

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

Procurement of Contact Centre Telephony Report

Appendix A

1. The Council currently spends over £46,000 annually on telephony services. However, following changes to PCI compliance rules which govern the secure transacting of card payments, the Council will be required to purchase additional solutions to remain compliant. This would present an additional budget pressure of £34,000 p/annum, bringing the total expenditure for telephony to approximately £80,000 p/annum.
2. Given the additional PCI compliance requirement, limitations of the current solution and that the current system is installed on-premises and therefore would need to be migrated to the Council's Microsoft Azure environment at significant cost, it is proposed to replace the current solution for a modern communications solution.
3. Officers have negotiated a saving of over 16% with the new supplier for a five-year agreement, compared to the RRP.
4. Financial provisions in excess of £300,000 are allocated within the Capital Programme to support the replacement project.
5. The new solution is a cloud-based telephony and communication system. The council will be required to purchase a 5-year 'cloud instance' of the solution which contains the relevant licences and features for telephony, live chat, chat bots, social media messaging etc. The system will be configured by the supplier to meet the needs and requirements of the Council.
6. Alongside the procurement of the 'cloud instance', there will be a requirement to procure suitable IT headsets to replace the current desk phones. The new solution will deliver calls via council issued laptops. The procurement of headsets is detailed as a capital expenditure below.
7. The procurement of the cloud instance will reduce the annual revenue costings of the solution to approximately £32,000 p/annum, providing an annual revenue saving of £14,000 p/annum as of 2025/26.

Item	Capital	Annual	5-Year
System instance, implementation, and configuration.	£290,000	-	-
Headsets (x300)	£7,500	-	-
System operational charges (maintenance, usage, and call charges).	-	£20,000	£100,000
System support		£12,000	£60,000
Total	£297,500	£32,000	£160,000