

Actual Consultation Document at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752145/New_Build_Developments_Delivering_Gigabit_Capable_Connections_Condoc_FINAL_2.pdf

Responses to: newbuildconnectivity2018@culture.gov.uk by 21 December 2018

Consultation Questions:

Consultation question 1.

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

Consultation answer question 1.

Evidence of connectivity in NBDs in Oxfordshire reflects the findings outlined in this consultation. Some NBDs have documented consideration of plans to include full fibre connectivity which are identified in public documents, such as the Oxford North development http://public.oxford.gov.uk/online-applications/files/722F265E42A42E6ED85907FD6997456A/pdf/18_02065_UTFUL-UTILITIES_APPRAISAL_-_180731_UA_001-2019950.pdf

Meanwhile others such as the Taylor Wimpey development known as Morland Gardens in Abingdon have completed without even FTTC, so residents in some 160 brand new houses are only able to receive around 7Mb/s broadband.

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?

Consultation answer question 2.

We do not have any evidence that suggests the proposed policy outcome would prevent developers from building homes. In any event, as the consultation documents, any such costs would be marginal, if at all, given Openreach and Virgin Media current policies 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?

Consultation answer question 3.

We consider that a developer should include a connectivity plan as part of their application for planning consideration. This should describe at least two network operators which would be consulted for installation of gigabit capable broadband, along with a commitment to ensure that at least one of the

operators would be contracted for installation of gigabit capable connections in every home, including backhaul, such that any house buyer would be able to order a full fibre connection on the day the owner takes possession of the house. We propose that any resulting contractual arrangement with a network operator must not have exclusivity provisions preventing other network operators from installing broadband infrastructure. We suggest that the connectivity plan should also commit to describe gigabit capable broadband as being available in every property in the development sales prospectus. We also suggest it may be possible to introduce the concept of a 'digital certificate', analogous with the energy efficiency certification process.

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?

Consultation answer question 4 (a).

Yes, but we consider it should be clear that the legal requirement would be for the developer to have engaged with two network operators at least nine months before any building works commences on the development site. The legislation should also specify that it is the responsibility of the developer to ensure that sufficient time is scheduled to specify the requirement with network operator(s), evaluate responses, and contract for the works.

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

Consultation answer question 4 (b).

The network operator selected as per 4 (a) above should be requested to provide the required specifications of any ducting to be installed in line with that network operator's policy. It is anticipated this would be a conditional requirement required of the developer to qualify for free or discounted installation by the network operator.

(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?

Consultation answer question 4 (c).

We consider that it should be the responsibility of the developer to ensure that all their customers can order a gigabit capable broadband service when they move in. It is expected that the developer would seek network operators to submit proposals for this requirement to them for evaluation. If the developer is minded to accept a proposal from a network operator whereby the developer would need to deploy or pay for the necessary infrastructure from the in-building connection to the boundary edge, as opposed to accepting a proposal for a full turnkey solution from another operator provider that would be their choice to make.

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?

Consultation answer question 5 (a).

Yes, we consider it sensible for them to do so to ensure the developer secures some element of choice as to what would be more favourable to them and to be able to evaluate the relative benefits offered of each network operator's proposal.

(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?

Consultation answer question 5 (b).

We consider it is important to distinguish between the operator which installs and maintains the networks, and the service providers with which the consumer will contract. We consider it relatively important that the householder has choice in selecting a service provider, but there are network operators such as Virgin Media which offer a vertically integrated proposition meaning such choice of full fibre connectivity would not be available should only that network operator be present. We consider a balance needs to be struck whereby ensuring availability of full fibre services is the primary requirement, and that competition should encourage other network operators to decide to invest early to avoid being locked out of being able to provide higher margin services such as full fibre broadband. The key to ensuring this would happen by default is early engagement with the network operator market, given cost of installation before building commences is significantly reduced when compared to retrospective fit, and also as described above, ensuring that no network operator is permitted to have exclusivity clauses for the infrastructure they install.

Consultation question 6.

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

Consultation answer question 6.

We consider the simplest approach is to ensure the developer is required to commit to gigabit capable infrastructure being installed. Therefore, the developer should seek the most favourable terms from the network operator market to achieve this objective, enabling the market to determine which network operator puts forward the best proposal. The developer sells properties as a one-off activity, whilst the network operator must consider an investment against a long term (typically fifteen year) service revenue. The legislation should not confuse different commercial principles by artificially contriving an outcome. Ultimately, the legislation should be aimed at securing the right immediate outcome whilst stimulating competition and investment in full fibre connectivity

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?

Consultation answer question 7.

So long as all developers are subject to the legislation irrespective of scale of housing development, there is limited distortion of the developer market by stipulating they must enable all houses to have access to gigabit connectivity. It is accepted that small developments are more likely to require the developer to pay for the installation of the infrastructure as opposed to the network operator subsidising or installing for free. However, the developer will need to account for this cost in determining the selling price of the houses on the development. The proposed legislation is required to fix the problem of a developer not distinguishing a value attributed to the fibre infrastructure as part of the sales proposition to prospective buyers. Developers have thus not marketed this benefit and instead can disguise inadequate provision of fast internet access as the buyer presumes it will be available only to discover on moving in that there is no fast broadband. This is the strategic position that needs reversing and limiting this when there is a small number of in scope sites provides the means for developers to use avoidance strategies – e.g. sub-dividing land lots into multiple small developments.

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).

Consultation answer question 8 (a).

Yes, we agree that developers should hold overall responsibility to ensure gigabit connectivity is available on their developments

(b) How would this policy affect small housebuilders?**Consultation answer question 8 (b).**

It would 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 cost a fortune 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. We see this as no different than for example the installation of double glazed windows as opposed to cheaper single glazing.

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?

Consultation answer question 9.

We consider that the legislative approach is the best way to ensure the policy objective is enforceable nationwide and treats all developments in the same manner. Any other approach which for example depended on strong planning authority action, will potentially lead to developers favouring build in those locations which are less stringent in management of planning matters

concerning full fibre provision. With the nationwide shortage of housing this would be unhelpful.