

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S
REPORT TO
CABINET

16/07/2024

Report Title: Procurement of Contact Centre Telephony

Submitted by: Service Director – IT & Digital

Portfolios: One Council, People & Partnerships

Ward(s) affected: All

<p><u>Purpose of the Report</u></p> <p>To seek Cabinet approval for the procurement of a contract for contact centre and corporate telephony.</p>	<p><u>Key Decision</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <p>1. Approves the procurement and award of a 5-year contract for contact centre and corporate communication solution, delegating authority to enter into a contract to the Chief Executive in consultation with the Portfolio Holder – One Council, People & Partnerships.</p>	
<p><u>Reasons</u></p> <p>Telephony and omni-channel communication is a key technology which underpins the delivery of services to residents, businesses, and visitors.</p> <p>The contract for the current telephony solution is nearing expiry and as such, the Council is required to source a replacement. The identified new solution is a modern communication platform which will work to further support the delivery of Priority One of the Council's 2022-2026 plan.</p>	

1. Background

- 1.1** The Council's current telephony solution provided by Mitel is a physical on-premises based solution, hosted across several of the Council's data centres in order to provide resiliency. The system is supported internally by the Council's IT team, alongside an escalated support agreement with Mitel.
- 1.2** As part of the 2023-2028 Technology Strategy, the Council identified the need to retire their current on-premises data centres and undertake a migration to the 'Cloud'. As the current telephony solution is hosted on-premises, this will

need to be replaced with a suitable cloud-hosted solution allowing the removal of the on-premises council managed data centres.

- 1.3** Alongside the Mitel contract, the Council also procure services from BT which are required for the current solution to operate. This is on a year-by-year contract basis and provides the required network connectivity for telephony as well as the call charge package for the in-and-out bound calls.

2. Issues

- 2.1** The Council have already used the extension period of the existing telephone contract and will therefore be required to reprocure.

- 2.2** Whilst Telephony remains a key method of communication for the Council, it is important that the Council maximises the opportunity to explore newer communication technologies that support the delivery of services to residents.

- 2.3** Discovery and market research has identified a number of components that are missing or not available within the current solution, including:

- Interactive Voice Response (IVR);
- Chat/Voice Bots;
- Agent presence;
- Integration with Microsoft Teams;
- Integration with the Council's Corporate Relationship Management (CRM) System;
- Integrated communication channels, including chat, email, text (SMS) and social media;
- Real time performance data; and
- Customer feedback.

- 2.4** This discovery work has highlighted that the current contact centre solution cannot support the Council in delivering a high-quality, modern resident experience.

- 2.5** The Council receives significant demand into the contact centre for information and services provided by other local authorities or partners (i.e. Staffordshire County Council, Staffordshire Police, Aspire Housing). This not only creates a pressure on the Council's contact centre but creates frustration for the caller who is then required to contact the relevant partner. Modern telephony solutions now provide features such as interactive voice response that can help identify the reason for the caller and direct this to the most appropriate place.

3. Recommendation

That Cabinet:

- 3.1** Approves the procurement and award of a 5-year contract for contact centre and corporate communication solution, delegating authority to enter into a

contract to the Chief Executive in consultation with the Portfolio Holder – One Council, People & Partnerships.

4. Reasons

- 4.1** The implementation of a new, modern communication platform will work to support Priority One of the Council's 2022-26 Plan by ensuring that our services are efficient and accessible.
- 4.2** The new solution will provide the Council with an "omnichannel" contact centre solution that uses hosted, cloud-based software to handle interactions with residents. This omnichannel approach will allow residents to contact the council in multiple different methods, providing choice for the resident in how they wish to contact the council.
- 4.3** The system will provide a series of enhancements to the Council's customer service experience.
- 4.3.1** An omni-channel approach also allows the council to improve the customer journey by having access to key information, such as previous communications from the resident, who dealt with their previous request, historical communications with an agent, chat, or voice bot. This personalised customer service approach supports the council in providing an excellent resident experience.
- 4.3.2** The current telephone system has been configured to include audio messages advising that NULBC are unable to assist with services provided by Staffordshire County Council (SCC) and other agencies, for example Highways, Education and Social care. However, the Council still receives significant demand for other agencies. The new telephone system will allow the Council to inform residents of the agency who is best placed to support their query upon first contact. In addition, if the resident is calling from a mobile, the system can offer to send a text message with the contact information on how to contact the appropriate agency for their query. This will not only reduce demand on the NuLBC contact centre but will also improve customer service for the residents.
- 4.3.3** Improve service inclusivity by allowing residents to contact the Council using the communication method of their choice. Whilst telephony still remains a key option for residents, some residents may prefer to contact the Council via alternative methods, such as a live chat, chatbot and email. It is therefore important that the Council utilises new, accessible, and inclusive ways of engaging with our residents whilst at the same time improving service delivery. The introduction of chatbots and live chat functionality will allow customer service agents to concentrate on the more complex enquiries.
- 4.3.4** Reducing waiting times by providing the resident with the information they require. The Council website provides information on a wide range of common questions and queries to support residents. However, if this does not answer their query, they can then be directed through to a customer services agent who can assist. This will work to not only

improve the first contact resolution time (reducing the requirement to re-contact the council multiple times for the same request) but will also improve resident experience by providing quick access to common questions and queries.

- 4.3.5 Improved call routing based upon agent skills. The system will present calls and communications to the most appropriate Customer Hub agent (where possible/available) who can assist with their query. This will reduce the number of times a resident is transferred between agents, supporting the 'Right Person, First Time' customer service approach.
- 4.3.6 The system will also enable residents to utilise the Councils 'chat' services 24 hours a day to find the information they require.
- 4.3.7 Improved 'real-time' data analytics, allowing the Customer Hub managers to understand current demand and allocate resources accordingly.
- 4.3.8 The system can be integrated into the Council's Customer Relationship Management (CRM) system. This will allow Customer Hub agents to quickly locate open requests for service and support the resident in resolving their query.

4.4 Procurement of a cloud-based, modern solution will reduce the requirement for the Council to procure physical telephony hardware, as the system is operated as a 'soft phone'. This means that telephone calls and other communications are routed to Customer Hub agents via their Council-issued laptop and headset. Only in certain cases would hardware be required. This will aid the council in reducing the environmental impact from IT equipment and support the council's sustainability plans.

4.5 The Council's Technology Strategy promotes the migration of the IT data centres to the cloud. A cloud-based solution supports the delivery of this strategy.

5. Options Considered

5.1 **Do Nothing** – This is not a recommended option as this would leave the council without a modern, scalable telephony and contact centre solution. This would severely impact the Council's ability to deliver its services to our residents, businesses, and visitors.

This option would also restrict the council in the planned migration to the Cloud, creating a requirement for financial investment into the existing IT datacentres.

5.2 **Procure via a Framework** (recommended) – It is recommended that the solution should be procured via a direct award, utilising a compliant framework. The benefits of using an approved procurement framework include:

- Uses competition amongst suppliers to increase quality and value.
- Suppliers are vetted and reviewed.

- Public sector procurement compliant contract terms and conditions.
- Contracts include performance management.
- Free to use for public sector organisations.
- Maximises [Social Value](#) during procurement.

5.3 Procure via an independent procurement exercise – This is not recommended, as going to the market independently would not represent value for money to the Council.

5.4 Collaboration with other authorities – Collaboration with other authorities has been considered. However, as a CCaaS solution is licence based there are no benefits to be gained in sharing a solution with another partner, as each authority would require their own installation. Sharing a CCaaS solution would also require parties to agree on the procured features, this would make it difficult to deliver against each authorities' own requirements, Technology Strategy and roadmap.

6. Legal and Statutory Implications

6.1 The procurement route proposed in this report of using a framework ensures that the Council are compliant with the Public Contracts Regulations.

6.2 Note that Appendix A is exempt from publication (at the current time) on the basis set out in Paragraph 3 of Schedule 12A Local Government Act 1972, that it contains information relating to the financial or business affairs of any particular person, including the authority in question. It is considered that disclosure of this information at this time would be capable of having a significant detrimental impact on the efficacy of the authority's business affairs and its financial well-being.

7. Equality Impact Assessment

7.1 No adverse impact has been identified as a result of delivering this proposal.

8. Financial and Resource Implications

8.1 The preferred procurement route for this contract is direct award under the Crown Commercial Services framework.

8.2 The solution will be delivered within existing financial budgets.

9. Major Risks & Mitigation

9.1 The council runs a risk to the delivery of operational services where it fails to invest in ICT and modern technologies.

9.1.1 This is an identified risk within the Corporate Risk Management system under the ICT Services profile.

9.1.2 The council have already taken steps to mitigate this risk with control measures, such as the implementation of a Technology Strategy,

Consolidation of hardware and software and the One Council transformation programme.

10. UN Sustainable Development Goals (UNSDG)



11. Key Decision Information

11.1 N/A

12. Earlier Cabinet/Committee Resolutions

12.1 None

13. List of Appendices

13.1 Appendix A

14. Background Papers

14.1 [Priority One of the Council Plan 2022-2026](#)