

**REPORT FROM: CHIEF FINANCE OFFICER**

**TO: POLICY & RESOURCES COMMITTEE**

**DATE: 16<sup>TH</sup> SEPTEMBER 2021**

**Report Author:** Marie Mason  
**Tel. No:** 01282 661790  
**E-mail:** [marie.mason@pendle.gov.uk](mailto:marie.mason@pendle.gov.uk)

## **TELEPHONY UPGRADE**

### **PURPOSE OF REPORT**

To seek approval to proceed with the proposed upgrade to the Council's telephony system.

### **RECOMMENDATION**

That the proposed Telephony Upgrade be approved.

### **REASONS FOR RECOMMENDATION**

- (1) To replace the existing Mitel system which is currently end of life and no longer supported; thus ensuring the Council has a more secure and resilient telephony system.
- (2) To strengthen the Council's business continuity arrangements.
- (3) To further enable the transition to more mobile / agile working arrangements where appropriate.
- (4) To improve opportunities for enhanced collaborative working.

### **ISSUE**

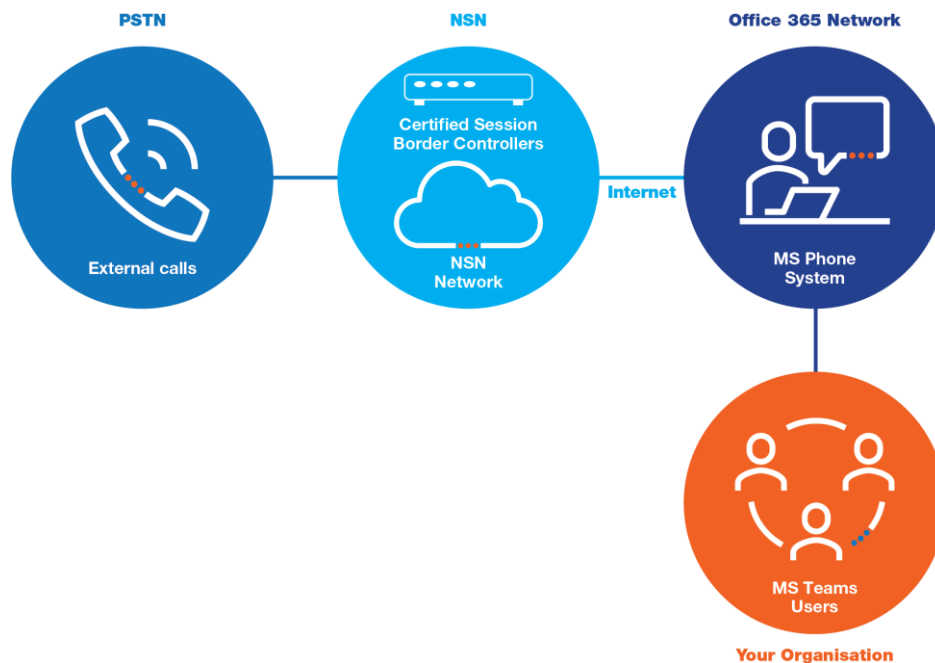
#### ***Background***

1. The Council's telephony system was last upgraded in 2009, when the Council moved from the Featurenet system to Mitel, which utilises Voice over Internet Protocol (VoIP). In simple terms, VoIP enables both voice (telephone) and data (e.g. personal computers) communications to operate through a single connection to the Council's IT network. Previously, with Featurenet, this required separate connections.
2. The Council required a telephony review be undertaken for the following reasons:
  - a. the existing contract / deal has come to an end;
  - b. the high costs involved with the solution;

- c. the current Mitel system is at end of life;
  - d. limited ability to facilitate remote and mobile working;
  - e. dissatisfaction with the service provider, mainly the timescales taken to resolve even minor issues;
  - f. to reduce telephony costs.
3. Following the rollout of Microsoft (MS) Teams to communicate with each other there is advantage in migrating the telephone system to MS Teams.
  4. There is also a requirement to upgrade the Wider Area Network (WAN) links to higher capacity links and replace the aging firewalls at all sites. This project is currently underway as part of the Council's Cyber Treatment Plan using Cyber Resilience Funding obtained from the Government.

### ***Proposed Telephony Solution***

5. The proposal is to move away from a traditional telephony system to a cloud system that would improve the Council's flexibility, costs and agility.
6. Most cloud telephony providers offer on-demand communication services, eliminating the need for their customers to build, operate and maintain any telephony hardware or software. In the past, organisations would need to estimate capacity required at each office location and install the appropriate hardware to meet demand. Cloud telephony means the Council / Liberata IT can spend less time on managing telephony and refocus resources where required.
7. The current Mitel system utilises ISDN30 circuits (ISDN delivers a combination of voice, video and data over a single fixed and hardwired line, to which multiple devices can be attached) for most outbound and inbound calls to the Public Switched Telephone Network (PSTN). This requires the use of physical handsets which are restrictive when adopting more agile working arrangements.
8. Also, ISDN technology will cease in 2025 and some vendors have already ceased provision of orders and upgrades.
9. It is proposed that the current Pendle Town Hall Mitel platform is replaced with a cloud hosted MS Teams Direct Routing solution. Direct Routing is a way to provide a connection to an external phone line (PSTN), such as BT, to MS Teams users so that they can make and receive external phone calls on any device. This solution will enable the Council to upgrade its telephony system using the latest technology as cost-effectively and efficiently as possible.
10. To do this the Council will utilise its existing MS Teams infrastructure and introduce the MS Teams telephony solution via a telecommunication provider of the Council's choice. This solution will eliminate the upfront costs of hardware investment and reduce ongoing maintenance expense whilst enabling users to retain their existing direct dial telephone numbers.
11. New Star Networks is the proposed cloud telephony provider, who already provide some of the Council's broadband lines and are a preferred partner of Liberata. NSN has links established with all other telecommunication network providers.
12. As part of this solution the licence costs include call allowances of 2,000 minutes to local and national destinations and 2,000 minutes to mobiles per user per month. The diagram below demonstrates how the new solution will operate and how it links into the Council's existing infrastructure:



### Existing Infrastructure Changes

13. Contact Centre & Mitel Platform – the existing contact centre solution and associated services will remain unchanged.

14. Handsets – all current Mitel handsets will be replaced by MS Teams compliant devices. The expectation is that there will be a shift from the traditional handset to headsets which supports the move to more mobile / agile working arrangements. In effect the user's laptop will become their telephone also.

### Analogue Lines

15. The Town Hall system has 6 analogue extensions configured via hardware on the phone system. Following an assessment by Liberata IT and the Council it is envisaged that all can be removed; however, there is further investigation required on one line to confirm it is no longer in use. This will be captured within the development of the Migration Strategy

16. Should this remaining line need to be retained, the potential costs associated with retaining it have been included. A summary of the costs associated with this project are included at the end of this report.

### Voicemail

17. MS Teams comes with voicemail as standard so no additional licences will be required for this feature. There is also the ability to setup personalised voicemail greetings with Teams.

### Call Reporting

18. The current call logger reporting solution (Oak) is managed and hosted by Capita. It can generate reports to assist in the cross-charging of calls to service areas but the system in use is not supported in a MS Teams environment. However, as the MS Teams / NSN solution will provide free monthly minutes it is anticipated that costs should be vastly reduced, potentially to £nil and so the need for cross charging may not be required.

19. However, should a replacement solution be required there is the possibility of using:

- a. the NSN Call Manager which can manage the inbound and outbound calls within the number estate, even down to user level;

- b. the MS Teams Admin Centre Usage Report which provides an overview of calling and audio conferencing activity across the organisation.

#### Call Recording

20. Back office telephony is currently out of scope for call recording. Currently calls are recorded by the contact centre and Liberata UK staff via the SmartCall call recording solution. Call recording is not currently available to Pendle Council and Pendle Leisure staff. This will remain the same.

#### Maintenance & Support

21. This will be a fully managed and supported end to end solution by Liberata IT and the telecommunications provider, NSN. All support will be provided by existing Liberata IT support staff who already support a similar solution for another client. Third line support will be provided by NSN. The IT Helpdesk will remain the first point of call for all telephony related calls.

#### **Migration Process**

22. A detailed Migration Strategy will need to be developed. The migration process is yet to be formalised as this requires more in-depth discussion and planning between the provider, NSN, Liberata IT Services and BT.

23. This will take place on approval of the project and will capture issues such as how shared telephone numbers will be treated, etc. It is envisaged at this stage that the migration would take place in stages; for example, moving blocks of 50 users at a time.

#### **Benefits**

##### Business Continuity / Resilience

24. The key benefit is the ability for the Council to become more agile and resilient in the delivery of services. This includes how we can react and respond to incidents that may affect our ability to continue to deliver our services from fixed locations.

25. There will be no requirement for additional Business Continuity measures as cloud telephony allows users to seamlessly send and receive calls in any location and from any internet-enabled device that supports an MS Teams client; for example, smart phone, tablet, PC, laptop, etc and that has an internet connection. Multiple devices can be used as long as the user is logged on to the Teams session.

##### Mobile Working

26. Mobile working has always been a challenge for the Council particularly around telephony. Previous options have mainly centred on the teleworker option being delivered to remote handsets over the internet, which is not flexible. However, with the upgrade there is now the option of using any internet enabled device as described above. Staff working from home can quite easily remain connected to the Council's cloud hosted Teams telephony system at all times.

27. The Council has already realised the benefits of using MS Teams for internal telephony as it has greatly helped council officers to stay in touch with each other during the pandemic when most of the Council have had to work from home at very short notice. The Teams client can run on more or less any device from any location and will assist the Council to have a truly mobile workforce once the Council uses Microsoft Teams for its main telephony system.

##### Reduced Costs

28. Whilst there will initially be a large capital outlay to implement this proposed solution, there will be ongoing reduced monthly call costs, overheads and softer benefits such as efficiencies gained from more mobile / agile working arrangements being maximised.

#### Experience

29. Staff have already been using MS Teams for some time now and so there are obvious benefits in retaining technology that staff have become used to. To introduce an alternative solution would result in staff needing to learn how to use the new technology.

30. There is also the added benefit that Liberata IT Services have already successfully implemented this solution with another client and so can bring the knowledge gained from that experience to Pendle.

#### **Costs / Investment Appraisal**

31. The costs, and any savings in relation to existing costs, associated with the implementation of the new telephony system are summarised in the table below. A more detailed breakdown can be found at Appendix 1.

(Based on a 275 user MS Teams Cloud Telephony installation)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Project Costs (Capex)	£24,700	£0	£0	£0	£0	£24,700
New Operational Costs (Opex)	£29,061	£29,061	£29,061	£29,061	£29,061	£145,305
New WAN costs (part of replacement project PR0038)	£6,325	£5,177	£5,177	£5,177	£5,177	£27,033
Existing Operational Costs *	(£50,131)	(£50,131)	(£50,131)	(£50,131)	(£50,131)	(£250,654)
Net Benefits	<b>-£9,955</b>	£15,893	£15,893	£15,893	£15,893	£53,615

Existing Operational Costs	2021/22
ISDN30 Rental	£12,972
Call Costs	£8,267
Mitel Maintenance Costs	£8,733
WAN Link Costs	£20,159
<b>Total</b>	<b>£50,131</b>

32. Acknowledging that the telephony system required upgrading, provision has been made in the Council's ICT Reserve / IT Capital Budget to fund the project.

## **IMPLICATIONS**

**Policy:** There are no direct policy implications arising from the contents of this report.

**Financial:** The financial implications are as given in the report. In addition to the cost of purchasing the required equipment identified, there is the cost of implementation which will be met by development days within the Liberata agreement.

**Legal:** There are no legal implications arising from the proposed telephony upgrade project. There is likely to be a need to agree a change control with Liberata in relation to the future management of the new system.

**Risk Management:** Provision of the telephony system is key to the delivery of Council services and as part of the project planning being undertaken, the risks associated with the upgrade are being considered along with risk mitigation measures.

**Health and Safety:** There are no health and safety issues arising directly from the contents of this report.

**Sustainability:** There are no sustainability issues arising directly from the contents of this report.

**Community Safety:** There are no community safety issues arising from this report.

**Equality and Diversity:** There are no direct equality and diversity issues arising from this report. However, there are possibly some implications for deaf/hard of hearing customers and staff which may need to be considered as part of the telephony solution.

## **APPENDICES**

Appendix 1 – Project Costs Breakdown