

Welsh Government response to ‘Delivering a More Independent Openreach.’

The detail set out in the consultation document sets out a considered approach to how the proposed new status of Openreach will be monitored. We will not comment here on the scope of the proposed separation but will confine our comments to the performance, accountability and monitoring of the new organisation.

We generally welcome Ofcom's focus on moves to improve accountability, address competition concerns, improve customer service and ensure adequate monitoring of the new arrangements.

The performance of Openreach is an issue that has been raised with us on a number of occasions. Our response to the Ofcom annual plan highlighted these concerns particularly the apparent lack of accountability of Openreach, and a lack of competition, is causing concerns among consumers and businesses. Slippage of dates for completion of work was a particular issue. The response called for a commitment to a greater focus on scrutiny of the performance of Openreach by Ofcom.

We welcome the recognition of the wider outcomes for Openreach customers and consumers and the proposed annual reporting process but would like to see a corresponding focus on performance in the monitoring arrangements. The consultation document states that ‘the ultimate aim of any changes to the structure of Openreach is better outcomes for consumers and businesses’ the monitoring process needs to have a stronger focus not just on is the separation working but is it having the desired positive downstream effects.

There appears to be no detail in the notification as to how the Openreach Board is to be appointed and removed. If the Board of directors is to be appointed and removed by BT the processes for both the independent and non-independent directors need to be carried out in a transparent way if they are to be viewed as credible, and in the case of independent Board members as truly independent. It will be important for Ofcom to carry out its monitoring obligations in relation to Board appointments judiciously.

Similarly we would like Openreach to be accountable to the wider industry and the focus on ensuring equal treatment of customers by Openreach is welcome. However, consideration should be given as to how the wider industry could be represented on the Openreach Board to ensure that there is real accountability not just to BT shareholders but to the industry as a whole.

In taking decisions on future investment and innovation in the wholesale market we would like the needs of the devolved nations and regions to be taken into account. A focus solely on the UK nationally is unlikely to bring benefits to those areas with difficult topography and a dispersed population such as Wales. We would also like to see this reflected in Ofcom's monitoring

role to ensure that Openreach serve the whole of the UK wholesale market not just those areas that are easiest to reach.

The proposed separation needs to deliver real change in the market if it is to be regarded as a success and ultimately that will be measured by whether consumers and businesses get access to affordable connectivity that meets their needs.