

Virgin Media takes on Openreach in rural areas for first time

Company starts 'test case' in Dun Valley after 1,000 residents commit to sign up

Nic Fildes, Telecoms Correspondent 8 HOURS AGO



Virgin Media has extended its network to the countryside for the first time, after more than 1,000 residents committed to sign up with the company once the network is installed – but also to pay a £300 connection fee.

The company has agreed to build a network in Hampshire's Dun Valley, south-west of London, to connect 4,000 remote homes in what could be the first strike in a major push into rural areas.

The cable company is midway through its £3bn Project Lightning investment to upgrade and expand its network to 17m homes but has never branched out into remote areas that often suffer the worst broadband services.

Rob Evans, managing director of the project, said Dun Valley is a “test case” for whether the company can justify the expenditure outside of urban areas. If the move proves to be sustainable, it could put Virgin Media in a head-to-head competition with Openreach, BT's engineering arm.

The lack of investment from the major telecoms companies in the countryside has led to the rise of a number of specialist and local providers with [£500m raised to invest](#) in rural full-fibre networks last year. Yet pockets of broadband ‘not spots’ remain where local residents feel they have been left behind.

Mr Evans said there are 7m homes that would not have been viable for Virgin Media but that new techniques including “mole ploughing”, whereby cables are buried along hedges and farmland to reach remote homes, have lowered costs.

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Cate Bell, chairman of the West Tytherley and Frenchmoor Parish Council, said she gets speeds of only 0.3 Mbps in her home. Mobile phone signals are also patchy and residents, particularly those who run small businesses, feel they have been cut off from the digital world. “It’s very important

for keeping people in the villages,” she said. “People won’t stay here if their children can’t do homework online or they can’t run their businesses. It is not like we are in the Outer Hebrides — we are 80 miles from London.”

Gigaclear, the rural broadband specialist, explored a full-fibre installation in the area in 2013 but opted not to after BT said it would upgrade the region to superfast broadband speeds.

Ms Bell said Openreach engineers were digging up the road into West Tytherley earlier this year but she found that they were replacing an old copper line, not installing fibre. “BT have let us down,” she said.

Openreach works with local councils to prioritise investment, and cabinets in some of the 12 towns covered by the Virgin trial have been upgraded to a faster service.

Improving broadband and mobile signals in rural areas remains a priority for the government and Ofcom, the telecoms regulator. Mike McTighe, chairman of Openreach, told the Financial Times that it was “fundamentally not right” that 5 per cent of British citizens still cannot connect to an adequate broadband connection. He said that number should be reduced to 3 per cent within two years and that the business has an “ambition” to fix the problem ahead of a push by the government to introduce a universal service obligation.

Virgin Media has links to Hampshire. It is based in Hook near Basingstoke and sponsors the Premier League club Southampton. Mr Evans said it is exploring a number of rural opportunities in areas adjacent to its network in all parts of the country.