

Cheltenham Borough Council
Economy and Business Improvement Overview and Scrutiny –
28th November 2011

Value for Money review – Use of Mobile technology

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| Accountable member | Cabinet Member Corporate Services, Councillor Colin Hay |
| Accountable officer | Mark Sheldon, Director of Resources |
| Accountable scrutiny committee | Economy and business improvement |
| Ward(s) affected | None |
| Key Decision | No |
| Executive summary | <p>At the Economy and Business Improvement Overview and Scrutiny Committee meeting on the 23rd May 2011, Members asked for a Value for Money Review on the use of mobile technology within the council.</p> <p>The review has resulted in;</p> <ul style="list-style-type: none"> - confirming that the council's contract for the supply and operation of its mobile communication devices remains competitive - identifying additional efficiency and financial savings - the revising of the Mobile Phone principles and protocol. |
| Recommendations | <p>Members are asked to;</p> <ul style="list-style-type: none"> - consider the findings of this review, and - to make suggestions to ensure that the council continues to receive Value for Money in respect of its expenditure and approach to providing mobile communication devices |
| Financial implications | <p>The council continues to develop different and more modern methods of working including mobile and flexible working. The use of mobile technologies facilitates this shift in working arrangements. The value for money review has resulted in a review of the policy for use and improved business processes which will help to ensure that the council continues to challenge the business need for staff who request mobile technologies. These changes support the use of such technologies where appropriate and ensure that the council continues to deliver value for money in the use of mobile technologies.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p> |

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| Legal implications | No comments received Contact officer: , @tewkesbury.gov.uk, 01242 |
| HR implications (including learning and organisational development) | As outlined in this report the Council is continuing to develop methods of mobile and flexible workings. As technology and working practices change, the HR & health safety issues relating to the new ways of working will need to be reviewed and updated. The HR team will continue to work with colleagues in the ICT team to ensure that any issues are identified and actioned. Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355 |
| Key risks | If the council fails to identify reliable and appropriate mobile communication devices that are linked to specific business needs then its resources will be put at risk and it will be less effective. |
| Environmental and climate change implications | If the council does not make effective use of mobile communication devices it could result in additional and unwarranted travel and increased Co2 emissions. |

1. Background

- 1.1 The Economy and Business Improvement Overview and Scrutiny Committee meeting on the 23rd May, 2011 requested that officers carry out a Value for Money Review in respect of the communication devices being used by officers.
- 1.2 A review group was set up involving finance, ICT, procurement and Internal Audit who agreed the scope of the review.
- 1.3 The council's contract for mobile communication equipment and access is reviewed on a routine basis to ensure that we have reliable equipment at a competitive price. This current Value for Money Review was broadened to consider the number and type of devices in use and if there were further advantages of linking up with other organisations to improve cost savings.

2. Scope of the Review considered the;

- current mobile communication contracts with comparisons on cost and connectivity to other network providers
- consider options for negotiating a new mobile telephony contract with partner organisations to reduce costs
- number and types of devices in use within the council for each quarter for an 18 months period to determine trend
- quarterly charges for the last 18 months to determine trend
- business need for a device i.e. lone workers, health and safety or emergency contacts
- business advantage of using a particular type of device i.e. standard phone v BlackBerry
- review the Mobile Phone principles and protocol.

3. Reviews findings

3.1 The contract

- 3.2** The council's current provider is Vodafone; this contract determines the cost of connecting to the network and the usage. Prior to this contract award a comparison exercise was undertaken and the results are shown in Appendix 1. At that point in time the Procurement Manager considered the Vodafone option to be the best value offer received.
- 3.3** The current contract is based on business use and reflects the business needs of the organisation. Key benefits include free calls between Vodafone and Vodafone handsets and unlimited access to the internet when required.
- 3.4** The business contract also allows the council to manage its telephones through the Vodafone website allowing officers to produce reports relating to usage.
- 3.5** The council has to use certain mobile phone providers and equipment that complies with the security features of Gov-connect and these are generally cheaper than the contracts being offered to the public on the high street. It is a requirement of Gov-connect that council phones with computer functionality are of a consistent build and connect to the council network with the required level of security.
- 3.6** The cost of the handsets and the usage varies from month to month depending on the number of contracts in use. At the end of October, the council had 211 mobile phones on contract costing £4272.17 for the connection and £1541.02 for usage charges in respect of the preceding quarter.
- 3.7** The contract determines that the cost of connecting a standard phone to the network is £ 11.25 per quarter (£3.75 per month) which compares favourably with 'deals' being offered by high street providers.
- 3.8** BlackBerry mobile phones offer the same functionality as the standard mobile phone plus additional features such as;
- Email and internet access
 - Emergency Planning contact
 - Encrypted messaging.
- 3.9** These cost £63.00 per quarter (£21.00 per month) which compares favourably with 'deals' being offered by high street providers especially when you take into account the free calls and unlimited internet access.
- 3.10** All of these devices are either owned by us or on 2 year contracts with Vodafone. The connection(usage) charges are;
- Vodafone to Vodafone" calls free
 - Vodafone to other networks 10.5ppm
 - Vodafone to landlines 3.35ppm.
- 3.11** The council also administers the mobiles phones used by Cheltenham Borough Homes and Cheltenham Festivals. This helps the council negotiate a better value contract and usage costs which all of the organisations benefit from. As the costs of these devices are recharged to the external organisations they were excluded from the review
- 3.12** The council installed a device called a GSM Gateway to its internal telephone system in June

2011, which enables it to get a significant saving on landline to mobile calls. This reduced rate is for calls made from our telephone system to any mobile (Mobile to mobile calls are cheaper than landline to mobile calls). In effect, the GSM Gateway is a 'mobile phone' used to call other mobiles. The charge for making calls to mobiles has reduced from 12.5 pence per minute to 3.68ppm resulting in a net saving of £5,525 since June 2011.

3.13 Sharing a new contract with new partner organisations

3.14 An opportunity to join a collaborative arrangement with Gloucestershire County Council and / or Gloucestershire NHS has been considered by the Procurement Manager. GCC have made significant changes to their IT contract which is now being delivered by Capita. There are no plans at this time to invite other partner organisations into the contract

3.15 Therefore that leaves CBC and Gloucestershire NHS. The procurement manager has confirmed that Cheltenham Borough Council will be named in the NHS procurement process although we have the option of not progressing to contract award if the terms of the new contract are any less favourable than our own current Vodafone contract.

3.16 The business need for many of our staff and the existing contract arrangements will need to reviewed again when staff have transferred to the Go partnership or to the Local Authority Company (waste). If the number of phones being required by these organisations decreases it may have an impact on contracts in the future, existing contracts liabilities will be recharged.

3.17 Number of devices

3.18 The review considered the number and types of devices in use within the council for each quarter for an 18 months period to determine trend

3.19 The number of standard mobile phones over the 18 month period decreased from 218 to 182 and the number of BlackBerries increased from 11 to 29. These changes can be attributed to the number of staff employed by the council decreasing and a greater expectation on the remaining staff to adopt flexible working practices e.g. the internal audit partnership and working from home arrangements.

3.20 It was not possible to make a comparison against other organisations regarding their contracts or the number of phones being used because of commercial sensitivity and the demographic and geographic difference that would influence usage.

3.21 Appendix 2 illustrates the usage and rental charges per quarter for the last 18 months. Usage charges have reduced from £2,286.14 to £1,541.02 per quarter mainly due to restructuring and reorganisation. Rental charges for the same period have increased from £3,535.83 to £4,685.86 mainly due to the increase in the number of BlackBerry's, the increase in flexible working practices and remote working. The overall cost of mobile phone provision increased from £5,821.97 to £6,226.88 per quarter.

3.22 The results of the review confirmed that the number of phones in use was supported by the service managers' current business needs. However because of new management structures, work processes and partnership arrangements, the Mobile Phone principles and protocol needs to be reviewed to provide further guidance to cost centre managers relating to the transferring of phones and the cancelling of contracts.

3.23 Business need

3.24 All cost centre managers were asked prior to the review why the phones were needed, the results indicated that;

- 16 were needed for Lone workers
- 30 were needed for Health and Safety reasons
- 78 were needed for Emergency Planning contacts
- 9 were needed for access to Outlook
- 97 other factors including flexible working.

3.25 The council has a Working Flexible project which considers and works towards;

- meeting customers demands for more responsive and flexible services
- meeting employees demands for flexible working arrangements
- meeting business demands of partnership working with other local authorities
- meeting business demands for mobile or remote access to business systems
- taking advantage of any opportunities provided by council office accommodation plans
- delivering a corporate strategy for flexible working backed up by mobile and home working policies.

3.26 This project includes the evaluation of new and innovative technology to meet the service needs and to deliver the council's outcomes. Investigation and trials of a range of mobile solutions, including Notepads and Blackberries have been undertaken to assist in mobile working within the Environmental Health, Street Scene, food inspection teams and building control.

3.27 The Flexible Working project is linked with the accommodation project and the council's commitment to home and remote working. The ICT infrastructure including its future mobile communication systems will need to be able to support any proposals to enable officers to work outside the office environment, reduce costs and increase productivity.

3.28 The review supports the view that the mobile communication devices in use meet the current business needs of the council and that there is sufficient planning in place to meet future demands.

3.29 Standard Phone V BlackBerry

3.30 BlackBerry phones are 6 times more expensive than a standard phone. Cost centre managers have to consider the increased cost of this phone in relation to advantages gained before they are ordered. The review found that the Blackberries in operation within the council had been ordered for a specific need. We also found evidence of managers challenging the on going business need and in some circumstances reverting back to a standard phone where there had been a change in working practices or responsibilities.

3.31 A number of officers have been issued with a BlackBerry telephone because of the statutory requirement to protect information that is sensitive or confidential i.e. personal data. These phones allow easy access to email accounts and Outlook diaries over an encrypted network. It also allows officers away from the office greater functionality and access to council systems and the internet.

3.32 In certain emergency situations the mobile phone networks may be unavailable due to increased high capacity, mobile masts out of actions etc. The council have a number of mobile phones equipped with ACCOLC (Access Overload Control) SIM cards.

3.33 This facility enables the service provider to restrict the amount of mobile phone usage in the event of emergencies. In order for the restricted network to be active a request has to be made from the Police to the mobile phone service providers.

3.34 During the review, many Service Managers and Directors commented that BlackBerry devices were an important tool in managing their workload. These devices are often being used out of hours to manage e-mails and respond to urgent business. Whilst a detailed survey has not been undertaken to quantify the business benefit of this, it should be noted that the council do not reimburse staff for their time spent on council business managing workloads in this way.

3.35 The additional cost of a BlackBerry compared to a standard phone is £51.75 per quarter. This is more than offset if the member of staff spends between 1-2 hours per quarter, depending upon grade, managing emails outside office hours. Staff with a BlackBerry indicated that they are actually spending nearer to 1-2 hours per month of their own time which would translate into a significant saving for the council which offsets the additional cost of the devices.

3.36 We are satisfied that the current business need for the types of mobile phones in use, is in line with the Mobile Phone principles and protocol.

3.37 Efficiency Savings

3.38 The Value for Money review included requests to managers to consider the need for certain telephones now that the staffing restructure has been completed. This has highlighted a number of areas where phone contracts could be cancelled resulting in additional savings. New working practices, and the Mobile Phone principles and protocol are being reviewed to possibly allow staff to use their own phones where there is very low usage. It is anticipated that this could reduce the number of phones on contract by a further 15.

4. Mobile phone principles and protocol review

4.1 The council has a Mobile Phone principles and protocol that provides guidance to staff on the use and operation of these devices. This document is being reviewed and refreshed and will be considered by the Senior Leadership Team at their December meeting.

5. Monitoring and review

5.1 Summarised bills are provided on a quarterly basis where they are monitored for peaks in use or any other signs which could indicate unacceptable use. This information is then forwarded on to Cost centre managers where there is a need for further action.

5.2 As part of the follow-up process for this review, Internal Audit will make provision in their 2011/12 Audit Plan to examine Service Managers arrangements to ensure compliance with the amended policy (which will include the systems to monitor and review both business need and usage levels) and other policies relevant to the use of mobile devices.

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| Report author | Contact officer: bryan.parsons@cheltenham.gov.uk, 01242 264189 |
| Appendices | 1. Contract comparison 2. Rental V Usage charges |
| Background information | |