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DCMS - New Build Developments: Delivering gigabit-capable connections

In Confidence - Consultation Response for Milton Keynes Council

Summary

Milton Keynes Council supports the proposals outlined in the consultation document. The council will welcome the earliest introduction of meaningful legislation/regulation to ensure all new build homes are equipped with gigabit capable fibre connections.

However, it is also important that residents and businesses are presented with a suitable choice when deciding broadband supplier. A significant number of developments across Milton Keynes are covered by long term exclusivity agreements between developers and a single supplier which restricts choice for residents and prevents alternative suppliers from accessing large areas of new development, often for significantly long periods of time.

In response to the specific questions asked:

1. Further evidence on the state of New Build Development connectivity in the UK?

Most of the larger more recent developments in Milton Keynes have full fibre connections provided when built. However, this hasn't always worked well and has left some parcels within developments without services when others have theirs provided at the start.

The main cause of this appears to be landowners agreeing overarching site wide deals with fibre infrastructure providers and then requiring developers to engage with a particular supplier once individual parcels are sold off. This doesn't always happen and there is thus a "disconnect" between what is thought to be a fibre served area and the actual experience of residents on the ground. This has also resulted in Milton Keynes Council having to broker/facilitate agreements between ill-informed developers and large fibre providers when this should have been arranged to coincide with deployment of other underground services.

Another issue appears to be exclusivity agreements between developers and suppliers that can act to reduce the choice for residents and thus potentially tie them into higher costs for broadband access than should be the case. Clearly, there is an incentive for developers to enter into such exclusivity arrangements as the fibre provider will often cover the whole, or more, of the deployment cost. Although this approach does help to ensure that large areas of new developments are covered it does not support an effective free market and may need to be covered by legislation or regulation.

2. Evidence to suggest that the costs developers would incur under the proposed policy would prevent homes being built?

As noted at (1) developers are often compensated by fibre providers for exclusive rights in a particular development, often for many years in the future. This does help to incentivise fibre deployment but may be anti-competitive. Clear rules need to be considered to reduce any unwanted impacts as noted above.

3. Comments on the proposed "connectivity plan"?

No comments – this appears to be a sensible proposal.

- 4.

- a. Deploying infrastructure is best achieved when the site is being built?

Yes. Milton Keynes is currently benefitting from a £40m investment by City Fibre and although CF's practices appear to be exemplary there is significant burden on LA resources to inspect and certify the works across such a wide area of the city.

- b. What technical specifications should the physical infrastructure have?

A common specification is required i.e. as a British Standard that all providers should work to. This will help to ensure future cross development/network compatibility and help to future proof networks.

- c. Should developers deploy and pay for the infrastructure from the in-building connections to the boundary of the development

Yes – developers must bear the costs of installation and should utilise market forces to ensure they obtain best value. As noted above exclusivity agreements should be discouraged/prohibited.

- 5.

- a. Should developers have to engage with at least two network operators who can provide gigabit capable connections to the development?

Developers need to engage with a wide range of suppliers and should be required to follow standard OJEU procurement rules regarding how they advertise and let contracts for this work. This will help to maximise competition and should provide better services for consumers

- b. Further measures to promote the availability of networks from multiple providers at an early stage to minimise costs and disruption?

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- b. Further measures to promote the availability of networks from multiple providers at an early stage to minimise costs and disruption?

See answer to 5a

6. Do we agree with the proposal for division of costs between developer and operator?

Yes.

7. Evidence provided to refine the "in scope sites" policy design?

A key issue is the availability of "spine" fibre capacity that is required to feed individual developments. Where new developments are built in rural areas spine infrastructure is likely to be a significant problem and will thus incur unreasonable costs if required to fund additional infrastructures to get fibre to site. It is best to require suppliers to provide free access to their networks for smaller developments i.e. 1-11 – i.e. at the level that developers are required to pay Planning Obligations.

8.

a. Developers should have the overall responsibility to ensure Gigabit connectivity for their developments?

Yes.

b. How would this policy affect small housebuilders?

See answer to 7

9. Comments on the proposed legislative approach?

The council is content with proposed legislative approach.