

Meeting:	Safer and Stronger Communities Scrutiny Sub-Committee
Date:	5 July 2006
Subject:	Removal of Public Call Boxes
Responsible Officer:	Paul Najsarek, Director, People Performance and Policy
Contact Officer:	Ed Hammond, Scrutiny Officer Heather Smith, Scrutiny Officer
Portfolio Holder:	Councillor David Ashton, Business Development
Key Decision:	No
Status:	Part I

Section 1: Summary

Decision Required

- 1) That a review group be established to consider the question of the removal of public call boxes.
- 2) That the review group report its findings and recommendations to the sub committee's next meeting.

Reason for report

This report relates to the commissioning of a short-term review into how the council should consult its residents on the subject of removal of public call boxes, as it is empowered to do under the Office of Communications' Universal Service Obligation (a document which defines BT's obligations to the general public).

Benefits

Conducting a review into this subject will allow the council to take a strategic view of the provision of public telephone facilities borough-wide, and will enable the council to formulate a robust and inclusive regime for consulting on PCB removal, in light of the Community Engagement Strategy and last year's Hear/Say scrutiny review of community engagement.

This issue, relating as it does to the provision of telephone facilities to all the borough's residents but in particular the vulnerable, physically infirm or economically and socially disadvantaged, is important and is an issue of public concern.

It will allow the council to face future changes to the Universal Service Obligations, and more radical reforms of the telecommunications market which may impact adversely on local residents, with confidence.

Cost of Proposals

The cost of the review is included in the annual scrutiny budget, which has already been agreed. No additional expenditure is required.

Risks

- 1) That BT Payphones will be unwilling to engage with the council on this issue.
- 2) That local people will be unwilling to engage with the council on this issue.
- 3) That, for these reasons, the review will have a limited impact on the council's external relationships.

Implications if recommendations rejected

- 1) The sub committee will be unable to contribute to an area of policy development.
- 2) The council will lose an opportunity to develop closer links with a large utility provider who provides an important service to many local residents (BT Payphones).

Section 2: Report

2.1 Brief History

The Office of the Communications Regulator (Ofcom) have written to the Council outlining new processes which are being put in place to govern the way that British Telecom (BT) consult on the removal of public call boxes (PCBs).

A PCB is defined as a public call box on a public highway. Other public calling facilities – including public telephones in pubs, restaurants and

shops – are not included, as they are managed by the owners of those properties. This may be significant factor in terms of public amenity.

BT will, as before, be obliged to consult with the council over plans to remove certain (not all) PCBs, but some key changes are being made to the consultation arrangements. These changes are outlined in section 2.3 of this report.

It was thought that this was an issue, impacting significantly on local residents, which scrutiny could assist the council in resolving, as part of the responsibility to hold external bodies to account, and assist in the development of corporate policy.

This report provides background information on work carried out so far, and also requests that the Sub-Committee approves the attached scope for a short term review on the subject, to report back in September.

2.2 Background

London's first PCB was installed in 1906 - many PCBs, however, were installed in the 1920s and 30s when telephone subscription was still at a relatively low level. The sites of many of the PCBs currently operating in Harrow therefore date from the laying out of London's outer suburbs, including large parts of Harrow (although few of the original K6 model red telephone boxes remain).

BT operates under what is called a Universal Service Obligation (USO). This is similar to the USO which applies to the Royal Mail, obliging them to provide a postal delivery service for all addresses in the United Kingdom. For BT, this translates as a unique obligation¹ to provide universal telephone services across Britain. Included within this is an obligation to provide an "adequate" number of PCBs. This obligation is not in itself being amended, although the interpretation of the word "adequate" is obviously highly subjective.

The USO was agreed after the breakup of the GPO and the privatisation of British Telecom in the 1980s, under the provisions of the Telecommunications Act 1984. This act also set up OfTel, of which Ofcom is the successor organisation. As regulator, it is Ofcom's responsibility to assess BT's performance under the USO and to examine whether any changes to it are required.

Since that time, the USO obligations relating to PCBs have been transferred to BT Payphones, a subsidiary company wholly owned by BT. However, Ofcom has stated that in a more competitive commercial market the USO may be difficult to retain in its current form. This consultation might be considered to be an amending measure which may precede a more wholesale reconsideration by the Government of BT's responsibilities at a later date².

¹ Unique in Harrow, and most of the country, although in Hull telephone services are operated by Kingston Communications, until recently owned by the local council. The USO refers to Kingston Communications as well as BT throughout in reference to its USO.

² Especially with "local loop unbundling" having meant that BT will no longer exclusively control and lease out individual subscribers' lines to local exchanges.

Ofcom has accepted a submission from BT that revenue from PCBs has been falling dramatically recently. BT still make money overall from PCBs, mainly due to high use in urban areas and the introduction of boxes allowing texting and internet access. However, BT say that six out of ten PCBs now lose them money (this is a national figure). BT wants to be able to remove more boxes, to ensure that its lessening income can support that PCBs that remain. History shows that the necessities of PCB maintenance can affect profitability – probably one of the main reasons that previous attempts by private companies to establish large-scale PCB networks in competition to BT (Mercury, Interphone/Thus) have largely failed.

Hitherto, relatively stringent arrangements have been in place to ensure that, when BT are considering removing a PCB, they provide an opportunity for local people to air their views. The USO makes provision for consultation on PCB removal, which is to be led by the local authority concerned. This central requirement remains, although other elements have changed.

2.3 New arrangements

Ofcom consulted on an amended USO in respect of PCBs in early 2005. A number of local authorities responded (although Harrow did not). The revised USO contains a number of changes, as follows:

Expansion of the definition of “site” from 100 to 400 metres – this is probably the most significant amendment. The rules on PCB removal are based on a requirement for BT to inform the local authority whenever the last PCB on a “site” (defined now as a circle of radius 400 metres) is to be removed. The local authority has the veto over the removal of any boxes within a site, and should carry out a consultation with local people to identify whether removal is justified. However, for all other boxes, where there is another PCB within a 400 metre radius there is no responsibility to consult, or even apparently for BT to inform the local authority of a decision to remove the box (although BT have informed the council that they will do so as a matter of courtesy).

Extension of consultation period to 90 days – up until the USO review, the local authority was given 42 days to consult with local groups and other organisations on PCB removal proposals. This has now been extended to 90 days³, to provide greater “openness and transparency”.

Cashless operation – BT have stated an intention, in certain areas, to convert certain PCBs to cashless operation. This means that they can no longer be used with coins, but can be used with credit and debit cards, phonecards and free for emergency calls. Ofcom has altered the USO

It should obviously be emphasised that the consultation on these proposals has been completed already. The consultation period ended in March 2005, and the USO has now been amended accordingly, so Harrow can only have an input into the process of the consultation within this framework.

³ It is unclear whether this is 90 working days, or 90 actual days.

2.4 BT's plans

There are currently 177 PCBs in Harrow. BT plans to remove six, and to make one cashless. There is no particular "trigger" for considering a PCB for removal, but issues such as revenue and use are looked at annually.

The locations are as follows:

Removal

Shaftesbury Parade Harrow	HA2 0AJ
Maricas Ave, Harrow	HA3 6JA
Walton Drive, Harrow	HA1 4XB
Pinner View, Harrow	HA1 4RP
Kenton Lane, Harrow	HA3 8RP
Whitchurch Lane, Edgware	HA8 6JZ

Cashless

Village Way, Pinner	HA5 5AA
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Confirmation is awaited on which PCBs will be further than 400m from the nearest other box and thus subject to the requirement to consult.

Where boxes are within 400 metres of another box, BT plans to send a courtesy letter to the council to inform them of the decision to remove, but obviously a local veto will not apply and BT will be able to go ahead regardless.

2.5 Possible action

Broadly, the council could carry out consultations, as empowered under the Universal Service Obligation, in one of three ways. Members are not being asked to make a judgment on these now, but they are provided for information and as an indication of the issues which the review group, when constituted, will consider and make a judgment upon.

Option 1: a presumption in all cases to utilise the veto. The council would consult with local groups as required under the Telecommunications Act, but would tend to support any respondent opposed to the PCB removal, on the ground that a case for retention can be made even if use is extremely light and infrequent.

There may be problems with this approach:

- Making this kind of presumption would probably result in an allegation that the council was fettering its discretion to apply the Act, rendering the authority open to a judicial review by BT. In some cases it might fall foul of the requirement that a decision to veto be "objectively justifiable".
- It would be overly inflexible, not recognising the changing needs of Harrow residents, or of the business pressures BT is under to financially support the rest of the PCB network.
- It might not take account of anti-social behaviour issues surrounding certain boxes. BT has stated that removal and cashless conversion would be steps it would consider if a PCB

was subjected to sustained vandalism. Under these circumstances the PCB would arguably be a magnet for crime, and a natural presumption in favour of retention might be ill-founded.

- It would be difficult to engage BT on decisions they were making regarding other PCBs in the area not subject to the consultation requirements.

Option 2: consult on a case by case basis with local residents and make a veto decision accordingly. This would ensure that the opinions and needs of local people are at the forefront. This seems to be the approach taken by this and other authorities when PCB consultations have been carried out in the past.

Potential problems:

- It would be relatively resource intensive.
- The council would be subject to the wishes of BT, and would not be in a position to be able to discuss strategically placement of PCBs more generally, being limited to discussion of single boxes at a time.
- Steps would have to be taken to ensure that members, when making decisions on how to respond to a consultation, did not presume at the outset in favour of exercising the veto (which would result in the problems outlined in option 1 above).

Option 3: attempt to establish an ongoing dialogue with BT over PCB removal in general. Rather than a reactive approach, responding to individual PCB removal, the council could engage with BT to consider the future for public call boxes in general. This would hopefully enable both organisations to take a more flexible approach, taking into account the number and location of PCBs across the borough rather than merely those that are within 400 m of another. It would also vitiate against a fear, should this issue gain more popular currency, that BT might take the opportunity to remove all those PCBs within 400 m of another, leaving the borough with a “bare bones” network which residents might not consider adequate for their needs.

Again, this approach may create problems.

- There is the potential for a duplication of consultation, as whatever other arrangements were established the council would still be obliged to consult whenever a PCB removal was announced.
- There are resource implications for ongoing dialogue with BT.
- BT might prefer not to involve the council in making decisions on the removal of other PCBs, claiming it is an internal business decision and that the council is attempting to circumvent and expand the consultation requirements by stealth.

The scope attached will allow members to look into these issues in more detail, and ascertain whether one of these options presents an appropriate model for consultation, or whether additional options should be considered.

2.3 Consultation

Not applicable, with reference to this report, although the scope itself suggests a possible consultation exercise.

2.4 Financial Implications

The scrutiny budget for 2006/07 is £340,400 which is made up of £266,050 for salaries and £74,350 for projects and other expenditure. This programme of work will be delivered within this provision and this report is not seeking additional financial resources. Further work to ascertain the cost of the project can be undertaken should Members undertake the review.

2.5 Legal Implications

The Council will, in whatever decision it ultimately takes in respect of its general approach to these matters, have to have regard to the potential for challenge thereto and the associated costs thereof.

2.6 Equalities Impact

Access to telephone facilities by the economically, socially, culturally, physically or mentally disadvantaged.

2.7 Section 17 Crime and Disorder Act 1998 Considerations

The issue of vandalism of public call boxes may need to be considered. Access to emergency services by vulnerable groups may also require consideration.

Section 3: Supporting Information/Background Documents

Appendix A: Draft scope

HARROW COUNCIL

SAFER AND STRONGER COMMUNITIES SCRUTINY SUB COMMITTEE

JULY 2006

DRAFT SCOPE

PUBLIC CALL BOXES: CONSULTATIONS ON REMOVAL BY BRITISH TELECOM

1	SUBJECT	Public call boxes
2	COMMITTEE	Safer and Stronger Communities Scrutiny Sub-Committee
3	REVIEW GROUP	To be confirmed
4	AIMS/OBJECTIVES	<ol style="list-style-type: none">1. To ascertain BT's current plans regarding removal of public call boxes within Harrow.2. To assess the necessity and use of public call boxes across the borough.3. To develop policy to guide the council's response to removal consultations.4. To develop an ongoing relationship between the council and BT Payphones.
5	MEASURES OF SUCCESS OF REVIEW	<ol style="list-style-type: none">1. Development of a coherent, effective and value for money way to assess the utility of public call boxes to the wider community.2. Long-term engagement with BT, and a mutual understanding of the needs of BT as a commercial organisation and the constraints and opportunities offered by the Universal Service Obligation, and from BT of the responsibilities of Harrow to protect the interests of its more vulnerable and economically disadvantaged residents.3. Engagement between the council and public on an issue of potentially significant public concern.
6	SCOPE	<p>BT has not yet put in train plans for individual public call box removal in the borough, but the council needs to develop a policy for responding to such proposals effectively by carrying out consultations with local people, a duty assigned to councils under Ofcom's Universal Service Obligation.</p> <p>As such, the scope should be to examine the use of public call boxes across the borough strategically, and to examine ways in which proposals for removal by BT can be consulted</p>

		upon most effectively, using the opportunities provided to the authority under the Universal Service Obligation.
7	SERVICE PRIORITIES (Corporate/Dept)	Make Harrow Safe, Sound and Supportive
8	REVIEW SPONSOR	Lynne McAdam
9	ACCOUNTABLE MANAGER	To be confirmed
10	SUPPORT OFFICER	Heather Smith, Scrutiny Officer
11	ADMINISTRATIVE SUPPORT	To be confirmed
12	EXTERNAL INPUT	Residents, British Telecom, other authorities, emergency services
13	METHODOLOGY	<p><i>Desktop research</i></p> <ul style="list-style-type: none"> • Current Ofcom regulations and guidance under the Universal Service Obligation. • BT's current plans in Harrow, including detailed performance and revenue information for PCBs in the borough. • Best practice: other authorities' response to similar plans nationwide. • Neighbouring authorities' response to PCB removal proposals close to Harrow's borders. <p><i>Work with BT and Ofcom</i></p> <ul style="list-style-type: none"> • Discussion on "best practice" for consultation according to the USO, or other arrangements between BT and local authorities in place. • Long-term plans for the borough in terms of provision of PCBs. Hearing with BT to identify how residents might be affected by proposed changes. <p><i>Work with the public</i></p> <ul style="list-style-type: none"> • Examining vitality profiles to identify areas of particular need. • Trialling three different consultation methods (one at each site) leading to an assessment as to the most effective and value for money way for local people, and the voluntary sector, to get their views heard, and analysing which seems to be the most successful, with reference to the principles adopted in the light of the Hear/Say review and the community engagement strategy.

14	EQUALITY IMPLICATIONS	The effect of the removal of public call boxes on vulnerable people will be considered.
15	CRIME AND DISORDER ACT IMPLICATIONS	The issue of vandalism of public call boxes may need to be considered. Access to emergency services by vulnerable groups may also require consideration.
16	ASSUMPTIONS/ CONSTRAINTS	That BT will be willing to engage in a more long-term basis with the council on PCB removal. That, if a new policy can be formulated on consultation, there will be the officer time and resources available to carry it out. That the consultation period (for pilot consultations) will be long enough to yield useful results.
17	TIMESCALE	Short term review – two months. To report back to September meeting of SSC.
18	RESOURCE COMMITMENTS	Scrutiny Officer, with administrative support where required.
19	REPORT AUTHOR	Scrutiny Officer with Group