

# **TRANSPORT AND THE ENVIRONMENT COMMITTEE**

Wednesday 5 February 2003  
*(Morning)*

Session 1

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## TRANSPORT AND THE ENVIRONMENT COMMITTEE

### 3<sup>rd</sup> Meeting 2003, Session 1

#### CONVENER

\*Bristow Muldoon (Livingston) (Lab)

#### DEPUTY CONVENER

\*Nora Radcliffe (Gordon) (LD)

#### COMMITTEE MEMBERS

Bruce Crawford (Mid Scotland and Fife) (SNP)

\*Robin Harper (Lothians) (Green)

\*Angus MacKay (Edinburgh South) (Lab)

\*Fiona McLeod (West of Scotland) (SNP)

\*Maureen Macmillan (Highlands and Islands) (Lab)

\*John Scott (Ayr) (Con)

\*Elaine Thomson (Aberdeen North) (Lab)

#### COMMITTEE SUBSTITUTES

Helen Eadie (Dunfermline East) (Lab)

David Mundell (South of Scotland) (Con)

Iain Smith (North-East Fife) (LD)

\*attended

#### WITNESSES

Jim Davies (Department of Trade and Industry)

Michael Dolan (Mobile Operators Association)

Michael Dowds (Vodafone)

Peter Foster (O<sub>2</sub>)

#### CLERK TO THE COMMITTEE

Callum Thomson

#### SENIOR ASSISTANT CLERK

Alastair Macfie

#### ASSISTANT CLERK

Rosalind Wheeler

#### LOCATION

The Chamber



## Scottish Parliament

### Transport and the Environment Committee

*Wednesday 5 February 2003*

*(Morning)*

[THE CONVENER *opened the meeting at 09:53*]

### Item in Private

**The Convener (Bristow Muldoon):** We now start the third meeting in 2003 of the Transport and the Environment Committee. We have received no apologies, although Elaine Thomson has indicated that she will not be able to attend until 10.30.

Agenda item 1 is consideration of whether to take agenda item 2, on lines of questioning for witnesses, in private. Do we agree to take item 2 in private?

**Members indicated agreement.**

09:54

*Meeting continued in private.*

10:02

*Meeting continued in public.*

## Telecoms Developments

**The Convener:** Our main item of business is evidence on our review into telecommunications developments, following on from work that the committee has undertaken previously. I welcome our first group of witnesses. Michael Dolan is director of the Mobile Operators Association. Peter Foster is national roll-out manager for O<sub>2</sub>. Michael Dowds is roll-out and community relations manager for Scotland and Northern Ireland for Vodafone. We have received written evidence from the witnesses.

I propose that we move straight to questions to the witnesses, based either on the written evidence or on other issues that members wish to pursue. I invite John Scott to open the questioning.

**John Scott (Ayr) (Con):** Can you outline the effect that the new planning regulations have had on the roll-out of mobile networks across Scotland?

**Michael Dolan (Mobile Operators Association):** I would like to make some opening remarks, which I think will deal with that question and which might lead us down some other paths.

The Mobile Operators Association welcomes the opportunity, for which I thank the convener, to address the committee this morning. Our evidence needs to be seen against the benefits that mobile telephony has brought and will continue to bring to Scotland, particularly with the advent of third-generation technology.

At the outset, we want to say how much we recognise the excellent work that the Executive has undertaken in introducing the new planning regulations and liasing with the industry as we try to make the network development the best thing for Scotland. I am thinking in particular of national planning policy guideline 19 and planning advice note 62.

The direct answer to John Scott's question is that we believe we are in a unique situation in Scotland in trying to take account of the impact of the legislation. Not only did Scotland move from permitted developments to a mostly full planning situation, which is a significant move in regulatory terms, but—of equal importance—the industry moved its own working practices forward. A huge amount of work has been done by network operators on local authority and community consultation, as part of the industry's 10 commitments to best siting practice, which came into play in 2001 shortly after the new legislation came into being.

The procedures that operators have followed in that regard have set a unique precedent by consulting communities and local authorities

before the formal planning process starts. We think that that is an important part of the overall package, when viewed in combination with the regulations. It is better to engage people up front when there is a much greater opportunity to sort out potential problems.

In addition, over the past year or so and for a range of economic reasons, there has been a slowdown in network development or roll-out. Because the playing field is so different, it is difficult to gauge precisely what the impact has been, but the general trend has been a growing co-operation between the industry and local authorities. We think that that is largely a result of the pre-application consultation to which I referred.

The more conciliatory environment that the industry has found in Scotland over the past 12 to 18 months has been fostered by a growing realisation among local authorities that operators need to keep pace with their customers' demands. There are now more than 3.5 million mobile phone users in Scotland and more than 47 million in the United Kingdom. The community has taken the technology to its heart—we cannot imagine how we could live without it.

Against that need and the benefits that mobile telephony brings to the economy, we have to weigh up the environmental and community concerns and try to get the balance right. As members know, the objectives that were set out in the Scottish Executive's digital Scotland initiative and its "A Smart, Successful Scotland" document also need to be taken into account.

The industry is concerned that, because the revised legislation was implemented quite rapidly—although that was done quite properly—the result was that most local authorities were not able to grapple and deal with the legislation quickly. That increased the impact of the changes to the legislation on authorities and of the new procedures on operators.

We are concerned about the degree of inconsistency among authorities in the interpretation of different parts of the legislation and guidance. My colleagues can give the committee examples of that, should you so wish. On average, the time that is taken to determine full planning applications across all the operators is about three months. The figure can vary greatly depending on the local authority's planning guidance and its efficiency, but it is 50 per cent longer than the target set by the Executive. The time frame does not take into account the pre-application work that is undertaken before the formal planning application is lodged.

Because of the changes in legislation, there has been a significant increase in the work load of local authorities, as many more formal planning

applications are being submitted. That is despite the fact—to which I have already referred—that operators have significantly reduced their roll-out over the past 12 months or so. If operators were to develop the networks at the same rate as before the new legislation came into force—which, obviously, they will do over the next couple of years as we move increasingly into the third generation—the impact of the processing of applications will be felt by local authorities through an increased work load and a broadening out of the time frames.

The other concern that we wanted to allay relates to moratoria—both formal and informal—whereby local authorities have prohibited telecoms developments on their land. One of the major problems with that is that it frustrates development. Many sites would be suitable but, because of a moratorium, it is not possible to use those sites. That forces the operators to look for alternative sites, which can have community impacts.

That was a long answer to your question, sir, but I hope that it has addressed some of the issues. We thank you again for giving us the opportunity to interact with you this morning and would be more than happy to answer your questions as they arise.

**The Convener:** Thank you. You raised the issue of inconsistency among local authorities in their interpretation of the regulations. Can you or your colleagues give us examples of the type of inconsistency that can arise and the different decisions that can be made in different local authorities?

**Michael Dolan:** Michael Dowds is in the best position to answer that question.

**Michael Dowds (Vodafone):** One of the main objectives of the revised regulations was to simplify for the industry, local authorities and communities the legislative framework within which telecoms networks are rolled out. Since the introduction of the revised regulations, we have observed several inconsistencies relating to neighbour notification; requests for additional information over and above that which is required under statute and which is submitted by the operators under the 10 commitments; and the inappropriate use of planning conditions. Those are the three areas about which we have most concerns.

In addition to national planning policy guideline 19 and planning advice note 62A, the Executive produced a circular when the revised regulations were introduced. In the industry's opinion, those documents have fallen short of providing a definitive line of approach for local authorities. Many local authorities have struggled with their

interpretation of the revised regulations, and a revision of those documents may be called for in the next year or so.

**The Convener:** Is the inconsistency due to a lack of clarity or misunderstanding about what local authorities should be doing, or is it down to local authorities' taking a stance against mobile phone developments in some areas?

**Michael Dowds:** It is a combination of both factors. Many elected members are concerned about the health and safety aspects of developments. Similarly, planning officials have struggled to grasp the detail of the revised regulations. In the past, the documentation was fairly short, but the number of conditions in the regulations has increased significantly, leading to inconsistency of interpretation. That inconsistency is a difficulty for local authorities and the industry. Revisions of some of the supporting documents could prove beneficial over the coming years, but that is a matter for the Executive.

**John Scott:** Michael Dolan spoke of local authorities' operating moratoriums on the granting of planning permission for their land. Roughly how many local authorities are operating moratoriums?

**Michael Dowds:** I do not have that figure to hand. Some local authorities have policies on the use of their land that are written—as they see it—positively. The fine detail of those policies reveals that they rule out use of the vast amount of land under authorities' ownership because they ask us to shy away from public parks and public buildings. An example is Renfrewshire Council, which states that it has a proactive policy towards telecommunications structures on its land. However, since that policy was introduced 18 months ago, not one lease has been agreed with the telecommunications industry.

10:15

Off the top of my head, I would say that approximately 50 per cent of local authorities do not allow operators to build new infrastructure on their land or to upgrade existing infrastructure. The problem is more acute in urban areas. Urban authorities tend to control a greater proportion of their land than some of the more rural authorities. At present, the pattern of 3G roll-out is concentrating on the conurbations and the major towns, and we are finding that 50 per cent of that land is not available to us because it is controlled by local authorities. Therefore, the best sites from the environmental and social perspective are not available to us because many local authorities do not want infrastructure on their properties or buildings.

**Peter Foster (O<sub>2</sub>):** One of the most frustrating aspects is to do with the upgrades that Michael

Dowds mentioned. Where we already have a site that we want to upgrade for third generation or whatever, the local authority might turn round and say that it has introduced a policy not to site telecommunications infrastructure on its property any more, so the site cannot be upgraded. We then have to find an additional site where one site would have been sufficient.

**Fiona McLeod (West of Scotland) (SNP):** Michael Dowds said that he thought that up to 50 per cent of local authorities have a moratorium on the use of their land. Paragraph 3.6.2 of the MOA submission names 10 local authorities—out of 32—where it has problems. After you have given oral evidence, could you submit the actual number of councils that have a moratorium so that we can clear up whether the figure is 50 per cent or 30 per cent?

It was suggested that where councils have a moratorium or where there are reservations around the planning application process, mobile phone operators and local authorities should get together to consider the local plan, as there could be sites where applications might be welcomed. How well has that process worked? How many of the 32 local authorities have worked out where they would prefer sites to be?

**Michael Dolan:** Under the 10 commitments, in September or October, all operators write to every local authority setting out their strategic roll-out plans for the coming 12 months. In the letter that sets out those plans, an offer is made to meet the local authority to have the discussions to which you allude. I understand that only approximately 10 to 15 per cent of local authorities have responded to that invitation.

**Peter Foster:** I have some figures, although they relate only to O<sub>2</sub>, not the whole industry. However, I have spoken to my colleagues from the other operators, and the figures seem to be a fair reflection.

As Michael Dolan said, we wrote to all local authorities in Scotland with our roll-out plans. The idea was that all local authorities would receive the roll-out plans at about the same time—during September and October—so that they could compare plans, get the operators in and discuss roll-out for the following year. Only five local authorities acknowledged receipt of the plans. Four commented on them and none intimated that they wanted a meeting.

Those are the cold facts. Meetings had already been held with one or two authorities, which might explain why they did not respond, but the number that commented—about 12.5 per cent—is indicative of the level of responses received throughout the UK: the issue is not just Scotland-wide but UK-wide.

**John Scott:** That brings us nicely to my next question. Planning controls over telecommunications developments in England differ from the system in Scotland. What are the strengths and weaknesses of both systems? Would you be kind enough to say which system is better and why?

**Peter Foster:** I am sure that we all have views on that. One advantage for us of the English system is that it gives us some certainty at the front and rear ends of the application. With a prior-approval application, the date of the application's receipt is the date of the start of the process. A full planning application must be registered, and some authorities do not register an application until they receive additional information. However, when additional information is supplied, authorities are prompted to ask for further information. It can take several months to register an application and start the process.

Prior approval gives us the knowledge that we will have a decision one way or the other within a set period. Although the procedure for applying for full planning permission has targets, we have experienced inconsistencies. Some authorities are good and turn applications round in the target eight weeks, but others can take six months or more, so the full planning system does not give us the certainty that is a great benefit for us. As I said, that certainty is one advantage of the English system.

**Michael Dolan:** I referred to the 10 commitments to best siting practice. Those 10 commitments were adopted universally throughout the UK, irrespective of planning regime, so they apply in England, Wales, Northern Ireland and Scotland. If a prior-approval application has been made in England, pre-application communication with local planning authorities is still required and the local community is consulted when that is deemed necessary.

**John Scott:** Can we tempt you into saying which system is better? The implication is that you are happier with the prior-approval system in England and Wales. Is that fair comment, or would you like to say that for yourselves?

**Michael Dowds:** We said that prior approval was the industry's preference for increased regulation over telecommunications site roll-outs. We still believe that, given some of the factors to which Peter Foster referred, such as certainty and less complex regulations. We maintain that that is the most appropriate way to regulate and ensure best siting of telecommunications infrastructure. As Mike Dolan said, along with prior approval, the 10 commitments have gone a long way towards addressing many of the public consultation aspects. We have introduced those commitments throughout the UK, irrespective of the planning regimes that are in force.

**Angus MacKay (Edinburgh South) (Lab):** I will move on to a different subject and a more specific line of questioning. Has mast sharing increased since the new regulations were introduced? We understand that that takes place at only 26 per cent of suitable sites.

**Peter Foster:** It is safe to say that mast sharing has increased throughout the UK, although I am not sure whether that is a result of the revised legislation. All operators are focusing more clearly on site sharing for environmental and economic reasons. As you are probably aware, we now supply statistics on a quarterly basis to the Government, both here and in London. The aim of that is to foster transparency, so that people are aware of what is going on.

The figure of 26 per cent for mast sharing will go up. I control site sharing for O<sub>2</sub>, and my targets for increased revenue in the coming year are quite hard, as I pointed out to my manager. We are focusing on site sharing not purely because of the environmental perspective but for economic reasons, such as bringing in revenue and reducing roll-out capital costs.

**Angus MacKay:** Let me press you a little further on that. You mentioned the submission of statistics and information to various bodies. Do you have any of that information to hand today? Can you give us an indication of the quantum that you think is involved in the increase?

**Peter Foster:** I am afraid that I do not have the figures to hand now, but I will be able to supply them to you.

**Angus MacKay:** That would be fine. Thank you.

Could the witnesses attempt to outline how the industry has tried to minimise the environmental impact of telecoms developments recently, particularly through siting, design and the use of new technology?

**Michael Dolan:** I ask my colleagues to address that question, as they are directly involved in the work on the ground.

**Michael Dowds:** We have attempted to do that in a number of ways. As part of our 10 commitments, we have to ensure that we go through a rigorous process of site selection before we choose our preferred site and submit a planning application to the local authority. That process involves each site being rated for planning and community impact, which is done on behalf of the operators and in close conjunction with them through external acquisition and planning consultants. Based on those ratings, we consult the local community and the local authority. In many cases, following discussion with either the community or the local authority on the range of options available, we change our preferred option,



as recommended by that local community or local authority.

We have also improved the siting of telecommunications developments through the increased use of innovative designs. Many operators are now rolling out designs that involve timber look-alike poles or small antennae on or within buildings such as churches. That is another aspect of the work that we have done to minimise the environmental impact of our network roll-out.

**Peter Foster:** Design and the use of products that are relatively new to the industry allow the masking of antennas. In the past, putting anything in front of the antenna caused a problem, as that diminished the signal. We now use products that are invisible to the antennas, so to speak, which means that we can completely shroud them in such a way as to match the siting, such as using a chimney pot. One operator has put a set of antennas within an angel on top of a cathedral. We can also put antennas behind the grill of a church spire. They can be effectively invisible, but are still effective from a technical point of view.

**Angus MacKay:** I have a constituency issue that I could raise and which appears to contradict the evidence that Mr Dowds has been giving about community consultation work, but I will not take it up now. I am happy to leave my questioning there.

**Maureen Macmillan (Highlands and Islands) (Lab):** I am getting mixed messages about consultation. First, there is much more public consultation among the operators, local communities and local authorities. Secondly, when operators try to initiate a development plan or build up some overview with local authorities, they are snubbed because the work tends to be dealt with on a case-by-case basis. If a development plan could be agreed with the local authority, it would presumably agree with the communities on where masts could appropriately be sited.

We have discussed how the operators go about engaging with local communities, but I would like to develop that a bit more. Are communities more willing to accept the erection of telecoms masts in their area, or is it still very much a battle? Are communities still extremely worried about having a mast in their area?

10:30

**Michael Dolan:** On the last question, it varies from case to case. My colleagues are in a better position to answer the specifics because they are involved on the ground.

**Peter Foster:** The first part of the question was about how to improve our engagement with local authorities on rolling out plans. Looking across the board, the concerns and points raised by local

authorities are not Scotland-specific but UK-wide. A common comment was, "That's all well and good, but we need to know more detail about the sites before we start talking about them." Authorities want to get to the pre-application stage when they know for certain in which area the site will be; they do not necessarily want to engage in generalities about needing a couple of sites in a given general area. We need to convince authorities that it is worth while talking at an early stage and trying to get some structures in place.

One of our specific problems with roll-out plans this year—and last year too; this is the second year that they have been sent out—lay in a common thread in the responses: we were often told, "Thanks for the information. It's all very useful, but, as only one or two sites are proposed, we don't think it's a good idea to engage just yet. We need a bit more information." Because of the dip in the roll-out, that engagement has taken a back seat, or rather it is a lower priority for the local authorities. Over the next two or three years, when the third-generation roll-out kicks in, we will have much more engagement at the earlier stage.

**Maureen Macmillan:** My vision of the 3G roll-out is of a telecoms mast on just about every corner. I believe that a lot more masts are required to deal with third-generation phones. Do you foresee problems among communities with that roll-out? They will be aware of a lot more infrastructure going up than they had expected.

**Michael Dolan:** Judging from a couple of years ago, when we were responding to consultation in Scotland and in other parts of the UK, I would say that the secret lies in early dialogue with local authorities and local communities. We will not move away from that approach. We hope that, as genuine dialogue develops, that discussion will deal with a lot of communities' concerns, objections and fears.

Community concerns have often been aggravated by a feeling that the process has not done right by the community, and that a developer has just come in and dumped something on them without any prior discussion. The 10 commitments represented an attempt to engage in stakeholder dialogue at a much earlier stage. The operators are committed to continuing with that process and with the 10 commitments as the third-generation roll-out proceeds.

Various statements have been made about the increased number of radio base stations that will be required for third-generation roll-out. The cells will be smaller, but four of the third-generation licensees are existing second-generation operators. In many instances, those operators will be able to place third-generation antennas on their existing structures. The fifth licensee has incentives to share as much as possible with the existing second-generation licensees.

In any event, the exercise will be very much demand led. As customers take up the third generation, operators will need to meet that demand. It will be a case not of building a network and waiting for take-up but of responding to customer demand. It is inevitable that we will continue to face concern from communities. The operators are committed to addressing that head on at a very early stage. Michael Dowds might like to add some detail on that.

**Michael Dowds:** I will develop that point. The difficulty that we have had in engaging with local authorities when we submit the high-level plans every September and October is down to resources and to local authorities and communities being prepared to discuss site-specific issues. A problem has arisen over our defined roll-out for a particular year. We indicate what we intend to do in an area and then submit applications and engage in pre-application consultation. That is when the concerns of communities and of local councillors come to the fore. On our difficulty with local authorities over the high-level network plans that we submit every September and October, both sides need to do a good deal of work to improve the network development process.

**Maureen Macmillan:** Engagement with local authorities well in advance of the submission of specific plans is crucial.

**John Scott:** When the new planning legislation came into force, it was not envisaged that local authorities would impose a moratorium on their properties. In the light of that moratorium, should the Executive consider issuing further guidance to local authorities with a view to seeking a relaxation of that self-imposed moratorium?

**Peter Foster:** That would be highly beneficial. The moratorium leads to operators being forced to put sites in locations that are not ideal and which have far greater environmental impact than the preferred location.

One of the more extreme examples that I have heard about involved one of the very big national grid electricity pylons—about 90m high—which was right in the middle of one of our search areas. We thought, “That’s it—that’s our site.” Unfortunately, the pylon stood on a farm owned by a council that had a moratorium, which meant we could not use that location. We ended up having to build a brand-new, ground-based mast that was closer to housing and that had far greater environmental impact. That is the kind of situation that can arise. If we could relax the moratorium, that would give us more opportunity to work with authorities to find better sites.

**Michael Dowds:** Although NPPG 19 advises local authorities to review their position, they have

taken little action to date. A few councils have removed the moratorium on land and property, but many have not. We have raised that issue in the Convention of Scottish Local Authorities sessions that we have had with the Executive and the local authorities and we will continue to raise the issue in forthcoming COSLA sessions. However, I am not sure what measures COSLA could take to make many more local authorities accept telecommunications infrastructure on their land. If the committee took up the issue, I am sure that the industry would welcome that.

**John Scott:** What principal reasons for the moratorium do local authorities give you?

**Michael Dowds:** Members have concerns that are related to health and safety.

**Nora Radcliffe (Gordon) (LD):** On the subject of third-generation roll-out, I would find it useful to have an idiot’s guide to how the infrastructure for 3G differs from the earlier infrastructure. You say that 3G roll-out will be demand led. If you were to overlay a map of 3G on a map of the existing network, will the two maps eventually be pretty much the same?

**Peter Foster:** One of the fundamental differences with 3G technology is the difference in frequency. Essentially, the higher the frequency, the smaller the geographical range of a site. The range for 3G technology is therefore less than that of the old analogue first generation and second-generation technology. Simply adding 3G workings to older 2G sites would leave a gap that would need to be filled.

I am afraid that I am not a technician, but I can say that one of the other differences is referred to as cell breathing. As more users use a site, its range shrinks to accommodate the capacity—greater overlap therefore needs to be built in than was the case for 2G technology. Those are two of the fundamental differences with 3G technology.

**Nora Radcliffe:** Will 3G technology expand to cover what you expected it to cover?

**Peter Foster:** Yes. I remember the old analogue roll-out—the second-generation technology followed in a similar way to the first-generation technology. I have a theory that things might be slightly different. I have engaged with local business communities in the more rural areas and one business had talked to British Telecommunications plc about broadband access in the remoter areas. I was brought in to discuss possibilities, because BT had said that although broadband for the remoter areas would not be viable for it, perhaps it could offer broadband to a certain point, beyond which there could be linking by 3G mobile. There are huge advantages in 3G for the remoter areas, which were the last to be covered under the first and second-generation

technology. They might get services before other people.

**Nora Radcliffe:** That is interesting.

**Fiona McLeod:** By and large, I think that the questions that I was going to ask have been answered, but it would be instructive to explore an issue further. I am concerned that recommendations 6 and 7 of our original report, which recommended that telecommunications operators and developers should work with the local authorities much more co-operatively in the future, have not been implemented. Could the committee be sent a copy of the letter that was sent to the 32 local authorities and to which such a poor response was received?

Secondly, I have had discussions with a couple of the mobile phone companies and am interested in the information that is given to local authorities. It was said that the local authorities are not very interested in the high-level plans that are given to them once a year. However, from the discussions that I have had with mobile phone companies, they are pretty certain about which sites they will examine because they have considered coverage, topography and so on. Are you, in your annual letter to the local authorities, being site-specific enough to engage their attention?

I learned recently that you can discuss the angling of the beam of intensity. Do you talk to local authorities about that when you send the letter to them? We have discussed the moratorium, lack of interconnection and members' concerns about individual sites in their constituencies. Surely we must take a step back and ensure that you are as specific as possible in the annual letter of approach. That would help you, because you would know before the pre-application process what sites there was concern about. Will you speak about that matter in more detail?

**Peter Foster:** On the schedule that goes with the letter, we show all the operational and planned sites in an area. Some of those sites might be well through the acquisition process—some might already have planning consent or be about to go in for planning—but some are just dots on a map. We will know that we will look in a general area, but we will not yet have surveyed it for specific sites. I think that, this time, a column that contained information on the status of the sites was more important for the offices that saw the schedule. A site's status can be "operational" or "planned". Because there were very few planned sites, authorities decided that there was not a great deal to talk about as far as the overview was concerned. I am sure that there will be much more interest when we show a good number of the third-generation sites that are planned for the forthcoming year.

Furthermore, we wanted to ensure that the information from all five operators was given in the same format. However, such an approach can cut down on the amount of information that is supplied. The basics, such as grid references and addresses, are included but some offices wanted to know details—such as the number of antennae and whether the location would be a mast, a rooftop or whatever—before they would look at the site. The problem is that we do not have that kind of information if we have not surveyed an area. That said, we could consider the matter for next year and find out whether we could add information that would be of more interest to its recipients.

10:45

**Fiona McLeod:** I am not thinking so much of making the information more interesting to the recipients. Instead, I feel that the amount of information that you give might help to shorten the pre-application process and cut down the number of potential disputes. For example, why are we talking only about what will happen a year ahead, instead of what will happen two or three years ahead? You have said repeatedly this morning that, although the roll-out has dropped off in the past year or so, you expect it to pick up again. If you submit plans for two sites in a local authority area, but know that there might be 20 sites in two years' time, are you not storing up trouble for yourselves?

**Peter Foster:** We have problems with looking beyond 12 months. Much of the roll-out in years 2, 3 and 4 will depend on the success of the roll-out of services and the take-up of services, which will dictate the number of sites that we will need for certain areas. It would be wonderful if we could look beyond 12 months; ideally, we would like a five-year plan but, unfortunately, we are unable to do that.

**Michael Dolan:** The fourth of our 10 commitments is to provide telecoms workshops to local authorities that want them. About eight or 12 months ago, we ran a few dedicated workshops by area throughout the UK, including three in Scotland. We have also given presentations to a number of Scottish councils, in which all the operators come together for three hours or so to talk about technology, the 10 commitments and issues that are specific to certain areas. The presentations have been very successful, so we will continue with the programme and respond positively to any local authority. The presentations give the operators a chance to have discussions not only with planning officers, but with interested council members.

**The Convener:** I have a question about your relationship with local authorities in the planning

process. You said earlier that the whole process has been slower than would have been expected under the legislation. How many applications have been declined, how many have gone to appeal and how many decisions have been overturned on appeal?

**Michael Dowds:** I cannot talk for the industry as a whole, but the percentage of applications from Vodafone that are full planning applications has risen in the past year from less than 10 per cent to almost 75 per cent. In the past calendar year, we received 12 refusals—

**The Convener:** What proportion is that of all your applications?

**Michael Dowds:** That is about 5 per cent of all our applications. However, all those applications bar one have been granted on appeal by the Scottish Executive's inquiry reporters unit. As a result, although a number of applications have been turned down by local authorities, the vast majority have been approved on appeal. However, I speak only for Vodafone in that respect; I do not have figures for the industry in general.

**Peter Foster:** I sit on an industry planning and environment group. The group is considering, among other things, putting together industry statistics on planning applications—refusals, appeals and success—and compiling those quarterly. At the moment, we are considering UK-wide figures, but we could let members have the Scottish figures if that would be useful.

**The Convener:** That would be very useful.

**Nora Radcliffe:** We have been talking about roll-out, but does the industry as a whole, or do operators individually, have plans for systematic removal of defunct equipment?

**Peter Foster:** There is a licence obligation on all of us, I believe—I have not studied individual operators' licences—to remove redundant equipment. That applies to my company and to Vodafone in relation to the removal of original analogue antennas. In many cases, analogue antennas have been removed and replaced with third-generation antennas so that the impact of third-generation technology on those sites is minimal. There are plans to remove all analogue equipment. I am not aware of any redundant sites that we have removed, but we are certainly removing individual bits of kit such as antennas.

**Michael Dowds:** I can give you a recent example in south Lanarkshire that connects with some of the issues that we have talked about this morning. We have a GSM—global system for mobile telecommunications—current-generation base station on council-controlled land within an industrial estate. Because of the local authority moratorium, the council refused to allow us to

upgrade the base station to cater for third-generation technology. As a result, we had to approach neighbouring landowners and we have now acquired a new site directly across the street, but still within the industrial area. We are in the process of erecting that base station to accommodate our 2G and 3G requirements, and we are removing existing equipment from the council-controlled land. I suppose that that is a unique example of where the moratorium has forced us to look for another site and to remove redundant equipment, because it would not make financial sense for us to have two base stations 50 yards across the street from one another. The site was in an industrial area, so I cannot grasp the reason for the local authority's decision.

**Nora Radcliffe:** I suspect that when we receive statistics on refusals and grants of appeal, many will centre on health issues. Much research on health aspects has been commissioned by the industry, through the mobile telecommunications and health research programme. Is that research likely to be made public and, if so, when?

**Michael Dolan:** That research programme was a recommendation of the Stewart report, which was published in May 2000. The recommendation was that the Department of Health, with an independent scientific advisory panel, which was set up after the Stewart inquiry, should undertake research. The panel was initially chaired by Sir William Stewart, who recently stood down from the chairmanship. The deputy chairman, Professor Lawrie Challis, has taken that role. The programme is funded 50 per cent by UK Government and 50 per cent by the industry. The industry's only role in the research programme is to write the cheques when the Department of Health sends the invoices. The independent programme committee makes the calls for research, decides which research programmes will be funded and controls the process of publication.

The independent programme committee has information on its website about the research that it has funded—I think that 18 research programmes have been funded and several other programmes are under consideration. The committee has made a commitment that when the research has been completed and its results are in hand, they will be published and put in the public domain. It is an extremely transparent programme. The industry was at pains to distance itself from the programme so as not to compromise in any way the independence of the programme or the perception of independence of the programme. The nature of research is such that it takes time, but over the next two or three years we will start to see some of that research come into the public domain.

**Fiona McLeod:** May I go back to a previous point? Mr Dowds talked about three problems that

local authorities have in dealing with NPPG 19, one of which is neighbourhood notification. Could you expand on that? Is there a problem because local authorities are concerned that you are not consulting local communities well, or are they concerned about something else?

**Michael Dowds:** There are, possibly, concerns at official level that we are not conducting our siting with reference to the 10 commitments and that we are not following them to the letter. Another aspect is member pressure. I know of a recent example on the north side of Glasgow, where we engaged in prior consultation in the form of letter drops in the surrounding area.

When we engaged the local authority and submitted the planning application, the local authority wanted evidence of consultation prior to registering the application. That introduced a slight delay—possibly about a fortnight—in terms of the authority's communicating that to us and our submitting the application. That is not unusual in terms of what local authorities are asking for. Following that, when the local authority got the information it asked us statutorily to notify every property in the street, whereas the planning application regulations require us only to notify immediately adjacent properties. We had already done that as part of our 10 commitments, so there was a duplication of process, which introduced a delay to that particular application. From experience, that is not unusual throughout Scotland. I am sure that the same goes for the other operators.

**Fiona McLeod:** I know that we have asked the operators to provide us with quite a lot of supplementary evidence, but it is important that we get more statistics on a number of the statements that have been made about the trouble that the operators have had and how it has occurred many times, so that we can see the balance of the problems.

**Michael Dolan:** We would be more than happy to provide that evidence to you.

**John Scott:** I have a general question. Has any work been done on the disbenefits to the economy of slower roll-out of 3G technology? Would slower roll-out affect the Scottish economy adversely?

**Michael Dolan:** We commissioned research prior to the regulations' being changed, with a view to asking whether there has been a slow-down of 3G as a direct result of increased regulation—the research it was not only about Scotland, but the whole UK. We asked whether the slow-down would have an adverse effect on the economy. The bottom-line answer was that it would, if there were significant delays. However, I do not have details to share with the committee at the moment. The research was UK-wide and was made available to the Scottish Executive. I am not aware

of any other research that has been done since then.

**Fiona McLeod:** It would be interesting to balance that statement with statements that you made this morning about roll-out's being demand led, and that your roll-out has slowed down because of lack of demand. How do you balance your assertion that increased regulation will slow roll-out with the fact that you also said that lack of demand has slowed roll-out?

**Peter Foster:** When I said that the roll-out has slowed down, I did not mean to suggest that that was because of lack of demand. There have been delays with third generation; various issues to do with software and so on have led to delays in implementing 3G. That has not come about because of reduced demand, but because of different issues. The demand for second-generation services is still increasing, which is why we are still having to roll out second-generation sites. Demand is still increasing, but different issues are affecting the third-generation roll-out.

11:00

**The Convener:** You suggested that you believe that many of the problems with local authorities are because councillors and local communities are concerned about health issues. We have picked up on those issues in our previous work and it is widely known that those issues exist. What could, or should, be done to try to improve people's knowledge or understanding of which health issues are valid? What could and should be done to share research information?

**Michael Dolan:** The answer lies in being extremely transparent and making all the information available to everyone who has an interest in it—no matter what their interest—so that we are all talking from the same database. That is terribly important. This is currently one of the most watched scientific issues in the world; the World Health Organisation has a dedicated unit that deals with the matter, which fairly regularly brings together groups of scientists from around the world to talk about the issue. All the science and all the research that is being done is getting into the public domain. The database is growing.

The important point is that the science is reviewed from time to time by panels of experts, such as the Stewart inquiry. The science is complex, so it is necessary for experts to examine the detail and to distil it into language that the rest of us can readily understand. An advisory group on non-ionising radiation—AGNIR—is attached to the National Radiological Protection Board. The group is chaired by Professor Sir Richard Doll, who members will remember is the epidemiologist who discovered the link between smoking and

cancer back in the early 1950s. The group is examining the science that has come out since the Stewart report was published and it expects to publish a report in the early part of 2004 to update the science. It is important that such reports are made readily available because they provide education for the community at large and, when we are engaging in pre-application discussions, there is an obligation on us as operators to deal with the issues and to ensure that appropriate literature is available. Everyone in the community, including the Scottish Executive, has an obligation to improve community knowledge; the operators also have that responsibility.

**The Convener:** I draw the first evidence-taking session to a close. I thank Michael Dowds, Peter Foster and Michael Dolan for their evidence.

11:02

*Meeting suspended.*

11:09

*On resuming—*

**The Convener:** I welcome Jim Davies, who is assistant director of mobile communications policy at the Department of Trade and Industry. We will begin by asking a general question that will allow you to give an overall view on the issue that we are considering—the review of telecommunications planning procedures in Scotland and how those relate to the industry in general.

**Nora Radcliffe:** What do you see as the negative and positive effects of the new planning regulations on the roll-out of mobile technology in Scotland?

**Jim Davies (Department of Trade and Industry):** I will start by commenting on my overall role in the industry. I work in the Department of Trade and Industry. My job is a mixture of regulation and sponsorship. It involves managing the relationship between the industry and the Government in the United Kingdom. I have a dual role, the two aspects of which are to some extent contradictory.

I am not an expert on planning issues. My perspective is that of someone who has watched how the industry has grown in the past few years and how that relates to the development of mobile communications elsewhere in the world. That may be a useful perspective to bring to the committee.

In hindsight, it is clear that the auction for 3G licences was held at the end of a period of growth and rapid development in the communications sector. In the UK and, subsequently, Germany, very large sums of money were paid for third-

generation licences—something like 10 times our estimate of the value of the licences. However, the industry had estimated how much the licences were worth and was willing to pay that sum.

Very shortly afterwards, there was a downturn in the communications industry worldwide—both in Europe, where 3G was being licensed, and in the United States, which is far behind the UK in mobile communications and is nowhere near licensing third generation. It has been said that the third-generation licence fees were a factor in the downturn, but in reality it was a global downturn unrelated to third generation.

When the French offered licences, they were probably rubbing their hands in anticipation of receiving large sums of money. However, the licence fees that they were charging proved to be too high for the industry. Because of the state of the global communications industry, the French had to reoffer the licences at much lower prices—at about a fifth of the amount that they had originally expected. The effect of the downturn was obvious in subsequent licensing operations around Europe. Only the UK and Germany received very high licence fees.

The industry is now recovering from the downturn, but it is by no means as strong or developing as rapidly as it was when the 3G auction was held. That has led to the current very competitive global situation for investment in communications. Individual companies are choosing particular markets in which to invest and are not going for the dramatic levels of investment that were seen two or three years ago.

11:15

In most European countries, investment, particularly in 3G, has been dramatically scaled back. Perhaps the best example is Orange, which is owned by France Telecom, a company that is in quite severe financial difficulties. France Telecom has to reduce its debts, which are currently about €72 billion, and Orange has announced that its contribution to paying off the debt will be to slow down investment across Europe. However, Orange will continue to roll out third-generation networks in the UK only, because of the competitive situation in the UK.

By good luck or good judgment, it was decided that the 3G process required a new operator. The licence was bid for by and ended up with Hutchison Whampoa Ltd, the company that had started but later, for various reasons, sold Orange. That meant that an investor with a strong financial position but no existing UK network wanted to get back into communications in the UK. The company had a strong motivation to start creating revenue from the £6 billion or £7 billion that it had

paid up front to be licensed to provide 3G services in the UK.

Hutchison Whampoa books show the investment in the licence as well as its investment in rolling out something like 3,000 base stations across the UK. It has spent something like £10 billion so far and, as yet, is showing not a penny of revenue for that. The point that I am making is that across Europe and the UK investment is scarce—companies have to choose carefully where they put their money. Any imbalance in the regulatory environment will affect where companies will put their investment.

The UK seems to be doing quite well at the moment for 3G investment, because of the competitive situation that I mentioned. It is inevitable, however, that any difference in the regulatory environment will roll through to investment programmes. I have no firm evidence to support that, only what I see from company plans and what companies tell me. It seems to me to be clear that companies are investing less in Scotland than they would if the regulatory playing field were level across the United Kingdom.

**Nora Radcliffe:** Is that on 3G only or on 2G and 3G?

**Jim Davies:** It is most noticeable in 3G, but because the difference in the planning regulations applies to both 2G and 3G, it must be the same for 2G.

**Nora Radcliffe:** Somebody raised an interesting point earlier about the tie-up between possible 3G and broadband roll-out and the difference that it might make if 3G were seen as a way of augmenting broadband in rural areas. Do you see that as a factor in the equation?

**Jim Davies:** That is a very real issue. We are starting to see broadband come out much faster than it has done in the past. Businesses, particularly in rural areas, want and need broadband. The disadvantage of being in a rural area is communications. Broadband alleviates that problem and 3G mobile is the mobile version of broadband. The availability of 3G and whether broadband is there, fixed or mobile, will affect rural industries and their choice of location. A business would probably sooner have both options, but if it can have only one, it will want whichever one is available.

**Nora Radcliffe:** That was a useful overview.

**John Scott:** We are talking about emerging technologies delivering broadband roll-out. Are you aware of, and can you comment on, smart laser technology, which will also help deliver broadband? Rather than delivering through fibre optic cable, it will deliver from point to point with laser beams. I have been made aware of that just recently.

**Jim Davies:** I am not particularly aware of the use of laser technology for broadband delivery. The regulatory regime throughout the UK is neutral as far as technology is concerned. If a particular technology is cost-effective, I am sure that the operators will use it. There has recently been deregulation of a particular frequency at 2.4GHz, the so-called Wi-Fi—wireless fidelity—band. New entrants in the market are using that to help bring broadband to comparatively small communities in particular. One area that does not fit into that category is Brighton, in the south of England, where a Norwegian company is providing cheap access to broadband using the deregulated spectrum. That is an indication that the investment is there to use emerging technologies as they become available. I am sure that that would apply to the sort of technology that you talked about.

**Fiona McLeod:** I want to take you back to where we started, which is whether the increased regulation in Scotland has harmed the development of telecoms technology in Scotland. You said a minute ago that from examining the companies' UK plans you thought that there seemed to be less development planned for Scotland. We heard from Vodafone that in the past year, when it had to make full planning applications for many of its sites, only 5 per cent were refused. That does not sound like a huge impact on its development roll-out. Do you not think that the fact that the plans are not quite as exciting in Scotland as they are in England and Wales is perhaps more to do with the difficulties of the technology in Scotland, given our topography? You said that in France companies had to reduce the level of bids because of the global downturn. I note from your written submission that France has one of the easiest ways of applying for sites. Extra regulation does not seem to impact as much as does the global downturn.

**Jim Davies:** The number of rejections is not a good indicator of a downturn in planned investment. There will have been fewer applications for planning permission because people perceive that that is more difficult to get in Scotland. 3G is still in its infancy, and Hutchison Whampoa, which is now calling itself '3', is ahead of the other investors. That company has produced approximately 3,000 base stations. I do not know how many of those are in Scotland, but it planned initially for a greater number north of the border than its current plans would suggest. It looked at the regulatory environment and decided that it would be easier to spend the money in England and Wales than in Scotland. Therefore it is likely that there will be fewer applications for planning permission here, and I suspect that that will also be true for other operators.

**Fiona McLeod:** You said that the company now calling itself “3”—although it could be called something else, such as ‘Trio’, next week—made fewer planning applications in Scotland than it originally intended because of the new regulatory framework. I understood that the licence conditions specified the percentage of network coverage for Scotland.

**Jim Davies:** The licence conditions specify a percentage coverage of 80 per cent of the United Kingdom population by 2007. That figure is not very demanding and could be reached by covering the major conurbations in the UK. It could easily be covered even if Scotland were not included at all. However, it is clear that companies will not do that, as it is important for them that their users have coverage when they visit Scotland. However, perhaps that coverage will be less, and there will be less intensive marketing north of the border than there would have been in other circumstances.

**Fiona McLeod:** We have got their marketing.

I am trying to tease out whether the regulations have had an impact on the plans in Scotland, because we do not seem to be able to get a clear answer to that question.

The mobile phone operators said earlier that they had been looking at fewer sites for the next year because the roll-out had slowed down, not necessarily because the regulations had slowed their applications. They would look forward in two or three years’ time to applying for more sites.

**Jim Davies:** It is undoubtedly true that investment has slowed down in telecommunications as a whole. That means that operators are more selective about where they invest. There is no doubt that there is a lower level of investment generally.

I mentioned that Orange had to slow down its investment because of the problems of its parent company. T-Mobile is in the same position; it is owned by Deutsche Telekom, which has enormous debts of €64 billion. That means that the operators must choose very carefully where they invest, and they will do so where they get the most return for their capital. If regulatory delays in one part of the United Kingdom mean that it will cost them more to invest there than elsewhere, they will go where it is cheaper.

**Elaine Thomson (Aberdeen North) (Lab):** If I understand you correctly, you are saying that, because the regulatory regimes in Scotland and England differ, if only slightly, we are at a disadvantage in a scarce market for investment. Even the fact that companies have to submit planning applications appears to put them off investing in telecoms, which is certainly a concern. To what extent do we need a completely unified

regulatory system in the UK? Communications become proportionally more important the further away one is from centres of population. To ensure that Scotland becomes more attractive, perhaps we should have a more attractive regulatory regime than the rest of the UK.

I also wonder about the impact on broadband. There has been some mention of broadband in rural communities and I know that that is a real concern to a lot of people. In fact, we do not have full broadband roll-out even in some of Scotland’s major cities, so anything that hinders that could cause further difficulties.

11:30

**Jim Davies:** I can only agree. The companies are driven purely by the percentage returns that they will get on investment. They are not investing for social reasons or because they want to help particular parts of the United Kingdom. They are doing a cold, hard financial calculation about where they should put their money. If they found the regulatory environment in one part of the UK easier, they would put more money there. That is happening to a degree in Wales. I know more about Wales, because I have family connections there, than I do about Scotland. The National Assembly for Wales is providing finance for the roll-out of broadband by satellite in rural Wales, and that is certainly having an effect on providing broadband in small businesses, including one that is owned by my family. That is an important factor in bringing economic activity to less populated areas.

**Elaine Thomson:** You said that there is slightly less investment going on across Europe than there is in the UK. If that is maintained, and if more investment is encouraged in Scotland, that could give the UK a slight advantage in the use of 3G technology when things pick up again.

**Jim Davies:** That is undoubtedly true. One of the major factors that companies consider when investing in the United Kingdom is communications—both physical communications, such as transport, and telecommunications. If we have a lead on other parts of Europe in 3G and mobile data, which are vital to business and becoming more important as time goes by, we can use that to attract companies to invest here.

**Nora Radcliffe:** You seem to be saying that there is a perceptible difference in roll-out in Scotland in comparison with the UK as a whole. Is that to do with the regulatory framework or is it to do with population density, which might offer less of a commercial return than would be expected elsewhere?

**Jim Davies:** I can talk only from my experience of what I have seen and discussed with the



operators. Unfortunately, I cannot give you hard figures, for reasons of commercial confidentiality and because the operators' investment plans vary and change over time.

I have looked at the roll-out plans for Hutchison Whampoa, both three years ago and very recently. The current plans show that a lower proportion of its investment goes into Scotland now than was the case three years ago. There has certainly been a change in both the absolute level of investment across the whole of the UK and in the proportion going into Scotland. However, the same is not true of Wales, for example.

**John Scott:** The committee recommended in its 2000 report that the DTI place an obligation on telecommunications operators to provide geographic coverage across the whole of Scotland. Has that happened, and what is the current geographic coverage of the most popular networks?

**Jim Davies:** The licences make no obligation to provide equal geographic coverage. It is a commercial decision for the operators as to where they put their investment. As far as existing investment in the second-generation GSM is concerned, the networks cover more than 99 per cent of the population of the UK. The figure is considerably lower when it comes to geographic coverage. The licences have always been written in terms of population coverage rather than geographic coverage.

**John Scott:** We also recommended that the DTI introduce a requirement on telecommunications developers and operators to conclude national roaming agreements in the UK. Has that happened? If not, can you explain why not?

**Jim Davies:** Roaming between networks is permitted by the regulations, and in fact that is likely to happen with 3G. T-Mobile and O<sub>2</sub> have concluded an agreement whereby they will share networks outside core, urban coverage—in the countryside and more remote areas. By allowing users to roam from one network to the other, the companies will provide more rapid roll-out of 3G than they would be able to afford otherwise. The effect will be to divide the UK between them. Both will roll out networks in urban areas, but in more remote areas only one of them will roll out in each area and their customers will roam on to the other network where that is available.

**Fiona McLeod:** In recommendation 14 of the committee's third report of 2000, we advised that the DTI should include a precautionary siting clause in the code operator licences, to seek to avoid locating telecoms equipment in environmentally sensitive areas. Did that happen? Did the DTI take that recommendation on board?

**Jim Davies:** It has been taken on board by Government, but not in the telecommunications

licence. We regard that as part of the planning process, which comes together in this regard with health and safety regulations to ensure that those issues are taken into account and that health is properly safeguarded in the installation of equipment through the meeting of internationally agreed standards.

**Fiona McLeod:** I notice that you issue advice to local authorities that health considerations could be material with regard to the siting of the equipment. Have you issued the same advice in relation to environmentally sensitive sites?

**Jim Davies:** I am not an expert on planning regulations, but I know that environmental issues are central to planning regulations and that planning officers take them into account. I take it that you are thinking of environmental issues in terms of appearance and so on.

**Fiona McLeod:** Yes, as well as matters relating to not having the equipment in historic buildings.

In your written submission, you say that you have

"issued advice on the health considerations to local authorities"

and I wondered whether you had issued similar advice in relation to environmental considerations.

**Jim Davies:** Yes, we have. The advice in NPPG 8 covers the environmental issues as well as the health issues.

**Angus MacKay:** I was not sure whether to ask this question, given that you have told us that you are not an expert on planning. However, I will ask it anyway, just in case you have something to say in reply. Are you aware of any problems that are caused by virtue of the operation of two different planning regimes to control Scotland and the rest of the UK? I think that you touched on that matter tangentially earlier on.

**Jim Davies:** It is undoubtedly true that the planning regulations in Scotland are more onerous than those in England and Wales and that that has a direct effect on the companies' investment plans and, therefore, on the availability of advanced communications services in Scotland. The situation makes it more difficult for companies to roll out their communications systems; it does not make it impossible for them to do so, just more expensive. Inevitably, companies skew their investment plans away from areas in which it is more difficult to get a return on their capital investment.

**Maureen Macmillan:** You said that the different regulations in Scotland have had an impact on the roll-out of third-generation technology. I am sure that you are aware that some local authorities have put moratoria on telecommunications masts

being built on council property. Does the same sort of thing happen in England and Wales? The councils have declared those moratoria because of concerns in the community relating to health and safety issues. Do you think that there seems to be more concern about health and safety in Scotland than there is in other parts of the UK?

**Jim Davies:** Certainly, there are councils in England and Wales that also have moratoria—the situation is by no means unique to Scotland. There are fewer moratoria in England and Wales, but I could not give you a number.

There is real concern throughout the United Kingdom about the health issues, as the coverage of those issues in the national press demonstrates. There has been a greater response to those concerns from you and from the regulators here than there has been in England and Wales. I cannot comment on whether the concern about health issues is greater north or south of the border; the concern is widespread.

11:45

**Maureen Macmillan:** Do you think that we have got the balance right here between wanting to roll out the new technology and taking precautions regarding health and safety?

**Jim Davies:** As a civil servant, I cannot comment on that. As members of the Scottish Parliament, you respond to democratic pressures and strike a balance. If you judge that the balance is tipped towards a greater concern about health than elsewhere in the United Kingdom, you put the line where you wish to draw it.

**John Scott:** You said that the onerous planning requirements, combined with the local authority moratoria, are making the investment climate in Scotland more difficult and less attractive for the telephone companies. Can you make any suggestions on what the committee or the Scottish Executive should be doing to redress the balance and to make the situation in Scotland the same as the situation in England and Wales?

**Jim Davies:** I do not want to exaggerate that point. If the investment climate for telecommunications was as it was two or three years ago, planning issues would not be a big concern for the companies. You heard in evidence from the operators that it is more difficult for them to get planning permission in Scotland than it is in England and Wales. When they do not have a lot of money to spend, even a small difference in the regulations will mean that that money is funnelled in a different direction from where it would go otherwise.

I suggest that you listen to the operators to find out where the points of friction are and attempt to

smooth some of them. We heard, for example, that there is a far higher success rate for appeals on planning permission in Scotland than elsewhere, which perhaps implies that some of the decisions to reject permission are less well founded than they are in England and Wales. The committee might want to consider that issue.

**John Scott:** My concern is that Scotland's economy is being put at a competitive disadvantage by an onerous planning regime. In your view—I asked this of the telephone operators—should the Scottish Government issue new guidance to local authorities?

**Jim Davies:** That would be very helpful. The existing regulations deal effectively with the health and environmental issues.

You heard that the operators are looking at ways of improving the environmental appearance of their masts. The Radiocommunications Agency has been doing a large number of surveys of sites where there has been concern about health issues, concentrating on sites near schools. In the worst case that the agency came across, the emissions from the mast were one two-hundred-and-seventy-ninth of the permitted level. Clearly, that should give a great deal of comfort to people who are concerned about health issues. In most of the surveys that the agency undertook, the levels were thousandths of the permitted level; sometimes there were five or six zeros after the decimal point. The regulations are working well, and many of the concerns arise from of a lack of understanding of how the regulations work and what the real risks are.

**Fiona McLeod:** I was interested in your written submission on the questions that you asked other countries and the information that you got back. In response to Maureen Macmillan, you said that you understood that there were local authorities in England and Wales that had moratoria. Has your department collected information on that and, if it has, can the information be made available to us? One issue that is emerging from this inquiry, and which is taking us back to where the committee began three years ago, is that there is a lot of speculation about whether regulation impedes roll-out. There does not seem to be a lot of hard evidence and data. I would have thought that comparing the roll-out figures for councils that have moratoria would help us to ascertain some of that information.

**Jim Davies:** We can certainly look at that, although I think that most of the information would come from the operators. There is a slight difficulty, as you heard earlier, because there are formal and informal moratoria. Some councils say openly that they will not have any masts. With others, one simply discovers that they never approve a planning application, so that, in effect,

there is a moratorium even if it is not stated. We can certainly look at providing you with that evidence.

**Nora Radcliffe:** Could you help us with your UK perspective? The regulatory framework was brought in here in the interest of local authorities and communities, because we felt that the balance between them and the operators was not where it should be. Is there any evidence of similar reservations south of the border, where local authorities would like planning regulations to be different?

**Jim Davies:** The democratic pressures on local elected representatives are similar throughout the UK. There are undoubtedly many local councillors who would like to be able to restrict the roll-out of mobile communications, and there are certainly members of the Westminster Parliament who would equally like to be able to do that. I do not think that I can add very much to that.

**Nora Radcliffe:** I will pull you up on one point. I do not think that we wanted to restrict the roll-out; we wanted it to happen in a way that everyone was happy with.

**Jim Davies:** Yes. I am sorry.

**Robin Harper (Lothians) (Green):** I have a specific point in relation to Fiona McLeod's questions. One of the companies said in written evidence that it was siting masts in appropriate positions because of the moratoria that had been imposed in some places. Has specific written evidence on the inappropriate siting of masts been presented to you?

**Jim Davies:** There is certainly evidence that the practice of the operators has changed as the concerns of the public have become greater. There is a reluctance among the operators to even propose siting masts near schools, which would not have been the case seven or eight years ago. Then, masts were actually being put on schools. That certainly would not happen today in very many instances, although there is evidence to suggest that it might be a good idea to put masts on schools to reduce the emissions that come from the handsets. Those issues are as much about perception as reality. Some of the health research that is being commissioned is moving in that direction.

**Fiona McLeod:** You said in your written submission that you

"will be making an announcement in due course about"

applications that are being considered under the second call for research. That second call was in December 2001, if I am correct, and we are now at the beginning of 2003. Why is it taking so long to consider the applications? We still have the third call to examine as well.

**Jim Davies:** I am afraid that I will have to come back to you on that at a later date, because I do not know. That is the responsibility of somebody else within the Department of Trade and Industry. I will happily pass the bat on that one, but I would be pleased to discover the answer to that question and submit it to you in writing.

**The Convener:** That draws us to the end of questioning. I thank Jim Davies for the evidence that he has given us this morning.

That almost concludes today's meeting of the Transport and the Environment Committee. We have one further issue. At our next meeting, we will take more evidence on our review of telecommunications planning procedures. Do members agree to consider our lines of questioning at that meeting in private?

**Members indicated agreement.**

*Meeting closed at 11:56.*



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