

Report subject	To agree the provision of revenue funding for the delivery of Contact Centre as a Solution (CCaaS)
Meeting date	27 September 2023
Status	Public Report
Executive summary	<p>In 2020 the Council introduced Microsoft Teams telephony to facilitate agile and flexible working. Whilst this was sufficient for most of the workforce, an additional integrated solution was needed to manage calls in the Contact Centre environment. A Contact Centre solution was introduced, using skills-based routing to direct incoming calls to available agents, and to manage calls waiting in queues. That solution is now nearing a break clause in its contract and so the opportunity has been taken to review the market, identifying newer more reliable CCaaS solutions which also enable the introduction of new customer channels (omnichannel).</p> <p>Options have been considered, including retaining the status quo as well as stopping using a Contact Centre solution. However, both options have a negative impact on customers.</p> <p>The original Contact Centre solution was funded by a combination of transformation funding and Covid grants. This report seeks CCaaS funding to be built into base budgets in recognition that a cloud-based solution requires ongoing funding on an annual basis.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <p>(a) Approve the letting of a CCaaS contract.</p> <p>(b) Agree to include in the general fund base revenue budget of the Council, from 2024/25 onwards, the £169,000 annual costs of the CCaaS contract.</p>
Reason for recommendations	CCaaS is a key element of the BCP Contact Centre and fundamental to managing incoming calls. It will also enable BCP to move towards the delivery of the Customer Target Operating Model through the adoption of an omnichannel environment.

Portfolio Holder(s):	Councillor Hanna and Councillor Martin
Corporate Director	Ian O'Donnell Director of Resources
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Wards	Council-wide
Classification	For Decision

1. Background

BCP Council introduced Microsoft Teams, a Unified Comms (UC) telephony solution in 2020 to deliver core business functionality, as well as an integrated Contact Centre solution to manage call queues and agent contacts. The Contact Centre solution procurement was budgeted from transformation. It was in response to an urgent need to set up the “Together We Can” helpline enabling staff to make and receive calls from home during the height of the pandemic. The solution purchased, was at that time the only Microsoft Teams compliant solution and was initially needed to manage our voice channels within the Customer Services Contact Centre. It was subsequently extended to other services who receive calls by means of published service numbers, i.e. Adults & Childrens Social Care, Council Tax & Business Rates, Benefits, Housing Repairs, Housing Tenancy, BCP Homes, IT & Programmes, Regulatory Services and Skills & Learning.

During the three years since the existing Contact Centre solution was implemented there have been a number of service failures and SLA breaches, despite working hard collectively to resolve issues the service is often poor. Our implementation partner / reseller have ended their partnership with the solution provider due to ongoing quality and performance issues. Over the last three years it has not been possible to innovate and enhance the service delivery due to the poor performance of the product and provider.

All attempts to move to a fully cloud based solution and to introduce digital Omni channel capability have been unsuccessful with the current product. We have therefore had to adopt a change freeze to maintain stability and avoid further service disruption to incoming calls to the Council. The existing product has therefore been deemed unsustainable for future use.

Contact centre technology has advanced considerably in the last 3 years, driven by consumer appetite and need. There are now a wide range of Teams compliant cloud-based solutions available, known collectively as Contact Centre as a Service (CCaaS). The contract with the original provider is coming up to its first break point in December 2023, so the decision was taken to evaluate other solutions in order to find a sustainable future proof offering which will position us to be able to manage new customer channels in line with our Target Operating Model (TOM).

As part of a thorough market evaluation, several CCaaS solutions were demonstrated and reviewed by a project team, providing the opportunity to review compatibility with technical

and TOM design requirements. This was followed by a shortlisting of four relevant solutions within the G-Cloud framework. The preferred solution was subsequently chosen based on lowest cost criteria, it also had the best references from other local authorities who had introduced the same solution within the last twelve months.

The new CCaaS will enable the Council to manage inbound and outbound contact across the Contact Centre and other published service numbers. Embracing omnichannel innovation, the CCaaS is key to enabling customer transactions to transition to a range of new digital channels removing time spent queueing to speak to an agent. The CCaaS introduces self-service opportunities meaning many citizens will be able to do more themselves without even talking to an agent.

The solution is omnichannel, providing the options below. BCP can decide which channels to introduce based on customer journey planning as part of the transformation journey.

- **Voice / Inbound calls:** This will be introduced first. In addition to the current skills-based queue management functionality, the CCaaS offers Interactive Voice Response (IVR) which automates routine tasks and allows customers to complete simple self-serve transactions 24/7 without the need for extra staff. Voice recording facilitates compliance tracking and allows managers to listen into calls to help identify skills gaps and improve service quality. Agents will also be able to see the real-time status of queues and monitor their own performance enabling them to adjust their activities to deliver optimal customer service.
- **Email:** Responding to emails with automatic routing, queuing and prioritisation. Emails can be transferred to other agents or queues, or placed on hold to be dealt with at another time. A ticketing system groups interactions into a connected conversation with templates and automations. Email campaigns can be sent to customers to proactively start two-way conversations.
- **Web Chat:** Live customisable support for customers as they browse the website via their smartphones, tablets or PC. Agents can handle multiple chat enquiries simultaneously. Quality monitoring is made easy. Each conversation is recorded and customers have the option to receive their conversation transcript emailed to them for future reference.
- **Social Media:** This allows customers to connect with us via chosen channels such as Facebook, Twitter, WhatsApp, TrustPilot etc. Agents can respond from within the omnichannel CCaaS, replying to both public and private messages, tracking comments and replies. Filtered queues can be created for specially trained agents who can speed up replies and avoid negative social media caused by slow response times. As with other channels, agents will have a complete view of each customer's interactions.
- **SMS:** Handle customer enquires by SMS. Ability to send notifications, instructions, reminders and transcripts to individuals or in bulk.

By reducing current demand on call queues, the Council can ensure that telephony channels are more accessible to the most vulnerable, who will receive the care they need to feel secure and supported.

Ways of working will be simplified for agents and customers. Resilience will be improved, positioning the Council to be more open, welcoming and accessible. This solution has the ability to work with other Council systems such as the Dynamics CRM so that existing investments are leveraged, and enabling a more seamless customer journey. A concurrent model for licences, means the Council only pays for what is used, decreasing costs of the existing solution.

2. Options Appraisal

The existing CCaaS contract is nearing the end of the initial three-year term, the options considered were;

a. Remain with existing solution for the optional two year extension.

This was discounted due to reliability issues and the incumbent supplier's inability to both keep pace with solution developments and meet the Council's customer operating model objectives. Even if the existing solution was to be retained, there is currently no budget available beyond March 2024 and current prices would be likely to increase as the original 3 year discount period expires.

b. Stop using a Contact Centre solution

This option was discounted because it would result in longer waiting times for customers and a drop in service quality. The Contact Centre is a core component of service redesign and for BCP's digital future, it's an essential operational service acting as the "front door" for our customers.

c. Review the market and procure a more suitable product and service. Ensure that this service is added to revenue budgets from 2024, securing the funding for this essential service and BCP's future digital model.

Having completed a market evaluation and G Cloud appraisal in collaboration with Customer Services and the Procurement team, a preferred solution has been identified. Funding is available for Year 1, but funding is required for subsequent years, in order to run the Contact Centre in line with current service models and adopt the new Target Operations Model (TOM).

3. Summary of Financial Implications

The current solution was funded originally from Transformation and also a subsequent Covid grant. The annual contractual cost if remaining with the existing solution would have been £199,300 p.a. Funding is currently only available until 2023/2024 when transformation budget will cease. The proposed new solution, despite having additional functionality costs £33,300 less than the current solution. The table below shows the entire cost of the new solution over the maximum 4-year contract term which is permitted under G Cloud terms and conditions:

New solution	One off £	Funding Source
Implementation costs	£28,000	IT Reserve budget
Training	£20,000	Transformation Budget (existing)
Total	£48,000	

Fin year	£ Per annum	Funding Source
2023/2024	£169,000	Transformation Budget (existing)
2024/2025	£169,000	IT Base budget
2025/2026	£169,000	IT Base budget
2026/2027	£169,000	IT Base budget
Total	£676,000	

Annual fees may be increased annually in accordance with any increase in the retail price index (RPI). Such change may be made in January each year, provided however that no change shall be take place before the 1st anniversary of the Effective Date (i.e. if the Effective Date is 1 March Year 1, no increase may take place before end of January Year 3).

The key purpose of this report is to obtain Cabinet approval to cover the 3- year of the CCaaS not currently provided for within the general fund base revenue budget of the Council. Additionally, the purpose is to obtain that approval now outside of the normal annual budget cycle which would lead to such commitments normally being approved in February each year as part of the formal budget approval process.

A workstream supporting the development of the 2024/25 budget is a fundamental review of all recharges between the General Fund and the Housing Revenue Account and vice versa to ensure in line with the latest best practice. As this Contact Centre supports services across the Council it will be important that this cost is considered as part of that evaluation.

As set out in a separate appendix included in a July 2023 Cabinet Report which presented the Financial Outturn for 2022/2023 the Council has delivered £11.05m in cumulative transformation savings over the two year period 2021/22 and 2022/23.

4. Summary of Legal Implications

Legal Services have been engaged in checking the framework agreement, and reviewed the clauses built into the G Cloud call off contract.

5. Summary of Human Resources Implications

The proposed contract award and securing of funding mechanism does not have an immediate impact on human resources. As the Council moves to adopt the different customer channels set out in the TOM, there will be an overall reduction in inbound telephone calls and a shift towards freeing up employees to deal with the most complex caseloads.

6. Summary of Sustainability Impact

UK based cloud solutions reduce emissions as they have a lower carbon footprint than traditional data centres. Such solutions also reduce staff travel and associated carbon emissions. Omnichannel solutions leverage technologies which enhance self-service, such as video, SMS etc. which give residents more choices in how to contact the Council and options to reduce travel.

7. Summary of Public Health Implications

The CCaaS solution can enhance the health and wellbeing of the BCP population by providing access to additional channels to residents. Customers will be able to benefit from real-time responses and speedier resolutions. Increased self-service will impact inbound contact rates, freeing up agents to do more with the calls that do come in, especially those who are vulnerable, allowing more time for empathetic conversations.

8. Summary of Equality Implications

An EIA is not required as a contract already exists.

9. Summary of Risk Assessment

The Contact Centre is a core component of service redesign and for BCP's digital future, it's an essential operational service acting as the "front door" for our customers. We need to move to a new solution and update our budget models in order to move forward and deliver the new customer model. If no funding is agreed for subsequent years, the council will not be able to run its Contact Centre in line with current service models and will be unable to adopt the new Target Operations Model (TOM). The consequences of operating without a Contact Centre solution are as follows:

- Longer waiting times for customers due to no visibility of live call queues (reputational damage)
- Poor customer experience through lack of technical solution to get caller to the right person to deal with the enquiry.
- Customers experience calls being terminated whilst waiting, due to threshold limits set within MS Teams
- Minimal performance data, live and historic, available for both Advisors and Managers
- Unable to verify and respond effectively to customer complaints due to no recording of telephone conversations.
- Unable to adhere to the Transformation Programme output of Customer digital engagement through Chat bots

The proposed mitigation is to ensure that this service is added to revenue budgets from 2024, securing the funding for this essential service and BCP's future digital model.

10. Background Papers

None

11. Appendices

There are no appendices to this report.