

<p>Corporate Scrutiny and Performance Panel</p> <p>12 April 2012</p>	<p>Agenda Item No. 7</p>
<p>Print and Design Service: Overview Report</p> <p>Ward(s) All</p>	
<p>Portfolios: Councillor M Arif – Shared Services & Procurement</p> <p>Purpose</p> <p>To update on the panel on the services offered by the internal Print and Design service and the opportunities and options currently being considered for the short and medium term.</p> <p><i>Reason for scrutiny:</i></p> <p>The overview of the performance and economic benefits of the council having it's own in house printing service should be subject of a regular review as the demand for printed media changes over time with the introduction of new technologies and new ways of communicating information.</p> <p>Print and design was last formally reviewed by Scrutiny in January 2010 and since then a different approach has been taken to the management of the service operationally and financially.</p> <p>Summary</p> <ol style="list-style-type: none"> 1. The current services being offered are end-to-end design and print services across all areas of the council. Since the last report we have taken on printing requirements for the election services and entered in to an arrangement with Lichfield District Council to produce all of their printed products. We have also begun to move in to web design services. 2. In the last budget a reduction in the income target for Print and Design was agreed which will enable the internal services within the council to meet their design and print requirements for the true cost. 3. We are currently undergoing an external independent review of our service along with that of Sandwell Council's to understand whether we are the right size and shape to continue to provide internal print services in the future. This report is expected at the end of April 2012 4. We are looking to provide print services to other bodies where it has no detriment to existing Walsall businesses, where the Council is not subsidising other bodies and where our operating costs are covered. There are a number of opportunities we are currently bidding on. 	

Recommendations:**That the Corporate Scrutiny and Performance Panel:**

Reviews the current situation of the Print and Design service and notes the new cost model for the internal print and design service.

Requests that the results of the external review by the British Printing Industries Federation are presented back to Scrutiny at a future date.

Resource and legal considerations:

The possible resource implications and any legal considerations are contained within the main body of the report.

Citizen impact:

To ensure that the Council's in-house Print and Design service provides an efficient and effective service whilst delivering on value for money principles.

Environmental impact:

The Print and Design Service are working to reduce their impact on the environment and are in the process of creating an environmental policy that supports the desire to reduce the carbon footprint of the Council.

Equality Implications:

None directly arising from this report.

Consultation:

The British Printing Industries Federation are producing an independent review which will be available at the end of April

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1. Purpose of the Report

1.1 To explain the current position with Print and Design services within the Council.

2. Financial Analysis

2.1 The current charging model for Print and Design is that the cost of the work done over the year should cover the fixed and variable costs of the service.

Each individual job is priced to cover the material costs, the activity costs and apportioned elements of the fixed costs.

When trading with other local bodies (including Lichfield District Council) we are allowed to cover fixed costs but not make profit. The Lichfield Contract allows them to compare our quotes with others and we are well received in terms of both cost and quality.

The reduction in internal income is a combination of us reducing our prices in line with charging internally what we charge Lichfield District Council and not making any profit from service areas, as well as a steady and shallow decline in demand as budgets have been reduced and other methods of communication are increasingly adopted.

In the last year we have had a budget reduction in the expected income target to be generated and are now concerned with growing external income to cover our operating costs.

We are also exploring the possibility of offering a shared service for other local authorities.

We are in the process of bidding for work for some other public bodies.

5.2 Current services provided in house

1. Handling requests from across the council and outside

We have a central point of gathering and quoting for requests staffed by experienced print professionals.

2. Designing solutions and preparing quotes

We ensure that the customers requirements reflect their budgets, are done in the best value way and follow the councils branding guidelines.

3. Creating artwork and designs

We have a team of 4 designers who produce artwork for all requirements.

4. Printing the products

We have the capability to print most things in house and where we need to use specialists, for mugs, or banners as an example, we have the experience to get the best deal from specialist print suppliers.

5. Finishing the products (Binding, mounting, stapling etc)

6. Delivering

All Council Printing is currently managed by professional and trained print experts to ensure that the council gets the best service. The remit of the external review by the BPIF is to ascertain whether an in house Print Service offers best value and what the options for shared services are.

We would need to consider on the back of this review which of the elements outlined above would be best kept in house.

Financial Analysis of Print & Design 2009 – 2012

<u>Actual Income/Costs</u>		2009/10	2010/11	2011/12
		£	£	£
Income	Internal	736,707	614,631	552,345
	External	72,747	130,179	151,141
		809,454	744,810	703,486
Fixed Costs	Salaries	389,496	392,286	433,179
	Equipment	-138,030	103,786	161,418
	Council Overheads (css)	482,018	423,046	236,668
		733,484	919,118	831,265
Variable Costs	Materials	236,568	204,681	262,204
	Travel / Delivery	4,446	3,392	10,044
		241,014	208,073	272,248
<u>Budget Allocation</u>				
	Income	-1,326,683	-1,105,461	-1,105,461
	Overheads (CSS etc)	482,018	423,046	236,668
	Expenditure	628,635	859,783	905,288
		-216,030	177,368	36,495
	Net Cost	165,044	382,381	400,027
	Overspend	381,074	205,013	363,532