

The logo graphic for Arqiva, featuring a red triangle pointing downwards with the word 'arqiva' in white lowercase letters. To the left of the triangle is a colorful, abstract graphic of overlapping lines in shades of blue, green, yellow, and red, resembling a signal or data stream.

arqiva

**RESPONSE TO THE  
DRAFT ADVICE ON NET ECONOMIC BENEFIT AND PLANNING**

**ARQIVA LTD**

**MAY 2016**

## **1.0 Arqiva**

- 1.1 Arqiva is a communications infrastructure and media services company operating at the heart of the mobile and broadcast communications industry and at the forefront of network solutions and services in an increasingly digital world. Arqiva provides much of the infrastructure behind television, radio and wireless communications in the UK and has a growing presence in Europe, Asia and the USA.
- 1.2 Arqiva is an Electronic Communications Code Operator and so benefits from the Code Powers set out under the existing Electronic Communications Code. Arqiva is a diverse business that builds and operates critical national infrastructure in the UK and the Code allows us to build, maintain and safely operate the networks that provide cellular, wireless broadband, video, voice and data solutions for public and private sector customers.
- 1.3 We operate shared radio sites throughout the UK, including masts from under 30 to over 300 metres tall. We have worked with the mobile industry over two decades to deliver mobile services to consumers with a significant presence in suburban and rural areas. We have over 8,600 active and more than 16,500 marketable sites, including radio and television broadcast sites, most of the tower sites previously developed by T-Mobile, BT Telephone Exchange rooftops, use of National Grid Pylons, former gas sites and a range of managed portfolios, such as blue light organisations and some hotel chains.
- 1.4 Around 8,000 of Arqiva's active sites are occupied by the Mobile Network Operators (MNOs). Our success can be demonstrated through high levels of sharing on our infrastructure. In Arqiva WiFi we own one of the UK's largest Wi-Fi hotspot providers that enables us to build a unique proposition for public Wi-Fi and small cell mobile network solutions in the UK.
- 1.5 Arqiva is a founder member and shareholder of Freeview. We broadcast all six Freeview multiplexes, are the licensed operator of two of them and we own Connect TV, the first company to launch a live IP streaming channel on Freeview. Arqiva was also a key launch technology partner for Freesat and is the licensed operator of the Digital One – the national commercial DAB digital radio multiplex.

- 1.6 Arqiva is a major player in the UK's satellite communications business, operating over 80 antennas to geostationary satellites, and providing Telemetry, Tracking and Command support services to some of the leading satellite operators. Arqiva is a major provider of permanent satellite services to both Freesat and Sky customers. Arqiva also provides global satellite based services to the broadcast, communications, security, oil/gas, and exploration sectors, using its five UK teleports as well as facilities in the Middle East, Asia and the Americas.
- 1.7 We are building and running a national Internet of Things ("IoT") network, starting with 10 of the UK's largest cities. In addition our smart metering communications service, connecting 10 million homes using long-range radio technology, will be one of the UK's largest machine-to-machine deployments. This will require sites across northern England and Scotland.
- 1.8 Our major customers include EE, H3G/Three, Telefonica/O2, Vodafone, BBC, ITV, Channel 4, Five, Sky, Classic FM, Airwave and the RNLI.
- 1.9 Arqiva is owned by a consortium of long-term investors and has its headquarters in Hampshire, with major UK offices in London, Buckinghamshire and Yorkshire and operational centres in Greater Manchester, West Midlands, and Scotland.

## **2.0 Supporting Advanced Communications infrastructure**

- 2.1 Before we comment on the draft advice document, we first look to reinforce the point that the range of networks owned, operated or supported by Arqiva and those provided by other electronic communications providers, underpin the Government's aspirations of a 'World-Class 2020' Digital Economy, reflected in The National Planning Framework 3.
- 2.2 Paragraphs 292 – 300 of Scottish Planning Policy broadly reaffirm the national policy commitment to support advanced networks in the development management and local planning functions of local authorities. At national level therefore, there is arguably a presumption on favour of new advanced communications infrastructure to support the Scottish economy, with local level policy left to determine the site specific merits of the proposals reflecting on operational and environmental justification.

### **3.0 Our concerns**

- 3.1 We acknowledge that there can be a need to assess and give due weight to the net economic benefit of a proposed development as a material planning consideration within the planning system, particularly where a specific individual development proposed is marginal in terms of policy compliance and other relevant considerations.
- 3.2 However it is important that any new guidance does not introduce new justifications (net economic benefit) that could directly or indirectly impede the growth of new communications infrastructure within Scotland, or provide a particular disadvantage in delivering such infrastructure in more marginal commercial locations within Scotland, where social needs may be greater and may outweigh any net economic benefit consideration.
- 3.3 We are therefore concerned that the advice is steered heavily towards assessing what might be regarded as 'conventional land uses' such as those for new housing, commercial and industrial proposals. It is generally silent on how local planning authorities should apply this guidance to new 'infrastructure', particularly communication network infrastructure such as that operated by Arqiva or other services providers like the Mobile Network Operators (MNOs).
- 3.4 In our view the guidance must look to differentiate between conventional and non-conventional land use and development, the latter being substantially much harder to assess and define any net economic benefits of a specific new installation. In fact, a particular installation itself may have no net economic benefits, such as a new installation within a small rural location, but its contribution to the local community and wider network may be essential and extremely welcomed. As it stands, the guidance could be counter-productive if it places the need to demonstrate net economic benefit to the provision of network communications infrastructure in certain areas.

### **4.0 Conventional land uses versus communication networks**

- 4.1 The economic merit of conventional land use developments like new housing or commercial development are better understood through established methodology (e.g. retail impact assessment), known relevant factors and use of other tested best

practice. For conventional land uses, the parameters for assessment of net economic benefit can also be better defined by policy or to meet a particular level of understanding about economic benefit. So for instance, a new town centre retailing development can be assessed against a number of tangible benefits such as new employment, increased foot-fall / spending, multiplier effects and the outcome of the assessment may be, for instance, to establish the net economic benefit to the town centre itself. Paragraph 15 of the advice essentially explains this point, as it does with other forms of conventional developments.

4.2 Communication networks are simply not comparable for the purpose of applying the suggested process within the advice document. They are developed and operate differently to conventional land uses, as the networks are made up of many individual installations that form the backbone to the wider network and delivery of services through those networks, whether that be television, radio, public safety or mobile communications as examples.

4.3 It is the wider network itself and the services provided through those networks that provide the real net economic benefits and indeed there are various reports published, such as those by Ofcom, that look to place a figure on the economic benefits of the communication networks themselves on the UK economies. However, these clearly do not extend to the net benefits of individual infrastructure sites or proposals.

<http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/>

4.4 Some sites do have greater importance in the networks, often due to their location and function within the network. So for instance, of the 1154 sites that make up Arqiva's terrestrial television network, 50 are main sites providing regional levels of television coverage and substantially greater in size and functional importance. Consequently those sites will have greater value, but it is still extremely difficult in many cases to substantiate any immediate local net economic benefit from the installation, but the services they help provide have major economic benefits and some of those benefits will apply to the local area.

- 4.5 It is often other factors such as social inclusion and meeting a particular Government policy objective for connectivity that weigh more heavily in the merits of a particular piece of infrastructure i.e. a community may for the first time have the ability to make a mobile phone call or receive new TV channels or digital radio, rather than the mast triggering a whole host of local economic benefits. This will be particularly the case for smaller communications installations that look to provide a very local service to a smaller community.
- 4.6 In fact, these other benefits of new connectivity can be more significant than any net economic benefit. This is highlighted, for example, by the detailed report “*Rural mobile network coverage is an issue for the NHS*” produced by Dr Andrew Inglis, which clearly identifies the struggle to operate medical services where there is poor connectivity, particularly rural Scotland.
- 4.7 The recent Mobile Infrastructure Project (MIP) has clearly demonstrated this point further, as the new sites were publicly funded to overcome the costs of building within areas that had clearly not been economic historically for the mobile phone operators. However the significant public benefits of connectivity meant that various local planning authorities across the UK supported new mast installations even where the planning merits were marginal and clearly the net economic benefits similarly marginal.

## **5.0 Suggestion change / clarification**

- 5.1 Given the above, we consider that the guidance must carefully look to differentiate between conventional developments which may trigger the need for an assessment of net economic benefit and non-conventional land uses and developments which have very different considerations and net economic development benefits should not be a determining factor.
- 5.2 Should the Government be insistent that individual communications infrastructure proposals must be assessed for net economic benefit, we are concerned that this could actually be counter-productive and actually look to place an obstacle against new infrastructure provision in Scotland.

- 5.3 Indeed, the Government itself recognises in its own studies the difficulty in attracting new communications infrastructure into more marginal areas, such as the findings in the “Mobile Performance and Coverage in Scotland Report” for The Scottish Government, September 2013. So as an example, a new mast in a rural area will likely deliver very little economic value that can be substantiated by assessment, but the mast will still be much needed for the local community so meeting a social need or to meet a particular coverage obligation.
- 5.4 As highlighted in the same publication, the recommendation to Scottish Government in relation to, for example 4G coverage, was to “*review the planning system, and its implementation at local level, to ensure that it is proportionate and does not unduly inhibit the roll-out of mobile networks, particularly 4G*”. The suggested approach to applying net economic benefit in the planning system, if applied to new communications infrastructure, is likely to frustrate the rollout of further mobile and other forms of communication services in some rural and marginal areas, so we urge the Government to give careful consideration to this likely conflict.
- 5.5 In our view, non-conventional land uses like electronic communications installation should not be subject to net economic assessment as a determining factor in the planning process. Indeed, paragraph 300 of Scottish Planning Policy clearly states that ‘*Planning authorities should not question the need for the service to be provided nor seek to prevent competition between operators*’ and we suggest that this already infers that the economic justification for a particular proposal should not be a main consideration.
- 5.6 In turn, the planning merits for a particular installation should remain unchanged, that is, the particular operational and functional needs for any installation as part of a network requirement, balanced principally against environmental impact as set out in Scottish Planning Policy (and as it was in the former NPPG19). To introduce new considerations relating to the net economic benefits of a proposal will only serve to hinder and slow down new communications infrastructure investment in some areas, contrary to the Scottish Government’s wider objectives for a world class digital economy across all areas.

**ARQIVA**