CENTRE FOR RURAL ECONOMY
NEWCASTLE UNIVERSITY

What is the problem with rural broadband in the UK?

Good quality broadband could support the rural economy and contribute to the UK's environmental agenda but roll-out of this technology has failed.

Why was a market-based approach doomed to failure?

Roll-out to rural areas has failed because:

- Broadband is not a static technology but fast-developing and constantly in need of upgrading.
- It is more lucrative for providers to return to densely populated areas rather than supplying rural areas.
- In most rural areas there is no competition among suppliers.

What is the current position?

The national agency Broadband Delivery UK was established to ensure broadband roll-out but in England it has:

- Taken little account of the form, scale and types of local organisations that should be involved, or the best division of labour between local and central government.
- Reinforced the position of BT which is now the only approved supplier for local authority contracts.
- Allowed a situation to develop where rural dwellers are left far behind urban areas in accessing useful broadband speeds.

How could the situation be improved?

Intervention is necessary if rural areas are to benefit from good quality broadband and key barriers need to be overcome:

- Supply needs to be less subject to BT dominance in the market.
- Planning of any system must make careful choices about technology and suppliers in order to be sustainable.
- Local agencies may have a role to play as well as central government, but there has to be consideration of which organisations are best placed to contribute in each area and which tasks are best done centrally or locally.
- Different places will have different needs and scales will vary; one size will not fit all.
- Crucially, long term planning must not be constrained by electoral cycles and party politics.

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