

Department for Digital, Culture, Media and Sport

New Build Developments: Delivering gigabit-capable connections- Consultation (October 2018)

West Yorkshire Combined Authority Consultation Response

Consultation Question 1: Do you have any further evidence on the state of New Build Development connectivity in the UK?

The revised National Planning Policy Framework (NPPF) (July 2018) makes specific reference to the digital connectivity. The NPPF states:

“Policies should set out how high quality digital infrastructure, providing access to services from a range of providers, is expected to be delivered and upgraded overtime; and should prioritise full fibre connections to existing and new developments (as these connections will, in almost all cases, provide the optimum solution).”

This is supported as it provides a positive message for new build developments and existing developments. Many of our council partners have proactive development plan policies and working practices that encourage the delivery of digital connectivity.

This includes:

- Leeds City Council which is proactive in encouraging developers to consider digital connectivity at pre application stage; and
- Harrogate Borough Council which has a policy in its emerging/submitted local plan that states:

All new employment and housing development will be required to enable Fibre to the Premises (FTTP) broadband infrastructure capable of next Generation Access speeds. Where it can be demonstrated that the provision of FTTP is not viable, proposals should provide a download connection that meets the minimum ambition of the Digital Communications Infrastructure Strategy and the European Digital Agenda (currently 30Mbps). Proposals should also seek to incorporate suitable infrastructure to support delivery of FTTP broadband at a future date i.e. laying ducting capable of carrying fibre cables from multiple providers.

The full policy can be found here:

https://www.harrogate.gov.uk/download/downloads/id/4127/hdlp_publication_version_schedule_of_proposed_modifications_august_2018.pdf

The consultation paper states ‘It is important that new homes are designed and built with good connectivity from the outset’. The consultation encourages capable infrastructure to be deployed to developments from the start (instead of retrospectively, this is supported. However unless a local planning authority has a

local policy which requires digital connectivity at the outset for new build developments, then whilst good practice can be encourage it isn't a requirement.

To encourage early dialogue and allow an opportunity for early design from the outset access to information on new build developments is important. Information on new development sites are already in the public domain, for both providers, suppliers and developers e.g. Site Allocations Plans for allocated sites and local authority Public Access/Planning Portal systems for sites which have been granted planning consent.

The consultation also states that there is a disparity between the connection quality of high value and lower value homes, where more expensive homes are more likely to receive full fibre connections.

A strong approach which promotes access to all is supported types of household is strongly supported.

This emerging national approach aligns our approach to delivering inclusive growth across Leeds City Region and enhancing levels of digital inclusion to allow digital technologies to provide social benefits for our region alongside economic and productivity gains.

Consultation Question 2: Do you have any information or evidence to suggest that the costs developers would incur under the proposed policy would prevent homes being built?

We do not have any specific local evidence that suggests the proposed policy outcome would prevent developers from delivering new homes. We note that the costs of providing gigabit ready infrastructure within a development site is low in the context of wider development costs. However, we are keen to ensure that our strong record of housing delivery across the City Region is maintained and enhanced in the future.

In any event, as the consultation documents, any such costs would be marginal, if at all, current policies from some network providers (e.g. Openreach and Virgin Media) for fully or part funding installation of fibre infrastructure in new housing developments.

Consultation Question 3: We propose that developers would be obliged to provide a simple connectivity plan for their developments to LAs. This plan would demonstrate that developers had consulted with at least two network providers to provide gigabit-capable networks and inform LAs when a site is connected. Do you have any comments on this proposal for a connectivity plan?

We agree that a developer should include a connectivity plan as part of their planning application.

This should describe at least two network operators which would be consulted and engaged with for installation of gigabit capable broadband. It's not practical for developers for all sites to provide a commitment for gigabit connectivity by two providers at present because of the limitations access to backhaul (wider fibre infrastructure network).

Consultation Question 4:

(a) Do you agree with the assumption that deploying the necessary infrastructure to deliver gigabit-capable networks is best achieved when the site is being built?

We agree with this in principle, but we consider it should be clear that the legal requirement would be for the developer to have engaged with two network operators before any building works commences on the development site (e.g. 6-9 months prior to commencement). The legislation should also specify that it is the responsibility of the developer to ensure that sufficient time is allowed to engage with network operator(s) and design/install the preferred solution.

(b) What technical specifications should the physical infrastructure (ducts etc) have?

The network operator(s) should be requested to provide the required specifications of any ducting to be installed in line with that network operator's policy.

Consideration should also be given to how this infrastructure can best be futureproofed for new and emerging technology e.g. the potential requirement for fibre 'break out' points within a particular development scheme to support 5G mobile roll out and other fibre enable technology.

(c) Do you agree that developers should deploy, and pay for, the necessary infrastructure from the in-building connections to the boundary edge of the development?

In our view it should be the responsibility of the developer to ensure that all their customers have a gigabit ready household when they move in.

It is expected that the developer would seek network operators to submit proposals to support gigabit connections to them for approval. If the proposal is accepted the developer would need to deploy or pay for the necessary infrastructure from inside the home to the boundary edge of the site/development scheme.

Consultation Question 5:

(a) Do you agree that developers should have to engage with at least two network operators who can provide gigabit-capable connections to the development?

We agree with the proposed method of engagement, including the requirement to contact network providers 9 months prior to site build and requesting quotes at the suggested stages.

This is robust and sensible approach as it ensures the developer secures some element of choice as to what would be more favourable to them. Engaging with additional numbers of operators may become onerous for the developer and some geographies may not have two interested providers.

It is also important that whichever network operator offers at least two service providers i.e. an open access network.

(b) What further measures could we consider to promote the availability of networks from multiple providers at an early stage to minimise costs and disruption?

We consider it is important to distinguish between the operator which installs and maintains the networks, and the service providers with which the consumer/home owner will contract.

We consider it more important to enable the consumer/home owner to have choice of service provider. This is a subject which we consider sits outside the remit of this legislation, and a maturing market of full fibre networks will encourage more service providers to seek to sell services over networks built and operated by multiple network operators (albeit mostly higher density, urban locations which offer higher levels of return on investment).

In our view, the main barrier to entry for a multiple service provider environment is the upfront investment that would be required to build billing/reporting/fault reporting interfaces with the network operators.

Consultation Question 6: Taking £3,000 as a suggested aggregated cost cap per premise, how should costs be divided between developer and operator?

The legislation should be principally aimed at securing the right outcome whilst stimulating competition and investment in full fibre infrastructure.

The simplest approach may be to ensure the developer is required to install gigabit capable infrastructure. This would put the onus on the developer to seek the most favourable terms from the network operator market to achieve this objective and enabling the market to determine which network operator puts forward the best and more economical proposal.

Consultation Question 7: What information and evidence can you provide to help refine the 'in scope sites' policy design choice - aggregated cost cap or number of premises?

In our view all developers should be subject to the legislation irrespective of site size, subject to the impact of this being effectively modelled nationally.

It is noted that smaller sites may have a greater reliance on the developer paying for the installation of the infrastructure as opposed to the network operator providing or subsidising.

The developer will need to account for this cost in determining the selling price of the houses on the scheme and the purchase of the development site. To address this developers will need to market the benefits of digital connectivity better to enhance the rate of sales and/or sales price for their homes.

There is also a risk that this type of approach provides the means for developers to use avoidance strategies – e.g. sub-dividing land lots into multiple small developments which often occurs where an affordable housing ‘small sites’ cap has been deployed.

Consultation Question 8:

(a) Do you agree that developers should have the overall responsibility to ensure Gigabit connectivity for their developments (allowing for the fact that developers can oblige operators to connect using the ‘duty to connect’ provision).

We strongly agree that developers should hold overall responsibility for delivery of gigabit connectivity on their schemes.

(b) How would this policy affect small housebuilders?

This policy may encourage small housebuilders to be innovative and plan their housing developments in locations where they may collaborate with other small housebuilders or plan to build where fibre broadband is not going to be economically unviable to install. There should also be a value associated with full fibre having been installed which may be reflected in the selling price of their houses with ‘premium’ levels of connectivity.

Consideration should be given to how this may impact areas with isolated small scale housing sites that do not have easy or economical access to fibre backhaul.

Consultation Question 9: Do you have any comments on the proposed legislative approach? Do you have an alternative solution that would deliver gigabit-capable connections to NBDs?

We strongly consider that the proposed legislative approach (with some minor amendments) is the best way to ensure the policy objective is enforceable and deliverable.

Options to progress this approach through planning policy authority action, may lead to a piecemeal approach as policy is developed at different speeds within each area and with differing local nuances.

This could result in developers favouring build in those locations which have a less robust approach to full fibre infrastructure delivery

However, we note that robust local planning policies have a key role in supporting the delivery of gigabit developments in conjunction with national policy and legislative measures.