


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>5<sup>th</sup> December 2016</b></p>	
<p><b>ICT Transition - Assuring Service Continuity Phase 3 – Transformation of Telephony and Network Services</b></p>	
<p><b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the agenda provides exempt information in connection with this report.</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: Yes</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Executive Director: Nigel Palace, Chief Executive</b></p>	
<p><b>Report Author:</b> Jackie Hudson, Transition Director, shared ICT services</p>	<p><b>Contact Details:</b> <b>Tel:</b> 020 8753 2946 <b>Email:</b> jackie.hudson@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. The council last updated its telephony and network equipment in 1999 with a major refresh funded by a capital spend of over £1 million. This means the telephony switch equipment now is 17 years old, antiquated and has come to the end-of-life.
- 1.2. The outdated equipment at the heart of the telephony service, without an upgrade, risks compromising all phone calls including residents' telephone calls to and from the council and staff telephone calls internally. Therefore, the council must carry out a major upgrade with some urgency.
- 1.3. In addition, the council also has some end of life network equipment which again would threaten service disruption if not replaced soon. This paper recommends its replacement.

- 1.4. Finally, a major business change, the Hammersmith town hall (HTH) refurbishment, demands modern technology to deliver future-proofed services and a further significant increase in mobile working. The recommendation in this paper also supports this major change.
- 1.5. The council's joint network team is commissioning and overseeing the delivery of any change detailed below. The service tower 4 partner (BT) is delivering commodity items including providing the data circuits, hardware and the managed services infrastructure support, service, design, and delivery.
- 1.6. This paper proposes that BT, through the Lot 4 agreement (Call Off Contract – Relating to Information and Technology Services), installs new telephone and network lines plus associated services, to meet the following six requirements:
  1. Hammersmith corporate network and broadband sites
    - BT will replace H&F's existing corporate network with BT's new service to 29 larger sites. This new service is a private cloud based service that offers multiple network access options in terms of improved performance, service levels, support, and availability.
    - Secondly, BT will replace the whole series of 69 remote users / small sites (e.g.) Sheltered Housing sites, who currently experience poor quality connections and service. Instead, the new replacement service will use an internet based service called Super-Fast Broadband ("SFBB") that results in better connections, support, and consistent speed.
  2. Hammersmith telephony trunking - this consists of three distinct elements;
    - This would take all H&F's outdated telephony systems and upgrade and bundle them into just one single service, known as SIP. This is the highest standard of technology for all telephone calls and services.
    - The council now has over 6000 telephone lines i.e. direct dial lines for round 2,600 staff. The plan is to consolidate these lines into this new SIP service. This will completely digitise the service i.e. see the end of more analogue calls and equipment.
    - The council must have enough SIP channels to support existing digital inbound and outbound call volumes and usage, Netcall and Interactive Voice Recognition (IVR). This will support those corporate contact centre services.
  3. Hammersmith Secure Internet Gateway
    - The council must have access to a gateway for all the Internet transactions that it currently does: Netcall Service centre, Adult Social care, staff access to Internet etc. This ensures all data and transactions remain safe and secure in line with the latest standards for the Internet.

#### 4. Network Hardware Support

- The council must ensure its present estate of network hardware equipment is protected with the appropriate level of support. This measure ensures the council receives the right level of support and maintenance for its four key vendors (Cisco, Aruba, Juniper and F5).

#### 5. Unify Openscape Unified Communications system upgrade

- This project will see the upgrade of the council's present Openscape Unified Communications solution to the latest version. The current version is now end-of-life and will soon be out of support with its supplier. It remains a critical council business system and requires an immediate upgrade.

#### 6. Netcall migration to fully hosted solution

- Netcall runs all the councils contact centre and IVR telephone menu technology. As such, it is one of the councils most critical systems to both staff and residents, and it also must be upgraded for this business critical system to be as secure as possible. Therefore it must be moved to a hosted solution off council premises. This will ensure greater connectivity, safer connections and improved resilience and maintenance. In addition, the Netcall system software itself will be upgraded to the latest version.

## **2. RECOMMENDATIONS**

- 2.1. The Cabinet is asked to approve the purchase of new telephone and network lines with associated managed services from BT, as described in section 1.6 of this report, for a one off cost of approximately £449,000. In addition to modernising the equipment, this will enable a saving of at least £187,000 per year against an existing budget of c.£748,000.

## **3. REASONS FOR DECISION**

- 3.1. The recommendation is on the basis that the savings associated will be in the order of £859,000 over 5 years.
- 3.2. The report seeks approval of funding to improve the quality of ICT service currently experienced by residents and staff.
- 3.3. The council has business critical services which it has to continue to provide post the end of the service contract with HFBP. These include among other services the platforms for all inbound and outbound calls to residents.
- 3.4. The council needs to have the capacity to deliver the HTH refurbishment to a high quality with good ICT.
- 3.5. Much of the ICT equipment and systems described here are nearing end-of-life.

3.6. These works will ensure the Council stops using end-of-life telephony and network equipment that are up to 17 years old.

#### 4. BUSINESS BENEFITS

- 4.1. The proposed investment future proofs the council’s ICT service delivery for at least the next 5 years, and guarantees the critical continuity of service to council and residents.
- 4.2. Large cost reductions in annual charges when compared to existing network and telephony spend.
- 4.3. The joint network team will create a single consolidated service infrastructure whereby there is only one set of hardware and software to support which yields further efficiencies. In addition, there will be just one single vendor point of contact (BT) for all the technologies outlined here.
- 4.4. By using the very latest consistent broadband, network and technology standards, there will be increased capacity and availability to critical services, sites, and its users, providing higher performance at a lower cost.
- 4.5. The council and residents will benefit from modern, much improved standardised network security - thus ensuring the integrity and priority of data and information. Such measures provide a common platform for H&F council to share applications and services, with further expandability for other online services, facilitates sharing with other councils. For residents, it means easier more reliable ways to contact the council.
- 4.6. Improved management reporting of both incoming and outgoing calls with statistics on numbers of calls abandoned, answered, etc. On outgoing calls, H&F will have access to better statistics and billing data.

#### 5. FINANCIAL COSTS

5.1. Below is a summary of the financial considerations for all the recommended projects:

Project	One-Off Costs (£'000's)	FY 16/17 Q4	FY 17/18	FY 18/19	FY 19/20	FY 20/21
<b>Total Cost</b>	<b>449</b>	<b>84</b>	<b>561</b>	<b>561</b>	<b>557</b>	<b>557</b>
<b>Current Cost</b>	<b>N/A</b>	<b>187</b>	<b>748</b>	<b>748</b>	<b>744</b>	<b>744</b>
<b>Saving</b>	<b>N/A</b>	<b>103</b>	<b>187</b>	<b>187</b>	<b>191</b>	<b>191</b>

## **6. IT STRATEGY IMPLICATIONS**

- 6.1. The report is aligned with the current ICT strategy and vision of converging software and infrastructure, whilst enabling better collaboration and productivity amongst staff. It is a key enabler to a range of critical council initiatives, including the realisation of savings in excess of £4.7m.

Verified by: Ciara Shimidzu, Head of Information, Strategy and Projects, 0208 753 3895.

## **7. PROCUREMENT IMPLICATIONS**

- 7.1. There are no procurement related implications contained in the recommendations. It is the intention of the council to call off from an existing contractual arrangement that it has with BT.

Verified by: Alan Parry, Interim Head of Procurement (Job-share). Telephone 0208 753 2581.

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1. Delivery of the project will require up-front investment of £449,000. This will be funded from the Efficiency Projects Reserve (through a transfer to the IT Enablers Fund). The project will deliver anticipated annual savings of £187,000 per annum. The pay-back period of the up-front investment is 2.4 years.
- 8.2. The annual savings will contribute towards the existing MTFS target for overall IT savings of £4,700,000.

Verified by: Andrew Lord – Head of Strategic Planning and Monitoring - Finance 020 8753 2531.

## **9. LEGAL IMPLICATIONS**

- 9.1. No legal implications.

Implications completed by: Andre Jaskowiak, Deputy Team Leader (Contracts) 0207 361 2756.

## **10. RISK MANAGEMENT**

- 10.1. Several strategic risks, all relating to the timeliness and proximate risk, of decision-making need to be managed. A timely decision is essential or legal and procurement impact, staffing impact and service failure are all likely. These would impact negatively, if realised, on the following risks; managing in year and medium term budgets; market testing and achieving the best possible services at lowest possible cost to the local taxpayer; Service Resilience; decision making and the consequential impact on the reputation of services. A further risk is that of the complexity and risk in the programme generally.

- 10.2. An urgent upgrade to telephony equipment is needed. Without this the LBHF telephony switches are beyond end of life. Unless the council plans and implements renewal soon, it is likely that there will be a service failure where members of the public potentially would not be able to call into the council. This service failure would have significant reputational risk to the council and would incur extra cost to deliver the service, perhaps through differing resources whilst the issue is resolved.

Verified by: Michael Sloniowski, Shared Services Risk Manager, 0208 753 2587

**LOCAL GOVERNMENT ACT 1972 (AS AMENDED)  
BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT**

None.