

CityFibre response to *New Build Developments: Delivering gigabit-capable connections* consultation

Introduction

CityFibre is the UK's largest independent provider of full fibre network infrastructure, with major networks in 54 towns and cities across the UK, and construction underway to reach 5 million homes. We welcome the opportunity to respond to this consultation.

Executive Summary

CityFibre welcomes this consultation's focus on ensuring that new build developments are constructed with gigabit-capable connections. To ensure full fibre is rolled out nationwide by 2033, it is important that developers and operators find ways of working together to include full fibre connectivity in new builds from the outset, and avoid the potential disruption and inefficiency caused by installation at a later date.

We believe that gigabit-capable connections will make homes more attractive to buyers, and that demand for faster and more reliable broadband will ultimately make its inclusion in plans for new build homes essential for developers.

As such, we believe that the Government's policies of ensuring greater competition in the full fibre market should extend to the proposals in this consultation, namely in obliging developers to consult with a wider range of operators and ensuring that any physical infrastructure built to serve a new development has sufficient capacity to allow for potential competitive networks in the future.

Our comments on the specific questions raised in the consultation can be found below.

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

We do not have any evidence to share at present.

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 believe that any cost a developer would incur would be far outweighed by the benefits a gigabit-capable connection would bring. The potential access to full fibre services would reasonably strengthen demand for the developer's property and subsequently allow to offset any cost they may incur.

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?**

In CityFibre's view it is reasonable to require a developer to provide their plan to the LA and include within said plan demonstrable evidence they have consulted with network operators to provide a gigabit-capable network. We do however believe that the number of network operators developers should be obliged to consult with should be raised to at least three in order to provide for a wider range of operators to be consulted, and to allow for geographic differences in operators' footprints.

Any bid, including the terms and conditions of the bid, put forward by a network provider to said site developer must be kept confidential between the provider, the developer and the local authority; this is due the commercial sensitivity of such bids and the risks of anti-competitive behaviour.

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?**

CityFibre agrees with this reasonable approach; it allows and ensures prospective residents have full fibre services from the outset and avoids future disruption of installing a network once construction has been completed.

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

While we believe that the detailed technical specifications of the physical infrastructure will vary between developments, we believe that all infrastructure should comply with wider industry standards, including, for example, allowing space in ducts for future networks to be installed.

- (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?**

We believe that developers should pay for necessary infrastructure and labour costs, while the network deployment should be done to the high standards, plans and timetables agreed with the operator.

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 are concerned the current minimum two limit could lead to developers not exploring the full range of available operators and the limit should instead be set at at least three.

We also believe that gigabit-capable connections delivered over symmetrical full fibre services should be prioritised as they represent the most advanced and reliable technology.

(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?

CityFibre agrees with the need for a notice period however, we would encourage DCMS to amend this to be “at least” 9 months to ensure developers engage with networks providers as soon as possible.

In CityFibre’s view, the efficacy of this obligation will be determined by the level of awareness among developers. Such an obligation would need to be effectively communicated as one of their key duties as a developer if it is to have a notable impact. It is also, in our view, important to ensure that consumers, both potential house buyers but also developers, have the appropriate accurate information to be able to differentiate between part and full fibre services. As such, we believe that banning the use of the word “fibre” in advertising for FTTC connections would improve awareness among developers at an early stage.

We also believe that any engagement, which seeks to minimise costs and disruption, would require full transparency from the developer over their project and its architectural design.

6. **Taking £3,000 as a suggested aggregated cost cap per premise, do you agree with the proposed how should costs be divided between developer and operator?**

We agree with the principle that the costs should be split between developer and operator.

However, it is currently unclear how the aggregated cost of £3,000 cost cap per premise is calculated and what this includes.

It is our view that a £300-£500 cost cap per premise would better reflect current market economics and should include all capital expenditure costs relevant to the deployment of the passive infrastructure to the development.

We also believe more generally that these regulations should not impinge or affect any currently successful existing commercial arrangements between operators and developers.

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?

CityFibre considers it necessary to define the 'in scopes site' as per the recommended aggregated cost cap above.

Aggregation allows any site, whatever the size, to be in scope. A minimum number of units removes the front-end burden but has the consequence of leaving sites below the minimum threshold beyond scope of the policy.

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).

CityFibre agree the overall responsibility to ensure gigabit connectivity rests with the developer. Indeed, as stated above, we believe that the inclusion of gigabit-capable connections will increasingly become essential for developers as demand increases.

(b) How would this policy affect small housebuilders?

N/A

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?

CityFibre has no further comments at this time.

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