

BT GROUP EVIDENCE TO THE WELSH ASSEMBLY ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE

PROGRESS OF THE WELSH GOVERNMENT'S MOBILE ACTION PLAN

BT Group, of which EE is a part, welcomes the opportunity to provide written comments to the Committee on progress made to date on delivery against the Welsh Government's Mobile Action Plan.

This note sets out that:

- EE 4G coverage now extends to over 90% of the geography of Wales.
- The Mobile Action Plan set out a welcome framework for reform – but there have been no concrete deliverables to date.
- The imperative for a more supportive mobile deployment environment will only increase as 4G coverage reaches the edges of commercial viability and as 5G roll-out begins.

1. EE 4G coverage now extends to over 90% of the geography of Wales

1.1 Since providing oral evidence to the Committee in January 2017, EE has continued to invest significantly in its network in Wales. We have now upgraded the vast majority of all our Welsh sites to 4G services and we are progressing towards the completion of our new site build programme, delivering over forty new masts principally across Gwynedd, Powys, Ceredigion, Conwy, Carmarthenshire and Pembrokeshire. We have made available our new sites to the other mobile network operators should they want to share the infrastructure.

1.2 This investment has taken our 4G geographic coverage of Wales from c.77% in January 2017 to over 90% today.

1.3 We recognise that there is still further to go, but to do so requires investment in increasingly rural and remote locations. To extend rural networks to wherever people live, work and travel will require deployment economics to change markedly. Not only do remote cells serve very few customers, the costs of deployment to hard-to-reach locations are often significantly greater than average, mainly due to the challenges of providing power and backhaul.

1.4 Succeeding here requires a more effective approach to partnership working across all stakeholders involved in delivering mobile coverage – principally, mobile operators, land owners, local and national governments.

2. The Mobile Action Plan sets out a welcome framework for reform – but there have been no concrete deliverables to date

2.1 The Welsh Government has, through its Mobile Action Plan, recognised the need to create better conditions for investment in and deployment of mobile infrastructure, using the policy levers available to it. We believe that the nine areas it covers¹ are appropriate issues on which to focus and we have continued to engage constructively.

2.2 Since the Action Plan's publication, some positive steps have been taken. For example:

- A consultation has just closed on reform to Permitted Development Rights which, if taken forward, would broadly bring Wales into line with England. However, via Mobile UK, we have raised concerns regarding the level of ambition set out in the consultation, particularly given the specific topographical challenges faced in Wales.

¹ Planning reform, access to public sector assets, non-domestic rates relief, regulation, innovative solutions, infill programmes, coverage on transport routes, the role of ESMCP, and addressing major events and special projects.

- A consultation on business rates was conducted in April 2018 exploring the potential impact of a reducing non-domestic rates on mobile infrastructure investment. We have not yet seen the Welsh Government's conclusions.
- Initial discussions took place in June 2018 regarding more effective access to public sector assets.

2.3 Overall, there have yet to be any concrete reforms that we are able to utilise and we are concerned by the current speed of delivery. When Wales is compared to other parts of the UK², then in many areas it is playing catch-up.

3. The imperative for a more supportive mobile deployment environment will only increase as 4G coverage reaches the edges of commercial viability and as 5G roll-out begins

3.1 The progress we have made to date in extending coverage has therefore very largely been made without additional support from the Welsh Government. Going significantly further will require this support, including the consideration of direct publicly-funded interventions to deliver coverage to enduring not spots.

3.2 Looking further ahead, we plan to begin the roll-out of 5G in 2019. The extent and speed of this deployment will crucially depend on the ease of access to public assets, how well the planning regime facilitates the upgrading of existing macro sites (and, in future, the deployment of small cells) and operators' relationships with local government.

3.3 We believe that greater urgency and prioritisation is needed from the Welsh Government if the shared ambitions of the Mobile Action Plan are to be realised.

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² Both England and Scotland have, for example, already enacted reforms to their planning regulations to ease mobile infrastructure deployment. The Scottish Government is also progressing a 4G infill programme.