



## Business Case Template including Funding Application

Date: Friday, 28 September 2018

Version number: 00001



<b>Project title:</b>	<b>Project Manager:</b>	<b>Senior Responsible Officer:</b>
Transforming Our Post & Print Services	Minesh Patel	Ivano Spiteri /Sarah Chaudhry
<b>Directorate:</b>	<b>Corporate Theme:</b>	<b>Estimated cost of project:</b> Revenue / Capital / Ongoing
Facilities Management/ Asset Management	Digitisation of Post Services & Improving Traditional Processes	£96,600.00, £52,500.00/£47,500.00
<b>Finance Business Partner:</b>	<b>Board/Governance Lead:</b>	<b>Projected cost savings:</b> Incremental Revenue Savings
Sam Gable	Transformation Board, SLT	£49,830.00 per annum

### 1. Project overview

<p>What is the reason for the project?</p>	<p><b>Executive Summary</b></p> <p>This business case has been created to propose the transitioning of post services from the traditional method of sending and receiving these in paper form to digitising these in the future. This includes improving the process for types of post that cannot be digitised. This business case is a summarised version of the attached appendix 1, Detailed Report. This can be referred to for further clarification and detail throughout this document.</p> <p>The post services are managed by Facilities Management which comes under the Asset Management Directorate.</p> <p>This project is a transformation initiative of transforming the post services for both Havering and Newham. The costs illustrated in this business case are solely for this council but are on the assumption that both Havering and Newham will undertake the project and share the cost.</p> <p>While this project started as transforming our post services, during consultation of the business case development stage, the project was repositioned to include print services, therefore changing the name to Transforming our Post and Print Services. While this business case only illustrates the costs and benefits for post services, further detailed costings and benefits for the print services will be established in the next phase.</p> <p><b>Background</b></p> <p>Existing processes are inefficient and do not comply with GDPR regulations. The current ways of working inhibits staff from working flexibly and is prone to delays, loss or getting into the wrong hands.</p>
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	<p>There is clear opportunity to digitise incoming and outgoing post as the majority of the post is paper based. After reviewing the existing services it was concluded that at least 60% can be digitised.</p> <p>The digitisation of post services will facilitate achieving savings and efficiencies and further help improve the end to end processes of managing post. This further aligns with the council's strategic vision and direction of improving its existing services.</p> <p>Digitisation of post services will improve the staff experience and achieve savings and efficiencies. This further contributes to the 37 million pound savings. Additional information can be found in the attached detailed report.</p> <p><b>Strategic Objectives</b></p> <p>This project is a transformation initiative and forms part of the council's digital agenda and ties in with the strategic plan of:-</p> <ul style="list-style-type: none"> <li>• Delivering efficiencies and savings</li> <li>• Growing our business</li> <li>• Transforming our services for the better.</li> </ul> <p>This also ties in with the strategic vision of making significant savings and improvements to service delivery by:-</p> <ul style="list-style-type: none"> <li>• Reducing duplication</li> <li>• Re-engineering and streamlining processes</li> <li>• Using the best skills and resources from all partner councils</li> </ul>
<p>What specific problem is the project solving?</p>	<p><b>Some of the challenges that the council currently face are-</b></p> <ul style="list-style-type: none"> <li>• The way post is managed is inefficient.</li> <li>• With staff expected to work more flexibly they only have access to physical post when they are on council premises.</li> <li>• Incoming and outgoing post is not secure and can easily be misplaced or accessed by the wrong people.</li> <li>• Some of the post that comes in is not correctly addressed or referenced, which can cause a delay in the post being delivered to the correct team or person.</li> <li>• There are numerous channels by which post is delivered to the council.</li> <li>• Some of the incoming post is not sorted correctly resulting in delays in reaching the final recipient thereby potentially resulting in missed deadlines, delayed payments and penalties.</li> <li>• In some instances expected post is not received by the recipient.</li> <li>• Some of the post that comes in cannot be digitised e.g. parcels, physical items, subscribed magazines etc.</li> <li>• Some of the post that goes out cannot be digitised e.g. promotional items, items of physical nature etc.</li> <li>• Some of the post that is handled requires extra care due to the nature of the post or its sensitivity.</li> <li>• The teams and services are using the corporate credit card as an alternative way of procuring postal services.</li> </ul> <p>The digitisation of post services will enable the council to be GDPR compliant, this will reduce the time taken to handle post, reduce loss, misplacement. Enable staff to work flexibly.</p>
<p>What total investment is required?</p>	<p>£149,100.00 is required upfront for the, procurement, implementation and transition of services.</p>
<p>What options have been considered?</p>	<p>For this business case the following three options have been taken into consideration:-</p> <ul style="list-style-type: none"> <li>• Option 1: Do Nothing (The service remains as is).</li> <li>• Option 2: Enhance our existing services (Digitise in-house)</li> </ul>

- Option 3: Radically change provision of services (Digitise with specialist service provider).

Further information with regards to the above options can be found in the attached detailed report.

Other options that have been considered are:-

1. The post room in Newham managing incoming post for both Newham and Havering.
2. The print room in Havering managing the outgoing post for both Newham and Havering.

After exploring the options above, only the three main options were explored further. The following conclusions have been made. The details and reasoning is further evidenced in the options section of this business case.

### **1. Option 1: Do Nothing**

The council is in a period of transformational change as it looks to move towards developing and implementing a digital campaign. There are significant financial pressures placed on the council to deliver more with less. As an organisation, the council could keep the status quo and continue as they are using their existing support services in the same way. However, there are risks in doing so as well as missed opportunities to realise significant financial and customer benefits as a result, such as:-

- Reduce the cost of managing post services.
- Improving delivery of the service to allow a more efficient and effective use of staff time.
- Improve existing manual practices which will allow the advancement and improvement of how post is managed.
- Centralising and standardising the approach with the way in which post is managed across the council by different services.
- Allow further reduction of manual handling and duplication of processes
- Improve efficiency and quality of service
- GDPR Compliance

If the post room remains the same, the council will see a gradual reduction in the use of post services going forward, this is because customers are being persuaded or are opting to use other channels of communication. It is anticipated that this reduction will be approximately 5% per year, which is reflected in the year on year operational costs. This is based on the previous year's approximate reduction in post items and post room operational costs.

#### **The advantages of this option are:-**

- No (or minimum) cost of change
- No (or minimum) staff redeployment (or redundancy costs)

#### **The disadvantages of this option are:-**

- Continued spend remains significant
- Reliance on duplicated, inconsistent manual processes and resources

Further advantages and disadvantages can be found in the option 1 section of appendix 1. Given the disadvantages highlighted, it is recommended that other options are considered, as we cannot continue in the same manner.

### **2. Option 2: Enhance Our Existing Services**

The council can consider enhancing its existing services to support the improvement of these. This includes digitisation. The current process of handling post has many touch points throughout; these are potential points of failure for post to be lost or misdirected, both of which may impact on teams' performance levels and quality of service delivery.

Digitising of incoming and outgoing post reduces the number of touch points before it is delivered to the recipient, thereby improving efficiency.

The council already has some of the equipment required to facilitate the digitisation of incoming and outgoing post, however additional items of equipment will be required.

**In order to enhance the existing services the council must:-**

1. Set up a project team to facilitate transition
2. Invest in equipment and technology to fulfil the organisations desire to digitise both incoming and outgoing post. This includes the likes of:-
  - X Ray Scanners
  - Letter openers
  - Letter extractors
  - Scanners
  - Software to deliver these to the teams and services.
  - A safe to store cheques and cash
3. Upskill the post and print room staff to:
  - Operate all and any new equipment
  - Have an understanding of how to create, manage and audit the service to provide a consistent level of quality to deliver the service. This can be to either following procedures of a Quality Management System (QMS) or applying to become ISO 9001-2015 accredited. This will ensure that teams follow set specific procedures when handling the councils' mail, in addition to their operational responsibilities.
  - Be CRB/DBS cleared, if not already. This is to ensure that all staff members are security cleared so that they can handle the council's sensitive and confidential information. This includes cherished items such as driver's licences and passports.
  - Process all incoming payments and reconcile these with the related services.
  - Formally validate personal identification to Home Office standard
  - Be able to manage the retrieval of physical records in temporary storage, the redirection of these to our documents management company or for secure destruction and disposal.
4. Invest to improve the existing premises to ensure it is a secure environment for handling all incoming post and further have the ability to store, cheques and cash as well as incoming physical records for a minimum of 30 days.
5. Install the Planet Press driver for the ability to send all outgoing post digitally to the print room. The print room will print, fold, insert into envelope and send out for posting.
6. The print room will need to facilitate processing of physical outgoing post items that need to go out overseas or by recorded and special delivery. This will include parcels and packages.
7. Ensure the council adheres to the GDPR regulations.
8. Devise a communication of change for sending and receiving post services in future together with step by step guide on how to self-serve. This will include training of key staff where required.

**Return on Investment**

For this particular option based on an initial 60% digitisation of post and further 5% increase each year up until year 5 there will be a return on investment from year two onwards (after full implementation).

**The advantages of this option are:-**

- No (or minimum) staff redeployment (or redundancy costs)
- In house staff have a good understanding of user needs.
- In house on site provision maximises responsiveness
- Digitisation of both incoming and outgoing post.

**The dis-advantages of this option are:-**

- Disruption to services caused by change
- Staff may not adapt to change easily

Further advantages and disadvantages can be found in the option 2 section of appendix 1.

Enhancing the existing services is a favourable option, should the council have the appetite to keep and maintain services in-house. If the council chooses to invest in this option this could be further exploited to provide similar or same services to external organisations, thereby generating an income or revenue.

**The Risks associated with this option are:-**

1. Staff costs may be high.
2. Considerable investment required for equipment and technology.
3. Staff may be incapable or may not adapt to new ways of working therefore may take longer to train and transition services.
4. Current premises maybe insufficient.

**3. Option 3: Radically Change the Provision of Post Services**

Another option the council can consider is a radical change to the services this involves going out to the market and engaging the services of a specialist service provider. The service provider can provide the post service either onsite or offsite.

The digital service can be done via a fully managed hosted solution. This will be primarily for paper based items only. Parcels and items that cannot be digitised can be managed by a team on site, for this scenario, the team will require a smaller scale post room and operate differently.

The service provider will be expected to digitise and deliver at least 60% of the outgoing post.

**In order to achieve this radical change the council must:-**

1. Set up a project team to facilitate transition
2. Procure these services and award to the specialist service provider.
3. Ensure the service provider adheres to the GDPR regulations.
4. Devise a communication of change for sending and receiving post services in future together with a step by step guide on how to self-serve. This will include training of key staff where required.
5. Reduce the number of staff and scale down the size of the existing post room operation to only deal with parcels and post that cannot be digitised.

**Return on Investment**

For this particular option based on an initial 60% digitisation of post and further 5% increase each year up until year 5 there will be a return on investment from year two onwards (after full implementation).

**The advantages of this option are:-**

- Digitisation of both incoming and outgoing post.
- Enhance efficiency within each department.
- Increase productivity.
- Better use of staff resources resulting in improved staff morale.

**The dis-advantages of this option are:-**

- Disruption to service caused by change
- Staff may not adapt to change easily

Further advantages and disadvantages can be found in the option 3 sections of appendix 1.

Radically changing these services is a favourable option, as it enables the council to achieve maximum savings and efficiencies. This further allows the council to concentrate on its core services and engage the services of a specialist service provider to provide post services in future.

**Risks associated with this option**

1. Redundancies of staff
2. Union interventions
3. Costs may escalate if processes are not centralised and standardised.
4. Proof of concept failure, resulting in delays
5. Staff may not be comfortable with specialist service providers dealing with the post.

**4. Financial Implications Section**

The costs and savings of the 3 options presented in this report are set out below, this is based on the 2018/19 predicted spend and digitisation of 60% of the post, this does not include the 5% year on year increase in digitisation:-

Details	Option 1 – Do Nothing	Option 2 – Enhance & Digitise In House	Option 3 – Enhance In House & Digitise Externally
Estimated annual running costs	£163,880	£128,350	£114,050
18/19 Annual Revenue Budget	£163,880	£163,880	£163,880
<b>Potential Annual Saving</b>	<b>0</b>	<b>(£31,880)</b>	<b>(£49,830)</b>
Implementation Costs*			
Equipment	0	£78,000	0
Project Resources**	0	£96,600	£96,600
Supplier Costs	0	0	£52,500
Other	0	£5,510	0
<b>Total Implementation Cost</b>	<b>0</b>	<b>£180,110</b>	<b>£149,100</b>
Payback period based on 60% digitisation	n/a	5.6 years	3 years

\*These costs assume that both Havering & Newham will implement a digital post room and share the implementation costs 50/50. Should only 1 borough proceed then the expectation is that the bulk of the implementation costs will reduce (e.g. purchase of 1 set of equipment rather than 2 and reduced charges from specialist service provider) – the exception is likely to be the project resources.

\*\* This is the resource required for implementation and excluded the £53,700 spent on the development of the business case

**Assumptions made in above figures:**

- The cost of current provision is split evenly – i.e. 60% of post that can be digitised incurs 60% of current costs whereas it may be that the elements of post which can't be digitised are most costly.
- Digitising post in house can save 40% of costs and be delivered at 60% of existing costs (based on expert advice from project manager).
- Digitising post with external provider can be save 70% of costs and be delivered at 30% of existing costs (based on expert advice from project manager).
- Havering's existing costs are similar to those of an average local authority who can therefore make the estimated reduction in costs identified above. If Havering's costs are already low then it may not be possible to make the 40%/70% reduction in costs through digitising either in-house or externally.
- No costs have been factored in relating to other departments involvement in the project, e.g. finance, legal, procurement, ICT, facilities management. The assumption is that

	<p>this can be delivered from existing resources; on the basis they regularly deliver advice to projects.</p> <ul style="list-style-type: none"> <li>• No costs have been factored in regarding the print room’s role in handling outgoing post. The project manager has advised that the print unit can accommodate these duties from existing resources.</li> <li>• The Council’s HR policies allow staff to seek assimilation to posts in a restructure where there is a match (per their respective policies) between their existing and future job profiles. If staff are not able to be assimilated and cannot be redeployed, this would give rise to redundancy. Given these proposals are transformational in nature, it is suggested that any redundancy/exit costs will be met from the Council’s existing redundancy/exit cost provisions. Should the cost of redundancy payments exceed the funds earmarked for this purpose, the Section 151 Officer will identify funding from the most appropriate source. Estimated redundancy costs have been excluded from the above calculations.</li> </ul> <p>Based on the above figures option 3 is the most economically advantageous, and would contribute towards the savings target of £145,000 included within the MTFs to be delivered from the digitisation of the post room. This is a challenging target given the size of the annual revenue budget for this service.</p> <p><i>NB: The figures in these financial implications have been reviewed by Finance Business partnering however, cross referencing to the remainder of this business case and or the detailed business case is the responsibility of the project team.</i></p> <p><b>1. Recommended Option</b></p> <p>After evaluating the above three options the following, conclusions have been made.</p> <p><b>For option 1</b> it is obvious that the council cannot continue to operate the post services in the same way as this is unsustainable given the budget constraints the council has. With the financial pressures, new ways of working (robotics and automation) and future model of the organisation of being digitally enabled. This is the least preferred option.</p> <p><b>For option 2</b> the council will need to invest in staff development, equipment, technology and premises in order to achieve the improvement needed for its existing services. This will require an investment in time and costs to achieve this option which may prove to be undesirable at this time due to the current financial pressures. However it will maximise the use of the current assets and will also enable the commissioning of services to external organisations which may increase the return on investment and may create an income stream.</p> <p><b>For option 3</b> the council will need to procure and award these services to a specialist service provider. This option helps to achieve maximum savings and efficiencies in the shortest time. This will enable the council to achieve a digitised service as part of the wider digitally enabled borough agenda. This provides a platform for services to build on robotics and automation in the future. This is the preferred option.</p> <p>When comparing all three options:-  Option 1 is the most expensive and achieves the least savings and efficiencies.  Option 2 is the least expensive but does not achieve as much savings and efficiencies.  Option 3 is slightly more expensive than option 2 but achieves the most savings and efficiencies.</p> <p><b>Having considered all of the above options, the recommended option is option 3</b></p>
<p>What are the benefits that will be delivered?</p>	<ul style="list-style-type: none"> <li>• Digitisation of both incoming and outgoing post.</li> <li>• Enhance efficiency within each department.</li> <li>• Increase productivity.</li> <li>• Better use of staff resources resulting in improved staff morale.</li> <li>• Centralise and standardise service delivery, thereby benefiting from savings accrued through economies of scale and savings managing Royal Mail and other courier costs.</li> </ul>

- Reduction of paper storage within the organisation.
- Reduce the use of MFD's.
- Reduce archive storage and retrieval costs.
- React more quickly to customers.
- Reduce our carbon footprint.
- The elimination of duplication of producing and managing post, ordering stationary etc.
- Reduce the risk of non-compliance of GDPR regulations.
- Increased security and control.
- Complies with central governments drive for digital agenda.
- Benefits to Havering's Digital Strategy.
- Staff can send and receive post whilst working away from council buildings.
- Centralised spend on paper and envelopes only paying for what you use.
- Reduced space taken up in buildings for storage of paper and envelopes.
- Offices will be more paper free.
- Cheaper costs to digitise with a specialist service provider as opposed to digitising in house.
- Valuable real estate space not taken up by machinery.
- Availability of layered Management Information (MI).

**Non Cashable Benefits**

The following is a summary of the benefits that will be achieved and who is responsible for their realisation



No	Category	Description	Measure	Accountable
1	Customer Satisfaction	New ways of working means the organisation can track the incoming and outgoing post	Reduction of misdirected post and improved response times	Head of Service
2	Team and Service Area Resources	For incoming post staff do not have to open and dispose of physical post securely	Reduction in cost and time taken to handle incoming post and repetitive processes.	Team Leaders
3	Team and Service Area Resources	Staff have the flexibility to handle incoming and outgoing post without having to be on council premises	Reduction in cost and time taken to process and handle post, Improved response times	Project Manager
4	Teams and Service Area Resources	For outgoing post staff do not have to print physical post, place these in envelopes and place these in the out trays for the post room to collect and send out	Reduction in cost and time taken to produce and send out post.	Project Manager
5	Post Room Resources	Time and resources taken to deliver physical incoming post items and collect physical outgoing post items as the majority will be sent digitally	Reduction in cost and time and resources taken to deliver incoming post items to teams and collect outgoing post items from teams by means of improved and secure distribution processes.	Project Manager
6	Multi Functional Devices	Use of multifunctional devices (printers) for printing of outgoing post this includes reduction of paper ink and envelopes.	Reduction in cost and use of local printers, paper and envelopes.	Project Manager
7	Security	Loss and potential damage of post items and information being compromised	Reduction of loss and damage of post before being sent out compliance with new GDPR regulations	Project Manager

Further benefits have been detailed in section 8 of appendix 1.

What are the key business impacts both positive and negative?

**The key positives are:-**

- Reduce our carbon footprint.
- The elimination of duplication of producing and managing post, ordering stationary etc.
- Reduce the risk of non-compliance of GDPR regulations.
- Increased security and control.
- Enhance efficiency within each department.
- Increase productivity.
- Better use of staff resources resulting in improved staff morale.
- Centralise and standardise service delivery, thereby benefiting from savings accrued through economies of scale and savings managing Royal Mail and other courier costs.
- TUPE may apply, resulting in continued employment for staff.

**The key negatives are:-**

- Disruption to service caused by change.
- Staff may not adapt to change easily.
- Staff will potentially be made redundant.

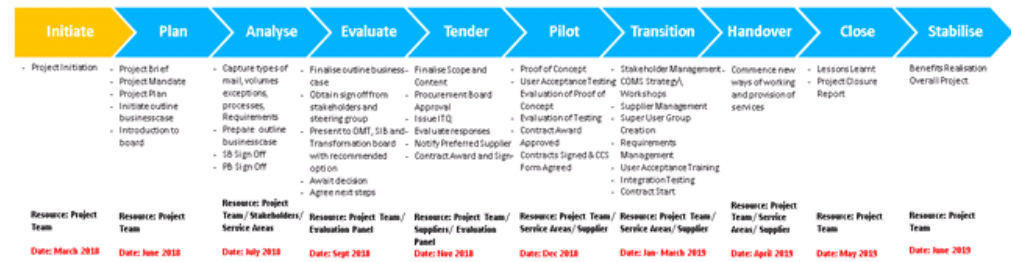
- Staff will have to find other means of managing personal post
- Transition of service may lead to slower delivery as specialist service provider familiarises themselves with the different types of documents

## 2. Delivering the Project

How will the project be delivered?

Procuring of services with specialist service providers, running of a pilot, proof of concept, awarding contract and phased implementation and transition of services.

Transforming Our Post Services from Conception to Realisation



### Delivery Confidence RAG Rating

- Red - Completely new approach, a new pilot and/or process with a new supplier.
  AMBER – Known method/process/supplier but not used before.
  GREEN – Tried and trusted method/process with known supplier.

What are the top-level milestones for the project?

Milestones	To be reached by
Begin procurement	15/10/2018
Commence proof of concept	26/11/2018
Award	10/01/2019
Training and transition complete	30/05/2019
Handover to BAU	27/06/2019

Output	Expected Date	Owner	Who will be consulted
Digitisation of Incoming Post	June 2019	PM	All key Stakeholders
Digitisation of Outgoing Post	June 2019	PM	All Key Stakeholders
Transforming of Traditional Incoming Post	June 2019	PM	All key Stakeholders
Transforming of Traditional Outgoing Post	June 2019	PM	All Key Stakeholders

### Route to approval if known

- Consultation
  Key Decision
  Non key Decision
  Cabinet Approval
  Other (specify)
- Date: \_\_\_\_\_ Date: \_\_\_\_\_ Date: \_\_\_\_\_ Date: \_\_\_\_\_ Date: \_\_\_\_\_

What are the top-level risks to the project?

Risk Description	Likelihood H/M/L	Impact H/M/L	Owner	Mitigating Action (if known)
Project funding requested may be insufficient	L	M	SRO	Ensure processes are standardised as much as possible and accelerate time taken to transition the services if there are any delays.
Buy in from senior management	L	M	Directors and Heads of Services	Ensure senior management strongly favour the initiative and advocate this to their staff.
Scope creep	M	H	SRO	Ensure all changes to scope are approved by Executive Director Sponsors
Support services do not embrace the change of process	M	H	Heads of Services	Comprehensive engagement and communications that feed a consistent message across the organisation to encourage buy in.
Reductions in FTE's in post room may impact on morale	H	H	HR and Heads of Services	Manage reductions sensitively, and where possible through upskill and re-deployments.

<p>What assumptions have been made?</p>	<table border="1"> <thead> <tr> <th>Ref</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Resources - It is assumed that key resources will be available throughout the duration of the project</td> </tr> <tr> <td>2</td> <td>Budget – When and if required will be obtained in a timely manner</td> </tr> <tr> <td>3</td> <td>Teams and Service areas respond to information requests and work with the project team in a timely manner</td> </tr> <tr> <td>4</td> <td>The savings and efficiencies that have been illustrated are based on assumptions.</td> </tr> <tr> <td>5</td> <td>Return on investment will be only be realised in the specified time if the costs do not escalate</td> </tr> <tr> <td>6</td> <td>Return on investment will be realised if there are no delays to the project timeline</td> </tr> <tr> <td>7</td> <td>Return on investment will only be realised after full implementation although savings will be achieved during this period.</td> </tr> <tr> <td>8</td> <td>All teams and services will utilise the corporate postal service offering.</td> </tr> <tr> <td>9</td> <td>Costs of using the incoming and outgoing post services will be recharged back to the teams and services.</td> </tr> </tbody> </table>	Ref	Description	1	Resources - It is assumed that key resources will be available throughout the duration of the project	2	Budget – When and if required will be obtained in a timely manner	3	Teams and Service areas respond to information requests and work with the project team in a timely manner	4	The savings and efficiencies that have been illustrated are based on assumptions.	5	Return on investment will be only be realised in the specified time if the costs do not escalate	6	Return on investment will be realised if there are no delays to the project timeline	7	Return on investment will only be realised after full implementation although savings will be achieved during this period.	8	All teams and services will utilise the corporate postal service offering.	9	Costs of using the incoming and outgoing post services will be recharged back to the teams and services.																									
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<p>What is included and excluded from scope?</p>	<p><b>The following areas are deemed in scope of this project:-</b></p> <ul style="list-style-type: none"> <li>• Incoming post for Havering</li> <li>• Outgoing post for Havering</li> </ul> <p><b>The following areas are indirectly linked to this project and will be considered as part of a wider piece of work in the next phase as procuring these jointly could potentially realise further savings:-</b></p> <ul style="list-style-type: none"> <li>• The provision of print services</li> <li>• The use of multifunctional devices</li> </ul> <p><b>The following areas are deemed out of scope for this project:-</b></p> <ul style="list-style-type: none"> <li>• Hand delivered or collected items</li> <li>• Records Management (Archiving).</li> </ul>																																													
<p>What project board will this project report to?</p>	<p>Havering Transformation Board</p>																																													
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<p>Who or what are impacted by this project (including headcount reduction)?</p>	<p>2 FTE in the post room after full implementation</p>																																													

### 3. What are the critical success factors for the project

Deliverable	Success measure
Incoming Post Service Provider	<ul style="list-style-type: none"> <li>• Open, Sort, Index and Digitise all incoming post where possible</li> <li>• Digitise at least 60% of post that comes in</li> <li>• Deliver digitised incoming post to teams and services within agreed SLA's</li> <li>• Deliver all traditional post to teams and services where incoming post cannot be digitised within agreed SLA's, this could be parcels, magazines, cd's and other types of post.</li> <li>• Ability to check and verify all cherished items send digital copies to teams and services and return original documents to senders within agreed SLA's</li> <li>• Process all transactional post (payments) and send reconciliation reports within agreed SLA's</li> <li>• Ability to handle sensitive and confidential information and process this within agreed SLA's</li> <li>• Manage, Archive, Destroy all incoming post items as specified by teams and directorates according to business rules that will be determined by each team and service.</li> <li>• Reduction of paper post coming into the organisation</li> <li>• Reduction of paper storage on site</li> <li>• Reduced carbon foot print</li> <li>• Ability to facilitate the archiving of items as required</li> <li>• Ability to store and arrange for the secure destruction of items over 30 days old.</li> </ul>
Outgoing Post Service Provider	<ul style="list-style-type: none"> <li>• Accept at least 60% of teams and services outgoing post digitally this includes the different classes of post (1<sup>st</sup>, 2<sup>nd</sup> Special, Recorded, Overseas)</li> <li>• Print, process, envelope and send out all outgoing post sent by teams and services within the agreed SLA's</li> <li>• Ability to send mail by 2<sup>nd</sup> class, black and white, duplex as default</li> <li>• Ability to send all traditional post that cannot be digitally sent within the specified SLA's (24hr turnaround time)</li> <li>• Ability to process all bulk outgoing mail requests from teams and services within the agreed SLA's</li> <li>• Reduction in purchase of paper and envelopes</li> <li>• Reduction in use of printers</li> </ul>
Teams and Services	<ul style="list-style-type: none"> <li>• Receive 60% of incoming post as a digital image from the incoming post service provider</li> <li>• Send at least 60% of outgoing post digitally to the outgoing post service provider</li> <li>• Send 70% of outgoing post by 2<sup>nd</sup> class</li> <li>• Send 70% of outgoing post in duplex mono</li> <li>• Send 60% internal mail deliveries digitally.</li> </ul>

#### 4. Total Cost and Saving Projections please attach appendices if required

Supporting Narrative: Please see table 11 of the attached detailed report

Existing Revenue Budget <small>indicate if HRA, Grant, or General fund applicable, Transformation</small>	Yr1 18/19	Yr2 19/20	Yr3 20/21	Yr4 21/22	Yr5 22/23	Total
Cost centre 1						
Cost centre 2						
<b>Total:</b>						

<b>One off Capital costs</b> e.g. significant building modifications						
Cost A						
Cost B						
<b>Total:</b>						
<b>One off Revenue costs</b>						
Cost A						
Cost B						
<b>Total:</b>						
<b>Ongoing Costs</b> e.g. Programme Manager, Legal Advice						
Cost A						
Cost B						
<b>Total:</b>						
<b>Savings</b> e.g. Existing budget less ongoing costs or income generation						
Saving A						
Income generation A						
<b>Total:</b>						
<b>5. Financing the Project</b>						
What assurances can you give that costs/benefits identified will be delivered?	<p>From previous experience of delivering projects of similar nature and from working with specialist service providers. We are confident that the costs and benefits will be delivered.</p> <p>What methods of value for money have been used? eg Benchmarking, soft market testing, competitive analysis:</p>					
What are the key financial risks to the proposed option?	<p>Whilst significant savings are expected, the actual savings to be delivered may differ as a result of the following:</p> <ul style="list-style-type: none"> <li>• Procurement processes and actual tenders received</li> <li>• Actual % of post digitised may be lower (resulting in reducing savings) or higher (resulting in additional savings).</li> <li>• Ability to reduce staffing levels in the percentages shown – it may be that these are more step changes – e.g. a reduction in posts of 0.5 or 1fte at a time.</li> <li>• Delays in implementation timescales may lead to increased costs.</li> <li>• Channel shift may further reduce costs of the post function in future years. It has been suggested that this may equate to a reduction in postal activity of around 5% per annum. This may deliver additional savings. These have not been factored into the above calculations at this stage. Consideration will need to be given as to how this will be factored into any contract with an external provider to ensure that the Council realises a reduction in cost at the earliest opportunity.</li> <li>• The assumption is that TUPE will not apply given that a digital solution is different from the traditional post solution currently offered by in house staff. If TUPE does apply then it is likely that service provider costs will increase.</li> </ul>					
<b>Financial Confidence Rating</b>						
<input type="checkbox"/> RED - Indicative figures that are yet to be ratified, further work required to develop full costings and/or savings.		<input checked="" type="checkbox"/> AMBER - Costs and saving identified for part of the project but delivery in some areas is uncertain.			<input type="checkbox"/> GREEN – Costs are known and saving targets are deliverable.	
If savings been listed under MTFS or any	Savings have been listed under MTFS savings					

other savings target please explain?	
Can this project be delivered within existing budgets if not why not?	Budget has only been allocated up to business case
What other sources of funding could be considered?	Capital and Revenue Funding

6. Initial Equality & Health Impact Assessment Checklist		YES	NO	Action
Are you changing, introducing a new, or removing a service, policy, strategy or function?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	If you answered YES to any of these questions complete full EQHIA  If you answered NO Please provide an explanation on why your activity does not require an EQHIA below. <i>This is essential in case the activity is challenged under the Equality Act 2010.</i>	
Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
EQHIA not required:	N/A			
Further guidance and advice <a href="https://intranet.havering.gov.uk/help-with-work/equality-impact-assessment/">https://intranet.havering.gov.uk/help-with-work/equality-impact-assessment/</a>				

7. Consultation & Approvals			
Who has been consulted with?		Who has approved this?	
Risk Management		Responsible Director	Sarah Chaudhry
Equality & Diversity		Chief Financial Officer	
HR	Wendy Roberts	Transformation Board	Jane West \ Susie Alexander
Legal		Lead Member	
Procurement	David Pridmore	Other Board	

Appendix 1 Version History		
Revision date	Revision by	Summary of Changes

# Delivery

