

Response to *Changes to making local calls in five area codes* consultation document from Norman Baker MP (for Lewes) on proposed changes to dialling phone numbers in 01273 area (Brighton & Hove)

Email from Norman Baker MP to Ofcom on 25 July 2013

Thank you for your swift and detailed reply, which I much appreciate.

I suspect with 106 different phone companies having a batch of 1000 numbers, there will be a lot of unused numbers out there, and it seems to me that this is what is driving the change you propose to introduce. To that end, I welcome the pilot scheme you refer to in your penultimate paragraph. I would like to thank if that has the effect of releasing lots of spare numbers, you would reconsider your proposed course of action or at least be prepared to consider deferring it beyond the 2014 date.

Email from Ofcom to Norman Baker MP on 24 July 2013

In your email, you ask if Ofcom really needs to take the measure proposed to increase the supply of local numbers in the Brighton 01273 area code. The answer is that action is definitely required. Our stock of geographic telephone numbers (e.g. 01 and 020) available for allocation is limited. Currently we have 33 blocks of 1,000 numbers remaining and we forecast that, unless we take action, we will run out of number blocks to allocate to phone companies by early 2015. While this does not present a direct risk to the availability of numbers for consumers' use, a lack of numbers to allocate to phone companies could restrict the provision of services and deny local consumers the full benefits of competition. It is Ofcom's duty to ensure adequate numbers are available to provide communications services.

The number of phone companies offering fixed line services in the UK has increased significantly over the last ten years, providing more competition and choice for consumers. This has led to an increasing need for geographic numbers. In dynamic areas such as Brighton, demand for numbers has been driven by the number of telephone companies wanting to provide services to local consumers and businesses.

Although it may be surprising that demand for fixed line numbers continues to grow given the increase in mobile phone use, there does remain a steady demand for geographic numbers from phone companies and consumers. In the Brighton area code, on average, we allocate 18 blocks of 1,000 numbers a year. Around 85 per cent of UK households still have a fixed line phone, in some cases to support a broadband connection rather than used frequently to make and receive phone calls. The Brighton area code covers a population of over 345,000 and more than 170,000 premises, which places a relatively high demand on the 790,000 numbers currently available in the 01273 area code.

As you know from our correspondence over the past couple of years, Ofcom consulted in November 2010, September 2011 and March 2012 on measures designed to ensure the ongoing availability of geographic numbers across the UK. In September 2011 we decided that where an area with a four-digit area code (i.e. in the format 01XXX) needs more local numbers, we will increase supplies by stopping the ability to dial a local number without the area code from a fixed line when our existing supplies approach exhaustion in that area code. Consumers are already used to dialling the area code from mobile telephones. Closing local dialling allows us to make local numbers beginning with '0' and '1' available for use. In Brighton, this makes 206,000 more numbers available and extends our forecast for number availability to 2026.

The first area code in which our supplies of geographic numbers approached exhaustion after taking this decision was Bournemouth. We worked with an industry group to deliver a local information campaign and a co-ordinated plan for the closure of local dialling in the Bournemouth (01202) area code. Implementation was completed successfully on 1 November 2012 and it appears to have caused minimal disruption to consumers. Prior to implementation, Ofcom commissioned a survey that indicated that 96 per cent of respondents were not concerned by the change.^[1] After its implementation, Ofcom did not receive any substantial contact or concern from consumers directly, and CPs reported little to no contact to their customer help services regarding this change. In our view, the local information campaign was important to the successful implementation in Bournemouth, with the survey indicating that 81 per cent of local consumers were aware of the change before it occurred. Under our proposals to close local dialling in Brighton and the other four area codes included in the consultation on 1 October 2014, we would coordinate the local communications campaigns with industry to ensure consumers were adequately informed, with particular attention to communications to older and vulnerable consumers.

You also mentioned that consumers are abandoning landline use. While it's true that 15% of homes are now 'mobile only' 85% still have a landline – possibly for broadband usage. We know that last year for the first time consumers made more phone calls from their mobile than they did from their landlines, so changes like the one we are proposing where consumers will have to dial the full area code should hopefully have minimal impact as consumers already need to do this when calling from a mobile.

In response to each of your specific questions below:

1. How many 01273 numbers were (i) allocated (ii) in use in (a) 2010 (b) 2013?

In July 2010, Ofcom had allocated 736,000 numbers to 93 different phone companies. In July 2013, this rose to 757,000 numbers allocated to 106 different phone companies.

Not all of the allocated numbers are in use, and we do not have precise figures. Phone companies need to hold a stock of numbers to be in a position to compete for customers and react to new business requirements within a reasonable timeframe and therefore need to plan ahead to meet demand.

Also, technical restrictions in some networks, including BT's, means that currently we are generally unable to allocate geographic numbers in blocks smaller than 1,000 numbers. This has implications for utilisation levels of allocated numbers, however there are measures in place designed to ensure that numbers are used as efficiently as possible. For instance, applications for an allocation of numbers must be justified by forecast demand and requests for additional numbers in an area are only granted to a phone company if it has used a significant proportion of its existing allocation. We regularly audit allocations and withdraw unused number blocks. Data that we gathered in 2010 suggests that the seven largest phone companies utilise in aggregate 73% of their numbering allocations.

2. What your estimate is for the number of 01273 numbers which will be (i) allocated (ii) in use by October 2014

We estimate that around 781,000 numbers will be allocated by October 2014. We can not forecast the quantity of numbers that will be in use.

3. What you are doing to reallocate batched numbers which have been allocated but not used?

We took early action to conserve numbers in the Brighton area code. Owing to historical high demand for numbers, the 01273 code was one of the first areas in the UK to have conservation measures in the form of a move from allocating numbers in blocks of 10,000 to 1,000 numbers. This measure was designed to ensure that 01273 numbers were used more efficiently by phone companies and thereby extend the time before number supply measures were required. It also allowed us to reclaim unused allocated numbers in smaller batches through the audit process.

We regularly audit phone companies on their use of allocated numbers, concentrating on areas such as Brighton that are experiencing the highest levels of number block scarcity. Based on the audit returns, we seek to reclaim unused blocks from communications provider and this reclamation process has proved successful in improving number block availability.

Our approach to encouraging phone companies to return unused number blocks includes the introduction on 1 April 2013 of a pilot scheme to charge phone companies for numbers allocated to them in the 30 area codes with the fewest number blocks remaining available for allocation and this includes Brighton.

Email from Norman Baker to Ofcom on 19 July 2013

Thanks for letting me know your plans, but is this really necessary? I had formed the impression that mobile uptake was such that people were abandoning their landlines. To be clear could you please let me know:

1. How many 01273 numbers were (i) allocated (ii) in use in (a) 2010 (b) 2013?
2. What your estimate is for the number of 01273 numbers which will be (i) allocated (ii) in use by October 2014?
3. What you are doing to reallocate batched numbers which have been allocated but not used?