

REVIEW OF THE UNIVERSAL SERVICE OBLIGATION

OFCOM CONSULTATION

Response of Lancaster City Council

Lancaster District comprises the historic City of Lancaster, the coastal towns of Morecambe and Heysham and a large rural hinterland which includes the market town of Carnforth and a mix of villages and isolated, and in some cases remote, small communities and farms. The total population of the area is 136,000 of which just less than a third is in rural wards. Some of Lancaster and Morecambe's inner urban wards experience relatively high levels of deprivation. Against this background, the City Council's response to the Review is as follows:

Q3

It seems reasonable to make the USO service-specific rather than restricting it to fixed connections. However:

- it would be essential to ensure that the use of any other technology to deliver service should be universally functional. For example, the coverage and strength of mobile telephone signals within the District is variable within the more remote rural areas.
- Pending clarification regarding the safety aspects of mobile technology, the USO should ensure that consumers are given the choice of fixed connection or mobile.

Whilst the City Council would wish to see broadband available to all residents, and have concerns regarding broadband accessibility in rural areas, we would agree that the case for extending the USO to broadband is not currently strong. However, the case could change on both economic efficiency and equity grounds as broadband services develop if, at the same time, part of the local (rural) population continues to be unable to access broadband.

Q4/Q5

We would support the proposal to focus the scheme on customers on low income rather than low usage. However:

- the threshold of household income of £10,400 appears to be regardless of occupancy – it seems inequitable to apply the same threshold to individual occupiers as for families
- there is no reference to any annual review of the threshold – is it proposed that the actual figure would change in line with changes in median household income?
- We would question the need for the additional requirement related to means tested benefits.

Q6

Based on evidence in the Review, we would support Ofcom's view that BT should promote its portfolio of debt management and affordability services more effectively to customers experiencing payment difficulties.

Q7

- We believe that the local veto should be maintained and that local public bodies are the most appropriate consultees. Whilst we would not be opposed to the suggested list of higher-level bodies, as a two-tier District we would wish it to be

made clear which body has responsibility for consultation with the local community. We would also wish to see clear guidance on relevant objections to proposed PCB removal.

- Extending the definition of “site” to 200 metres walking distance seems reasonable.
- The consultation period should be extended to 90 days as Ofcom suggests, especially if the higher level bodies become responsible for local consultation
- We would question the incidence of vandalism as a factor – it is likely to be the case that high levels of vandalism occur in some of the most deprived areas and removal of the PCB could have a relatively greater impact on the community affected. PCB removal should only be a last resort once other options aimed at reducing the incidence or impact of vandalism have been considered. In addition to the other factors mentioned in the Review, we would also suggest, for urban areas, consideration of the ranking, in the Index of Deprivation, of the ‘Super Output Area’ within which the PCB is located
- We do not believe that a revenue threshold should be applied

Q8

We would not favour Approach 2.

Q9/10

Emergency and freephone call boxes could be an acceptable alternative under certain circumstances but any proposals should still be subject to local public body consent.

Q15

We would support Ofcom’s preferred option to maintain existing obligations whilst ensuring providers meet their obligation to consult on the design of PCBs.

Q16

We agree that the obligation should be redefined to apply to all subscribers who are not able to read printed bills and contracts.

Q17/18

Our preference is that all customers pay a standard charge for connection and that there should be no threshold on the first line at a site unless there is clear evidence that this approach would impose an unreasonable financial burden on BT. As noted in the Review, there is no information available on those customers who have decided not to proceed where costs would exceed £3,400. Whilst we accept that the very small number of customers paying excess charges is not a sufficient basis for arguing that the impact on BT of removing the threshold would be small, equally there is insufficient evidence to act as a basis for retaining the threshold. If Ofcom were to consent to a threshold we would anticipate that individual circumstances would be taken into account including ability to pay and need for the connection.

Q19

We would support Ofcom’s preferred option (Option 2)