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|---------|------------------------------|
| Title: | RIS Quarterly Report |
| Action: | For Noting |
| Period | July to September 2010-10-18 |

Background

On 1st July 2010, the Radio Investigation Service transferred to the BBC. The service comprises an on-line self service diagnostic, a 24/7 operation call centre provided by Capita, and a direct diagnostic service provided by the Distribution analysts. Users are encouraged to use the website, where specific advice and supporting information are provided to help consumers resolve the majority of issues, including a new tool which indicates the operating status of their local BBC television or radio transmitter.

Where users have no web-access, Capita agents can check the local transmitter on their behalf, and then walk them through a series of comprehensive questions to eliminate the majority of problems caused within the home. Issues which remain after these series of checks will be forwarded to the analysts, who will contact the consumer directly to get more information about the problem, and offer a more in-depth diagnostic service. Where the problem is believed to be due to a third party, the analysts will first seek to help the consumer resolve the problem themselves, but will refer them to Ofcom for enforcement if unable to do so.

Case Statistics

Detailed reporting information for this quarter is rather limited, due to the backlog associated with the transition of the service, and the outstanding changes required to the reporting system. Summary figures are shown in Table 1.0.

| | July | Aug | Sept | Q1 total |
|--|------|-----|------|----------|
| Cases Received by Capita (web / phone) | 386 | 312 | 287 | 985 |
| Cases Resolved by Capita | 0 | 70 | 61 | 131 |
| Cases Received by DRIA* | 386 | 242 | 226 | 854 |
| Cases Resolved by DRIA | 386 | 242 | 226 | 854 |
| Cases Referred to Ofcom | 0 | 0 | 0 | 0 |
| Cases Resolved by Ofcom | 0 | 0 | 0 | 0 |
| Incorrect Referrals to Ofcom | 0 | 0 | 0 | 0 |
| Unresolved cases in DRIA queue | 1200 | 400 | 225 | 185 |

Table 1.0: Summary of calls into the RIS

* DRIA: Domestic Reception Interference Analyst

The volume of cases received at each stage of the triage process is shown in Figure 1.0. The volume of cases being passed to the DRIAs is reducing as the Capita triage is better able to differentiate between reception advice and RIS cases.

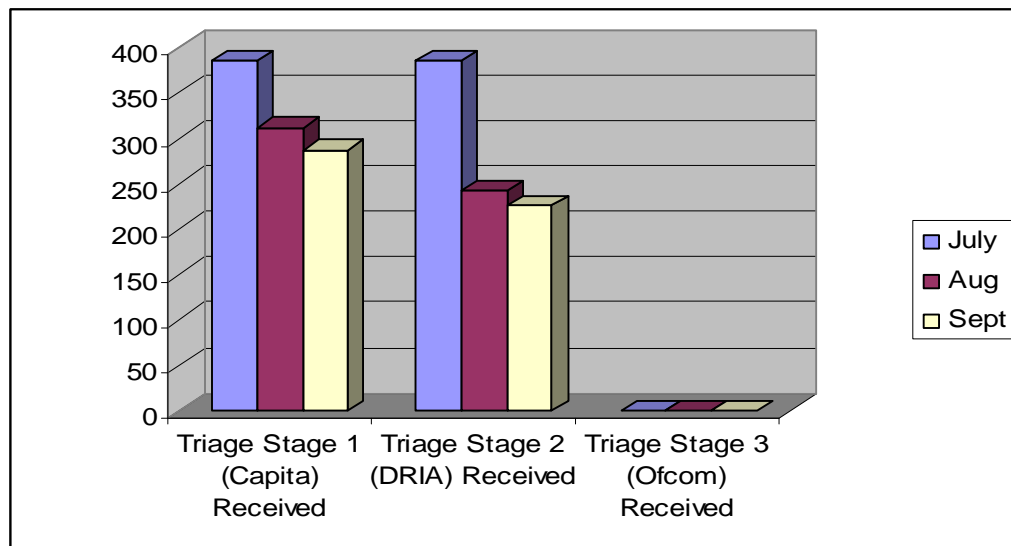


Figure 1.0: Volume of cases through triage stages

The resolution of cases through each of the triage stages is shown in Figure 2.0, demonstrating how the Capita agent resolution is improving. No cases were referred to Ofcom this quarter.

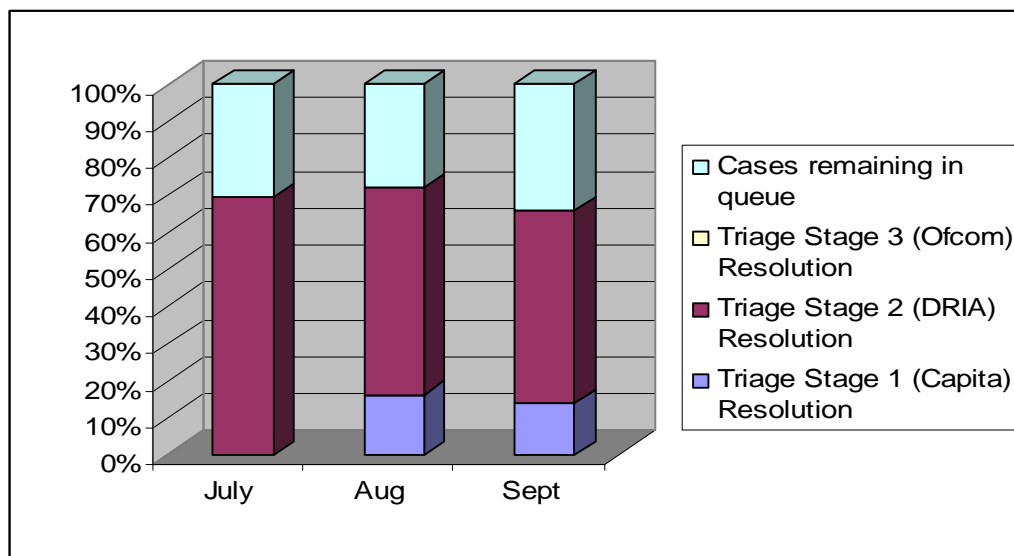


Figure 2.0: Resolution of cases through triage stages

The volume of unresolved cases remaining in the DRIA queue at the end of each month (backlog) is also reducing, as shown in Figure 3.0. The anomaly in July was as a result of the Capita transition leaving a large volume of unresolved cases to be resolved by the DRIAs.

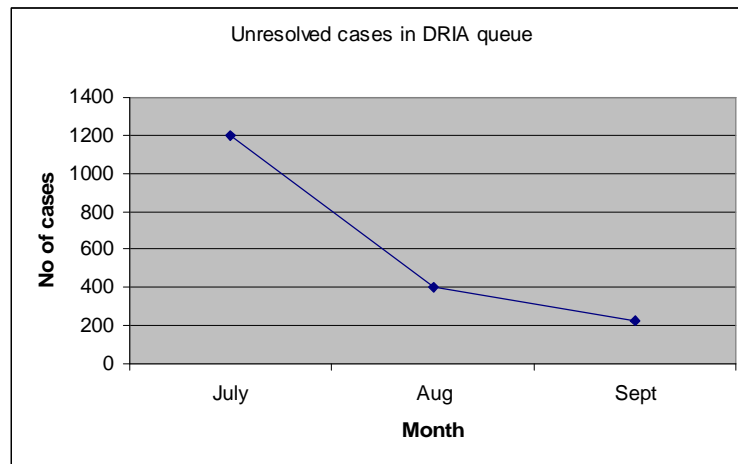
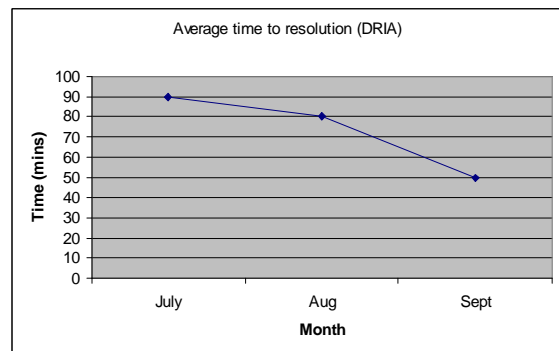
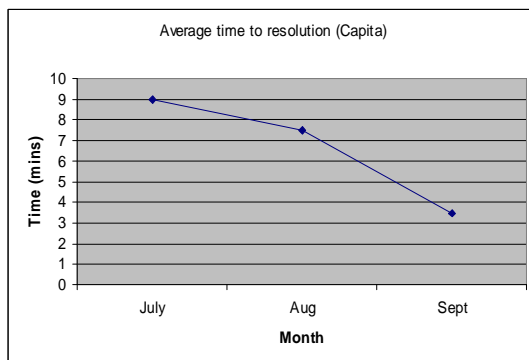


Figure 3.0: Unresolved cases in DRIA queue.

Operation this Quarter

The main focus for this quarter was the transition from the Ofcom provided service, and the integration of the RIS functions into the existing Capita operation. The migration of Capita from old to new systems during this period has had some impact on the operation of the new service. Capita had a large backlog of cases as a result of their own transition from old to new systems – the addition of new processes to accommodate the RIS did mean that a large number of RIS and Reception Advice cases were either allocated incorrectly, delayed in being allocated to the analysts or closed incorrectly. As a result of these issues, the analysts have a running caseload of [120] cases which require more detailed analysis. There has been a strong focus on managing any pirate radio issues out of the original backlog, which has resulted in a slight over-reporting of radio issues (~20% of cases).

As can be seen in Figure 4.0 & 5.0, the average resolution time for Capita agents has been steadily improving. Additional training and improved processes should reduce this number further. DRIA average resolution time is considerably longer, due to the more complex nature of the issues they are dealing with, but this is following the same trend.



Figures 4.0 & 5.0: Average time to resolution for Capita & DRIA

At the end of this period we submitted to Capita a new change request for the Phase 2 migration. This request includes improved case handling, new functionality to support dealer contacts and reports of pirate radio, a new neutral website and IVR and an updated diagnostic to provide more information to the user when following the diagnostic journey.

This quarter we have not referred any cases to Ofcom. There has been a request for field engineer support in one case – to rule out the likelihood of 'legitimate' external interference prior to a referral.

Costs

In 2009, the RIS was provided by Ofcom, with an annual charge to the BBC of £2.4M. Ofcom indicated that this was not representative of the full cost of operating the service. The costs associated with the transition of the RIS from Ofcom to the BBC are shown in Figure 6.0.

Q1 2010

A fixed extension contract was placed on Ofcom to cover the first quarter operation. (This should have been parallel operation with the in-house service for statistic comparison).

Q2 2010

The RIS was brought in-house, which resulted in termination costs associated with the original Ofcom contract. Staffing costs were incurred due to the recruitment of specialist analysts within the team, and costs associated with the development of the first phase diagnostic tool by Transversal were also incurred. The additional Capita costs were low level at this stage.

Q3 2010 (Estimated)

RIS staffing costs will increase as a result of the recruitment of an additional specialist analyst. Transversal and Capita (development and operating) costs are expected to increase as a result of the Phase 2 work. The first cases are expected to be referred to Ofcom, with a potential cost implication for incorrect referrals, and a fixed contribution towards Ofcom's investigation work for pirate radio will commence.

Withheld under section 43

Figure 6.0: 2010 Operating and Projected Operating cost breakdown

Coordination with Ofcom

We have continued to work with Ofcom to both refine the diagnostic process, and to ensure we gather sufficient information to enable Ofcom to undertake an investigation where third party interference is predicted. We have a draft MOU to cover the cost implication of an incorrect referral to Ofcom, and we have continued to share information with their specialist engineers to help resolve cases in the most efficient manner possible.

This quarter no cases have been directly referred to Ofcom. We have requested support from the field engineer team for a number of cases where there is some doubt over the quality of the information provided by the consumer.

Stakeholder Management

We have informed a number of the key stakeholders, including the BBC Trust, DCMS, the RadioCentre and the television broadcasters of the transition of the service from Ofcom to the BBC, including face to face meetings to explain the new service in more detail. It is our intention to meet with DMOL members in the next months to clarify the changes to the service, and to seek their cooperation in developing the service further.

The RadioCentre has expressed some concern about the change of the service, and we have been working with Ofcom to address some of those concerns. The provision of a neutral website and IVR will go some way to address their concerns. A key issue raised by the RadioCentre was the fact that commercial radio listeners would have to contact the BBC to report cases of pirate radio interference to commercial radio services. The BBC has just signed an agreement with Ofcom to enable all reports of pirate radio interference to be handled by Ofcom directly.

Project risks and issues:

- There is a risk that poor case handling by Capita agents leads to dissatisfaction of consumer and reputational damage to the BBC. We continue to monitor the Capita operation and will provide additional training where required.
- The triage and diagnostic processes we have put in place are in-sufficient to ensure Ofcom referrals are genuine, and costs could escalate. We will continue to work with both Ofcom and Capita to develop the triage process and address an shortfalls
- The diagnostic journey is too long or complex for users to complete the journey, so greater load falls to the Capita call centre. Phase 2 of the diagnostic contains improved information throughout the flow to increase the number of cases which can be resolved by the diagnostic itself.

Next quarter

- Launch of the second phase of the diagnostic tool, with improved case handling, new functionality to support dealer contacts and reports of pirate radio, a new neutral website and IVR and an updated diagnostic to provide more information to the user.
- Clearance of the backlog associated with the Capita transition
- Completion of the MOU with Ofcom and referral of 3rd party interference, including the principle of charging
- Setting up of the RIS Stakeholder Board
- Seek support from Broadcasters to extend the transmitter fault reporting tool to non-BBC services