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## **TELEPHONES (Min 45/00)**

### **1 SUMMARY**

- 1.1 When this year's budget was prepared, Members requested that savings of £10,000 be identified in the central telecommunications budget. This report updates Members on the progress made towards that target.
- 1.2 The Council's telecommunication services are not statutory although, under the Government's proposals for "e-government", the use of the telephone in the delivery of services is proposed to count towards the target of 25% of services being offered electronically by 2002 and 100% by 2005.

### **2 TELECOMMUNICATIONS EQUIPMENT**

- 2.1 The Council's central telecommunication equipment comprises
  - Lucent Definity switch system with Tiger Call Management system acquired in 1997
  - Audix Voicemail system
  - 3 x fax machines
  - 16 x incoming BT lines to the main switchboard
  - 30 x outgoing Telewest lines
  - 2 x payphones (1 at Rayleigh and 1 at Rochford)
  - 20 x BT security, service and fax modem lines
  - 200 x DDI lines
  - 1 x private circuit to the depot
  - 50 x mobile telephones
  - 10 x ISDN lines
  - 1 x 64k kilostream link from Rochford to Rayleigh with ISDN "piggy back"
  - 1 x ISDN WAN (wide area network) datalink to Rochford depot
  - 1 x 256k leased internet line
- 2.2 Incoming calls are made to the Council via BT land lines either via the Council's switchboard or the direct dial inward (DDI) lines. However, the majority of outgoing calls are routed through Telewest under a previous cost savings agreement concluded with the Company. The exceptions to this are the security and support service lines, the payphone, and the voice and data traffic to the Council's depot and to Rayleigh which for technical reasons are routed through BT leased lines. In addition, a new leased line has been acquired to provide cost effective internet access.
- 2.3 Following a review of safety of Council staff working away from the offices, the Council's stock of mobile telephones has been increased

from 23 to 50 . As well as assisting personal safety, these telephones also afford productivity gains as it is now possible to provide staff with new work instructions without the need for those staff to return to base.

### **3 TELECOMMUNICATION USAGE**

- 3.1 In 1999, the total number of incoming and outgoing telephone calls for the Council was 368,034 and 143,951 respectively. For the period January – June 2000, the total number of incoming and outgoing calls were 228,101 and 83,793 which represents an increase of 18% and 19% respectively over the same period last year.
- 3.2 Discussions with Heads of Service suggest that this increase can be attributed to the general increase in the Council's workloads and an increase in the desire of the public to deal with the Council by telephone and fax. Conversations with officers at a number of other Essex Councils suggest that they have experienced a similar increase in calls. Although some of the increase earlier this year is attributable to the introduction of email and internet facilities, the switch to a leased line means that the link to the internet will in future be at a fixed annual cost. As well as offering improved control over costs, the line also facilitates improved internet access which will be vital for the development of electronic delivery of services.

### **4 TELECOMMUNICATION COSTS**

- 4.1 The telecommunications budget for 2000/01 is £42,100. This compares with the actual expenditure in 1999/2000 of £45,463 . In formulating this year's budget, Members included target savings of £10,000 in call charges. The current projected breakdown of expenditure is as follows

	Original budget 2000/01	Revised 2000/01 costs	2001/02 (no inflation allowance)
	£	£	£
Land equipment and line - rental	9,950	9,750	9,750
- maintenance and system changes	10,100	10,100	9,500
- call charges	5,350	13,400	13,400
Rayleigh land line rental	5,900	5,900	5,900
Pay phones - costs	1,000	1,000	800
- income	(200)	(200)	(200)
Mobile telephones	10,000	6,000	2,000
<b>TOTAL</b>	<b>42,100</b>	<b>45,950</b>	<b>41,150</b>

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The cost of the internet leased line (part of a package including full firewall, web space, technical support etc) which this year has been met from capital expenditure is £16,000. In 2001/02, the cost is estimated at £12,300.

- 4.2 Following negotiations with Telewest, the Head of Administrative and Member Services has secured reductions in land line call charges averaging a little over 20%. The current rates are 1.95p per minute for local calls and 3.15p per minute for national calls. There is a minimum call charge of 1p per call. From discussions with other potential suppliers, these rates are acknowledged to be extremely competitive for an organisation of Rochford's size and so far have not been beaten. Unfortunately, the savings achieved from the lower rates have been offset by the increase in call volumes referred to above.
- 4.3 In order to reduce mobile telephone costs, the Head of Administrative and Member Services has switched from contract tariffs to pay as you go. Despite the increase in the number of mobile telephones provided to staff, a switch to pay as you go from contract handsets has also resulted in savings of around £4,000 on this year's budget. The replacement of the payphones at both the Rochford and Rayleigh offices has resulted in savings of £200 in a full year.

## **5 OTHER ISSUES**

- 5.1 Whilst usage of the telephone system will continue to be controlled, it is anticipated that call volumes will further grow in the future, particularly given the Government's desire to see more services delivered electronically. Alternative methods of working, including the possible establishment of 24 hour call answering will also need to be explored.
- 5.2 As Members will be aware, the communication links between the Rochford offices and the Rayleigh offices are subject to regular failure as a result of equipment failure and the volume of data traffic. It will therefore be necessary to replace this link taking account of future traffic requirements. A separate report dealing with this appears elsewhere on this agenda.

## **6 RESOURCE IMPLICATIONS**

- 6.1 These are set out in the report. The budget will continue to be monitored and appropriate figures included within the forthcoming revised estimates for 2000/01 and the estimates for 2001/02. The latter will also take account of any inflation increase that is required to the figures shown above. However, members should be aware that telecommunication costs are heavily influenced by delivery of the Council's demand led services and it is not therefore possible to offer total control of these costs.

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**7 RECOMMENDATION**

7.1 It is proposed that the Sub-Committee **RESOLVES** to note this report.

Andrew Smith

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**Background Papers:**

None

For further information please contact Andrew Smith on (01702) 318135