

NATIONAL AUDIT OFFICE

**REPORT BY THE
COMPTROLLER AND
AUDITOR GENERAL**

Management of Telephone Services

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Comptroller and Auditor General

National Audit Office
27 September 1993

The Comptroller and Auditor General is the head of the National Audit Office employing some 800 staff. He, and the NAO, are totally independent of Government. He certifies the accounts of all Government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

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Report

Introduction

- 1 Central government departments are responsible for an estimated expenditure of over £300 million each year on telecommunications for day-to-day administration. In April 1989 the previous Committee of Public Accounts expressed concern about management of telecommunications in government departments. The Committee believed there were opportunities to make substantial savings, for example, by making better use of call-logging equipment and through the more effective checking of telephone bills.
- 2 During 1989 CCTA: **The Government Centre for Information Systems** issued detailed management guidance to departments emphasising the need for a telecommunications strategy and management information; and citing opportunities for cost savings. At that time CCTA estimated that by installing modern equipment, up to date facilities and techniques, and introducing better management guidance, annual savings of up to 5 per cent of expenditure on telecommunications could be achieved. Subsequent guidance issued by CCTA has given additional advice on methods and opportunities for savings.
- 3 In the light of the Committee's recommendations and the subsequent guidance from CCTA, the National Audit Office examined progress made in controlling telecommunications expenditure and in achieving potential savings. The National Audit Office examined four departments: **the Crown Prosecution Service, the Foreign and Commonwealth Office, the Home Office and the Ministry of Agriculture, Fisheries and Food**. Two of these, **the Foreign and Commonwealth Office and the Home Office**, had been included in the earlier National Audit Office report.

Details of the number of staff, sites and annual telephone costs of each department are at Appendix 1. The examination included enquiries at departmental headquarters and visits to local offices (Appendix 2).

Study approach

- 4 In carrying out their study the National Audit Office had regard to the Committee's recommendations and CCTA's guidance which advised departments to:
 - devise an integrated telecommunications strategy linking overall needs and objectives;
 - establish clear management responsibility for telecommunications services and costs;
 - consider the scope for recharging costs to users to encourage greatest control;
 - introduce call-logging, call-barring and detailed bill-checking arrangements;

- consider the use of the government interdepartmental networks rather than private departmental networks
- consider the potential savings from competition; and
- take steps to obtain accurate, comprehensive information on expenditure, and record savings achieved.

The National Audit Office findings are set out below.

Strategies for telephone services

- 5 Telecommunications strategies should be closely integrated with planning of information systems and the delivery of business aims. Such strategies should also be reviewed periodically to ensure that full advantage is taken of advances in technology and increased competition. A statement of management principles governing telecommunications strategies is at Appendix 3. This has been developed from existing central government guidance and good practice in departments and the private sector.
- 6 The National Audit Office found that all departments had started work on a telecommunications strategy in accordance with CCTA guidelines but that only three had a fully developed strategy in place.
 - **The Crown Prosecution Service** have recently accepted a report by consultants on a voice and data communications strategy and are now progressing its component recommendations.
 - **The Foreign and Commonwealth Office** have an Information Systems strategy but no separate telecommunications strategy, although one is currently in preparation.
 - **The Home Office** have recently developed a lateral telecommunications strategy to support information technology strategies prepared by each area and plan to issue guidance to telephone system managers by the end of 1993.
 - **The Ministry of Agriculture, Fisheries and Food** have an integrated voice and data telecommunications strategy drawn up in accordance with CCTA guidelines.

Management of telephone services

- 7 Good management of telecommunications requires clear reporting arrangements and unambiguous responsibility for day-to-day management of services. There needs to be a balance between central control of operations; and delegation of responsibilities to management at local level. A central overview can help ensure:
 - an awareness of new technological developments;
 - that staff have the necessary skills and experience; and
 - that purchasers of equipment and services achieve keen prices.

Delegating operational responsibilities to managers at individual sites and offices brings closer contact with users and should lead to better cost control.

- 8 **The Ministry of Agriculture, Fisheries and Food** have established clear reporting lines and responsibility for day-to-day management of services and costs, including the provision of adequate guidance to local offices on technical and business issues from a central support section. The balance between delegation and central guidance is important: local managers need to be able to make decisions on the basis of an informed judgement of the costs and benefits, within the confines of their budgets. But they should have access to advice and guidance from the centre on the best method and choices available.

An example of how this has operated in practice is given at case study 1. The National Audit Office found that the other departments need to make further progress in this area.

Case Study 1

In June 1991, with the support of MAFF's central Information Technology Division, the Central Science Laboratory installed a Call Management System costing £10,000. This provides the local telephone manager with call-logging, call-barring and route optimisation facilities, and enables detailed checking of telephone bills for firm cost control. Other benefits include management reports which monitor the standards of telephone service to staff and customers, for example the number of unanswered calls, and time taken to answer calls. Savings of £8,000 in call charges were achieved in the first eight months of usage.

- 9 In general telecommunications services are managed locally as part of the accommodation and office services function by staff with little telecommunications training or experience reporting to local line management. In some cases their junior position may prevent them from initiating new developments, for example, introducing call-logging equipment or enforcing tighter discipline over staff who make excessive use of the telephone. In this context the National Audit Office noted that **the Passport Agency** have strengthened support to local offices with the appointment of a telecommunications manager. Also **the Foreign and Commonwealth Office** have a section devoted to the management of telecommunications services, including call-logging, to provide effective oversight and value for money.
- 10 No department had feedback mechanisms to identify the extent to which cost savings measures had been considered or implemented locally. The National Audit Office suggest, therefore, that departments should require managers to report from time to time, what action they have taken in response to central guidance, and with what benefits.

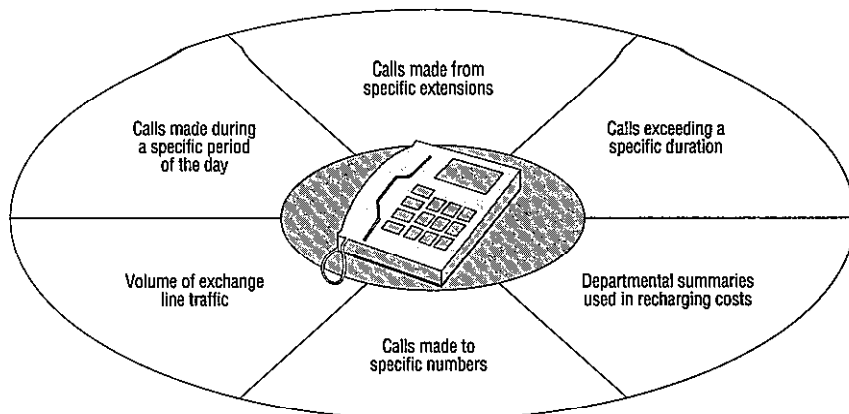
Recharging costs to users

- 11 The CCTA guidance advises departments, wherever possible, to recharge costs to users. 'Users' may comprise one site, an office or one function within an office. The objective is to make those who use the telephone service accountable for expenditure on it. The earlier National Audit Office report noted that most departments examined did not recharge their telecommunications costs, though a number of departments had plans to review their arrangements. Since then there has been a general move away from control of telecommunications costs and services by a central division towards delegation of responsibility for setting budgets and checking costs against them. Such delegation is given to individual business units, for example individual prisons or local offices, partly as a result of the Financial Management Initiative and the Next Steps initiative.
- 12 Of the departments examined by the National Audit Office the **Home Office**, **Ministry of Agriculture, Fisheries and Food** and the **Crown Prosecution Service** had introduced delegated budgeting arrangements. Under them local office staff were responsible both for operating services, including the telephone system, and for cost control. **The Foreign and Commonwealth Office** are in the process of introducing a new system of devolved budgeting which will allocate telecommunications costs to each budget holder.

Call-logging

- 13 Modern electronic exchanges incorporate Call Information Logging Equipment to log the time, duration and destination for each call. Loggers can be programmed to provide a variety of reports which enable managers to ensure that exchanges and equipment are run efficiently. For example, reports may be produced giving details of all calls made from a specific extension, to identify extensions surplus to requirement or cases of suspected abuse. The latter may lead to a reprimand or other management action. Details of these reports are given at Appendix 4 and summarised in Figure 1. Above all, call-loggers encourage staff to be more cost conscious in their use of the telephone. However, as loggers typically cost £3,000-£9,000 depending on capacity, departments need to ensure potential

Figure 1: Call-logging



Source: National Audit Office

Figure 1 shows the reports available from call-logging equipment

savings exceed purchase and running costs, though the latter are usually low because of the automated nature of the equipment. Some companies supply call loggers free for 1 or 2 months to provide snapshots of telephone usage and comparative costs.

- 14 The National Audit Office found that all departments used some call-logging facilities but that the degree of coverage varied.
- **The Foreign and Commonwealth Office** used call-logging at all sites but the information was not used to apportion costs to users. However, this will be developed as divisions take on devolved budgetary responsibilities.
 - **The Crown Prosecution Service** used call-logging equipment at five out of 31 Area offices. An Internal Audit report has recommended examining opportunities for using call-logging equipment on other of the Service's sites. For some of the smaller offices Internal Audit consider that the periodic examination of itemised bills would be an adequate alternative; but not all offices receive such information.
 - **The Ministry of Agriculture, Fisheries and Food** had loggers at eight of their 200 sites. They told the National Audit Office that only 30 sites could justify the capital investment, based on the potential savings to be gained from introducing call-logging equipment, and that at about half of these the use of loggers would be limited by technical constraints, for example the age of the telephone exchange. In their view good local telecommunications management backed up by central guidance could provide many of the equivalent savings to call loggers. The Department has a portable logger which is used as required at sites which do not justify the installation of permanent loggers.
 - **The Home Office** have made good progress since 1989 by introducing new telephone exchanges with integrated logging facilities at 108 of the 132 prisons and have plans to complete this modernisation programme in the near future. All new exchanges purchased by the Department now incorporate call-logging and call-barring facilities.
- 15 Where logging equipment is installed departments did not always make use of the facilities available. For example:
- at three of the five Regional offices of **the Home Office Passport Agency**, logging facilities were not used as staff had not been suitably trained. However this has recently been remedied, and regular logging will begin once staff associations have been advised.
 - all departments had experienced technical problems with logging equipment supplied by CCTA at central London buildings connected to the GTN London Metropolitan Service. This is managed by CCTA and provides a telephone system, including maintenance, to customers in central London. As a result of these technical problems, calls could not be logged by **the Crown Prosecution Service, the Ministry of Agriculture, Fisheries and Food and the**

Home Office. This difficulty should be resolved shortly when CCTA complete acceptance testing on their new network management systems and associated call management systems in departments.

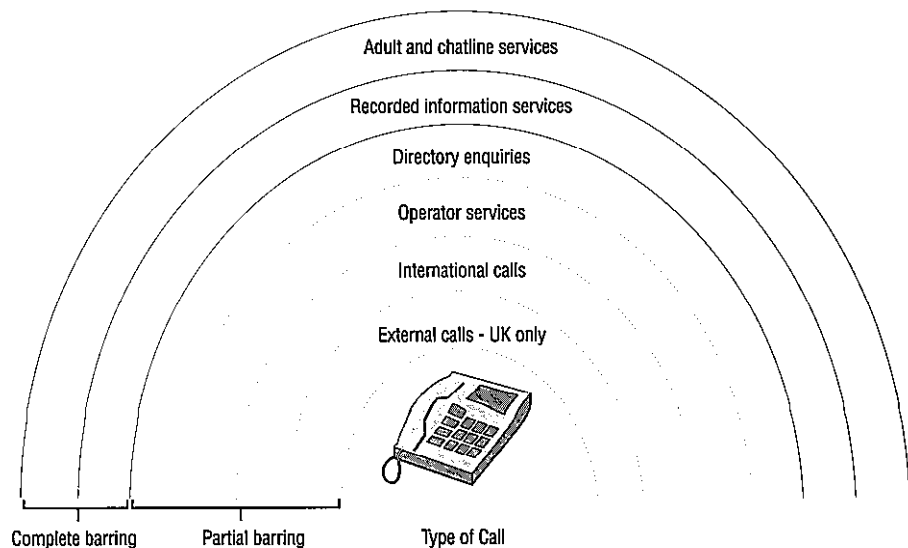
Case Study 2

A study by consultants at one Home Office building used call-logging equipment to assess the optimum number of exchange lines required to handle the current volume of telephone calls. They found that 78 out of a total of 130 exchange lines could be withdrawn without any decrease in quality of service, thus saving around £12,500 per annum.

Call-barring

- 16 Call-barring involves programming a telephone exchange to prevent calls from being made from some or all extensions to certain destinations. The National Audit Office consider that, in the interests of economy, telecommunications managers should consider barring or restricting access to certain categories of telephone numbers. Figure 2 illustrates the most common categories which could be restricted or barred. As the number of premium rate services is increasing it is important that call barring tables are reviewed on a regular basis.

Figure 2: Call-barring



Source: National Audit Office

Figure 2 shows call types which may be subject to call-barring

- 17 Although all departments barred or restricted access to international calls, the degree of control on the dialling of premium rate numbers varied. On CCTA's London Metropolitan Service premium rate services, all recorded information and directory enquiry calls are barred. Other sites with modern electronic exchanges

benefit from call-barring facilities. **The Prison Service**, for example bar premium rate calls and restrict access to international calls, directory enquiries and external calls. **The Foreign and Commonwealth Office** bar premium rate calls at all sites, while **the Ministry of Agriculture Fisheries and Food** require all new exchanges to incorporate call-barring of premium numbers configured in at time of installation.

- 18 BT and Mercury have introduced free optional call-barring to any or all premium rate services, including recorded messages and chatlines, for customers served by digital exchanges. This barring facility could be used by departments where technical constraints prevent call barring at the private exchange. All departments should ensure that premium rate services are barred either directly or via BT or Mercury's facility. In addition, the National Audit Office found that in general most staff had access to the national telephone network with only limited call-logging to detect abuse.

Bill-checking

- 19 The 1989 National Audit Office report noted the difficulties for departments in checking telephone bills which were not itemised. Since then itemised billing has greatly increased and is now available on over 80 per cent of BT lines and on all Mercury lines. Itemised billing is not available and could not be introduced cost effectively on the existing GTN Long Distance Service and the London Metropolitan Service. The National Audit Office found that in general there has been a low take-up of itemised billing by departments, although some staff at local offices have taken the initiative to obtain itemised bills. Alternatively, in larger sites periodic reconciliations between the telephone bill and call-logging information should help to confirm the reasonableness of the bill.

Case Study 3

The Immigration Service obtain itemised bills for all ports and airports and have introduced detailed checking of call charges. At one port (Dover) this resulted in an immediate 50 per cent decrease in call charges. This saving was attributed to the deterrent factor in advising staff that checks on call charges were in operation.

- 20 The National Audit Office consider that departments should obtain the full breakdown of rental items and costs now available from BT and Mercury and periodically, at least annually, reconcile these to up-to-date inventories and actual holdings. The National Audit Office found that, although some offices in **the Crown Prosecution Service, Home Office and Ministry of Agriculture, Fisheries and Food** had identified errors on bills relating to rented items, none had issued guidance on the checks that should be undertaken to ensure all charges are correct, for example, that rental payments are paid only for equipment held. or taken steps to prevent a recurrence. Where inventories existed they were not always reviewed to ensure items were still required or that rental was only paid for equipment held and services received.
- 21 Detailed scrutiny of rental payments can result in significant savings. The National Audit Office noted a number of cases where new procedures or reviews revealed overcharging for rental lines and equipment.

Case Study 4

At the MAFF headquarters building in Guildford scrutiny of telephone bills against records of rented equipment held by the Department in July 1991 revealed an overcharge on rental for a period of four years totalling some £175,000. This was subsequently recovered by the Department.

Case Study 5

At one Crown Prosecution Service office, staff obtained a full breakdown of rental charges. When checked against the rental equipment held by the office, they found that the Department had been overcharged £2,400 for equipment and services which were no longer rented. This sum was later recovered by the Service.

Case Study 6

In October 1992, the Foreign and Commonwealth Office telecommunications strategy team investigated possible overcharging on rental costs for private wire circuits, as a result of which they identified savings to the Department of £55,000 per annum.

Interdepartmental networks

- 22 The earlier National Audit Office report referred to problems departments had in controlling the cost of using the main government networks: the GTN Long Distance Service and the GTN London Metropolitan Service. At that time GTN Long Distance charges reflected CCTA estimates of traffic which were based on infrequent sample logging exercises, rather than actual usage. Departments could not estimate and budget as well as they would wish, and lacked the information to investigate the scope for savings. In April 1992 CCTA introduced a new tariff which reflects the actual costs of operating the network for each department, mainly the lease of private circuits. CCTA plan to provide annual reports for each site comparing GTN Long Distance charges with the public network equivalent.
- 23 As the GTN London Metropolitan Service costs are apportioned on the basis of the number of extensions, the National Audit Office suggest that departments ensure not only that they are charged for the correct number of extensions, but that underused extensions are withdrawn in the interests of economy. In addition, the call-logging equipment which CCTA are introducing will enable departments to more closely monitor usage and produce regular statistics which could be used to estimate the cost of alternative services.

Case Study 7

In August 1992 the Foreign and Commonwealth Office reviewed the number of extensions rented from the GTN London Metropolitan Service. 300 extensions, 7 per cent of the total, were identified as surplus to requirements. These extensions have now been removed at an annual saving to the Department of £110,000.

Opportunities for competition

- 24 The earlier National Audit Office report referred to opportunities for competition as Mercury became a viable alternative to British Telecom. CCTA advised departments to consider Mercury services where these were available as an alternative to existing facilities; and to undertake periodic reviews of telephone charges to assess the scope for savings by switching to British Telecom, Mercury or the Government Telecommunications Network. Departments should take account of quality of service when evaluating costs and also that the service they select is appropriate to their needs.

Mercury

- 25 The GTN London Metropolitan Service already provides access to Mercury for those London offices on the network. In addition, all four departments used Mercury services at some locations, and keep their services under review as the Mercury network develops. **The Home Office** is currently considering its use at one site following a study by consultants. The study concluded that a Mercury service could reduce annual call charges from £207,000 to £175,000, a saving of 15 per cent. However, as the assessment of tariffs is now exceedingly complex, it is essential that departments carry out a full appraisal before selecting a service and keep other options under review.

Call charge discounts

- 26 In response to competition both British Telecom and Mercury have introduced discount packages for calls made over their exchange lines. CCTA has issued guidance on discount packages to departments covering a range of offices and sites. The guidance is intended to help departments to evaluate tariffs since the determination of the most advantageous tariff in individual cases may be complicated. As competition increases and tariff structures change departments need to ensure that they are using the most cost efficient option.

- 27 There has been limited take-up of these packages by some departments to date:

- **the Foreign and Commonwealth Office** have achieved savings in the region of £10,000 per quarter in call charges through the selection of a discount option at one large site.
- in **the Home Office**, the Immigration Service have undertaken a systematic review of sites and selected an appropriate discount option; a similar review is underway in the Prison Service and discount options have been selected at several prisons.

Route optimisation

- 28 Route optimisation provides the automatic selection of the cheapest way to route a call to its destination. It is sometimes referred to as “least-cost routing” and is available on most modern exchanges. The choice will depend on several factors including the ability of the carrier to connect directly with the intended destination, locations and distances involved, and the current tariffs offered by each potential carrier.

- 29 In May 1991 CCTA advised departments that it had programmed GTN London Metropolitan Service exchanges to make use of these facilities to select the most efficient route via British Telecom, GTN Long Distance, GOALS or Mercury. London-based departments, such as **the Foreign and Commonwealth Office**, have benefited from this facility. Depending on the types of call, savings of up to 30 per cent may be achieved; departments were recommended to introduce route optimisation at all other exchanges.
- 30 The National Audit Office found that three departments had taken steps to identify exchanges under their control with a route optimisation capability. **The Ministry of Agriculture, Fisheries and Food** had also issued detailed guidance, including specimen routing tables, to local offices and implemented route optimisation where exchanges support the facility. **The Home Office** informed the National Audit Office they planned to refine route optimisation arrangements at a major Croydon site to make the most cost effective use of the Government Telecommunications Network following the commissioning of a new call management system expected by the end of 1993.

Use of private contractors

- 31 The installation of telephone lines, moves to new premises and changes of extensions can be expensive, particularly when associated with major office refurbishment programmes. In the GTN London Metropolitan area these tasks are normally undertaken for departments by CCTA's contracted maintainer, BT. Following a review of their arrangements **the Foreign and Commonwealth Office** have opted to negotiate directly with BT with a possible saving of £69,000 per annum (38 per cent).

Information on expenditure and savings

- 32 Effective planning and management of telecommunications expenditure requires comprehensive and efficient systems for collecting and analysing information; and a committed effort from departments. Where there is an absence of information about costs and usage departments are unlikely to be able to control costs and achieve value for money.
- 33 The National Audit Office examined the progress made by departments in obtaining accurate, comprehensive information on expenditure, including savings achieved, following the earlier report in 1989. The study showed that no department could provide a profile of telecommunications expenditure by location and type since 1989 or could identify the full scale of savings achieved. It is therefore not possible to say whether the 5 per cent saving envisaged by the CCTA has been realised.
- 34 The National Audit Office recognise that this is due in part to the general move towards delegated responsibility for running costs and that central control and reporting may no longer be appropriate in all cases. However, those with telecommunications management responsibilities need to be kept informed of best practice, make arrangements for its implementation throughout the organisation and be able to track cost trends against targets.

General conclusions

- 35** The National Audit Office was concerned to find that departments did not know what savings, if any, they had achieved since the earlier report. The examination identified specific instances where departments have succeeded in reducing costs by making greater use of call-barring, detailed bill-checking and other options. But progress since the Committee of Public Accounts' report in 1989 has been slow and piecemeal. Although similar savings may not be achieved across the board there is still considerable scope for using the measures referred to in this report to their full potential to obtain further savings.
- 36** In particular departments and agencies need to be alive to the advantages on offer from continued technological developments; and from the growth of competition. With annual expenditure on administrative telecommunications of over £300 million, the 5 per cent saving envisaged by CCTA would be worth £15 million a year. As a first step departments must obtain more reliable information on their expenditure on telecommunications as a base against which to set fresh targets and to measure any future reductions. The National Audit Office consider that departments could save money on their telephone services by following the cost-saving checklist at Appendix 4.

Glossary

BT	British Telecommunications plc
CCTA	CCTA, The Government Centre for Information Systems, which issues guidance to central government bodies and manages the GTN Long Distance and GTN London Metropolitan Service as defined below.
GTN Long Distance Service	The Government Telecommunications Network Long Distance Service is a private network managed by CCTA on behalf of central government departments connecting over 1000 government offices nationwide using lines leased from BT and Mercury.
GOALS	Government Out of Area Lines Service allows long distance calls to be made by GTN Long Distance and GTN London Metropolitan Service customers to over 200 STD codes via the GTN Long Distance Service and then on to a public network for the final connection at local call rates. It also permits calls to be made via the GTN Long Distance Service to and from users of the Cellular Radio Networks at a reduced charge.
GTN London Metropolitan Service	The Government Telecommunications Network London Metropolitan Service is a telephone network of about 50 private branch exchanges available to customers in central London. CCTA provide the operators and handsets and pay for all costs such as rental of lines and call charges. Departments are then charged by CCTA on a per extension basis.
Mercury	Mercury Communications Ltd

Appendix 1

Departmental staff numbers, sites and telecommunications costs

Department	Staff	Sites	Approximate Annual
			Telecommunications Costs
			1991-92 £m
Crown Prosecution Service	5,900	5 Headquarters buildings and 140 local offices	2.4
Foreign and Commonwealth Office	3,950	Central London plus one main out station at Milton Keynes	5.1 *
Home Office	49,700	Main centres: Central London, Croydon and Merseyside; many local offices 132 prisons	9.9
Ministry of Agriculture, Fisheries and Food	10,725	200 sites	4.1

* This figure includes the capital costs of equipment deployed at Posts overseas during the financial year 1991-92.

Appendix 2

National Audit Office visits to departmental local offices

The examination included visits to the following local offices:

Crown Prosecution Service

Kent Area Office, Maidstone

Foreign and Commonwealth Office

Hanslope Park, Milton Keynes

The NAO study related only to the Foreign and Commonwealth Office's administrative telecommunications in the United Kingdom and did not cover operational communications with or in diplomatic posts overseas.

Home Office

HM Prison, Bedford

HM Immigration Service, Dover

Immigration and Nationality Department, Croydon

Passport Office, Peterborough

Ministry of Agriculture, Fisheries and Food

Central Science Laboratory, Slough

Fisheries Laboratory, Lowestoft

Regional Office, Cambridge

Appendix 3

Telecommunications strategies

- 1 Departmental strategies should be produced as part of information systems strategies. As a minimum they should:
 - a) cover all areas of the department and all aspects of telecommunications (data, voice, text etc) and be closely linked to departmental business needs and objectives;
 - b) outline the services required and how these will be provided;
 - c) be carefully co-ordinated with computing and other Information Technology plans;
 - d) aim to exploit the technical opportunities for voice, data, text and image telecommunications;
 - e) increase awareness of the possible benefits of telecommunications systems;
 - f) state the preferred migration paths and standards for equipment, communications interfaces, service levels and security;
 - g) define policy on accountability, recharging of costs to users, private calls and logging;
 - h) recognise and exploit the services offered by government networks, and the availability of services from licensed operators and facilities management companies;
 - i) define for individual projects, planning assumptions, investment appraisal criteria, cost-benefit assumptions and funding arrangements;
 - j) define milestones against which progress can be measured;
 - k) encourage sharing arrangements with other departments where appropriate and cost-effective; and
 - l) identify, and allow for, retention problems and shortages of skilled staff and other constraints.

- 2 Departmental senior management (the Permanent Secretary, Information Technology Steering Committee etc) should formally approve the telecommunications strategies as a key element of their information systems strategies, and especially the linkage to business needs and objectives. They should monitor progress and achievement under the strategy, and consider the need for changes to the strategy in the light of business and technical changes. They should be conscious particularly of the requirements of the UK regulatory framework and guidance from the CCTA on strategic planning.

Appendix 4

Cost saving checklist

<p style="text-align: center;">APPOINT A TELECOMMUNICATIONS MANAGER</p>	<ul style="list-style-type: none"> • responsible for operational services, network review and strategic system review • with authority to initiate new developments such as call-logging • to handle day to day running of services but with access to advice and guidance from the centre
<p style="text-align: center;">DEVELOP A STRATEGY FOR TELECOMMUNICATIONS AND TELEPHONE SERVICES</p>	<ul style="list-style-type: none"> • linked to Information Technology and business plans • in line with CCTA guidelines • subject to regular review to benefit from advances in technology and increased competition
<p style="text-align: center;">CONDUCT PERIODIC NETWORK REVIEWS</p>	<ul style="list-style-type: none"> • to confirm the need for the existing provision • to consider opportunities for cost reductions or other improvements
<p style="text-align: center;">USE SELECTIVE CALL-LOGGING</p>	<ul style="list-style-type: none"> • to identify unusually high cost calls or low use telephones. Possible reports are: <ul style="list-style-type: none"> - detailed extension summaries showing calls made from a specific extension - most frequently dialled numbers to assist decisions on which dialling codes to include in route optimisation - exchange line traffic to help decide the number of lines required - calls exceeding a specific duration to identify possible abuse - departmental summaries to assist recharging of costs to individual cost centres in departments or agencies or between departments or shared exchanges • departments often experience a sharp reduction in telephone usage following the introduction of call-logging equipment which can contribute significantly to the initial costs

OBTAIN ITEMISED TELEPHONE BILLS	<ul style="list-style-type: none">• to check rental items and costs against inventories and actual holdings. Detailed scrutiny of rental payments can result in significant savings, particularly on rental lines and equipment
USE SELECTIVE CALL-BARRING	<ul style="list-style-type: none">• to prevent calls to, for example, premium rate services, recorded messages or international numbers. BT and Mercury will provide free call-barring to any premium rate service if this cannot be done at the private exchange
USE ROUTE OPTIMISATION OR 'LEAST-COST' ROUTING	<ul style="list-style-type: none">• to provide automatic selection of the cheapest way to route a call. The GTN London Metropolitan Service is already programmed for least-cost routing but savings of up to 30 per cent may be possible at all other exchanges
CONSIDER MORE COMPETITIVE OPTIONS	<ul style="list-style-type: none">• by comparing British Telecom, Mercury and GTN rates (a full appraisal is needed before selecting a service)• by negotiating directly with contractors in the London area for the installation of telephone lines and changes of extensions