

Title: Implementation of new omni-channel contact centre (new telephony system) Version: 1	
Ward: All	Cabinet lead: Cllr Craig Cheney
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Revenue Cost: £ 380,400	Source of Revenue Funding Gross savings from centralisation of £420k, net savings £40k.
Capital Cost: £644k	Source of Capital Funding: . <i>Provision available in the Capital Programme under the BWP underspend</i>
One off One off £170k 17/18 One off £152k 18/19	Saving <input type="checkbox"/> Income generation <input type="checkbox"/>

Finance narrative:**TOTAL funding required and recommended approach:**

This report seeks approval to progress with implementation of the Omni-Channel Contact Centre, which aims to deliver a more cost-effective customer access service, and medium term efficiencies through the rationalisation of current arrangements for telephone access to the Council. The current call centre system is no longer supported and deemed unsuitable.

The decision to replace the current system was taken in 2015, and so far over £1.5m has been invested in the project. A further £644k of capital investment is now required to deliver the project, funded from within the existing Bristol Workplace Programme capital provision. The reasons for the additional capital costs to enable completion of this project are set out in the body of the report.

There are also likely to be significant additional revenue costs, both in 2017/18 and 2018/19, that mean the saving (replacement of call automation software), as agreed by Council in February is unlikely to be delivered within the planned timeframe.

This project costs and savings have been revisited by officers and the additional costs identified are deemed unlikely to be managed down. However, there is potential for significant additional savings by broadening the scope of services that could be incorporated within a centralised contact centre structure.

As stated, the project has already invested £1.55m in purchasing the contact centre – details of further funding requirements are identified below, as based on current project scope assumptions:

- £644k additional capital (£255k Contact Centre build, £171k omni-build and licensing, £218k centralisation costs) is required. There is provision available in the capital programme under BWP that could be used to fund the capital elements and this is included on the forward plan for a decision at July cabinet.
- £24k revenue is required for training, which has been agreed to be paid from the Corporate L&D budget.
- As staff savings do not accrue until midway through 18/19, there is an additional revenue cost of £170k in 17/18 and £152k in 18/19 totalling £322k,

The ongoing project review must re-assess the scope of the centralised service with a focus on increasing the net saving post implementation, as well as assessing the potential for other savings across services as mitigation for the costs of delayed implementation. However, given further efficiencies, are as yet to be identified, it would be prudent to make provision as part of a review of existing earmarked reserves, to be used as a last resort.

Summary of issue / proposal: The Implementation of a new omni- channel contact centre (new telephony system that also incorporates social media, web chat, text and email)

Summary of proposal & options appraisal:

Background:

The current telephony platform is end of life and unsupported. The current system frequently falls over resulting in downtime, citizens are regularly cut off due to system failure, there is a real risk that the current system will collapse, its replacement is essential and business critical.

The decision to replace the telephony was taken in 2015 and it was tied into a bigger programme of works (Unified Comms) which was approved by change board. The platform is implemented. £1.5m has already been spent implementing the platform. We could take the option to stop however this is not recommended as we have already invested £1.5m and we would still need to replace the current end of life system.

In May 2017 the Directors Working Group recognising the business critical nature of the implementation of the new telephony/omni channel solution (Omni refers to multiple channels of contact : web chat, text, email, voice and social media) made the decision to decouple this element of the project from Unified Comms and progress urgently as a standalone project.

The new system will also facilitate the removal of inform (automated call answering) and enable citizens to speak to an advisor.

Do nothing is not an option as the current platform is end of life and unsupported – the system will collapse and citizen contact will be severely restricted to BCC.

We are also not able to progress the centralisation of calls into one corporate contact centre on the current system as we cannot add any call volume and risk bringing the system down.

A full business was developed and Option 2 was approved by DWG in June 2017. The project is a key decision and now requires cabinet approval.

The two options considered :

Option 1 - call replacement which does not enable any efficiencies or savings and shows a deficit £1.948m over 5 years.

Option 2 – Recommended option - Implement Omni Channel contact centre, Omni Channel and centralisation of calls which enable £1.097m of offsetting savings over 5 years but does require an additional investment of £389k. The offsetting of £1.097m brings the total cost to BCC of replacing the call centre with Omni channel to £851k over 5 years.

The Omni channel will also facilitate citizen choice in method of contact (email, web chat, social media).

- The recommended option will facilitate centralisation savings.
- The centralisation option will enable BCC to have full visibility of customer demand across the organisation.
- There is no reason why savings will not continue to be generated beyond the 5 years profiled above.

- The replacement of the call centre does enable saving BE20 Switching off Inform saving £170k.
- The Omni channel is part of the standard functionality of the already purchased Avaya solution.

Recommendation(s) / steer sought:

It is recommended that cabinet approve the implementation Option 2 (combined Omni-channel, centralisation and call centre).

City Outcome: *Improved citizen contact offering a variety of channels of choice*

Health Outcome summary: N/A

Sustainability Outcome summary: N/A

Equalities Outcome summary: Enables easier contact for hard of hearing

Impact / Involvement of partners: N/A

Consultation carried out: N/A

Legal Issues:

In 2016 the Council entered into a contract with 4NET for Contact Centre Services with a term of 29/3/16 - 28/3/19, with the option to extend for a further 24 months, in 12 monthly increments. The contract value was £1,549,325 (for the initial contract term). The contract services are to provide contact centre services including design, build, implementation and operation of telephony (traditional and IP), integrations with desktop / mobile services, virtual call centre and multi media channels (ie omni channel).

The proposal to "decouple" and bring forward the omni channel element from the larger project is still within the scope of the original contract and the cost is included within the original contract price. Other than an impact on the programme for implementing the original project, there is no modification or change to the original contract, either in specification or contract price. There are no procurement issues.

Legal Officer: N/A

DLT sign-off	SLT sign-off	Cabinet Member sign-off
Alison Comely 28 June 2017	Anna Klonowski 4 July 2017	Cllr Cheney 29 June 2017

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO