Committees: Digital Service Committee - for decision Projects and Procurement Sub Committee – for information	**Dates:** 23 Sept 2025 14 Oct 2025
Subject: Public Switched Telephone Network (PSTN) Replacement **Unique Project Identifier:** *12453*	**Gateway 3/4/5: Options Appraisal and Authority to Start Work (Regular)**
Report of: Chamberlain **Report Author:** Nishat Faruque	**For Information**
PUBLIC	

1. Status update	**Project Description:** By 31 January 2027, the Public Switched Telephone Network (PSTN) and the Integrated Services Digital Network (ISDN) will be switched off nationally and must be replaced by an IP (Internet Protocol) fibre-based network and infrastructure to avoid service disruptions. The project aims to enable the migration of these connections by the end of 2026 to ensure a smooth transition to digital services for the City Corporation, City of London Police and all Institutional Departments. The Gateway 1-2 was approved by the Digital Services Committee in July 2024 for the drawdown of £200k for the completion of the PSTN connection audit. The initial project budget forecast was £2.5m. An Issues Report was approved by the Digital Services Committee in January 2025 for the additional drawdown of £350k to fund the PSTN replacement of some high-risk areas ahead of the main audit. These included priority lift lines across Barbican Estate, Housing and the Corporate Property Group. Since the last report to Committee: • A procurement exercise for the PSTN audits was completed and awarded to the Segmentation Group.

	• Segmentation Group have concluded the on-site audits across the City Corporation's PSTN estate, identifying 706 live lines. • 300 of these lines have been ceased, equating to £55k in annual line rental costs, across all departments. • The migration of the remaining priority lift auto dialler lines is progressing. This is being managed by City Surveyors and the Barbican Estate respectively. • The project budget forecast has been revised from £2.5 million to £1.15 million, excluding CRP. This reduction is due to the audit identifying fewer lines than initially expected as well as 300 lines being ceased. **RAG Status:** Green (Green at last report to Committee) **Risk Status:** Low (Low at last report to committee) **Total Estimated Cost of Project (excluding risk):** £1.15m **Change in Total Estimated Cost of Project (excluding risk):** Decrease of £1.35m since last report to Committee **Spend to Date:** £436,053 (Excluded Staff Costs – Q1 & 2 - £35,000). **Costed Risk Provision Utilised:** £0. **Slippage:** None.
2. Next steps and requested decisions	**Next Gateway:** Gateway 6: Outcome Report **Next Steps:** Migrate all remaining PSTN lines utilised by the City Corporation, including Institutional Departments, by the 2027 deadline. Requested Decisions: 1. Approve Option 1 for the drawdown of an additional £600,000 for the migration of all remaining analogue lines and devices. 2. Note the reduced overall project budget of £1.15m (excluding risk) from an initial estimate of £2.5m. 3. Approve a Costed Risk Provision of £160k (to be drawn down via delegation to Chief Officer).

3. Budget	For recommended Option **1**:

Item	Reason	Cost		
		GW 1/2 + Issues	**GW3/4/5**	**TOTAL**
Staff	Internal staff Costs	£50,000	£100,000	£150,000
Works	Migration of PSTN Lines inc. Lift lines & Door Entry	£350,000	£380,000	£730,000
Purchase	IP Hardware	£150,000	£120,000	£270,000
TOTAL		**£500,000**	**£600,000**	**£1,150,000**
City Fund 60% City Estate 40%*				
Contingency	CRP		£160,000	£160,000
TOTAL inc. CRP		**£550,000**	**£760,000**	**£1,310,000**

***** No funding is currently being sought from the City Bridge Foundation, as PSTN migrations are not expected to require capital expenditure. Any change will be addressed via an Issue Report.

Costed Risk Provision requested for this Gateway: £160k (as detailed in the Risk Register – Appendix 2)

4. Overview of project options	Option 1. Due to the external deadline set by Openreach, the City Corporation must complete the migration to digital before the deadline, therefore only one option to complete these works has been presented. The project will primarily use existing contracts to action most of the line migrations. If procurement outside these contracts is required, Commercial Services will manage the process. Option 2. Do Nothing. The alternative option is to not replacement existing connections, which will likely lead to significant disruption when the PSTN and ISDN networks are ceased on 31 January 2027. Elements such as lift lines, fire alarms and payment machines are likely to be impacted.
5. Recommended	Option 1 is recommended.

option	
6. Risk	1. The external deadline still poses a risk to critical services in parts of the organisation; therefore, migrations should be completed as requirements are confirmed, to avoid delays. 2.There is a risk of increased costs later in the project if the proposed digital solutions fail to fully meet business needs. Although this constitutes a potential risk, the likelihood cannot be determined with confidence at present. Should additional funding be required beyond the requested CRP, the matter will be brought forward to committee via an Issue Report. 3. There is a potential risk that IP compatible hardware costs are more than currently quoted. CRP has been requested for this risk. 4. The risk of GSM (Global System for Mobile Communications) units costing more than planned remains as identified in Gateway 2. **Costed Risk Provision Utilised at Last Gateway:** £0. **Change in Costed Risk**: +£60k. The total CRP against the project stands at £160k at this Gateway. Further information available in the Risk Register (Appendix 2) and options appraisal matrix (included at the end of this document).
7. Procurement approach	PSTN to digital migrations will utilise existing supplier contracts. If procurement is required outside these contracts, then Commercial Services will be engaged.
8. Design summary	1. Objective – Migrate all PSTN-dependent services (lifts, internet/phones, door entry systems, other legacy lines) to digital alternatives before the Openreach deadline. 2. While the project will oversee and facilitate the necessary changes, the business retains responsibility for implementing those changes and for active engagement with the project. 3. Lifts (July 2025 – February 2026) – Replace PSTN lift lines with GSM, prioritising safety-critical systems. The project will provide oversight and funding to support the required changes, and the Facilities team and Barbican Estates retain responsibility for managing and overseeing the works. 4. Internet & Phone Lines (October 2025 – May 2026) –

	Transition core telecoms services to IP-based solutions. 5. Door Entry Systems (March 2026 – June 2026) – Migrate building access systems to digital alternatives once network is stable. The project will allocate funding to support the required changes, and Property Services (Department of Community and Children's Services) will retain responsibility for managing and overseeing the works. 6. Final Sweep (June 2026 – December 2026) – Identify and migrate any remaining PSTN-dependent services, including alarms and monitoring lines. 7. Key Milestones – Lift migration start, internet/phone migration start, door entry start, final sweep start, all migrations complete. 8. Governance – Monthly programme board, fortnightly updates, weekly risk log updates, formal change control for scope changes.
9. Delivery team	The project will be overseen by the Digital, Information and Technology Service Project Delivery team, with assistance from the City Surveyors' Facilities Management team, Operational Housing, and Barbican Estate who will be advising and managing the installation of replacement devices for lifts, fire alarms, door entry systems etc.
10. Success criteria	1. All migrations completed by 31 January 2027. 2. All migrations completed within budget.
11. Progress reporting	Cora progress reports with issues requiring decision coming back as an Issue Report.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register

Contact

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Options Appraisal Matrix

Option Summary	***Option 1***
1. Brief description of option	The migration of all PSTN services to digital/internet protocol by the 2027 deadline.
2. Scope and exclusions	In scope: - The migration of PSTN and ISDN lines still utilised by the business. - The procurement of IP compatible devices. Out of scope: - PSTN/ISDN lines which will be migrated as part of other existing or forecasted works programmes. For example, the upgrade of Warden Call Systems for Sheltered Housing and projects to migrate telephony systems to Microsoft Teams. - Unsupported lines and systems. While DITS may advise on migration options, responsibility for undertaking the necessary changes to unsupported lines remains with the business. - Revenue costs of line rentals. - Telecare systems – migrations of residential Telecare systems have been completed by the Community and Children's Services Department (Adult Social Care). - PSTN/ISDN Lines located in Investment Property Group properties.
Project Planning	
3. Programme and key dates	see table below
4. Risk implications	Overall project option risk: Low

Programme and key dates:

Task	Start	End
PSTN to GSM migrations (Lifts)	01-Jul-25	20-Feb-26
Internet and Phone lines	20-Oct-25	27-May-26
Migrate Door Entry Systems	16-Mar-26	11-Jun-26
Complete all outstanding PSTN migrations	11-Jun-26	01-Dec-26

Option Summary	***Option 1***
	As the external deadline creates ongoing risk to critical services in parts of the organisation, migrations must proceed as soon as requirements are confirmed. This approach increases the possibility of selecting solutions before all business needs are fully understood. If the chosen digital solutions prove unsuitable, additional procurement or redesign may be required. Further information available within the Risk Register (Appendix 2).
5. Stakeholders and consultees	- Assistant Director (Digital and Data), SRO. - Project Manager, DITS - Facilities Management, City Surveyor's - Housing Compliance Manager, Community and Children's Services Department - Barbican Estates Contract Manager, Community and Children's Services Department - Head of Systems and Infrastructure, DITS - City Corporation sites and Institutions - City of London Police
6. Benefits of option	- PSTN is being retired in 2027, so digital ensures compliance and avoids service disruption. - Digital lines often cost less to run and maintain than copper-based PSTN services. - Future proof connectivity. Adding, removing, or relocating lines is faster and easier as no physical rewiring is needed.
7. Disbenefits of option	- Digital/VoIP phones require mains power or battery backup; if power fails, service can be lost unless contingency is in place. - Call quality and reliability rely on a stable broadband connection; outages or slow speeds can disrupt service. - Some existing analogue devices (,alarm lines, lift phones, payment terminals) may need adapters or replacement. - Investment in new hardware (routers, IP handsets, switches) and installation may be needed. - Some legacy systems that worked over PSTN may not function reliably over IP without additional

Option Summary	***Option 1***
	solutions.
Resource Implications	
8. Total estimated cost	Total estimated cost (excluding risk): £1,150,000 The current confidence level is assessed as medium. For projects of this scale, and given the dependencies on legacy infrastructure, it is expected that additional requirements and dependencies may emerge as work progresses. Total estimated cost: (including risk): £1,310,000
9. Funding strategy	City Fund 60% City Estate 40%
10. Investment appraisal	N/A
11. Estimated capital value/return	N/A
12. Ongoing revenue implications	Monthly/annual line rental costs will continue to be met from existing department revenue budgets.
13. Affordability	N/A
14. Legal	None.

Option Summary	***Option 1***
implications	
15. Corporate property implications	Some migration activities may require minor physical alterations to corporate properties, such as drilling for cable routing, installing new equipment enclosures, or modifying existing fixtures. These works will be coordinated with the City Surveyors department to ensure compliance with property standards, minimise disruption, and preserve the integrity of the buildings.
16. Traffic implications	None.
17. Sustainability and energy implications	None.
18. IS implications	This is a DITS led project to mitigate any potential impacts of the PSTN switch off.
19. Equality Impact Assessment	N/A
20. Data Protection Impact Assessment	N/A
21. Recommendation	Recommended