

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

**8<sup>th</sup> November 2022**

## **Councillor Mike Hallam: Cabinet Member for HR & Corporate Services**

<b>Report Title</b>	<b>Economising on mobile telephony</b>
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### **Contributors/Checkers/Approvers**

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### **List of Appendices**

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#### **1. Purpose of Report**

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- 1.1. This report seeks approval to investigate an opportunity to make significant revenue savings on the cost of our mobile telephony.

#### **2. Executive Summary**

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- 2.1 Considerable work has been done to look at reviewing key technology contracts, looking for opportunities to renegotiate rates with the aim of achieving better value-for-money. Mobile technology is a key element of our ways of working at West Northants Council both during and

after Covid; with more hybrid working, spend has increased in this area. Our existing mobile telephony supplier has offered us a new contract, which can be taken up within a matter of weeks, that will deliver a 56% saving on current spend.

- 2.2 Corporate Services is seeking Cabinet approval to commit to a new contract, with an estimated £135k per annum saving for the Council which will reduce our current spending pressure on mobile technology as well as delivering ongoing efficiency savings.

### **3. Recommendations**

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- 3.1 It is recommended that Cabinet delegate authority to the Executive Director of Corporate Services in consultation with the Cabinet Member for HR & Corporate Services to award and enter into a renegotiated contract with our existing supplier.

### **4. Reason for Recommendations**

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- 4.1 Renegotiating the contract will enable the Council to achieve a reduction in the order of £134k per annum for WNC against the existing contract cost as well as reduction in cost for our partners North Northamptonshire Council and the Children's Trust. The latter impacts directly on the cost to the Council.

### **5. Report Background**

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- 5.1 Under the former LGSS shared service model, a joint contract for mobile telephony was taken out with a mobile telecoms company by Cambridgeshire County Council on behalf of itself, Milton Keynes Council and Northamptonshire County Council (NCC). On Vesting Day, West Northants Council inherited NCC's participation in this contract, covering its own usage and also that of former NCC staff in North Northamptonshire Council (NNC) and the Northamptonshire Children's Trust (NCT).
- 5.2 The contract currently costs around £640,000 per annum (variable depending on usage), of which WNC pays around £241,000 and NCT pays around £160,000. The remaining £239,000 is paid for by NNC.
- 5.3 The next renewal point for the contract is in June 2023. It would be challenging, but possible, to migrate to a new provider at this time, should we tender the contract. This is due to the logistical challenges of changing over almost 6,000 SIM cards in all devices. This would include staff handsets but also infrastructure requiring a data connection, e.g. traffic lights and digital signage on highways.
- 5.4 An analysis conducted on the inherited contractual spend against commercial offerings suggests that the Council (and the other former LGSS partners) are paying a relatively high cost for the service.

- 5.5 Council officers have pro-actively raised this concern with our mobile telecoms provider. The supplier has offered the opportunity to break the existing contract and take out a new one on a “2+1” basis (two years, with an optional extension of a further year). The new contract would be priced at around 56% cheaper than the existing one. For WNC, this equates to approximately £106k per annum overall, against the existing cost of £241,000. For NCT, this equates to £70k per annum, against the existing cost of £160,000. For NNC, this equates to approximately £105,000, against the existing cost of £239,000.
- 5.6 Given the need to realise significant savings for the organisation, which also benefits the Children’s Trust and North Northamptonshire Council, officers are seeking permission from Cabinet to explore this option, with delegated authority to enter into an agreement as described whose maximum length would be three years, and an approximate value of £281,000 per annum (so around £843,000 if taken for the full three years).

## **6. Issues and Choices**

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- 6.1 If councils wait until June to go through procurement, there will be a missed opportunity for 6 months of savings; approximately £67k in savings for WNC and NNC, and £45k for NCT. Missing this opportunity is unwise in the current harsh economic landscape. There is also a medium risk that should a different supplier be selected, SIMs would not be transferred over to a new supplier in time, alongside existing project timelines.
- 6.2 Opting out of a full procurement in June means we will not be able to test the market for an even cheaper solution. However, given the current macroeconomic state, officers deem it unlikely that costs can be driven down further than a 56% reduction in price.
- 6.3 Should officers agree to renegotiate the existing contract now, this would be done through a procurement framework, under a Direct Award Contract (DAC). DACs occur when a contract is awarded to a contractor without a competition, when there is only one appropriate supplier who can meet the criteria, or when there is a material change to an existing contract; the latter two factors would apply here as we would need a) continued service, and b) a significant change in the existing contract. All DACs over a value of £30k must be published.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

Pursuit of the new contract option, if agreed, would result in a saving to WNC equivalent to approximately £135k per annum, £134k per annum for NNC and a saving to NCT of £90k per annum. Final numbers would need to be calculated based on exact distribution of usage costs between the Council, NNC and NCT. Further, as the new contract would form a direct relationship between the Council and the telecoms provider, versus the indirect relationship currently held by CCC, Council officers would have the ability to better directly manage and control costs.

## 7.2 **Legal**

The Council must comply with Contract Procedure Rules and the Public Contract rules in relation to procurement of contracts. This proposal would utilise a framework arrangement to enable the negotiation to proceed without the need for a tendering exercise. The terms and conditions of the framework will dictate the procurement.

## 7.3 **Risk**

As a council we must comply with the Public Procurement Regulations 2015. Without utilising a direct framework call off, we would have to consider alternative frameworks or otherwise go to open market. Given the preliminary work already made seeking a framework this has been mitigated.

## 7.4 **Consultation**

No statutory consultation is required; however, engagement and consultation has been undertaken with the procurement team and our counterparts in CCC and MKC.

## 7.5 **Consideration by Overview and Scrutiny**

The details of any agreed new contract can be reviewed by the Overview and Scrutiny Committee on request.

## 7.6 **Climate Impact**

There are no climate impacts arising from this proposal.

## 7.7 **Community Impact**

In seeking ways to reduce the cost of Council contracts, the Council delivers public good for the community by using public money efficiently.

## 7.8 **Communications**

There is no communication impact arising from this proposal.

## 8. **Background Papers**

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