Communications Consumer Panel response to the Scottish Government's review of broadband infrastructure

Introduction

The Communications Consumer Panel welcomes the opportunity to contribute to the Infrastructure and Capital Investment Committee's review of broadband infrastructure in Scotland.

The Communications Consumer Panel[1] is an independent group of experts established under the Communications Act 2003. Its role is to provide advice to Ofcom to ensure that the interests of consumers, including small businesses, are central to regulatory decisions. The Panel also provides advice to Government and champions consumers' communications interests with industry. The Panel has members representing the interests of consumers in Scotland, Wales, Northern Ireland and England. Fiona Ballantyne is the Panel member for Scotland.

The Panel notes that the inquiry's remit is to:

- assess the coverage, availability and uptake of broadband across Scotland;

- consider the ways in which different local areas are working to promote access to broadband in Scotland and how good practice might be shared; and

- consider what work is required by the Scottish Government, infrastructure providers and others in order to expand Scotland's digital infrastructure.

In this response we address levels of take-up in Scotland, the Panel's work on a consumer framework for digital participation and communications services for the future.

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[1] http://www.communicationsconsumerpanel.org.uk/

Broadband take up in Scotland

A robust broadband infrastructure must be inclusive and aim to maximise digital participation. It must ensure that disadvantaged groups can access and utilise digital communications, particularly as more and more public services migrate online.

The latest *Communications Market Report* (CMR) data from Ofcom[2] show that compared to 2010, broadband take-up across the UK has increased from 71% to 74%. However, this is not the situation in Scotland, where 61% of Scottish homes have broadband access[3] (either fixed or mobile), compared to 71% in Wales and 75% in Northern Ireland. England, Wales and Northern Ireland all showed year-on-year increases, but broadband take-up in Scotland has not grown since Quarter 1 2009.

This situation is amplified in particular areas where broadband take-up is lower than in the general population eg. Glasgow, where take-up lies at 50%.

Figure 4.1   Broadband take-up at home
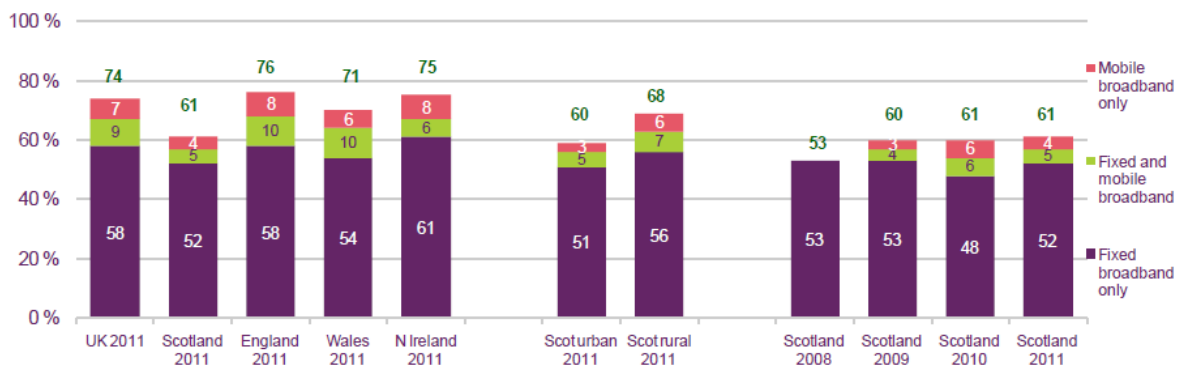
Source: Ofcom research, Q1 2011
Base: All adults aged 16+ (n = 3474 UK, 487 Scotland, 1983 England, 493 Wales, 511 Northern Ireland, 239 Scotland urban, 248 Scotland rural, 925 Scotland 2008, 1014 Scotland 2009, 1468 Scotland 2010, 487 Scotland 2011)
QE9. Which of these methods does your household use to connect to the internet at home? (NB 2008 survey did not cover mobile broadband. 2008 measure shows any broadband)

Broadband take-up is not evenly distributed throughout the population in Scotland. The CMR states that while 85% of 35-54 year olds have broadband access in Scotland compared to the UK average of 83%, there are other demographic groups

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[2] Communications Market Report, Ofcom 2011 http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/scotland/

[3] In this document, the term "access" relates to people being able to use the internet, rather than the availability of the infrastructure.

that show lower levels of engagement with broadband. Looking at groups that have lower levels of broadband take up across the UK, this picture is even more distinct in Scotland. In particular:

- Of the over-55s, 55% have broadband at home in the UK against 34% in Scotland.

- Among DE socio-economic groups across the UK, 55% have broadband at home; in Scotland this figure is 30%.

- Of households with incomes less than £17.5k per annum, 52% in the UK have broadband at home; in Scotland the figure is 26%.

The Panel's concern therefore focuses not so much on issues of availability, which are nonetheless important, but rather on take-up. These lower levels of broadband take-up mean that people are at an increased risk of exclusion from the social and economic benefits of being online, particularly as more public services are put online.

The plans announced in *Scotland's Digital Future: A Strategy for Scotland* to roll out next-generation broadband by 2020, and the Highlands and Islands status as one of the Broadband Delivery UK pilot areas, will provide a sound framework for progress. However, in order to benefit from these advances, people who are currently offline need to be convinced of the benefits of going online and be able to gain the necessary skills.

Mobile phone and mobile broadband access

The CMR reports that eight in ten homes in Scotland have a fixed-line phone, leaving 17% of households reliant on mobile telephony only. Three percent of households have neither fixed nor mobile telephony.

Ofcom's recent *Infrastructure Report*[4] states that the use of mobile networks for data is increasing, driven by the take-up of mobile broadband 'dongles' and smartphones. It reports that there are now 33m subscriptions to 3G services and 7% of homes in the UK rely solely on mobile broadband services (rather than a fixed line).

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[4] http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/bbspeeds2011/infrastructure-report.pdf

The CMR notes that 21% of adults in Scotland use a mobile phone to access the internet - 15% said they had done so in the last week. In Scotland 21% of mobile owners have a smartphone – this is more likely to be among ABC1 groups and those aged 16-34. However overall, smartphone ownership is at a lower level than elsewhere in the UK.

Similar to the UK overall, according to Ofcom's media literacy research[5], only 2% of adults in Scotland who go online access the internet by a means that is not a PC/laptop at home. Therefore, the majority of mobile internet usage is complementary to home access rather than replacing it.

Take-up of mobile broadband lies at 9% of households in Scotland, a significantly lower percentage than 17% in the UK overall – this breaks down to 8% in urban Scotland and 13% in rural Scotland.

People who remain offline at home

The CMR found that 30% of adults in Scotland say that they do not use the internet in any location. In the UK overall, the figure is 20%.

Of those in Scotland who do not have internet access at home, the majority (76%) say that they are unlikely to get internet access at home within the next 12 months. While costs are undoubtedly a barrier to take up for some, the most frequently stated reason related to a lack of knowledge. This contrasts sharply with the UK overall, where the most frequently stated reason is "no need".

The table below examines the main reasons why people in Scotland said they would not get the internet at home in the next 12 months and contrasts this with the reasons given in the UK overall.

	Scotland	UK overall
Don't know how to use computers/the internet	30%	14%
No need	22%	29%
Too old to use the internet	16%	15%

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[5] http://www.ofcom.org.uk/static/stats/MLAudit2010Adult.pdf

Don't want a computer	8%	15%
Computer is too expensive to buy	8%	3%
Friends/family member checks internet for me	5%	3%
Too expensive to set up	4%	7%
Satisfied using the internet elsewhere	3%	1%
Charges are too expensive	2%	2%

In terms of attitudinal approach, it is interesting to note that adults in Scotland – including those offline - are more likely to strongly disagree with the statement that "the internet is for people like me"[6] than adults in the UK overall. However, internet users in Scotland have a very different reaction - they are more likely to strongly *agree* that the internet is for people like me than internet users in the UK overall. This suggests that there is a significant attitudinal barrier to internet use among those offline.

This finding resonates with Scottish Government research on the use of broadband by Scottish businesses in a survey of 1000 small to medium-sized enterprises and micro-businesses. Around 25% of those businesses surveyed did not use the internet at all, with most of this 25% showing no intention of doing so in the next three years, believing the internet to have little relevance to their business. A lack of adequate IT skills was cited by respondents as a reason for non-use, but again, cost was not cited as the main barrier.

Among those in Scotland who do not have internet access at home, about one in five (21%) say that they use the internet in other locations, with the most common location being someone else's home (18%).

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[6] http://www.ofcom.org.uk/static/stats/MLAudit2010Adult.pdf

What consumers say they need to get online

The Communications Consumer Panel has developed a *Consumer Framework for Digital Participation*[7] that specifically addresses the issue of what consumers themselves have said they need to get them online.

Targeted at governments and industry, the framework brings together all the different elements that are needed to provide the help and support that is right for people to get online and get the most benefit from the internet. It is intended to be used to identify the gaps and overlaps in provision, target new provision and can be used to assess progress.

Consumer Framework for Digital Participation

What people need to get online and get the most from the internet				
To get interested	**To get online**	**To make it work**	**To enjoy the benefits**	**To manage the risks**
I understand how the internet can benefit me	The services & equipment I need are available to me	I can get set up and connected	I can communicate effectively	I can protect myself (and my children) online
The benefits of the internet are worth the effort	I know how much it will cost and can afford it	I can use the equipment	I can interact with the content & services I choose	I can judge whether content & services are truthful & reliable
I have the confidence to try	I can choose the right equipment & services for me	I can find the content and information I am looking for	I can create content if I choose	I know my rights and responsibilities online
	I can get help making these choices if I need it	I can get help when and as often as I need it	I can pursue my passions	

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[7] http://www.communicationsconsumerpanel.org.uk/smartweb/digital-participation/the-consumer-framework-for-digital-participation

In an update to this work, the Panel has recently commissioned a research project to understand how people in low digital participation groups across the UK can get the most out of being online and how they might increase their breadth of usage. The study will also examine whether there are key barriers to digital participation amongst people offline in an area of extreme deprivation (other than financial deprivation). Fieldwork for this element will take place in Glasgow. The Panel would be pleased to share the results of this work with the Committee.

Communications services for the future

The Communications Consumer Panel is campaigning for major improvements to mobile and broadband services. The Panel argues that effective mobile coverage is essential for the growth of rural communities and businesses. The Panel has been concerned for some time about poor or non-existent coverage creating significant problems for small businesses, as well as people living in not-spots, the people passing through them and passengers on the rail and London tube networks.

To tackle the problem, the Panel asked Ofcom to consider setting coverage obligations for each of the UK nations and some English regions, or for money to be retained from the spectrum auction and a reverse auction run to upgrade rural coverage. The Panel welcomes the Chancellor's recent pledge to inject up to £150m of new funding into extending mobile coverage, but waits to see the detail of how the intervention will work. Depending on the extent of this first intervention, it may still be necessary to use some of the money raised by the 4G spectrum auction in order to raise mobile coverage in the UK to a level that satisfies the reasonable aspirations of citizens and communities.

Research from the Communications Consumer Panel found that consumers and small businesses in Scotland have persistent problems making even basic voice calls. Over half of consumers questioned in Scotland (58%) had difficulty with mobile coverage – 41% on a regular basis[8]. Almost all small business[9] respondents in the UK overall (91%) had experienced problems with reception, over a third of them (34%) regularly.

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[8] http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_consumer_perspective.pdf

[9] http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_small_business_perspective.pdf

According to the *CMR*[10], both 2G and 3G mobile population coverage is less comprehensive across Scotland – at 85% and 84% respectively - than the UK average. Where 3G is available, there is less choice for consumers to choose between operators. Ofcom's recent *Infrastructure Report* notes that for outdoor use (rather than indoors) 63% of premises in Scotland can receive a 3G signal from all operators.

Figure 5.5   3G mobile phone population coverage (90%), by number of operators
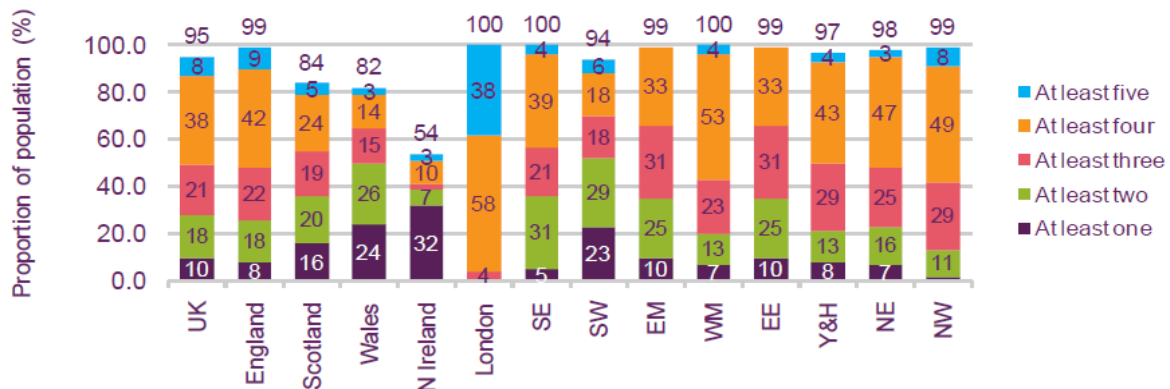
Source: Ofcom/ GSM Association / Europa Technologies; Q2 2011
Note: Figures show the percentage of population within postcode districts where at least one operator had at least 90% 3G area coverage; data not directly comparable to that published in the 2010 report.

Conclusion

In summary, the Panel would highlight that:

➢ 61% of Scottish homes have broadband access (either fixed or mobile) – 13 percentage points lower percentage than the UK average;

➢ This situation is more severe in certain areas eg. Glasgow and among certain demographic groups – those over 55 year-olds, those in DE households and in low-income households;

➢ The vast majority of mobile internet access is complementary to PC/laptop access rather than replacing it;

➢ 30% of adults in Scotland say they do not use the internet at all;

➢ The most frequent need for not getting the internet at home relates to a lack of knowledge;

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[10] Communications Market Report, Ofcom 2011 http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr11/scotland/

- There are significant attitudinal barriers - adults in Scotland are more likely than the UK overall to strongly disagree that "the internet is for people like me";

- People who are currently offline need to be convinced of the benefits of going online and be able to gain the necessary skills;

- The Panel has developed a *Consumer Framework for Digital Participation*[11] that brings together all the different elements that are needed to provide the help and support that is right for people to get online and get the most benefit from the internet;

- The Panel's latest research will look at how people in low digital participation groups across the UK can get the most out of being online and how they might increase their breadth of usage. This will specifically look at the issue of low uptake in Glasgow.

- Effective mobile coverage is essential for the growth of rural communities and businesses; and

- In the Panel's research, 58% of consumers in Scotland had difficulty with mobile coverage – 41% on a regular basis. This could be a deterrent to greater broadband take up and use.

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[11] http://www.communicationsconsumerpanel.org.uk/smartweb/digital-participation/the-consumer-framework-for-digital-participation