CAB2320
FOR DECISION
WARD(S): ALL

CABINET

11 APRIL 2012

PROCUREMENT OF A SHARED REPLACEMENT TELEPHONE SYSTEM WITH TEST VALLEY BOROUGH COUNCIL

REPORT OF HEAD OF INFORMATION MANAGEMENT & TECHNOLOGY

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RECENT REFERENCES:

2070 – Information Management & Technology: Collaborative Working with Test Valley Borough Council, 13 October 2010

2251 - Capital Programme Budget Consultation, 9 November 2011

2297 - Budget and Council Tax 2012/13, 8 February 2012

EXECUTIVE SUMMARY:

The Council and Test Valley Borough Council now have a shared Head of Service for Information Technology (IM&T). They also share an IT Service Desk.

With responsibility for the provision of telephony services to both Councils the IM&T Service has appraised a number of strategic and technical approaches to the future delivery of telephony in the Council.

The report details the suggested long-term technical solutions, and provides three options for providing a shared telephony environment, one of which is recommended.

The technical appraisals of the recommendation are outlined. Finance will undertake a financial appraisal prior to the commitment of the spend.

RECOMMENDATIONS:

1 That the Head of IM&T Service be authorised to procure a telephony system solution in conjunction with Test Valley Borough Council.

2 That planned £115,000 provision within the capital programme be released to fund the necessary network upgrades.

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DETAIL:

1 Introduction

1.1 Efficient, highly available and best value voice communications both for internal and external use is a fundamental element of an organisation's infrastructure. IM&T Service is responsible for maintaining the telephony systems at both Winchester City Council (WCC) and Test Valley Borough Council (TVBC) as 'fit-for-purpose'. Ensuring supportable and sustainable telephony hardware and software assets ensures this is the case. Opportunities have been identified in the shared IT Service which indicates that convergence of both Councils' telephony systems would bring positive operational benefits beyond the simple delivery of telephony voice services.

2 Background

2.1 WCC has an Aastra MD110 system that is over 9 years old, in need of replacement and at high risk of failure. WCC is dependant on a single location and does not have a back up system nor local Disaster Recovery (DR) facility for their telephony system.

2.2 TVBC has a voice over internet protocol (VoIP) capable telephone solution based on a Mitel 3300 infrastructure. Many of the system components are now in need of replacement (refresh) and a limited capital budget exists to achieve this.

2.3 IM&T Service has appraised the advantages to be gained from the resources in place in the shared IT Service, the high speed communications in place between both Councils, and the economies of scale negotiated from suppliers through a joint procurement and support.

3 Corporate Objectives and Priorities

3.1 The following benefits and features will be expected as a result of the adoption of a single system:

- A fit-for-purpose telephone system comprising internal and external communications; Contact Centre; Voicemail; and PCI-DSS-compliant Voice Recording.

- Built-in resilience using a Primary/Secondary datacentre model allowing use of telephony in one Council should the other fail.
- Single Contact Centre facilities enabling options towards a platform for future sharing of front-line staff (if required).
- Internal resourcing enabling shared back-office services (if required).
- "Follow-me" technology allowing staff to have a single telephone extension in multiple locations, e.g. Andover, Romsey or Winchester.
- "Unified Communications", a term describing the enablement of internet-based communications for home or flexible-workers, giving the potential for officers to work remotely with internet-based telephone and desktop access over broadband or 3G (and soon 4G) connections.
- Single support contract reducing support bills by up to 50%.
- Single site administration and maintenance resources (using the shared IT Service Desk).
- Savings in call costs by use of Internet-based call transmission instead of traditional BT lines.
- Scalable platform for rolling out telephony solutions for future partners, or integration with their own in-house solutions.

4 Options

4.1 From initial high-level discussions, three options are apparent and have been the subject of detailed technical appraisal:

1. Replace each Council's system separately, but rationalise to a single supplier to provide economies of scale and support.
2. Implement a single system used over both Councils using a resilient design.
3. Replace the existing systems with the Virgin Media/Avaya solution using the HPSN2 Framework.

5 Option Appraisal

5.1 After consideration option 2 is being recommended as providing the most technically straightforward approach, coupled with medium to long-term savings over option 1 due to the joint system. Further savings will be facilitated in line utilisation, and support efficiencies. The HPSN2 Framework option (3) was rejected on both the high initial capital cost, and the high ongoing costs, effectively doubling the annual revenue over option 2.

5.2 The following table gives the summary breakdown of indicative investment summaries for the three options. The capital assets resulting from each will have a life cycle of 5 years, which is standard for this type of IT equipment under both Councils' Asset Management plans:

<table>
<tr><th colspan="2">Options Considered: (All associated costs) Capital & Revenue</th></tr>
<tr><td><u>TVBC</u>
<u>Option 1:</u>
Capital Cost £180,000
Revenue £21,000 pa
Net revenue neutral</td><td><u>WCC</u>
<u>Option 1:</u>
Capital Cost £180,000
Revenue £21,000 pa
Net revenue £4,000 saving</td></tr>
<tr><td colspan="2"><u>Option 2: (preferred option)</u>
Capital Cost £230,000 (£115,000 per authority)
Revenue £20,000 (£10,000 per authority)
Net revenue
£11,000 saving (TVBC) £15,000 saving (WCC)</td></tr>
<tr><td><u>Option 3:</u>
Capital cost £223,000
Revenue £20,000 pa
Net revenue £1,000 saving</td><td><u>Option 3:</u>
Capital cost £175,000
Revenue £20,000 pa
Net revenue £5,000 saving</td></tr>
</table>

5.3 Further indirect advantages for option 2 include a rationalisation of BT lines to bring further revenue savings. These will be generated by the move to Internet-based call traffic (SIP) in replacement of ISDN. Indicative savings are £30,000 pa at WCC and £15,000 pa for TVBC.

5.4 The resilience built in to the joint solution will negate (in conjunction with the shared infrastructure proposal) the need for the £11,000 annual disaster standby contract which WCC has with an external supplier. This is especially the case in that a joint system will facilitate shared office use between the two Councils in such an eventuality, an arrangement which has been in place for the use of certain applications (Revs and Bens) in some Services for several years.

5.5 The new telephony infrastructure will run over the Winchester IT network. To ensure the network is capable of carrying voice traffic, and powering telephone handsets the planned network upgrade will need to be implemented. £95,000 is provisioned in 2012/13 (and further £20,000 in 2013/14) to enable this to be done and will need to be released to further the project.

6 <u>Consultations/Communications</u>

6.1 The technical assessment team has undertaken workshops with relevant staff at both Councils to ensure that their joint and individual requirements are understood and would be part of the acceptance criteria for a procurement project.

<u>OTHER CONSIDERATIONS:</u>

7 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

7.1 The provision of effective voice telecommunications and associated services is a key factor in ensuring improvements in the Access to Services element of the Winchester District Community Strategy 2010-2020.

8 RESOURCE IMPLICATIONS:

8.1 The requirement for £115,000 capital investment was stated in the General Budget Fund proposals (CAB2297).

8.2 The requirement for a separate £115,000 capital investment for elements of the IT network infrastructure was stated in the General Budget Fund proposals (CAB2251).

9 RISK MANAGEMENT ISSUES

9.1 A risk assessment has been completed in accordance with standard risk management process and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

None.