

London Borough of Enfield
[Committee Name]

Meeting Date

Subject: Award of Mobile Voice and Data Contract
Cabinet Member: [Councillor Maguire]
Executive Director: Fay Hammond

Key Decision: [5069]

Purpose of Report

1. This report seeks the approval and funding to award a 3 year mobile Data and Voice contract to London Grid for Learning (LGFL) under Regulation 12(1) PCR 2015.
2. As outlined in KD 4838 Infrastructure Programme, the Council requires a new contract for Mobile Voice and Data which supports connectivity anywhere and increased use of secure data transfer. With significant increase in remote working since March 2020, this has significantly increased the number of devices that need to connect from outside the office and put more reliance on this requirement.
3. This will replace the current 'pay as you go' agreement as follows:
 - Moving to a separate billing arrangement for Voice and Data costs and removal of individual data costs, so the Council is only billed monthly for Voice Calls.
 - All users accessing data from a single source, ensuring no individual data charges.
 - Reduced monthly costs for mobile voice services.
 - Removal of early termination charges.
 - Reusing connections (SIMS) to stay within a single cost within contract.
 - One off 125TB data bundle to be used by all the connections (SIMs). This data bundle is calculated on trends of existing use which has increased and use of industry and local predictions of expected increased use of data over a 3-year term, allowing for a contingency.
 - Compatible with latest technology on the 5G Network
 - Working directly with the supplier to ensure use of data and voice connections stays within the contracted amount and reduces over the contract period. This is through day to day engagement and will be monitored through monthly supplier and contract monitoring.
4. The number of connections (4,476 SIMS) at the start of the contract includes connections within Smart Phones and other devices such as tablets and portable wi-fi equipment.
5. There is a requirement to reduce the number of SIMs used by the organisation. A challenge to all services to review all existing use is being

undertaken and to assist we require the supplier to use its' expertise to administer the reduction of SIMs in use, so we only pay for what we are using.

- Taking a starting point of existing 4,476 connections (SIM's) and reviewing which ones are in use through monitoring use of voice and data
 - Undertaking the administration tasks to identify the SIM, the service it supports and closing the SIM
 - Ensuring SIMs are recycled and no further SIMS are procured
 - A reasonable expectation is that the number of SIMS could be reduced by 25% over the lifetime of the contract based on initial review of under or unused SIMS
 - Reducing and cancelling SIMS to commence on Day 1 of the contract and these are then removed from the monthly bill within 30 days of termination.
6. There are number of third party organisations involved in forming a deal with LGfL. The deal is structured in the following way: LGfL will be the primary contracting party with the London Borough of Enfield. Virgin Media will be a sub-contractor to LGfL, and EE will be a sub-contractor to Virgin Media.

Proposal(s)

7. To award a new 3 year Mobile Voice and Data Contract to LGfL under Regulation 12 (1) PCR 2015. Based on a current monthly spend, this would equate to a saving of **£508,752** over the 3 years.

Reason for Proposal(s)

8. The Council currently purchases mobile voice and data services on a pay as you go basis which does not represent value for money because costs are higher per connection compared to contract, they also fluctuate based on voice and data usage and closing connections can incur a termination fee.

The Council's Digital Strategy will introduce further use of smart devices across the Council which will require increasing access to mobile data usage. This has been accelerated by the pandemic and the 500% increase in remote working where users rely on wireless and mobile connectivity to our network. The previous mobile voice and data contracts were based on individual monthly charging for all services, making it difficult to control data usage costs.

The proposed new contract will be procured via award to LGfL under the Regulation 12(1) PCR 2015 exemption. The deal is structured in the following way: LGfL will be the primary contracting party with the London Borough of Enfield. Virgin Media will be a sub-contractor to LGfL, and EE will be a sub-contractor to Virgin Media.

The contract LGfL have with Virgin Media runs until 2028. Built into this contract are 3 yearly reviews where all costs are reviewed to ensure that we are getting VFM. In addition to this we also regularly benchmark costs when introducing new products and services.

The new contract provides value for money by enabling reduction in connections without termination costs and it complements changing demand for mobile data use as staff move between the improved wireless network and mobile connectivity. This is a key deliverable of the seamless connectivity aspect of the Council's Infrastructure Programme allowing staff to work flexibly, using different devices (e.g. phones, tablet and laptops).

Under the new contract 4,476 connections will be delivered, based on the current number of devices (sims). These will be moved across into the new contract and converted to a fixed data and voice cost model. This means that phone numbers are retained, but each connection reduces in price compared to now and any connections not in use can be turned off. This enables the Council to achieve reduced cost per connection and prevent fluctuations in monthly costs.

The new contract will also undertake administrative services to monitor usage of SIMS, identify those that can be closed and undertake the closure of the SIM. This will ensure that no further SIMS are procured and that the number of SIMs reduces over the lifetime of the contract.

This report seeks approval to award a 3-year contract for the voice and data services for 4,476 mobile numbers (SIMs) to be charged on a standard monthly tariff for voice services and access to a single data bundle for the Council. These will be compatible with the Council's current and future smart mobile devices including mobile phones, tablets and laptops.

Relevance to the Council Plan

9. All aspects of the Council's plan are supported by provision of secure, robust and flexible Digital Service provision. This enables all service provision.

Background

10. The provision of a flexible and modern mobile voice and data service is essential for delivery of the Council's digital strategy. Smart mobile devices such as mobile phones, tablets and laptops are used extensively across by employees to deliver their services, including remote working, connecting from anywhere accessing the Council's network and applications and to enable 24/7 x 365 emergency contact.

Airtime services (voice, text and data) for the Council's mobile devices had previously been provided through a contract, and this ended in February

2018. Since then the Council has been purchasing airtime services through a pay as you go arrangement.

There continues to be a significant shift towards the use of smart devices rather than voice-only. Call and SMS messaging volumes remain largely static, but data usage increased from by 36% between February 2019 to February 2020 and following the pandemic it has increased by over 200% by January 2021. The new contract provides sufficient bandwidth in the data bundle to cope with increased usage, while providing the ability to monitor use better as all users are using data from a single pool rather than being charged individually.

Using the supplier to monitor usage of SIMS and remove those not in use will ensure that we only pay for what we need during the contract and that we re-use existing SIMS without increasing numbers. This will ensure that we reduce costs during the lifetime of the contract and reduce internal administrative overhead, by replacing it with expertise from the provider.

The expiry of the previous contract and existing use of pay as you go services, provides the opportunity to secure a modern service at better value for the Council.

Main Considerations for the Council

11. The Council's Digital Strategy requires mobile voice and data services to deliver smart working initiatives with the customer at the heart of delivery, and controlling costs which complement the investment already made in its' network. By using pay as you go services, the council will not be able to deliver the strategy or control costs.

Safeguarding Implications

12. N/A

Public Health Implications

13. N/A

Equalities Impact of the Proposal

14. N/A

Environmental and Climate Change Considerations

15. N/A

Risks that may arise if the proposed decision and related work is not taken

16. The increasing use of data and smart devices will mean that the Council will be unable to afford the current costs of service or control the number

of connections meaning that it would be unable to provide as many remote services.

Without using a supplier to monitor the usage of and closing of SIMS will mean that we may be charged for SIMS not being used or charged termination costs when we do close them down.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. The provider LGFL are a not for profit organisation who work with key suppliers to deliver services at prices that would otherwise not be achieved by approaching suppliers alone. These services are then provided through their sub-contractors, but the contract is with LGFL. There is a risk that LGFL are unable to hold their sub-contractors to account in the event of a service issue. This is mitigated in this case, since they have confirmed that Virgin Media and EE will be providing their standard service offering. In addition, LGFL have a long standing relationship with Enfield in delivery of similar arrangements, which provides assurance that this can be dealt with through the existing supplier relationship.
18. The proposed data bundle and number of connections are based on existing and predicted use including contingency. If the services are not fully utilised this could result in spending on data or connections which are underutilised. These risks will be managed with the supplier by monitoring use, closing underutilised connections, monitoring the contract and by ensuring that any changes in service provision that impact on Digital Service are reviewed before they are implemented and the cost impact is assessed.
19. The data bundle may be over-utilised should predicted use be under estimated. This will be mitigated by monitoring use monthly, working directly with the supplier should any strategic change impact so the cost impact can be assessed. The contract ensures that that any increase in data will be based on the contracted tariff rate or lower.

See further comments contained in the Restricted Annex to this report.

Legal Implications

20. Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, provided it is not prohibited by legislation and subject to public law principles. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.

The Council is required as a best value authority under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council is required to act in accordance with the Public Sector Equality Duty under section 149 of the Equality Act 2010 and have due regard to this when carrying out its functions which includes making new decisions.

All legal documents to be entered into in connection with the subject matter of this report must be approved in advance by Legal Services on behalf of the Director of Law and Governance. Please see further comments in the Restricted Annex of this report.

The proposed contract falls within the scope of the Public Contracts Regulations 2015 ("PCRs"). The Council must ensure compliance with the PCRs, the Council's Constitution and Contract Procedural Rules. Please see further comments in the Restricted Annex of this report:

Workforce Implications

21. N/A

Property Implications

22. N/A

Other Implications

23. Procurement

24. Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.

All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

To ensure efficiencies and maintain budgets, it is expected that ICT will implement a 'demand management' approach to who has a device. This should be through policies and control of sims' and devices. That ongoing management of devices will be implemented to control costs.

It is expected that this contract be properly managed, and that the LTP used to upload contract information, and that it comes to the board in a timely manner when renewal is needed, to allow time for a proper market consultation and procurement exercise if needed for re-provision.

This contract will need careful contract management, and demand management will be needed to ensure that the savings are realised, costs

are managed, and management information to inform the strategy in 3 years' time.

Implications provided by C E Reilly Updated 01/12/21

25. Options Considered

26. The Council requires a contract for voice and data services to control its costs. There are only two options available a reliance on a pay as you go charging which it has currently used and proves to be substantially more expensive than a contract.

Conclusions

27. By aligning the requirements to the Council's Digital Strategy and by using an organisation that the council is part of to ensure it gets the best deal, this enables the Council to have the most appropriate and value for money contract available to it that meets its needs.

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Appendices

Background Papers

The following documents have been relied on in the preparation of this report:

None