, bringing forward the previous target by eight years. This target was subsequently downgraded at the Autumn 2020 Spending Review, and the government now aim to deliver 85 per cent gigabit-capable coverage by 2025. While we recognise that the target to reach all premises with gigabit broadband by 2025 was ambitious, the LGA's member councils, rural councillors and their communities are disappointed by the downgraded target. We will continue to work with the Government to achieve this new target and call for greater clarity and solutions to improve connectivity in very hard to reach areas. Alongside this, we continue to make the case for

additional funding for local government which will enable councils to support with local delivery and to spur on demand.

It is positive that the Chancellor has reconfirmed funding for the £5 billion Gigabit Broadband programme at the recent Budget. However, we continue to be concerned by the Government's intention to manage this programme centrally from Whitehall. We believe that the success of the Superfast Broadband Programme demonstrates how councils' local knowledge and expertise can make all the difference to a well-managed roll out. Councils are well placed to act as a central contact point between government, internet service providers (ISPs) and communities. With the right funding and flexibilities, councils could play a far greater role targeting communities most in need, driving demand stimulation and providing digital upskilling to support the rollout. We remain committed to working with Government to help design an approach to roll out that will benefit from the local expertise of councils.

Due to financial pressures, there is a risk that some councils will be forced to wind down their digital connectivity teams as they prioritise funding for other frontline services, which may undermine the success of the rollout. We are therefore [calling for long-term funding](#) to help councils maintain and resource broadband and highway teams to support future delivery, including:

- A £250 million contingency fund to be created for councils to support the rollout of ultrafast broadband in those areas that fall within the scope of Project Gigabit, but which are lagging behind delivery.
- A review of the cost cap of £3,400 for the Universal Service Obligation which gives households with poor internet access the right to demand affordable connectivity from BT. We are calling on the review to help better understand the extent of premises with costs above the cap and create a mechanism for funding those excess costs identified.
- Councils to be provided with £30 million a year to put in place local digital champions, who would support the coordination of local delivery, and recruit extra capacity within highways and planning teams. This would enable councils to effectively respond to surges in local roll out activity, such as streetworks permit requests or planning applications.

BDUK Gigabit Voucher scheme

The introduction of the Gigabit Voucher Scheme has allowed local bodies to support very hard to reach premises (VHTRP) and communities in parallel with existing contractual builds delivered by the Department of Digital, Culture, Media and Sport (DCMS) as part of the Gigabit roll out. This was welcomed by local authorities as a positive step to reach those communities with the worst connectivity. The Government's recognition of councils as a key partner in developing and implementing the broadband rollout and Building Digital UK's (BDUK) commitment to work closely with councils was also welcome. However greater investment, access to a sufficient and appropriately qualified workforce and strong partnership working between broadband providers, national and local government, will be required to reach 85 per cent gigabit-capable coverage by 2025 and ensure no areas are left behind.

The recent review of Community-led Internet Service Providers' plans by BDUK, and subsequent announcement to pause the Gigabit Voucher Scheme was a cause for concern. Concessions now have been made to community-led internet service providers whereby DCMS will identify 'Voucher Priority Areas' within the procurement scope of Project Gigabit and keep voucher applications open during the Project Gigabit procurement process. This will enable greater continuity of delivery across Community-led Internet Service Provider's projects. We are pleased a resolution was found but would welcome reassurance that the government will not allow any future delays to the pace of roll out, which will result in communities who have broadband below super-fast speeds being further left behind.

Mobile connectivity 'stop gap'

The LGA's People and Places Board have consistently campaigned for improved mobile coverage to be extended into rural communities. We welcome the Government's commitment to provide £180 million over the next three years as part of a £500 million investment for the Shared Rural Network, to deliver high-quality 4G mobile coverage to 95 per cent of the UK. It is now vital that mobile network operators and the Government work with local authorities to deliver this ambitious programme and ensure the investment translates into 'real-world' improvements in signal quality and data capacity for communities and businesses.

We have found that there is often a disconnect between the level of coverage mobile network operators claim to provide and the real-life experience of their residents. We are hearing from local authorities that the ongoing cost of data and higher levels of unreliability severely reduce the viability of "stop gap" interim solutions. It is also evident 4G solutions may not always be effective in rural areas due to lack of coverage which further reduces options available to communities.

Driving digital transformation

To tackle the digital divide and drive a digital revolution in every area there will need to be joined-up support at all levels of government. For too long national government has lacked a strategic and joined-up plan to drive local economies and empower local leaders to take effective action. Instead, national support for local growth has been characterised by a lack of coordination between departments and a complex framework of national funding and support. [Previous LGA research](#) found that £23 billion of public money was spent on growth, regeneration and skills, fragmented across 70 different national funding streams and managed by 22 government departments and agencies. More recently, Government's new Plan for Growth has yet to demonstrate how it will connect an ambitious national plan with delivery on the ground.

The scale of the challenge ahead means that a new approach to growth and policy responsibility in England is needed. To deliver on this, there must be greater devolution to councils. Local leaders need the powers and resources to bring government departments and agencies together to deliver locally determined and democratically accountable outcomes. The Levelling Up White Paper should include devolving economic powers to councils. This would mean that local and regional leaders can use their local knowledge and their integration into the community to utilise resources more efficiently and develop partnerships to grow their economies and design services that meet local needs.

Our publication [Council's role in supporting the digital skills pipeline](#), identifies that investment in local broadband and digital infrastructure is essential to stimulate local entrepreneurship, build a thriving digital sector stimulate digital skills uptake. For example, three years ago Stoke-on-Trent council bid for and successfully secured £9.2 million funding from the DCMS [Local Full Fibre Network fund](#) to roll out a Gigabit-speed full fibre broadband network, in recognition of the relatively low level of digital connectivity (zero per cent fibre) within the city and the increasing bandwidth requirements of industry and individuals. This was the cornerstone of their vision for the future growth and prosperity of the city, with the potential to provide a £625 million uplift to the local economy over a 15-year period.

At the date of publication, over 113km Gigabit fibre had been rolled-out and connected-up the Ceramic Valley Enterprise Zone on 140-hectares of brownfield sites in the north of the city, attracting over 1000 jobs to the area. Through the implementation of an open access platform, a multitude of internet service providers are able to deliver a varied range of services using this backbone network - making Stoke-on-Trent a true 'Gigabit city'. A prospectus for 'Silicon Stoke' will be released in 2021, inviting ISPs and others to find innovative ways of utilising this new network to provide improvements in areas such as Health and Social Care, Advanced Manufacturing, Smart Energy Systems, Agri-Tech, Media & Entertainment, Critical Communication Systems and more general research and skills development. This underlines the importance of a place-based and integrated approach to economic development, infrastructure

investment and skills policy to level up communities, and how, as conveners of place, councils are best placed to deliver this.

The digital skills gap

Alongside the rollout of broadband infrastructure, addressing the digital skills gap will be essential to equip people with the skills they need to reach their potential and ensure everyone in our communities can benefit from the opportunities world-class digital connectivity can bring.

The [Department for Culture, Media and Sports' 'No Longer Optional' report](#) found that digital skills have become near-universal requirements for employment, with digital skills now an essential entry requirement for two-thirds of occupations and these occupations accounting for 82 per cent of online job vacancies. Digital skills are also key to career progression and economic reward - job seekers with digital skills commanding higher salaries, roles requiring digital skills paying 29 per cent more than those roles that do not.

Despite this, [a large proportion of the population continue to lack basic digital skills](#): an estimated 11.7 million (22 per cent) people in the UK are without the digital skills needed for everyday life; 9 million (16 per cent) are unable to use the internet and their device by themselves; and 3.6 million (7 per cent) are almost completely offline. Basic digital literacy skills are needed by every citizen to become 'digitally literate' to participate fully in an increasingly digital society.

A joined-up approach to digital skills and investment

Councils recognise the importance of building a strong pipeline of digital skills. Digital skills form a key focus of many councils' local and regional skills strategies, and councils are providing a range of programmes that aim to address the skills gap and help their residents to retrain and upskill. However, the landscape for digital skills delivery, much like the broader skills employment system, remains disjointed and is spread across the private and public sector, from schools through to further and higher education. There are a number of national programmes and funding sources open to councils and local stakeholders looking to build digital skills and support their tech sectors, including [digital skills partnerships](#) and the Department of Education funded [Digital Skills Bootcamps](#) and [Institutes of Technologies](#). Councils have worked to leverage national funding, both from digital programmes and wider funding streams such as the Adult Education Budget, to design and commission digital skills programmes that meet local needs. The LGA's recent publication, [Council's role in supporting the digital skills pipeline](#), outlines the key role councils play in supporting local skills progression and highlights case-studies of councils' successful interventions to date.

One such example is Exeter City Council. Research by the council indicated that the tech sector was one of four key economic sectors. The challenges around the growth in jobs requiring high level skills and hard to fill vacancies – both of which have an impact on the tech and digital sectors, were key considerations when the council developed their Skills Strategy. This strategy identified areas of future skills and how these could be delivered, creating a strong local partnership to sense-check and provide expert advice. This strong foundational base of evidence and clear strategy has enabled a variety of organisations in Exeter to work in partnership to build the Exeter Recovery Plan with digital as an overarching ask for the city; build Digital and Data Pathways through schools and colleges; deliver the Exeter Science Park; drive forward the South West Institute of Technology and build out the apprenticeship offer and focus on data and digital at Exeter College.

Councils want to go much further in supporting their communities' digital needs. With the right funding, flexibilities and national support, councils could do much more to align broadband infrastructure investment with local economic development strategies and skills policy to level up in every community. Greater co-ordination of national skills policy and digital skills policy is

critically needed. We support calls for a new lifelong learning strategy that supports learners of all ages, abilities and backgrounds to lead more independent lives and progress in employment. Such a strategy should provide strategic direction, join up funding and delivery across Whitehall Departments, and with local and combined authorities, and contain a key focus on digital skills.

As we move forward, government should empower councils to work innovatively with their communities, government and its agencies to design a locally determined skills and employment offer that is targeted to the needs of their residents and economies. [Work Local](#) is the LGA's framework for making this happen, which would deliver significant social and fiscal benefits. We are calling on the Government to back and fund Work Local pilots.

Thank you for the opportunity to provide feedback on behalf of councils on the rollout of broadband and how councils and national government can work together to improve digital inclusion, and in doing so address inequalities and level-up the country. I hope the information we have outlined above is helpful for your inquiry. If we can be of further assistance, please do not hesitate to get in touch (megan.edwards@local.gov.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Mark Hawthorne', written in a cursive style.

Cllr Mark Hawthorne
LGA Digital Connectivity Champion

November 2021

Appendix:

Boosting digital skills

Local government – councils and mayoral combined authorities (MCAs) – can play a crucial role in making the skills and employment system work for their areas. MCAs have devolved responsibilities for over half of England's Adult Education Budget (AEB) and are responsible for the planning of adult education in their areas and a range of other related functions. Local authorities also have a wide-ranging role in the skills system. Councils' play a vital role in convening local partners to coordinate skills and employment strategies for their areas, joining up the complex national skills system and commissioning their adult education provision and their own discretionary skills and employment services.

No area is the same in terms of its economy, demography and social challenges. To deliver on the needs of each place, local and combined authorities need to be at the heart of the design, commissioning, delivery and oversight of skills for their local areas. This will be best achieved through progressive skills devolution, to local and combined authorities. Outside of devolution areas, councils should be empowered with a new 'Community Skills Lead' role with strategic responsibility for adult education planning, which will allow them to work with their further education provider base to create coherent digital skills offer, with pathways of progression from lower-level community provision to higher-level technical skills.

Alongside this, councils should also be given a greater role to coordinate skills and employability support in their areas, and work in partnership with Government reshape existing support, such as Kickstart and Restart, so that they deliver better outcomes. This would complement councils' lead role in determining local infrastructure spend to create new jobs through the Levelling Up, Community Renewal and Towns Funds and in the UK Shared Prosperity Fund, and allow them to connect infrastructure and employability spend in each place to ensure local people can benefit from these new opportunities. It would also allow councils to deliver a clear and coherent training and employment support offer for young people and adults, join-up provision with other services to improve learners and job-seekers outcomes, and identify and target residents most in need of support.

Work Local

As we move into the next stages of recovery, the LGA remains committed to moving towards [a fully integrated and devolved employment and skills system](#). The LGA's [Work Local model provides a framework](#) to give combined authorities and groups of councils, working in partnership with local and national partners, the powers and funding to plan, commission and oversee a joined-up system by bringing together advice and guidance, employment, skills, apprenticeships and business support for individuals and employers, at the local level. [Based on analysis of an](#)

[anonymised medium-sized combined authority](#), a Work Local model could lead to additional fiscal benefits for a local area of £280 million per year, with a benefit to the economy of £420 million. This would be associated with an additional 8,500 people leaving benefits, an additional 3,600 people achieving Level 2 skills, and an additional 2,100 people achieving Level 3 skills. We are calling on the Government to trial the Work Local model. This would include funding pathfinders across rural, coastal and metropolitan areas and deepening existing devolution deals.