Herefordshire Council

Decision maker:	**Director of adults and communities**
Decision date:	**Thursday, 26 November 2020**
Title of report:	**ChatBot Procurement**
Report by:	**Andy Churcher, Project manager**

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To approve the procurement of a ChatBot (via the Crown Commercial Service's G-Cloud 12 procurement framework) as new functionality for the Council's website, and WISH, in order to ensure more customers can self-service to meet their needs.

A sophisticated ChatBot will also enable integration to smart devices enabling citizens to access key Council and community information via platforms such as Google Home, and Amazon Alexa.

Recommendation(s)

That:

(a) To procure a ChatBot for the council's corporate and WISH websites employing artificial intelligence, machine learning, natural language processing, up to the contract value of £158k, with contract award made in consultation with the cabinet member finance and corporate services.

Further information on the subject of this report is available from
Andy Churcher, Tel: 01432 260278, email: achurcher@herefordshire.gov.uk

Alternative options

1. Do nothing. This option risks our ability to successful provide information to Herefordshire's citizens based on increased demand on our customer services teams and other services which currently answer a significant number of calls and emails.

2. Procure a less sophisticated ChatBot or NavBot. The council website has used a NavBot since April 2020 and while it supports customers navigate the website it is not sophisticated enough to significantly reduce demand on customer services.

Key considerations

3. Herefordshire Council through its county plan and engagement standards is committed to increase people's access to services through on-line services. The council is involved in continuous improvement of the council's web access and the chatbot is a key tool that can enhance users access to information, supporting navigation specially for people who are not regular internet users.

4. ChatBot is an additional tool to support Herefordshire's citizens successfully complete more enquiries and transactions without the need for direct communications through email or phone. With a likely upsurge in demand on the council's customer services department with increased restrictions to control the spread of COVID-19, ChatBot will help the council to successfully manage this increase in demand, while improving customer satisfaction for users of the website. During the November lockdown, the dedicated COVID-19 phone line has received calls in addition to the usual customer service enquiries.

5. Technology has a key part to play across these ambitions and this project, within the Technology Enabled Living Strategy will deliver on the key commitment of the council's to:

    - Use technology to support home care and extend independent living

    - Support communities to help each other through a network of community hubs

6. Maximised independence will be delivered through the complementary programmes of Technology Enabled Living and Talk Community. A sophisticated and dynamic ChatBot supported by artificial intelligence developed through extensive public sector involvement and natural language processing, will be deployed across www.herefordshire.gov.uk and wisherefordshire.org and will support Herefordshire citizens to access information which will support their independence.

7. Contact centre stats, averaged across all sectors, baseline customer calls costing approximately £1 per call minute (including all on costs e.g. salary, desk space, software) and average call lengths of 3-4 minutes (i.e. an average cost of £3.50 per call).

8. The council's Customer Services Team received 60,292 calls during 2019/20 of which 55,671 were answered.

9. Across all the departments of the whole council, 370,104 external calls were answered (30372 went unanswered).

10. Research indicates that across the public sector, 60% of calls are repetitive demonstrating the need for better access to information already held on websites and an automated conversation with users will help them access the information and service they need.

11. A reduction in call volumes of even half of the likely 60% will result in significantly increased capacity for the customer service team to answer a greater number of calls and freeing time for key services in other parts of the council with high call volumes.

12. As a result we expect to see increased levels of satisfaction among the council's customers including increasing the proportion of all customer enquires resolved successfully and the proportion of phone calls that are answered (see paragraphs 7 and 8).

13. There is likely to be a cost avoidance, as a result of the reduction in numbers of calls to the council, potentially amounting to £58,000 per annum (assuming we achieve half of the average public sector standard decrease of 60% in calls on current levels).

14. This will crucially provide increased capacity to effectively manage any increase in calls to the customer service team should restrictions to control the spread of COVID-19 increase.

15. Research suggests that in 2020, 50% of all searches across the internet will be voice-based and 30% of all searches will be done using a device without a screen.

Community impact

16. Herefordshire Council's County Plan 2020-2024 sets out its ambitions for the County to:

    - Protect and enhance our environment and keep Herefordshire a great place to live
    - Strengthen communities to ensure everyone lives well and safely together; and
    - Support an economy which builds on the county's strengths and resources

17. By increasing access to the community information that is available in WISH, more citizens will be able to access services and support within their communities.

Environmental Impact

18. Procurement of a ChatBot will not have an environmental impact in itself.

19. In creating some of the messaging within the ChatBot we can lead users to information relevant to their request about environmental impacts, for example, promote the use of public transport to places in the County or give information about recycling when answering requests about waste collections.

20. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

21. The use of digital engagement with customers will support a reduction in the need for residents to visit council buildings (therefore reducing mileage) and the significant work on the functionality of the council's website over the past five years has led to a reduction in paper based transactions. These will be further enhanced by the ChatBot.

Equality duty

22. The ChatBot will meet all public sector requirements within the Public Sector Accessibility Regulation 2020.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

23. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a procurement of a system to increase that accessibility of our information and will comply with current accessibility expectations, we do not believe that it will have a negative impact on our equality duty.

Resource implications

24. IT services will support the implementation of the ChatBot although it is understood that the ChatBot will be supported by the software supplier and there will be no ongoing day-to-day support requirements

25. Ongoing revenue costs will be funded from the Customer Services budget which currently includes a vacant post, part of which will be used to fund the ChatBot.

26. The contract will be up to a total of 4 years. This is requirement of the Crown Commercial Services framework which will be used for the procurement.

27. Eventually, as the ChatBot demonstrates its value across the council as an enhancement of the website, we may look to transition the revenue cost and budget to the corporate IT budget.

28. The implementation will be co-ordinated by a Herefordshire Council Project Manager who will ensure all stakeholders, including those in IT, Communications and in the services the ChatBot will support. Full project governance will be developed to ensure the ChatBot is implemented as planned, on time and with appropriate engagement.

Revenue or Capital cost of project (indicate R or C)	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Total**
Initial product purchase (C)	£38000	£0	£0	£0	£38000
Annual licence and support (R)	£30000	£30000	£30000	£30000	£120000
TOTAL	**£68000**	**£30000**	**£30000**	**£30000**	**£158000**

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
Technology Enabled Living Capital Budget	£38000	£0	£0	£0	£38000
TOTAL	**£38000**	**£0**	**£0**	**£0**	**£38000**

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
Adults and Communities operational budget	£30000	£30000	£30000	£30000	£120000
TOTAL	**£30000**	**£30000**	**£30000**	**£30000**	**£120000**

29. A business case is included as Appendix A.

Legal implications

30. The Crown Commercial Service's G-Cloud 12 procurement framework is compliant with the Public Contracts Regulations 2015. There are no other implications arising from this report.

Risk management

31. One of the main drivers for the procurement of a sophisticated ChatBot product is to support the management of the likely increase in demand on the Council's customer services department, should restrictions to control the spread of COVID-19 increase.

32.

Risk / opportunity	Mitigation
Poorly managed and planned implementation in stages which undermines confidence in the product	The implementation will be co-ordinated by a Herefordshire Council Project Manager who will ensure all stakeholders, including those in IT, Communications and in the services the ChatBot will support. Full project governance will be developed to ensure the ChatBot is implemented with appropriate engagement.
Issues around the accessibility settings on Herefordshire Council website	The ChatBot procured will need to meet all accessibility standards and the council's accessibility officer will be a key stakeholder in the implementation process.
The system will not integrate with new development of the website including My Account	Work collaboratively with IT, communcations and the wider team involved in any new developments.

It will not be used by customers meaning non value for money on investment	The chatbot will be promoted to residents and feedback on use monitored.
Website content is not of a high enough quality/ accuracy to inform AI	Work undertaken to implement the ChatBot will include the reviewing and revision of relevant website content to ensure improve information available to residents is as available as possible.

33. Risks will be managed at a Directorate level.

Consultees

34. Extensive consultation with key internal stakeholders has been completed and it is agreed that the ChatBot procurement should progress

Appendices

Appendix A: ChatBot Business Case

Background papers

None identified.

Further information on the subject of this report is available from
Andy Churcher, Tel: 01432 260278, email: achurcher@herefordshire.gov.uk