

Questions 3-10

Question 3: What is your experience of the quality of BT’s provision and repair of wholesale leased line services? Are there consistent trends? Can you provide evidence to support your views?

As Highways Authority for the City of London, we consistently see poor performance from BT in terms of the timeliness of their engagement with our street works team in relation to planned installations or repairs. The BT process invariably consists of a project being passed from the BT Planner to Carillion who will then create a job pack and submit a street works permit to the City Corporation prior to passing the job to Centrecom. Centrecom then will approach our Highways team requesting a date for the works to take place. This system means that the requests are made far later in the process than what is experienced with the other telecommunication providers, often leading to refusal of permits on the basis that not enough notice has been given for the City Corporation to properly co-ordinate with other competing works or road closures, that have already been approved.

We would strongly recommend that earlier engagement needs to occur with the City’s Highways department as early as possible in the connections process as the current system have resulted in end users being frustrated due to delays in project delivery.

Appendices 1 & 2 provide typical evidence of delayed installations that have been caused by BT’s lack of planning. Appendix 3 also shows a letter that was sent to Olivia Garfield (former CEO of BT Openreach) which highlights BT as the worst performing utility under the London Permit Scheme in the City of London. The letter also invites BT to join the City in implementing a “5 point plan” to better manage street works in the Square Mile, something that they have yet to commit to.

Question 4: Do the KPIs that BT publishes / shares with industry give you sufficient visibility of its performance? If not please explain what further information should be provided and why.

BT’s KPIs give no real indication of how they are performing in terms of service delivery as it is not clear what metrics have been used to derive the data and how they compare to previous years. To the general public they are very difficult to understand and scrutinize, and BT needs to present such info in a format that is more easy to understand. Greater granularity is needed around how BT is performing against their quoted lead time to the customer.

Question 5: If there are quality of timeliness concerns how do these affect your business and how do they affect your customers? Please provide evidence to support your views.

The City of London provides 16% of London’s overall output and 4% of the UK’s output (GVA), as well as housing over 14,000 businesses and nearly 400,000 workers. BT and other Tier 1 provider’s inability to deliver new telecoms supplies in a timely manner is having a hugely damaging effect on businesses’ operations and their ability to occupy new office properties. BT is one of (if not) the worst provider(s) for delivery of leased line services and given that they provide a significant number of wholesale leased line services this has a considerable impact on the City of London’s ability to provide a world class business environment. From experience BT and their appointed contractors often fail to provide appropriate updates or demonstrate any proactive response to issues that arise resulting in greater delay in delivering timely connections. Appendices 1&2 evidence relating to this.

Despite the City of London having 12 tier 1 providers, competition has failed to provide a proactive approach to installing connections in a timely manner, given that all providers appear to have difficulty in meeting lead times and the matter seems to be endemic across the industry. Currently Ofcom fails to recognise the particular arrangements that are peculiar to Central London which include a number of other Tier 1 providers in addition to BT (list of providers in the City attached).

Question 6: Do BT's current provision and repair services for wholesale leased lines meet your customer's needs, for example in relation lead times, keeping appointments or adhering to agreed delivery dates? If not what changes do you think BT should make to its provision and repair services?

No. Businesses in the City of London frequently complain of BT's inability to deliver in a timely manner. This has become increasingly evident in the last year when we were made aware of major City companies failing to secure communications to their new buildings, mainly as a consequence of BT's failure to manage the process effectively. This led to businesses with hundreds of staff having to use mobile phones and alternative wireless solutions due to fibre not being able to be delivered. This also resulted in businesses having resilience issues and threatened their ability to deliver business growth.

BT's current connection regime is cumbersome and not supportive of customer needs and should be addressed to make it fit for purpose to enable more timely delivery to support customer's needs. The City Corporation has previously approached Ofcom and OTA2 on this issue and was advised that slow delivery is largely a resource issue within BT and the other operators. Other providers have advised that the issue is less to do with resource and more to do with agreeing wayleaves with landlords (BT advise they have no issue with wayleaves as they already engage with building owners relating to emergency connections). This is not considered to be appropriate to the London's status as a World Class Business centre and presents a threat to London's competitiveness. Services should be supported by appropriate resources to cope with demand, rather than have than businesses having to suffer as a consequence. The City Corporation is planning to host a roundtable meeting with all telecoms providers operating in the Square Mile to address the issues associated with untimely delivery.

BT and other operators need to be more realistic about their installation time quoted to the customer and greater granularity of data as mentioned in Q4 would help to achieve this. If this means BT introducing a longer lead time then at least this would allow businesses a greater ability to plan their connection better.

Question 7: Do you consider BT has appropriate incentives to provide the quality of service which you and your customers require? If not, what changes do you think should be made to BT's incentives?

Ofcom has allowed this situation to continue for a number of years without introducing any useful incentives or obligations for BT and other Tier 1 operators to improve their performance which is not acceptable and poses significant risks to business. Ofcom needs to develop a process that compels BT and other providers to deliver connections in accordance with key milestone delivery dates with the ability to fine those who do not.

Question 8: Can broadband, particularly NGA-based services be used effectively for the delivery of business connectivity? Has this changed over the last three years? How do you think that this might change over the coming three years.

The City Corporation is of the view that NGA based services could be used effectively for the delivery of business connectivity for start ups and Small to Medium Enterprises who cannot afford Leased Lines.

Unfortunately BT Openreach stated that they will not be investing in high speed fibre broadband in the City of London due to a perceived low number of residents (of which there are 9000). The City is also home to over 13,500 businesses with staff under 50, some of whom would undoubtedly benefit from the roll out of high speed fibre broadband at an affordable price point. The Mayor of London's recent launch of BDUK's "Connections Voucher Scheme" has achieved little success in

the City of London, mainly owing to BT Openreach (and other providers) not investing in NGA based services.

The City of London has recently commissioned an independent study carried out by Analysys Mason which found that market failure had occurred in high speed fibre broadband being unavailable in the Square Mile at an affordable price point for residents and small businesses. 81% of City residents suffer from download speeds below 10mbps with 66% of City residents having stated that speeds under 24m/bits would be insufficient for their uses at home and 34% requiring up to 50m/bits. The majority of providers surveyed felt that SME and consumer based demand is not being met due to poor availability of wholesale supply.

The City Corporation has seen changes in the type of businesses locating in the Square Mile in the last 3 years, some of which are “tech” firms and cannot afford leased lines. It is unlikely that the current situation will change in the next 3 years without investment from BT Openreach or another provider to enable high speed fibre broadband.

The City Corporation strongly believes that its stakeholders are being disenfranchised in this area and we will be considering how to

Question 9: Are new business customers that would traditionally have taken leased line products now opting for a broadband service? If yes, what type of broadband service are these business customers taking?

It is probable that some City businesses would take up high speed broadband services, discontinuing lease line services in order to make savings. The City Corporation however is not in an informed position to answer this question given that we do not have high speed fibre broadband available for the reasons mentioned in question 8.

There is no evidence of businesses moving to ADSL based broadband from having used leased lines as the bandwidth would be significantly less.

Question 10: Are existing business customers actively migrating from leased lines to broadband products?

If yes:

- which types of business customer are migrating?
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- which types of leased line product (interface and bandwidth) are they migrating from?
- which types of broadband service are they migrating to?
- does switching vary between different areas of the country (e.g. depending on NGA availability, the number of broadband providers present or other factors)?
- What are the barriers (if any) of switching from leased lines to broadband products.

The City Corporation is unfortunately not in an informed position to answer this question due to lack of investment in high speed fibre broadband in the Square Mile.