

WEST NORTHAMPTONSHIRE COUNCIL CABINET

Tuesday 11th April 2023

Councillor Mike Hallam - Cabinet Member for Corporate Services

Report Title Consolidating phone lines into a single contract

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List of Approvers

Monitoring Officer	Catherine Whitehead	29/03/2023
Chief Finance Officer (S.151)	Martin Henry	15/03/2023
Other Director	Sarah Reed	15/03/2023
Communications Lead/Head of Communications	Becky Hutson	15/03/2023

List of Appendices

None

1. Purpose of Report

- 1.1. To seek approval for consolidation of our existing telephone landline provision from four sets of inherited arrangements into a single manageable contract.
- 1.2. To seek approval to recontract our telephone lines as digital lines, ensuring the Council is ready for the UK cessation of analogue phone lines in 2025.

2. Executive Summary

- 2.1 This report proposes that West Northamptonshire Council (WNC) consolidate all its phone lines into a single contract, delivering cost savings and reduced management overheads. It also covers the need to ensure all landlines are migrated to digital versions ahead of the UK cessation of analogue phone lines in 2025.
- 2.2 It is expected that procuring a single contract will reduce annual costs by around 15% against the current set of inherited contracts (currently £150k per annum). The costs are shared between WNC and its partners, but WNC expects to a saving of £10.5k per annum once implemented.

3. Recommendations

- 3.1 It is recommended that Cabinet:
 - 3.1.1 Agree to the Chief Information Officer carrying out a procurement process to select a new provider; and
 - 3.1.2 Authorise the Chief Information Officer to award the contract for a period of up to 5 years to the successful bidder on completion of the procurement process.

4. Reason for Recommendations

- 4.1 Consolidation of the Council's landline infrastructure into a single contract will lead to budget savings as we leverage economies of scale.
- 4.2 The UK is shutting down analogue phone services by 2025, known as the "Big Analogue Switch Off". The Council currently has many analogue telephone lines that will need to be migrated to a digital service to maintain business requirements, rendering existing contracts inappropriate.
- 4.3 Consolidation of contracts simplifies administration and account management, reducing staff time and overheads in managing our telephony and is also expected to lead to a reduction in the number of landlines.

5. Report Background

- 5.1 As part of the justification for the creation of a unitary council, it is expected that budget savings (from operating at scale) and reduced overheads (from standardisation and simplification) are found by rationalising and consolidating software and systems.
- 5.2 The Council has multiple contracts for telephony "land lines" inherited from its four predecessor authorities including (but not limited to) major industry suppliers Virgin Media, Nasstar, BT, Gamma and Daisy.
- 5.3 There are currently 570 land lines used to manage various requirements, including:
 - Main phone system/customer contact lines
 - Intruder alarms

- Fire alarms
- Lift emergency lines
- Broadband /ADSL
- Emergency planning resilient lines
- EPOS payment solutions
- Payphones
- Car parking payment machines
- CCTV
- Air quality monitors
- Call Care services
- Solar power monitoring

Breakdown of lines per organisation - further detailed audit required to confirm.

	WNC	NNC	NCT-WNC	NCT-NNC
Line breakdown per organisation	351	97	90	32

- 5.4 Telecoms companies in the UK are replacing the technology they use to provide fixed telephone networks (land lines). In November 2017, the telecoms industry announced its intention to retire analogue telephone networks such as the Public Switched Telephone Network (PSTN) by the end of 2025. The industry will upgrade landline services to new digital technology using an internet connection.
- 5.5 As with other UK organisations, West Northamptonshire Council needs to seek alternative methods of provision for systems or technology which rely on analogue phone lines.

6. Issues and Choices

- 6.1 There are multiple telecoms suppliers providing landline services to the Council which is inefficient from a cost perspective and adds an administrative overhead for staff in terms of management as well as processing invoices and purchase orders.
- 6.2 A project to consolidate all the landlines with one supplier would drive cost savings through economies of scale, significantly reduce the administrative burden and ensure full alignment of contract dates. It is also expected that through the consolidation work a rationalisation, resulting in the number of landlines, would take place. For the reasons above, the option to consolidate landlines is the preferred choice.
- 6.3 Existing running costs are a combined cost (rental and call charges) of £150k per year and it is expected that this will reduce by 15% to a cost of £127.5k per year following migration.
- 6.4 Consideration has been given to the impacts of the proposed changes on those with protected characteristics and to do so an Equalities Screening Assessment (ESA) form has been completed to support the consideration. No negative impacts have been identified.

7. Implications (including financial implications)

7.1 Resources and Financial

7.2 The migration of landlines to a consolidated supplier and migration to digital lines sits within allocated revenue budgets and will not require further investment. It is expected that the council will see a decrease in spending of circa 15% after the project is completed (depending on the exact outcome of any procurement exercise).

7.3 Existing staff members will be used to manage the procurement and any necessary migration work, with no external resources required.

7.4 The below expenditure is expected for the duration of the contract 3+1+1 years, based on a migration timeline of one year. Costs show breakdown of organisation share and estimated 15% reduction in costs from year 2, following migration

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Total (five years)	WNC Total	NNC Total	NCT Total
Landline Rental	99,855	84,877	84,877	84,877	84,877	439,363			
call cost estimation	50,145	42,623	42,623	42,623	42,623	220,637	309,503	210,298	140,199
Total	150,000	127,500	127,500	127,500	127,500	660,000			
Savings	-	22,500	22,500	22,500	22,500	90,000	33,750	33,750	22,500

7.5 Legal

7.6 The proposed contract length as detailed in the financial information is 5 years which results in a total value of over £500k. The report therefore seeks authority from Cabinet to commence the procurement.

7.7 Risk

There is a risk during the migration process of service interruptions, as the cutover from one supplier to another takes place, or indeed a failed migration. These risks will be closely managed by WNC and the new supplier to minimise any service impacts.

7.8 Consultation and Communications

7.8.1 There is no requirement for formal consultation or communications with the public arising from this approach.

7.9 **Consideration by Overview and Scrutiny**

7.9.1 None.

7.10 **Climate Impact**

7.10.1 A reduction in the number of landlines used by WNC will result in a lower carbon footprint due to the reduced use of electricity.

7.11 **Community Impact**

7.11.1 If West Northamptonshire Council fails to react to the analogue shut-off, 662 lines will eventually be ceased and rendered inoperable. This would impact the services the council provides to the community.

8. **Background Papers**

None