

Ofcom's proposed Plan of Work 2025/26

Independent Networks Cooperative Association

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1 Introduction

- 1 The Independent Networks Co-operative Association (INCA) is the leading UK trade association representing organisations deploying independent digital infrastructure. Founded in 2010, INCA aims to foster a new approach to digital infrastructure, focusing on full-fibre (FTTP) and high-quality wireless broadband whilst campaigning for the policy and regulatory support needed to maintain a healthy, competitive market. INCA has over 200 members and represents most of the full-fibre infrastructure builders commonly referred to as Altnets. Members include network owners, operators, suppliers, and managers as well as access networks, middle mile networks, network hubs and exchanges and organisations (including public sector) that are developing or promoting independent networks.
- 2 INCA welcomes the opportunity to respond to Ofcom's proposed plan of work for 2025/26. INCA's response will focus only on the fixed telecoms aspect of the plan of work for the forthcoming year.

2 Internet and post we can rely on

- 3 The investment in, deployment of and take up of new full-fibre networks is a core government priority and one of Ofcom's core responsibilities. INCA is, therefore, concerned to see that fixed telecoms competition is described as 'the internet' and that it is visually grouped with the postal sector. Fixed telecoms do give consumers access to the internet, but it serves so many other critical purposes which we do not see mentioned throughout the document. The critical role of private networks and Ethernet circuits to finance, gaming and manufacturing, for example, appear to be excluded from this over-simplistic representation of fixed telecoms as 'the internet'.

- 4 Overall, the impression given by Ofcom's two-by-two overview of priorities is that fixed telecoms is a 'maintenance' activity. INCA strongly disagrees with that positioning and considers that Ofcom needs to position the support of continued investment in and take-up of all new full-fibre networks (not just that of Openreach) is a core priority.
- 5 In the Plan of work 2024/25, "Internet we can rely on" was a standalone section. INCA questions why this has changed this year and whether this is indicative of telecoms priorities being deemed less important to Ofcom compared to previous years if two wholly different sectors are combined.
- 6 Ofcom being perceived to downgrade the importance of telecoms connectivity and competition will be to the detriment of the sector and the country. For investment in the sector to continue, investors need clear, unambiguous statements and action from the regulator; the indicative level of priority given to telecoms through fusing it with the postal sector has the potential to threaten that investment.
- 7 INCA urges Ofcom to reconsider this stance and separate telecoms from the postal sector.

3 Ofcom's proposed priorities for 2025/26

- 8 With regards to telecoms, Ofcom's proposed priorities for 2025/26 are as follows:
 - Availability of high-quality networks and services where they are needed.
 - Reliable and secure networks that people can depend on.
 - Efficient and sustainable markets where competition delivers choice, value and high-quality services.
 - Consumers treated fairly at every stage of the customer journey, regardless of their circumstances.

- 9 INCA notes the similarity between these priorities with the addition of “efficient and sustainable markets” and the priorities of 2024/25. We do not disagree with the principle of any of these priorities. As INCA called for the inclusion of a commitment to promoting and safeguarding infrastructure competition in the response to the 2024/25 plan of work, we are pleased to see action being taken.
- 10 INCA does question the meaning of the “availability of high-quality networks and services **where they are needed**” (emphasis added). The qualifier of “where they are needed” is open to interpretation and could suggest that in some locations, high-quality networks are not needed, contrary to the universal service obligation and the ambition of consecutive governments to achieve nationwide coverage. Conversely, it could be taken to mean the availability of high-quality networks everywhere, ensuring the networks reach everybody.
- 11 The potential for this to be misinterpreted is a flaw and INCA suggests that the meaning of the statement needs to be clarified by Ofcom.

4 Competition

- 12 The plan of work includes “Efficient and sustainable markets where competition delivers choice, value and high-quality services” as a priority for the forthcoming year.
- 13 Notwithstanding that INCA is pleased to see the inclusion of competition, INCA suggests that this could be strengthened with the following statement instead:
“Encouraging competition at all levels and across the country to deliver efficient and sustainable markets with choice, value and high-quality services for consumers.”
- 14 Inclusion of this statement would position competition before short-term efficiency which would require a focus on static efficiencies, whereas dynamic efficiencies in the form of competition would be in the long-term interest of consumers as well as being consistent with government policy.

5 Promoting and Supporting Growth

- 15 The government is currently consulting on technology adoption¹, including examining why the UK ranks lower than some OECD² countries in technology adoptions. The average³ take-up of full-fibre stands at 54.4% across Europe while the UK has achieved 34.7%.⁴
- 16 INCA believes there is a place for Ofcom to support the growth and adoption of full-fibre connectivity and that this should be included as a priority within the plan of work 2025/26. If the government is to meet its growth objectives and if the UK is to be at the forefront of technological prowess, then it requires support for not only building new full-fibre networks, but also in full-fibre adoption in homes and businesses across the country. INCA, therefore, suggests that Ofcom introduce a workstream to investigate means of accelerating full-fibre take-up and the use of full-fibre networks by ISPs, where such networks are available on reasonable terms.
- 17 Ofcom should also consider how it can reduce 'red-tape' on telecoms operators. The Prime Minister was explicit⁵ in wanting regulators to reduce barriers to promote growth and investment. Ofcom should include an objective and workstream within the plan of work 2025/26 to reduce the regulatory burden and forging a closer working relationship with relevant bodies, for example, with BDUK to facilitate the sharing of relevant data and improving data collection methods.
- 18 Including an objective and workstream within the plan of work 2025/26 on promoting full-fibre adoption and reducing regulatory hurdles will provide

¹ Technology Adoption Review, <https://www.gov.uk/government/calls-for-evidence/technology-adoption-review/technology-adoption-review>

² Organisation for Economic Co-operation and Development

³ Note: This data refers to Q2 2022; it is difficult to achieve get synchronisation of current data across multiple countries.

⁴ <https://www.point-topic.com/post/fttp-broadband-adoption-rates-europe>

⁵ Starmer throws down gauntlet to watchdogs with growth edict, <https://news.sky.com/story/starmer-throws-down-gauntlet-to-watchdogs-with-growth-edict-13280738>

unambiguous clarity that growth and investment are being prioritised, the UK is *open for business* and will align with government objectives.

6 Telecoms Access Review

19 INCA is pleased to see that the forthcoming Telecoms Access Review (TAR) 2026 has received prominence within the plan of work 2025/26. It is not hyperbole to claim that this review is of critical importance to the sector, and that it will have an impact on the future viability and survivability of Altnets. That, in turn, will have an impact on future full-fibre roll-out, network competition, investment and growth, digital inclusion et al.

20 INCA has sent Ofcom several submissions for the forthcoming TAR and we are pleased with the willingness of Ofcom to engage with stakeholders on a range of topics of importance to the sector.

21 INCA encourages Ofcom to remain engaged over the forthcoming year throughout the TAR process. Whilst INCA (and other stakeholders) will be responding to the TAR consultation in due course, it is also important for dialogue to remain and for stakeholders to be able to put across issues and concerns with Ofcom and the TAR outside of the formal consultation process.

22 INCA would, however, like to express concerns that two years is not adequate time to conduct a full-and-proper review of the sector, particularly as Ofcom has not formally consulted on any elements of the TAR yet. If Ofcom makes a serious error in the upcoming consultation, there may not be sufficient time to reconcile it.

7 Wholesale Fixed Telecoms Market Review

23 The Wholesale Fixed Telecoms Market Review (WFTMR) 2021 focused on encouraging infrastructure competition and reducing barriers to market entry and

expansion. The WFTMR 2021 objectives remain valid. INCA would like those objectives reflected in the Ofcom plan.

24 INCA is supportive of Ofcom continuing to monitor compliance with the rules established in the 2021 review but questions why the ongoing implementation of this former review receives so little prominence within the plan of work 2025/26 and why it is not identified as a specific ongoing programme of work.

25 In the remaining year of the WFTMR 2021, Ofcom must carefully assess compliance and consider what can be achieved between now and the end of the period. INCA encourages Ofcom to revise the plan of work to specifically identify monitoring of the WFTMR 2021 as an ongoing programme of work to provide certainty to stakeholders that competition playing out fairly remains a priority.

8 Physical Infrastructure Access

26 The uptake of Physical Infrastructure Access (PIA), via the WFTMR 2021, has been successful in encouraging investment, facilitating competition and supporting the roll-out of full-fibre. INCA contends, however, that there are concerns which can and should be resolved now rather than waiting for the outcome of the TAR.

27 INCA would like to see a focus on improving PIA in the short term, independently of the forthcoming TAR. Ofcom has previously indicated to INCA that this is an objective, but the plan of work is silent on this. INCA asks that Ofcom introduces a specific work stream to improve the PIA product and reducing differences in how PIA is consumed by CPs and how Openreach consumes its own network.

28 Whilst we are now four years into the WFTMR 2021 period with only one further year to go until the TAR comes into effect, it is very important to review how PIA is working for Altnets and identify what remains to be done in order to ensure equivalence between Openreach and PIA customers.

29 INCA believes that a PIA review would not only be very valuable for the preparation of the TAR 2026, but it would also ensure continued progression during the final year of the WFTMR 2021.