



Scrutiny Value for Money (vfm) **Assessment Framework**

Print and Design Unit

Summary

This document outlines the current financial and performance position for the Council's Print and Design (P&D) Unit. It also looks at the business model being developed and indicates the way forward for the unit in terms of business development and sustainability.

The Print and Design Service was re-organised in May 2008 and due to the previous fall in the volume of print work in the Council the staff levels fell from 25 to 14. This reduction in staff numbers required re-skilling and a renewed focus on service delivery. Since that date the team have improved performance delivery. The wage bill fell at that point by £200,000.

The current Print and Design Unit has an inherited budget which, it is widely accepted, is now unrealistic. As a result of this, at this date, the unit has an income target burden of just over £363,393. Cabinet have proposed in their draft budget an investment bid of £337,000 to address the short fall in the print and design budget (appendix 2, Cabinet, 13.1.10) this is subject to Council approval on 22 February 2010.

The unit has planned to move forward on the basis of a 'fairer' cost base and indeed has produced a selling price for external sales based on a significant 'benchmarking' exercise with the private sector.

This month we will be signing a contract to provide Lichfield District Council with all its print requirements. This will generate an income for Walsall based on the current 'commercial rate' as determined by the recent benchmark exercise. Whilst the P&D Units cost base remains the same, this will generate 'contribution' to our fixed costs. So we have developed a business plan that will over time increasingly offset the fixed costs through the generation of increased external income, which will reduce the net cost to the council of its internal business.

Going forward P&D Services are aiming to build on the Lichfield experience and look for other external contracts. We currently produce around 12% of our income from external customers. These include Sure Start, New Deal, Schools, Walsall Adult and Community College, Walsall Strategic Partnership, WHG, CAB and more.

The unit has evidence of a high quality service. Numerous quality awards are evidence of this.

Against other Local Authorities we offer a good quality service at a reasonable price.

We also rank in the middle of a selection of other LA's in terms of our staff efficiency as indicated by staff number to annual turnover.

Added value – managing the Council's Visual Identity

The Print and Design Unit has also provided the Council's Corporate Visual Identity and has managed the Brand since it's development in 2005. This has essentially been a free service to the Council and is one of the hidden benefits of having the internal team. We estimate that, had this service been bought externally the cost to the Council would have been around £200,000 over the period. The original development costs were, at the time estimated by the private sector at around £140,000.

Our key drivers in helping the Council achieve its objectives are as follows:

Pledges	We assist service areas in delivering their pledges by offering an easy to access, professional support in producing printed documents.
Corporate Brand	We manage the Corporate brand to ensure consistent, professional corporate design style is applied to all printed Council documents
Environment	We ensure that all Council print is produced with the least possible harm to the environment
Listening to stakeholders	We listen to the views and requirements of all our stakeholders. We actively seek feedback on our service delivery and on the changing needs of our internal customers to make sure we are focussed on them.
Continuous improvement	To continually seek to modernise the Print and Design service utilising technology to make access easier and production processes more efficient. To seek new income generating external business opportunities enabling future investment.
Equalities	We actively seek feedback from our stakeholders on service issues from the perspective of disabled users, black and ethnic minority users and gay, lesbian and transgender users.

Scrutiny Panel Value for Money (vfm) Assessment

Reason for considering / assessing this service

Request from Scrutiny Panel.

How does this service support the priorities of the council?

As a support service, the Print and Design service indirectly supports all 9 of the Council's priorities, particularly in respect of promoting Council events or services or providing information to residents to help build pride in Walsall. We also directly support the Council's priority of 'working smarter' by reducing print costs.

COSTS

Current budget

Proposed budget 2010/11

What does this service cost us?

Gross revenue budget

Capital Budget (If applicable)

£1,167,572

How this is distributed:

Employee related expenses

(Salary costs, Internal/External training etc)

£401,541

Premises related expenses

(Energy/Water/Accommodation recharges)

£1,686

Transport related expenses

Deliveries

£10,006

Supplies and Services

Paper, ink, chemicals, printing plates etc

£509,432

Other CSS, Accommodation and other internal charges

£244,907

Income – Fees and Charges

£1,326,683

A new cost base without the heavy income target burden is currently being worked on by the finance team. This is due to go to CMT in mid March 2010. The aim of this work is to create a new budget for P&D with an income target which reflects the true operational cost base. It is intended to take Print budgets from service areas and transfer this to P&D to cover fixed costs. This will enable them to charge internal customers at 'cost' and external customers at the going market rate. This will drive more work through P&D and generate a bigger external income stream through marketing services to partner organisations and other LA's

The new cost base and internal pricing structure will change the cost of print and design service to directorates. At the point of use they will only pay for the variable cost. I.e. Paper, ink, chemicals etc..

QUESTION?

How do the costs identified above compare to other authorities / service providers?

Digital print cost comparison with 9 other LA's (Data gathered Dec 2009).

	B&W	Col
Other LA's average	3.5p	13p
Walsall	3p	8p

Comparative costs of graphic design with 6 other LA's £37.50

Walsall current price £50

Walsall proposed price under new cost base £30

Comparative costs of business cards with 9 other LA's

Business cards 500

other authorities	
average	£62.74
P&D Walsall	£46.00

See appendix 1. for private sector benchmark.

PERFORMANCE DATA

N/A

What performance indicators does this service have to demonstrate vfm?
(Note 2009/10 figures will be available next week.)

Service: PRINT & DESIGN

Service Provided The unit was set up to ensure best value in providing a complete 'In House' print & design service to the Council.

Budgeted Activity: FTE 23.4

Performance Indicators:		2006/07	2007/08	2008/09
Percentage of Print jobs delivered without defects (Non Conformances over £200)	LAA, Local	99%	99%	99%
Customer Satisfaction Levels (VfM)		90%	89.6%	92%
Percentage of aluminium plates and chemicals recycled		95%	100%	100%
Percentage of Design jobs started within specified timescales		95%	96%	99%
Percentage of accurate estimates produced within 3 working days		99%	99%	99%
Ensure that we know, from asking our customers directly if there is any element to our service delivery which is discriminatory in their eyes. With reference to all the categories in the Equalities Standard level 3.		-	-	100%

What is in the Beacon Index?

N/A

Is this service on target to deliver efficiencies identified in their service plan? (If not, what corrective action has been taken?)

On target for £30k savings for 2009/10. ie. New Digital Print contract. Less maintenance contracts.

2008 saw a reduction in staff in the unit from 25 to 14. Saving on salaries costs of more than £200,000.

This financial year we are helping to save on external spend by controlling the level of external print buying. Keeping everything in-house that can be done in house. (There are one or two exceptions ie. New Art Gallery spending with external design agency approx £15,000)

What control measures are in place?

QUESTION?

How does performance identified above compare to other authorities / service providers?

Services provided 16 other Councils surveyed – Walsall offers all the services listed.

Equipment	Yes	No
Litho 4 col	4	12
Litho 2 col	11	5
Digital col	13	3
Digital b&w	12	4
Booklet maker	15	1
Folding machine	15	1
Guillotine	14	2
Numbering perfin	14	2
Delivery service	14	2
On-line ordering	8	8
Transactional data printing	7	9
Mailing	4	12
In-house Designers	13	3
External customers	15	1
Recharge internal customers	16	0
MIS – (Order info, job ticketing, job progress info, invoicing info, post job reporting)	12	4

Average sales per employee – staff no.s in the sample vary from 3 to 36. Average sales vary from £100,000 to £3,300,000

Average sales per employee (from 25 other authorities) = £73,338

Sales per employee Walsall P&D = £73,076

External sales as % of turnover

Walsall = 12%

From a sample of 25 other LA's this figure ranges from 0% to 66% the average being 22%

QUALITY OF SERVICE

How does this service identify and evidence the quality of service provided:-

Quality of service

The Walsall Council Print and Design Unit has won the following awards for the quality of its work:

The Local Governments own annual print awards organised by APCOM, the Association of Print and Communications Managers. Walsall has proven year after year to be one of the best in-plant print units in the UK repeatedly winning awards at the APCOM annual print awards ceremony.

- Runner up best creative graphic design 2009
- Runner up best 4 colour litho printing 2008
- Best Digital Print 2007
- Best Digital Print 2006
- Best Digital Print 2005
- Best finished product (2004)
- Best Practice (2003)
- Best 4 colour print (2002)

We hand out feedback cards with every job, the data received back through this feedback method informs our achievement against our current KPI's (See below)

Performance Indicator/ comparable data:-

Achievement of recognised standards, for example :-

- Service Standards in-house
- Charter Marks
- International Organisation for Standardisation (ISO)
- Investor in People (IiP)
- Service specific

Customer Satisfaction:- See KPI's above

Quarter average for <u>each</u> category	Target	Apr-Jun 2009	Target + / -	Jul-Sept 2009	Target + / -	Oct-Dec 2009	Target + / -
Customer Service	90%	93.49%	3.49%	95.18%	5.18%	94.54%	4.54%
Quality of product	90%	93.02%	3.02%	93.48%	3.48%	96.30%	6.30%
Ability to work to Deadlines	90%	95.81%	5.81%	94.22%	4.22%	95.75%	5.75%
Convenience of Service	90%	93.49%	3.49%	94.20%	4.20%	93.83%	3.83%
Value for Money	90%	83.72%	-6.28%	83.72%	-6.28%	88.12%	-1.88%
Availability and knowledge of staff	90%	93.95%	3.95%	93.75%	3.75%	94.17%	4.17%

Communication whilst working on the job	90%	94.88%	4.88%	95.58%	5.58%	94.69%	4.69%
**No data Apr/May			June		Jul-Sept		Oct-Dec
Overall Service Quarterly Average			92.62%		92.88%		93.92%
Overall							
Average % score for 1/2 year is:					92.75%		

Note

The Value for Money feedback indicator is high considering the price (due to the high cost base because of the £350,000 income target 'burden'). This must be a reflection of the 'perceived' quality of the service.

Employee Satisfaction:-

How does the service plan to engage with the public / customers in the future?

- Consultation strategy
- Customer questionnaire currently being produced
- Continuation of our customer feedback forms which go out with all jobs

How does the service effect the 6 strands of equality (Age; Disability; Gender; Race; Religion or Belief; Sexual Orientation)

We gather data in our customer feedback process and have received no indication from that process that our service discriminates in any way against any of these groups or that there is a lower take up of the service from them.

The Unit takes a lead role in the provision of translation services for printed documents. Occasionally braille documents have been commissioned through the unit. Also, we maintain an image bank which is representative of the community of Walsall.

We are currently developing an 'easy read' design and print service for those with specific learning disabilities.

QUESTION?

How does the quality of service identified above compare to other authorities / service providers?

OFFICERS TO COMPLETE FINDINGS OF THE ASSESSMENT BASED ON EVIDENCE GATHERED:

(Brief statement summarising the view of the Officers conducting the assessment)

We have developed a business plan that will over time increasingly offset the fixed costs through the generation of increased external income, which will reduce the net cost to the council of its internal business.

We have developed a quality driven, reasonable cost service to Walsall Council for all it's design and print requirements.

We benchmark the service against the private sector and other LA's and measure up well to these competitors. We have developed the capability to offer our service to other agencies. We are planning to capture more external work in order to realise our business objectives.

It is our view that this service, in terms of vfm is:-



Delivering services in an efficient and effective manner and demonstrating vfm in all areas

☐

Generally delivering an efficient and effective service and demonstrating vfm but needs to address the following issues:

☒

1. P&D Budget needs to be realigned without the income target burden of £363,393
2. Explore opportunities to build on learning from the Lichfield Contract and seek additional external contracts.
- 3.
- 4.



In the majority of areas examined is not able to evidence that service delivery is efficient and effective or that vfm is being delivered. Our recommendation is that....

☐

Scrutiny Panel Value for Money (vfm) Assessment

Forward Looking Statement

The Council's Finance team are currently preparing a report to CMT containing a reconfiguration of the Units budget. It is intended that there will be a CSS charge to all service areas based on their current P&D Budget allocation. This will fund all of the P&D's fixed operating costs. Jobs will then be charged back to internal service areas on the basis of material costs only. This will make the service extremely cheap at the point of use and should generate more throughput to fully utilise the Council's assets in the print room. This new model will also enable the unit to sell its products and services to external customers at a competitive rate.

The unit has secured their first external contract with another LA. Lichfield District Council and will be signing a 6 month temporary contract Feb 2010 for Walsall P&D Service to provide all of Lichfield District Council's print for a period of 6 months pending the tendering of this contract for a 3 year contract sometime after that.

Going forward P&D Services are aiming to build on the Lichfield experience and look for other external contracts. We currently produce around 12% of our income from external customers. These include Sure Start, New Deal, Schools, Walsall Adult and Community College, Walsall Strategic Partnership, WHG, CAB and more.

We have developed the capability to produce web design service and are currently updating the look and feel of the Council's website and Intranet. As an internal resource this is a true 'added value' service. The cost of procuring this kind of service from the private sector is extremely high.

The Print and Design Unit has also provided the Council's Corporate Visual Identity and has managed the Brand since its development in 2005. This has essentially been a free service to the Council and is one of the hidden benefits of having the internal team. We continue to manage the Visual Identity and have, this year engaged in a 'refresh' or 'modernising' process for the Visual Identity. The process has taken on board many of the changes in the organisation and we have consulted widely with stakeholders to ensure the needs of all departments and service areas, and our partners have clear guidelines for branded documents. This service has been provided within the existing expenditure on the P&D Unit.

Ultimately the unit intends to build on its excellent record of service delivery to both internal and external customers, to improve its income generating potential and to continue to add value in its support of Corporate objectives. To embed the service as a true asset to Walsall Council.

**MEMBERS TO COMPLETE
FINDINGS OF THE ASSESSMENT BASED ON EVIDENCE GATHERED:**

(Brief statement summarising the view of the members conducting the assessment)

It is our view that this service, in terms of vfm is:-



Delivering services in an efficient and effective manner and demonstrating vfm in all areas

☐

Generally delivering an efficient and effective service and demonstrating vfm but needs to address the following issues:

☐

1.

2.

3.

4.



In the majority of areas examined is not able to evidence that service delivery is efficient and effective or that vfm is being delivered. Our recommendation is that....

☐