

London Borough of Hammersmith and Fulham

Outline Business Case

SmartWorking Stage D - Paperlight Office

Version 0.5

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1 DOCUMENT STATUS

1.1 Control

This document is controlled and as such should not be distributed to any parties other than the programme team without the express permission of the author. Uncontrolled modification of content is prohibited; revision procedures should be followed at all times.

1.2 Related Documentation

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet paper – Funding Request for the SmartWorking Programme. 9 th November 2008	Andrew Richards Programme Manager, Ext 2123	SmartSpace / HTH
2.	Cabinet paper – Funding Request for the SmartWorking Programme. 14 th July 2008	Andrew Richards Programme Manager, Ext 2123	SmartSpace / HTH
3.	Business Case for SmartWorking at H&F	Andrew Richards Programme Manager, Ext 2123	SmartSpace / HTH
4.	Cabinet paper – Funding drawdown for the Corporate rollout of SmartWorking	Andrew Richards Programme Manager, Ext 2123	SmartSpace / HTH
5.	Cabinet paper – Request for funds for SmartWorking project in Finance & Corporate Services	Andrew Richards Programme Manager, Ext 2123	SmartSpace / HTH

1.3 Revisions

Rev Date	Rev	Author	Notes
16/09/2011	0.1	A. Richards	Draft for review
26/09/2011	0.2	A. Richards	Draft for final team review
28/09/2011	0.3	A. Richards	Updated following final team review
10/10/2011	0.4	A. Richards	Updated following review with Nigel Pallace
01/12/11	0.5	C. Rehal	Updated following feedback from departmental representatives

2 EXECUTIVE SUMMARY

2.1 Introduction

The SmartWorking programme started in July 2008 and has completed the delivery of Stages A, B and C at a total cost of £3.4m in July 2011. The programme has successfully enabled the vacating of Riverview House and Barclay House saving the organisation £1.35m p.a. and £717k p.a. respectively. It has also formed a key enabler for £2m in 2011/12 department MTFS savings.

A total sum of £3.8m has been drawn down from the total sum of £3.944m set aside for SmartWorking from the Efficiency Projects Reserve. This includes Stages A, B and C as well as the SmartWorking FCS project (£103k) which is currently underway and due to complete at end January 2012.

This report sets out the outline business case (based on indicative costs) for Stage D, a Paperlight Office. It requests £212,660 to conduct further work to develop detailed designs, costs and a full business case to deliver the recommendations described in this document.

2.2 SmartWorking Vision & Stage D

The SmartWorking vision is for a more efficient organisation enabled through new ways of flexible and mobile working to deliver services as effectively and efficiently as possible, making the best use of resources. It is also about improving customer service, work/life balance and job satisfaction while maximising the use of assets, both space and IT.

Stage D SmartWorking is still about striving towards this vision, focused on implementing new ways of working through culture change, process and document management efficiency rather than accommodation savings.

SmartWorking vision statement: "Work is what you do, not where you do it"!

2.3 Background

Following the successful completion of Stage C of SmartWorking with the vacation of Barclay House in July 2011, there are no opportunities in the short term to generate further accommodation savings through contractions in the use of office space. The next opportunity presents itself in August 2014 with the lease expiry at Cambridge House.

On completion of Stage C, the Senior Responsible Owner, Nigel Pallace, requested that the programme investigate the potential benefits and costs of a Stage D, Paperlight Office programme. The aim of the programme would be to eliminate inefficient and resource hungry paper processes from the organisation, driving improvements in productivity and enabling higher levels of SmartWorking and Tri-Borough Working.

On 25th July 2011 the Transforming Business Portfolio Board specified the areas of focus or priorities for the development of the Stage D Outline Business Case. These included: Mail Correspondence, Managing the Document Lifecycle, Invoices & Payments, Mobile Field Working, Smart Meetings and Quick Wins (solutions to deliver benefits for little or no investment).

These priorities provided the analysis framework for this outline business case and form the structure for presenting the findings in this document.

2.4 Strategic case for change

The pressure to reduce costs at H&F has resulted in a number of business change programmes and initiatives that all require a move away from inefficient resource intensive paper processes towards leaner and more flexible processes. Key initiatives and drivers relevant to Paperlight Office include:

- Cost reduction: Real efficiencies can be made by removing labour intensive outbound and inbound mail processes in departments improving the management of documents and the sharing of information.
- World Class Financial Management (WCFM) and Tri-Borough Managed Services (Project Athena): Both initiatives are driving the need for electronic management of invoicing and payments processes as well as location independent electronic access to information.
- Tri-Borough Total FM project: This is driving the need to prepare for the outsourcing of the post service as part of SmartFM by March 2013. Streamlining and standardising mail processes in advance will prepare the organisation for a smoother transition and aid in contract negotiation.
- SmartWorking: The increasing number of staff working from different locations within H&F, from home and across Tri-Borough means that traditional paper-based processes are no longer fit for purpose. People will need to be able to send and receive mail electronically and access information online.
- Information management compliance: The organisation is under a legal obligation to adhere to data protection legislation as well as ensure information is held securely. Effective management of information is therefore a high business priority.

2.5 Overview of approach

The aim of Stage D is to remove inefficient paper-based activities from departments through the electronic management of inbound and outbound post, effective electronic document management and better management of invoices and payments processes.

The recommended approach is that Stage D should be managed in two stages, a Full Business Case stage followed by an Implementation stage as follows:

A. Full Business Case stage (for which funding is being requested):

- Full business case including validated benefits, detailed designs and costs for the implementation of a Digital Mailroom and an electronic outbound mail

solution to remove manual paper-based post activities from departments. The business case will also include detailed designs and costs for the EDMS project within CSD Finance and a project to scan all inbound paper invoices.

- Service preparation for Digital Mailroom trial in Environment to plan and prepare for the transition to the new service during the trial.
- Service preparation for an EDMS project in CSD Finance including the review and pruning of any unwanted filing prior to back-scanning.
- Service preparation for an EDMS project in HRD Tenancy Management (in conjunction with the HRD New ways of Working project described below) including the review and pruning of any unwanted filing prior to back-scanning.
- Invoices and Payments (Phase 1) project to improve processes, develop staff understanding and compliance to reduce error demand on the Central Payments team.
- Roadmap for further EDMS projects identified as opportunities in this document, namely Housing Management, ENV Highways & Engineering, RSD Trade Waste, CHS Education Psychology, CHS Special Educational Needs and Housing Leaseholder Services.
- Implementation of HRD New Ways of Working to introduce modern, flexible ways of working, co-locate all back office staff and use technologies such as Openscape to support mobile working.

B. Implementation stage (for which funding will be requested on submission of the full business case)

- Digital Mailroom trial within Environment to manage all inbound general correspondence and outbound mail electronically to learn lessons to inform the planning of a corporate rollout.
- Digital Mailroom rollout across the organisation assuming the trial delivered in Environment is a success. Prioritisation during the full business case stage and lessons learnt during the trial will inform the plan and pace of the rollout to the rest of the organisation.
- CSD Finance EDMS project for the electronic management of Financial Assessment and Direct Payments filing and correspondence in Information@Work.
- Housing Management EDMS: Delivery of required back-scanning of tenancy files, set-up and configuration of Info@Work and interfaces within iWorld. Project management and implementation of changes to ways of working in line with Housing requirements.
- Invoices and Payments (Phase 2) project to channel paper invoices to RBS for scanning and upload to the RBS hub.
- Active employee engagement to reduce the printing of paper. Provision of projector facilities in 15 large meeting rooms in main buildings, to enable a reduction in the levels of paper printed for face-to-face meetings.
- Implementation of other EDMS projects as defined in the Full Business Case.

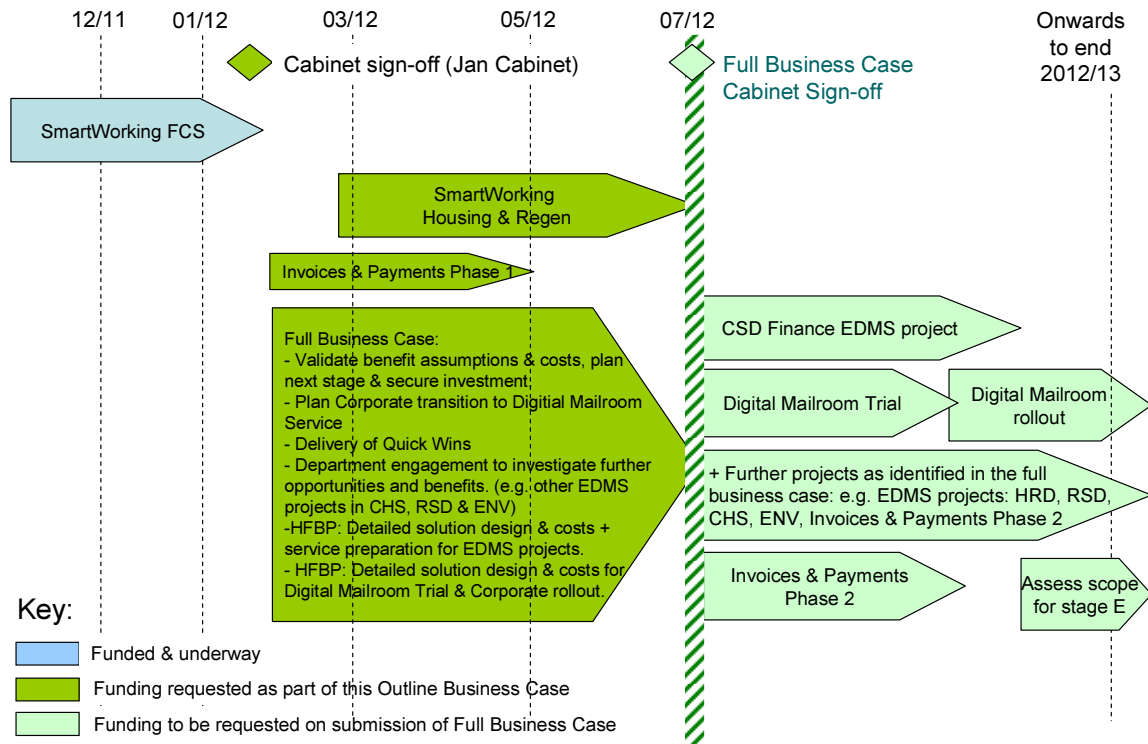
2.6 Programme plan

Stage D is a series of projects delivered over a 14 month period including an initial 6 month period to produce a full business case and plan followed by an 8 month implementation stage to complete by end 2012/13.

There are two stages:

1. Full business case stage from February to July 2012.
2. Implementation stage from July 2012 to March 2013.

SmartWorking Stage D: Paperlight Office High-level Programme Plan



2.7 Overview of the financial case

A business case has been produced to implement the scope and approach summarised in the previous section. It is anticipated that cumulative gross cashable savings of £1.25m can be achieved by 2016/17.

Indicative programme costs for Stage D are £623k over 12 months, comprising a total IT cost of £294k, move costs of £12k and programme resource costs of £317k. These costs will be validated through detailed design work conducted during the Full Business Case stage.

Cashable benefits totalling £468k per annum have been identified as follows:

- Reduced cost of post including staff, a vehicle, franking machines and postage totalling £121k pa from 2012/13.
- Increased productivity of the Central Payments team totalling £108k pa from 2012/13 through a reduction in time spent dealing with error demand and manual processes, through the scanning of paper invoices and the increased use of e-invoicing.
- Reduced cost of physical space from the implementation of EDMS in CSD Finance and HRD Tenancy Services totalling £39k p.a. from 2014/15.

In addition, a non-cashable productivity benefit totalling £170k pa has been identified due to the removal of outbound manual mail processes from departments. This includes the manual printing, folding and enveloping of post across departments.

SmartWorking Stage D: Paperlight Office & SmartWorking HRD Investment Appraisal (Overall)

Benefits	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total cashable benefit	£178,139	£464,713	£466,508	£467,790	£467,790	£2,044,940
Total non-cashable benefit	£84,750	£169,499	£169,499	£169,499	£169,499	£762,746
Total benefit (cashable + non-cashable)	£262,888	£634,212	£636,007	£637,289	£637,289	£2,807,685
Total cumulative cashable benefit	£178,139	£642,852	£1,109,360	£1,577,150	£2,044,940	£2,044,940
Costs						
Total one-off IT costs	£252,630	£0	£0	£0	£0	£252,630
Total one-off Move costs	£12,000	£0	£0	£0	£0	£12,000
Total annual IT costs	£41,450	£41,700	£41,950	£42,310	£42,570	£209,980
Total programme team costs	£316,720	£0	£0	£0	£0	£316,720
Total costs	£622,800	£41,700	£41,950	£42,310	£42,570	£791,330
Total cumulative costs	£622,800	£664,500	£706,450	£748,760	£791,330	
Investment Appraisal						
Net cashable benefit	-£444,662	£423,013	£424,558	£425,480	£425,220	
Net cumulative cashable benefit	-£444,662	-£21,649	£402,910	£828,390	£1,253,610	
Return on Investment (%)	-71%	-3%	57%	111%	158%	

The tables below show the investment appraisal broken down by the three main parts of Stage D: The Digital Mailroom project, the Invoices & Payments projects (including CSD Finance EDMS) and the HRD project.

SmartWorking Stage D: Paperlight Office Investment Appraisal (Digital Mailroom only)

Investment appraisal - Digital Mailroom						
Benefits	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total cashable benefit	£60,331	£120,661	£120,661	£120,661	£120,661	£542,975
Total cumulative cashable benefit	£60,331	£180,992	£301,653	£422,314	£542,975	£542,975
Costs						
Total costs	£254,130	£15,400	£15,400	£15,400	£15,400	£315,730
Total cumulative costs	£254,130	£269,530	£284,930	£300,330	£315,730	
Investment Appraisal						
Net cashable benefit	-£193,800	£105,261	£105,261	£105,261	£105,261	
Net cumulative cashable benefit	-£193,800	-£88,539	£16,723	£121,984	£227,245	
Return on Investment (%)	-76%	-33%	6%	41%	72%	

Note: Digital mailroom benefits represent new savings which are not already included in MTFS targets.

SmartWorking Stage D: Paperlight Office Investment Appraisal (Invoices & Payments, CSD Finance EDMS)

Benefits	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total cashable benefit	£108,000	£108,000	£109,795	£111,077	£111,077	£547,949
Total cumulative cashable benefit	£108,000	£216,000	£325,795	£436,872	£547,949	£547,949
Costs						
Total costs	£127,690	£11,100	£11,150	£11,210	£11,270	£172,420
Total cumulative costs	£127,690	£138,790	£149,940	£161,150	£172,420	
Investment Appraisal						
Net cashable benefit	-£19,690	£96,900	£98,645	£99,867	£99,807	
Net cumulative cashable benefit	-£19,690	£77,210	£175,855	£275,722	£375,529	
Return on Investment (%)	-15%	56%	117%	171%	218%	

Note: Invoices / payments and CSD Finance EDMS benefits represent savings which have already been included in MTFS targets (WCFM 2012/13).

SmartWorking Stage D: Paperlight Office Investment Appraisal (HRD)

Benefits	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total cashable benefit	£18,465	£253,365	£253,365	£253,365	£253,365	£1,031,925
Total non-cashable benefit	£0	£0	£0	£0	£0	£0
Total benefit (cashable + non-cashable)	£18,465	£253,365	£253,365	£253,365	£253,365	£1,031,925
Total cumulative cashable benefit	£18,465	£271,830	£525,195	£778,560	£1,031,925	£1,031,925
Costs						
Total one-off IT costs	£103,180	£0	£0	£0	£0	£103,180
Total one-off Move costs	£12,000	£0	£0	£0	£0	£12,000
Total annual IT costs	£15,000	£15,200	£15,400	£15,700	£15,900	£77,200
Total programme team costs	£110,800	£0	£0	£0	£0	£110,800
Total costs	£240,980	£15,200	£15,400	£15,700	£15,900	£303,180
Total cumulative costs	£240,980	£256,180	£271,580	£287,280	£303,180	
Investment Appraisal						
Net cashable benefit	-£222,516	£238,165	£237,965	£237,665	£237,465	
Net cumulative cashable benefit	-£222,516	£15,650	£253,615	£491,280	£728,745	
Return on Investment (%)	-92%	6%	93%	171%	240%	

3 INTRODUCTION

3.1 Background

SmartWorking is the Council's programme to manage the implementation of new ways of flexible working and to enable significant savings through the improved utilisation of Council office space. The programme started in July 2008 and has completed the delivery of Stages A, B and C at a total cost of £3.4m in July 2011.

The programme has enabled the following savings to date:

- Productivity savings. SmartWorking formed a key enabler for circa £2m in departmental MTFS savings for 2011/12.
- Savings from vacated properties - Riverview House in January 2010, saving £1.35 pa; Barclay House in July 2011, saving £717k pa).
- IT savings from a reduced PC estate totalling £108k pa.

At the present time there are no further opportunities to make additional savings from vacating other properties. The next opportunity presents itself in August 2014 with the lease expiry at Cambridge House.

The Senior Responsible Owner, Nigel Pallace, requested that the programme investigate the potential savings and costs of delivering a Paperlight Office for Stage D. This programme would focus on process improvement, eliminating paper and resource hungry processes across the organisation, implementing Smarter ways of working.

On 25th July 2011 the Transforming Business Portfolio Board specified five areas of focus or themes for the development of the Stage D Outline Business Case. These themes included:

- Mail Correspondence – Streamlining paper-based resource intensive processes for inbound and outbound mail correspondence.
- Managing the Document Lifecycle – Improving the management of documents (ie. effective indexing, version control, archiving, de-duplication etc)
- Invoices & Payments – Improving H&F's cross-cutting processes for managing invoices and payments.
- Mobile Field Working – Investigate requirements for mobile solutions enabling Field Officers to access and update information on the move.
- Smart Meetings – Awareness raising with meeting organisers and challenge over paper usage. Analysis of requirements to reduce paper at meetings.
- Quick wins - Ideas to deliver benefits with little or no investment (e.g. raising awareness by publishing MFD bills, better use of hyperlinks in emails....)

These themes provided the priority areas of focus for this outline business case and they form the structure for the presentation of findings in this document.

3.2 Current state findings

3.2.1 Mail correspondence

There is currently a mix of automated and heavily manual post processes and arrangements in place across departments, which have largely been driven by service needs.

In terms of outbound physical mail arrangements, the following processes have been identified:

- Standard manual outbound mail: Staff print off letters, manually fold and envelope and leave for the Post Room to pick-up, frank and send them out via Royal Mail. Examples include ad hoc letters, RSD mail shots, Planning and Building Control consultations and notifications.
- HRD Housing Office manual outbound mail: Staff print off letters (e.g. offers of accommodation, appointments, viewing dates, general correspondence), manually fold and envelope them before they are franked locally (in Fulham North and Hammersmith North Housing Offices) and then picked-up directly by Royal Mail.
- H&F Direct manual outbound mail: Staff print off letters (e.g. trade refuse, parking permits, benefit letters), manually fold and envelope them before they are franked by Pay & Park and then picked-up directly by Royal Mail.
- High-volume automated outbound mail: This includes high-volume standard letters sent out at a regular frequency by a third party . Electronic data is sent to the following contractors where letters are printed, franked and sent out via the following carriers (e.g. Royal Mail) at a volume discount:
 - FDM (e.g. Housing Rent Arrears letters – triggered by iWorld, Council Tax and Business Rate letters – triggered by Academy, others triggered by Account Receivables module in Cedar). Data is sent to FDM where letters are printed, franked and sent out via Royal Mail at a volume discount.

- Liberty (letters for Parking Permit applications). H&F Direct pull together contents for letters and send to Liberty where they are folded, enveloped and sent out.
- Liberty (letters for Parking PCNs). Payment reminder letters are triggered automatically by ICPS to Liberty where they are printed, enveloped and sent out.

For inbound physical mail, the following processes have been identified:

- Standard manual inbound mail: Royal Mail deliver mail to the Post Room where it is sorted before being physically delivered on a daily basis to the main buildings and schools. Teams then sort and deliver mail to services where it is either physically distributed or scanned into local document management systems (e.g. Environment Planning applications into Idox).
- PO Box mail: Some services have arrangements with Royal Mail to have post delivered direct and teams scan, index and store correspondence in local document management systems. (e.g. H&F Direct Council Tax and Housing Benefits in Information@Work, Parking Permits and Electoral Registration).

3.2.2 Managing the document lifecycle

Representatives from business areas identified as having paper-heavy processes were engaged in a series of interviews and workshops, to capture their paper storage issues and understand their requirements for electronic document management.

The following project requirements were identified:

- CSD Finance: The need to improve productivity to meet WCFM savings targets are driving the need to implement EDMS in CSD Finance. The bulk of paper storage is associated with Financial Assessment and Direct Payments workflow. Requirements identified include:
 - Electronic management of Direct Payments documentation and correspondence in Information@Work to enable Direct Payment workflow to be conducted in Frameworki along with existing ASC case management process.
 - Electronic management of Financial Assessments and associated correspondence in Information@Work.(Other areas in CSD use Frameworki for electronic document management.)
- Housing Management: The electronic management of tenancy files (and housing and transfer files) using Information@Work in the Fulham North and Hammersmith North Housing Offices from document creation in Housing Options through in-life and to tenancy closure in Housing Management. This is required to enable improved sharing of information between offices and teams, to reduce the risk of information loss and to eliminate the duplication of effort in gathering customer information (e.g. tenant risk assessments).

In addition, the following opportunities for further investigation and scoping as part of the preparation of a full business case during the first phase of Paperlight Office were identified:

- CHS Education Psychology.
- CHS Special Educational Needs.
- RSD Trade Waste.
- ENV Highways & Engineering.

3.2.3 Invoices and payments

Representatives from Central and Departmental Finance teams were engaged in a series of workshops to understand the existing processes for invoices and payments and to identify opportunities for improvements.

The following invoices and payments processes were identified. For further information about each process including the process maps see Appendix A: Invoices and Payments.

- Purchase Orders and Invoices raised through Civica.
- Purchase Orders and Invoices raised through iWorld (Housing).
- Purchase Orders and Invoices raised through Frameworki (for Home Care).
- Purchase Orders raised through Frameworki (for Residential Care).

Identified issues with current invoices and payments processes include:

- Finance time spent resolving errors created by staff not following due process with raising POs and correctly GRNing on receipt in Civica, iWorld and Frameworki. Payments are also held up when part deliveries are received – users are unaware of how to part-GRN in Civica.
- Supplier issues. Agency suppliers send large numbers of invoices with a different charge rate to the Hyphen rate resulting in a backlog of unpaid invoices and Admin having to chase resolution. This applies to half of agency invoices received.
- High volume of paper invoices received drive up costs for physical storage and internal post (for ad hoc invoices and invoices sent in internal post from CSD Finance to Central Finance). Electronic storage is limited, encouraging people to keep paper copies rather than store electronically.
- Time is taken across departments to print out, fax and post purchase orders.
- Double entry of data by Finance team:
 - There is no integration between Frameworki and Cedar for CSD Finance Homecare payments meaning Central Finance have to manually enter payment details into Cedar.
 - CSD Financial assessment data must also be double entered as there is no integration between Abacus and Frameworki.
 - Double entry of invoice details for ad hoc invoices (those not raised properly as a Purchase Order in a system) into a system and Cedar. Often invoices are received from unknown suppliers meaning new suppliers need to be set-up, taking up more Finance team time.
- Delays in processing payments in Housing. All invoices are currently sent to Housing Finance as previously invoices were going missing. Housing Finance then reconcile them and spend significant time liaising with managers to resolve

errors and to ensure goods are receipted. Time could be saved if invoices were sent to managers first for initial approval before being sent to Housing Finance for final approval and payment.

3.2.4 Mobile Field Working

A series of workshops were conducted with RSD Street Scene Enforcement (SSE), Neighbourhood Wardens and Parks Constabulary to understand whether there is a requirement and business case to implement a mobile field working solution.

A requirement and cashable productivity benefit were identified in SSE, equivalent to 0.8 FTE, if officers are able to receive and update information on jobs in the field. No productivity benefits were identified in the Neighbourhood Wardens or Parks Constabulary teams.

3.3 Current best practice & research

Three visits to other councils who have implemented similar programmes were conducted to inform this outline business case and plan. These included:

- Hackney Council – Paperless Office and Digital Mailroom programme. The programme has included the implementation of a corporate document management system and central mail scanning team for scanning and channelling all inbound mail. The programme has enabled savings through the rationalisation of disparate post functions, enabled process change efficiencies and improved information management and control (one source of information with accurate version control)
- Ealing Council – Greenford Business Support Centre (established August 2008). The solution comprises a strategic and consolidated approach to the scanning, post, print and reprographics requirements of the organisation and its partners. It includes scanning and back office workflow for Planning, Housing Benefits, Revenues, Invoice Processing, Housing (Ealing Homes), Parking Services.
- Harrow Council – Housing, Revenues & Benefits and Planning Transformation programme. This comprises a new central scanning facility to ensure all paper documents received from clients are digitised upon receipt and indexed. A new workflow system ensures work is allocated more effectively, tracked and that enhanced management information is available

3.4 Main conclusions

Mail correspondence. There are real opportunities to make tangible business improvements in the following ways:

- Cashable savings of £121k p.a. in postage, equipment, vehicles and post room staffing by implementing a standard, streamlined electronic process for outbound post.

- Removal of existing manual post activities from departments, freeing-up time for staff (equivalent to £124.5k p.a.) to focus on higher value activities (a non-cashable productivity benefit).
- Electronic management of inbound post meaning recipients can receive mail correspondence faster and wherever they are located. This will lead to quicker response times for customers, better alignment to a flexible and mobile working environment as well as Tri-Borough Working.
- Significant reductions in paper correspondence being received by services, enabling them to maintain and further reduce their levels of physical storage achieved through SmartWorking.

Managing the document lifecycle. Findings from initial analysis and engagement with departments indicate the following:

- EDMS (Information@Work) is required in CSD Finance to provide electronic access to Financial Assessment and Direct Payments correspondence, enabling a £108k pa productivity saving.
- EDMS (Information@Work) is required in HRD Tenancy Services to provide electronic access to tenancy files (and housing, leaseholders and transfer files) in the Fulham North and Hammersmith North Housing Offices enabling documents to be accessible across H&F Advice, Housing Options, Temporary Accommodation, Tenancy Services and Management, enabling a £60k pa productivity saving.
- There is an opportunity for further electronic document management projects in Education Psychology and Special Educational Needs (SEN), RSD Trade Waste and ENV Highways & Engineering. Further investigation to clarify requirements, benefits and costs needs to be conducted as part of the full business case.

Invoices and payments. Findings from analysis conducted with Finance teams identify the following opportunities:

- There is a need to develop staff understanding and compliance in following procurement processes correctly in existing systems (e.g. Civica, Frameworki and iWorld), to reduce the level of error demand currently being managed by Central Finance. This includes understanding the full process from requisition through to goods receipt, the correct codes to use, and how to manage the raising of emergency purchase orders and part GRN goods to ensure timely payments.
- There is a requirement to improve existing processes to standardise and simplify the steps, speeding up payments and reducing the level of Finance team effort expended on (back-and-forth) chasing for manager payment authorisations. There is an opportunity to learn from better ways of doing things in other departments where the same system is used but with different effectiveness.
- There are opportunities for quick wins such as emailing all Purchase Orders electronically rather than faxing or posting to save time.
- After reducing error demand, there is an opportunity to send all paper invoices to RBS for scanning and uploading to the RBS hub. This will then enable inbound paper invoices to be managed in the same way as existing e-invoices and be automatically approved in Cedar. There will only be benefits from this solution if staff follow the process correctly and errors are minimised. If not, Central Finance will just be resolving errors with electronic invoices rather than paper versions.
- As part of the full business case further analysis is needed to clarify the CSD Finance requirement for integration between Frameworki and Cedar for Home

Care payments and integration between Frameworki and Abacus to avoid double entry of financial assessment data.

Mobile Field Working. Early analysis identified an opportunity with RSD Street Scene Enforcement to improve productivity and customer responsiveness with a mobile solution. However, due to the small number of officers in-scope (6) there is simply not a business case to implement a fully integrated mobile solution including remote download and updating of jobs direct to backend systems in the field.

4 RECOMMENDATIONS & OPTIONS

The purpose of this business case is to provide a high-level evaluation of the outline costs and benefits of a Paperlight Office programme. As such, these recommendations are based on indicative costs and high-level solution designs. Additional work will be required to validate the assumptions and develop these recommendations further as part of the Full Business Case stage.

4.1 Recommendation 1: Mail correspondence

It is recommended that outbound mail correspondence is managed electronically in order to completely remove manual paper-based outbound post activities from departments. More specifically:

- A. For high-volume automated post which requires complex data management (e.g. CTAX bills), it is recommended that the organisation continues to use the existing preferred contractor (Cabinet approved) FDM.
- B. For medium and low volume post items (e.g. one-off mailshots requiring simple mail merges, ie. name and addresses, not complex data such as CTAX balance info) it is recommended that services send post items electronically to Hammerprint for printing, folding and enveloping before pick-up by FDM at the end of each day. FDM are then able to sort the items and benefit from discounted Royal Mail rates. This solution has already been successfully piloted by Environment for the Earls Court Regeneration consultation letters and represents half the average price of a standard letter compared to sending out via the existing manual approach.
- C. A digital mailroom is established to manage the scanning and channelling of inbound general correspondence to officers and teams at any location using Sharepoint 2010. This will enable a reduction in physical deliveries and associated savings in vehicles and staffing as well as being a solution aligned to a flexible office environment and Tri-Borough Working. It is recommended that an initial trial of the Digital Mailroom is run in Environment initially to identify issues and lessons learnt to inform transition planning for the rest of the organisation during 2012/13.

4.2 Recommendation 2: Managing the document lifecycle

Requirements analysis for this business case was focused on business areas with high levels of paper filing and the potential to realise significant benefits from improving the management of documents. A business need and case to implement

EDMS has been identified in CSD Finance and HRD Tenancy Services and indicative costs developed.

The CSD Finance project will include electronic management of Financial Assessments and Direct Payments documentation and correspondence in Information@Work to enable workflow to be conducted within Frameworki along with ASC.

Tenancy Services: The electronic management of tenancy files (and housing, leaseholders and transfer files) using Information@Work in the Fulham North and Hammersmith North Housing Offices enabling documents to be accessible across H&F Advice, Housing Options, Temporary Accommodation, Tenancy Services and Management.

As part of the development of the full business case, detailed designs and costs will be required and a solution proposal produced for this project.

4.3 Recommendation 3: Invoices and payments

It is recommended that work for “Invoices and payments” is conducted in two phases:

- A. Phase one - Reduce order and payment error demand and manual activities for Finance staff. This will include:
 - Process improvement project with Finance teams to streamline and standardise the procurement processes using existing IT to reduce manual paper-based activity and speed up the payment authorisation process.
 - Communication and training to develop staff understanding of procurement processes across all systems to reduce mistakes which lead to error demand.
 - Implementation of compliance mechanism to ensure managers adhere to procurement processes.
- B. Phase two – Scan all paper invoices for upload to RBS hub. This will include:
 - Scanning all invoices would yield little benefit to Finance without first resolving the problems with error demand. However, once error demand has been reduced in phase one it would be possible to channel all paper-based invoices to RBS for scanning and upload to the e-invoicing hub. These invoices would then work in the same way as existing e-invoices and be sent to Cedar Accounts Payable for automatic approval and payment.

4.4 Options

The following options have been identified as part of this Outline Business Case:

- A. Managing the document lifecycle: A requirement for an EDMS project in Housing Management has been identified but it has not been possible to attribute a cashable saving at this stage. The project would comprise electronic management of tenancy files (and housing and transfer files) using Information@Work in the Fulham North and Hammersmith North Housing Offices

enabling documents to be accessible across H&F Advice, Housing Options, Temporary Accommodation, Tenancy Services and Management.

- B. Managing the document lifecycle: As part of the full business case, further investigation is conducted in areas which have been identified as paper heavy, including CHS Education Psychology, CHS Special Educational Needs, ENV Highways & Engineering (requirement for improved management of electronic information) and RSD Trade Waste.
- C. Managing the document lifecycle: The existing HR EDMS project has completed the detailed design stage including solution proposals. Depending on timescales for starting this project it may make sense to manage this project as part of this programme to ensure a consistent approach and to maximise the benefits from implementation.

5 PROGRAMME DETAIL

5.1 Vision

The SmartWorking vision is for a more efficient organisation enabled through new ways of flexible and mobile working to deliver services as effectively and efficiently as possible, making the best use of resources. It is also about improving customer service, work/life balance and job satisfaction while maximising the use of assets, both space and IT.

Stage D SmartWorking is still about striving towards this vision, focused on implementing new ways of working through culture change, process and document management efficiency rather than accommodation savings.

SmartWorking vision statement: "Work is what you do, not where you do it"!

5.2 Outcomes & Strategic Objectives

The table below shows the main strategic objectives relevant to Paperlight Office, the key anticipated outcomes and how they relate to each one.

Strategic objective	Stage D outcomes
Cost reduction	<ul style="list-style-type: none"> • Reduced cost of the Post Room including staff, vehicles, postage and franking machines used across the organisation. • Removal of manual physical outbound mail activities from departments. • Increased productivity of Finance teams through reduced management of payments error demand. • Increased productivity of CSD Finance & Housing staff through improved document management, information sharing and reduced duplication of effort.
Tri-Borough Managed Services & Total FM Outsourcing	<ul style="list-style-type: none"> • Removal of Finance physical paper-based payments processes in preparation for Managed Services (Project Athena). • Streamlining of inbound & outbound post processes in preparation for Total FM Outsourcing.
World Class Financial Management	<ul style="list-style-type: none"> • Removal of Finance physical paper-based payments processes enabling further centralisation of finance functions. • Reduced Finance team time spent chasing physical payment authorisations where a Purchase Order hasn't been raised.
Improved customer service	<ul style="list-style-type: none"> • Faster customer response times to mail enquiries scanned and channelled to recipients at point of entry.
SmartWorking	<ul style="list-style-type: none"> • Reduction in paper correspondence resulting in reduced storage and clearer desks in departments. • Reduction in physical storage space.

Improved information management	<ul style="list-style-type: none"> • Reduced risk of loss of physical mail correspondence. • Reduced risk of loss of tenancy files in Housing and financial assessment and direct payments files in CSD Finance through fire, other damage or being mislaid. • Improved management (version control, destruction) of tenancy files in Housing Management.
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5.3 Programme Plan

Stage D – Paperlight Office is a series of projects delivered over a 14 month period including an initial 6 month period to produce a full business case and plan followed by an 8 month implementation stage to complete by end 2012/13.

- A. Full Business Case stage (for which funding is being requested) will specifically include:
1. Full business case including validated benefits, detailed designs and costs for the implementation of a Digital Mailroom and an electronic outbound mail solution to remove manual paper-based post activities from departments. The business case will also include detailed designs and costs for the EDMS project within CSD Finance and a project to scan all inbound paper invoices for upload to the RBS hub.
 2. Service preparation for a Digital Mailroom trial in Environment to plan and prepare for the transition to the new service during the trial.
 3. Service preparation for an EDMS project in CSD Finance including the review and pruning of any unwanted filing prior to back-scanning.
 4. Invoices and Payments (Phase 1) project to improve processes, develop staff understanding and compliance to reduce error demand on the Central Payments team.
 5. Roadmap for further EDMS projects identified as opportunities in this document, namely Housing Management, ENV Highways & Engineering, RSD Trade Waste, CHS Education Psychology, CHS Special Educational Needs and Housing Leaseholder Services.
- B. Implementation stage (for which funding will be requested on submission of the Full Business Case). This will include:
1. Digital Mailroom trial and rollout planning: Delivery of a Digital Mailroom trial (to manage the electronic delivery of inbound general correspondence) within Environment to learn lessons to inform and develop the plan for a wider organisation rollout.
 2. Digital Mailroom rollout across the organisation assuming the trial delivered in Environment is a success. Prioritisation during the full business case stage and lessons learnt during the trial will inform the plan and pace of the rollout to the rest of the organisation.
 3. CSD Finance EDMS: Delivery of required back-scanning of Financial Assessment and Direct Payments files, set-up and configuration of Info@Work and interfaces within Frameworki. Project management and implementation of changes to ways of working in line with CSD Finance requirements.

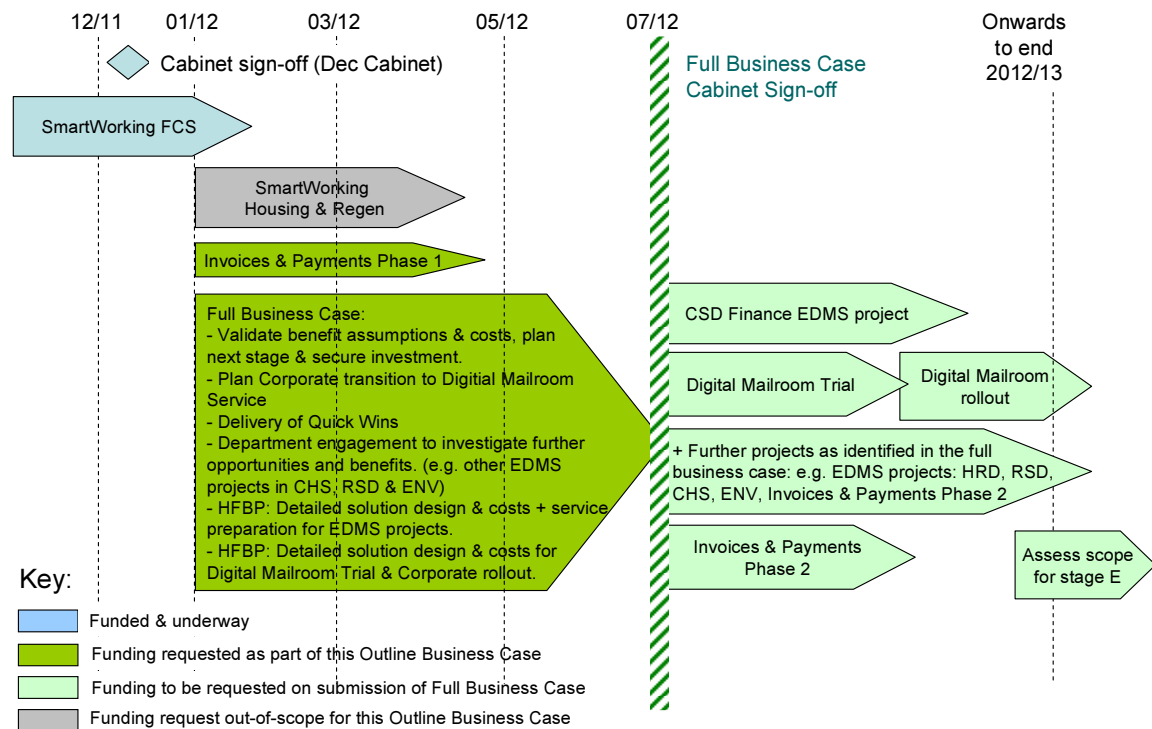
4. Invoices & Payments Phase 2: Scanning of inbound paper invoices for upload to the RBS hub to remove the inflow of paper invoices into the organisation and maximise the level of automatic payment approvals through Cedar.
5. Implementation of other EDMS projects as defined in the Full Business Case: Opportunities have been identified in Housing Management, ENV Highways & Engineering, RSD Trade Waste, CHS Education Psychology and Special Educational Needs.

Further projects, which will be managed as part of Stage D of SmartWorking but are either funded or out-of-scope for this outline business case include:

1. SmartWorking Housing & Regeneration: Requirements have not yet been identified for this project and so it is considered out-of-scope for this business case. Associated benefits and costs are unknown at this stage.
2. SmartWorking FCS: This project is funded and underway but will be managed as part of SmartWorking Stage D.

High-level timelines for the delivery of this work are shown in the diagram below. The plan is based on a January 2012 start, assuming Cabinet approval can be gained in December 2011.

SmartWorking Stage D: Paperlight Office High-level Programme Plan



5.4 Programme Organisation

As Paperlight Office builds on and forms a next step for SmartWorking it is recommended that the SmartWorking Programme Board is used to provide management oversight and support to the Programme Manager to drive the programme forward. Membership of the Board will need to include Business Change Managers, the Senior IT Supplier (HFBP) and relevant specialists (e.g. Information Management, OD). The Board membership will need to reflect the shift towards Paperlight Office and the way the organisation manages its information. The Board will need to maintain its strong emphasis on implementing new ways of working.

The SmartWorking Programme Board forms part of the “Transforming Business Portfolio Board”. Although the Portfolio Board will not have direct management oversight of this programme, it will act as a steering group to advise on direction and ensure alignment and coherence with the rest of the portfolio.

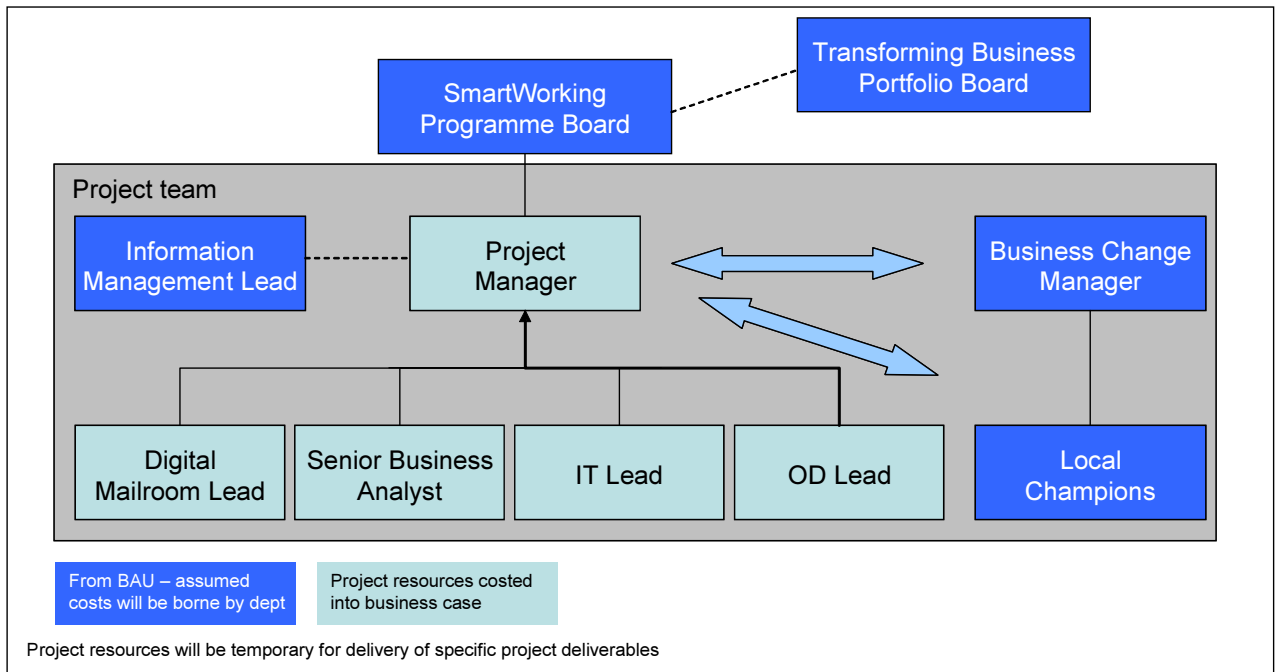
The Programme Manager will report directly to the SRO, Nigel Pallace, and will have overall responsibility for the delivery of the Stage D projects. The Programme Manager will report to Programme Board at an agreed frequency and attend the Transforming Business Portfolio Board as needed as part of the engagement required in the development of the full business case and plans.

The Programme Organisation is shown in the diagram below. The following roles will be required:

- Project Manager – Overall responsibility for the delivery of SmartWorking Stage D including the full business case stage and implementation stage. Responsible for the delivery of the Digital Mailroom trial as well as the planning and delivery of the corporate transition to the new Digital Mailroom service.
- Information Management Lead – Responsible for providing guidance and support to the programme to ensure benefits are maximised in terms of fulfilling the organisation’s obligations in meeting information management compliance requirements (anticipated will be undertaken from within the business).
- Senior Business Analyst – Responsible for leading the Invoices & Payments Phase 1 project, validating benefits assumptions and investigating the further opportunities identified in this paper. Leads on requirements capture, communications and engagement on all implementation projects.
- OD Lead – Overall responsibility for developing and facilitating change interventions to support HRD New Ways of Working, including behaviour change, virtual team working and corporate culture work.
- IT Lead – Overall HFBP responsibility and single point of contact for delivery of solution proposals and implementation projects during Stage D.
- Business Change Manager – AD sponsor for SmartWorking in each department responsible for actively supporting and helping the programme to move forward in each part of the business, successfully implement the new capabilities and realise business benefits (anticipated will be undertaken from within the business).

- Local Champion** – Enthusiastic individuals appointed within each department who are able to act as advocates for the SmartWorking Paperlight agenda and provide active support and input to programme activities (anticipated will be undertaken from within the business).

SmartWorking Stage D: Paperlight Office Organisation Structure



6 COST BENEFIT ANALYSIS

6.1 Benefits

The table below shows the gross cashable and non-cashable benefits from Stage D of SmartWorking. See section 7 for details of assumptions and risks to benefit realisation.

Cashable benefits								
	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions	Dept
Mail correspondence								
Reduced costs of staff in the Post Room	£18,726	£37,451	£37,451	£37,451	£37,451	£168,530	Includes reduced post collections & deliveries; NOTE: TFM contract will take over savings from contract commencement 13/14	ENV
Reduced cost of Post Room vehicles	£4,828	£9,656	£9,656	£9,656	£9,656	£43,452	Leased vehicle can be reallocated for other use in H&F	ENV
Removed cost of franking machines; Post Room	£3,202	£6,404	£6,404	£6,404	£6,404	£28,818		ENV
Removed cost of franking machines: Housing Offices	£2,456	£4,912	£4,912	£4,912	£4,912	£22,104		HRD
Removed cost of franking machines: Parking Services	£2,638	£5,276	£5,276	£5,276	£5,276	£23,742		ENV
Removed cost of franking machines: H&F Direct	£1,198	£2,395	£2,395	£2,395	£2,395	£10,778		FCS
Reduced cost of postage							FDM discounted rates rather than 1st and 2nd class, based on total known spend of £260,013	
Reduced cost of postage: HRD	6,009	12,017	12,017	12,017	12,017	£54,077	Area Offices: £5,148; Other £6,869	HRD
Reduced cost of postage: CHS	1,960	3,919	3,919	3,919	3,919	£17,636		CHS
Reduced cost of postage: CSD	2,121	4,241	4,241	4,241	4,241	£19,085		CSD
Reduced cost of postage: RSD	289	578	578	578	578	£2,601		RSD
Reduced cost of postage: FCS	7,038	14,075	14,075	14,075	14,075	£63,338	Pay & Park £7,430; Electoral Reg £4,110; Other £2,535	FCS
Reduced cost of postage: ENV	9,677	19,353	19,353	19,353	19,353	£87,089	Parking £8779; Other £10,574	ENV
Total cashable benefit	£60,139	£120,277	£120,277	£120,277	£120,277	£541,247		
Managing the document lifecycle								
Reduced cost of physical storage (Chse lease expiry)	£0	£0	£1,795	£3,077	£3,077	£7,949	Space saving cost can be realised from 14/15 C.Hse lease expiry	ENV
Reduced cost of physical storage (HRD & CSD)	£0	£39,999	£39,999	£39,999	£39,999	£159,996	Space saving cost can be realised from 13/14 onwards; for HRD includes eliminated office maintenance costs of £19k per annum	ENV
Increased productivity of HRD staff	£0	£60,000	£60,000	£60,000	£60,000	£240,000	Productivity improvement of 2 FTE, equiv 10 min saving per day, can be realised from 13/14	HRD
Total cashable benefit	£0	£99,999	£101,794	£103,076	£103,076	£407,945		
New ways of working HRD								
Increased productivity of Field, Mobile and Home Workers	£0	£126,437	£126,437	£126,437	£126,437	£505,748	3% increase in efficiency through role redesign & workload allocation (in line with original business case productivity assumptions)	HRD
Total cashable benefit	£0	£126,437	£126,437	£126,437	£126,437	£505,748		
Invoices and payments								
Increased productivity of the Central Payments team	£108,000	£108,000	£108,000	£108,000	£108,000	£540,000	Process change & training realises 3 FTE saving	FCS
Increased productivity of Finance staff in HRD	£10,000	£10,000	£10,000	£10,000	£10,000	£50,000	Realised through restructuring of functions	HRD
Total cashable benefit	£118,000	£118,000	£118,000	£118,000	£118,000	£590,000		
Grand total cashable benefit	£178,139	£464,713	£466,508	£467,790	£467,790	£2,044,940		

Non-cashable benefits								
Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions	
Reduced cost of local staff time conducting manual outbound mail activities through use of provider	£62,250	£124,499	£124,499	£124,499	£124,499	£560,246	e-signature solution viable for services; 30 sec handling time per letter, 730,168 letters per yr across H&F, resulting in more effective use of time	
Managing the document lifecycle	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions	
Reduced cost of paper & printing	22,500	45,000	45,000	45,000	45,000	£202,500	Minimum 15% reduction in the use of paper; due to recharges via SLA cannot assign costs to individual departments, therefore deemed non-cashable benefit at present as dependent on contract renegotiation	
Reduced risk of loss of information and associated costs through fire, damage or other	tbc - based on likelihood x cost							Majority of file contents can be stored electronically
Increased productivity of Finance staff in CSD							Cashable element included in Central Payments team	
Total non-cashable benefit	£84,750	£169,499	£169,499	£169,499	£169,499	£762,746		
Grand total cashable + non-cashable benefit	£262,888	£634,212	£636,007	£637,289	£637,289	£2,807,685		

6.2 Costs

The following indicative costs have been developed based on the high-level requirements described in this document. A detailed breakdown of the costs are shown in Appendix B.

- One-off IT costs – **Total = £252,630**
- Annual IT costs – **Total = £41,450**
- Project team costs – **Total = £316,720**

Total costs: £610,800

Ongoing annual IT costs total £41,700.

6.3 Investment Appraisal

Investment Appraisal						
Benefits	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total cashable benefit	£178,139	£464,713	£466,508	£467,790	£467,790	£2,044,940
Total non-cashable benefit	£84,750	£169,499	£169,499	£169,499	£169,499	£762,746
Total benefit (cashable + non-cashable)	£262,888	£634,212	£636,007	£637,289	£637,289	£2,807,685
Total cumulative cashable benefit	£178,139	£642,852	£1,109,360	£1,577,150	£2,044,940	£2,044,940
Costs						
Total one-off IT costs	£252,630	£0	£0	£0	£0	£252,630
Total one-off Move costs	£12,000	£0	£0	£0	£0	£12,000
Total annual IT costs	£41,450	£41,700	£41,950	£42,310	£42,570	£209,980
Total programme team costs	£316,720	£0	£0	£0	£0	£316,720
Total costs	£622,800	£41,700	£41,950	£42,310	£42,570	£791,330
Total cumulative costs	£622,800	£664,500	£706,450	£748,760	£791,330	
Investment Appraisal						
Net cashable benefit	-£444,662	£423,013	£424,558	£425,480	£425,220	
Net cumulative cashable benefit	-£444,662	-£21,649	£402,910	£828,390	£1,253,610	
Return on Investment (%)	-71%	-3%	57%	111%	158%	

7 RISKS

Risks to benefit realisation identified at the outline business case stage include the following:

1. **Resistance to change:** There is a risk that parts of the organisation will resist the introduction of an electronic inbound and outbound post function. It is likely that trust issues will need to be overcome, especially in dealing with confidential correspondence and to convince staff that it's workable to store and access information electronically with the result that paper copies do not need to be kept in the majority of cases. Additionally there is a risk that the current post room staff could see this project as a direct threat to their jobs and therefore be uncooperative in the transition to electronic working. Strong departmental sponsorship and engagement on department requirements will be required as part of the project.
2. **Change capacity:** There is a risk that departments will not have the capacity to engage on this programme due to the number of change initiatives already underway at H&F (e.g. Tri-Borough, Bi-Borough, organisational change in Housing and Regeneration). The success of the digital post room trial will largely depend on sufficient engagement from Environment staff who may have more pressing priorities. Departmental resource commitment should be sought as a pre-cursor to commencing the project.
3. **Central Payments team staff saving:** There is a risk that despite efforts to train staff and enforce compliance in following invoice payments processes the level of error demand does not fall. This means there is a risk that it will not be possible to realise the Finance FTE saving.
4. **Sharepoint 2010:** The Digital Mailroom project is based on the use of Sharepoint 2010 to channel inbound mail correspondence electronically to recipients. There is a risk that current plans to implement Sharepoint do not come to fruition, due

to lack of hfbp resources or the technology not working as envisaged, meaning an alternative technology would be required resulting in significant time delays and increasing project costs.

5. Stage D timelines and costs: There is a risk that the Digital Mailroom implementation across departments is more complex (in terms of requirements, gaining buy-in) than anticipated, requiring an extension to timelines and further costs.

APPENDIX A – INVOICES & PAYMENTS PROCESSES

Current invoices and payments processes were analysed for each main business application where purchase orders are raised: Civica, iWorld and Frameworki. The attachments below include the process maps produced for each type.

- Purchase Orders and Invoices raised through Civica: Purchase Orders raised in Civica are sent to suppliers via various channels (XML, email, fax or physical delivery). Suppliers set-up for e-invoicing send invoices (only 3% of invoices) via the RBS e-invoicing hub which is integrated with Civica for automatic payment approval. All paper invoices (approx 97%) are received by Finance, where they are sorted, manually checked and authorised for payment before being manually inputted into Cedar for payment.
- Purchase Orders and Invoices raised through iWorld (Housing): Purchase Orders raised in iWorld are emailed to suppliers. Suppliers then send paper invoices to Housing Finance where they are manually reconciled against POs in iWorld. A large number of invoices fail to reconcile and Finance must chase technical officers to confirm the correct price and / or ensure the goods have been receipted correctly. Despite this initial checking, the invoice is then sent to the technical officer anyway to authorise payment in iWorld.
- Purchase Orders and Invoices raised through Frameworki (for Home Care): A Home Care Package is created and a requisition is raised in Frameworki. On approval a PO is sent to a supplier. On a four weekly basis suppliers send electronic hours of care returns to CSD Finance for reconciliation. Following timesheet approval suppliers send electronic or paper invoices to CSD Finance where they are approved before being sent in the internal mail to Central Finance for manual entry into Accounts Payable.
- Purchase Orders raised through Frameworki (for Residential Care): Care packages are agreed with Service Managers before Purchase Orders are raised in Frameworki. No invoices are received from suppliers as payments are sent out automatically on a monthly basis based on the care received and the financial status of the care user.



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APPENDIX B – INDICATIVE COSTS BREAKDOWN

One-off IT costs	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Digital Mailroom: Set-up Sharepoint solution for inbound mail correspondence	£44,000					£44,000
Additional scanners & Citrix server procurement	£2,000					£2,000
Outbound mail - Development of required interfaces to enable outbound mail to be sent to FDM / Hammerprint	£25,700					£25,700
Housing EDMS: Set-up & configuration of Info@Work	£26,000					£26,000
Housing EDMS: Development of additional interfaces btwn iWorld & Info@Work	£5,000					£5,000
Housing EDMS: Additional scanners (4) & Citrix server procurement	£4,000					£4,000
Housing EDMS: Lookup & search capability from I@W witin iWorld	£21,000					£21,000
Housing EDMS back scanning costs + HFBP import	£47,180					£47,180
CSD Finance EDMS: Set-up & configuration of Info@Work	£14,300					£14,300
CSD Finance EDMS: Development of additional interfaces btwn Frameworki & Info@Work	£7,700					£7,700
CSD Finance EDMS: Additional scanners (2) & Citrix server procurement	£2,000					£2,000
CSD Finance EDMS: Lookup & search capability from I@W within Frameworki	£21,000					£21,000
CSD Finance EDMS upfront scanning costs	£14,000					£14,000
Installation of projectors in main meeting rooms	£18,750					£18,750
Total one-off IT costs	£252,630	£0	£0	£0	£0	£252,630

One-off Move costs	2012/13	2013/14	2014/15	2015/16	2016/17	Total
HRD	£12,000	£0	£0	£0	£0	£12,000
Total one-off Move costs	£12,000	£0	£0	£0	£0	£12,000

Annual costs	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Digital Mailroom: Sharepoint annual support costs	£7,500	£7,500	£7,500	£7,500	£7,500	£37,500
Annual maintenance costs for scanners & Citrix servers	£1,000	£1,000	£1,000	£1,000	£1,000	£5,000
Allowance for additional electronic storage	£500	£500	£500	£500	£500	£2,500
Annual maintenance costs for outbound mail solution	£6,400	£6,400	£6,400	£6,400	£6,400	£32,000
Housing EDMS: Annual Info@Work maintenance costs	£6,000	£6,000	£6,000	£6,000	£6,000	£30,000
Housing EDMS: Annual maintenance of iWorld / Info@Work interfaces	£1,000	£1,000	£1,000	£1,000	£1,000	£5,000
Housing EDMS: Annual maintenance for scanners	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000
Housing EDMS: Annual maintenance for lookup & search capability from I@W within iWorld	£4,000	£4,000	£4,000	£4,000	£4,000	£20,000
Housing EDMS: Additional eStorage costs (based on 1.8m page depressions. Annual growth @ 20%)	£2,000	£2,200	£2,400	£2,700	£2,900	£12,200
CSD Finance EDMS: Annual Info@Work maintenance costs	£3,600	£3,600	£3,600	£3,600	£3,600	£18,000
CSD Finance EDMS: Annual maintenance of Frameworki / Info@Work interfaces	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000
CSD Finance EDMS: Annual maintenance for scanners	£1,000	£1,000	£1,000	£1,000	£1,000	£5,000
CSD Finance EDMS: Annual maintenance for lookup & search capability from I@W within Frameworki	£4,000	£4,000	£4,000	£4,000	£4,000	£20,000
CSD Finance EDMS: Additional eStorage costs (based on 53k page depressions. Annual growth @ 10%)	£450	£500	£550	£610	£670	£2,780
Total annual IT costs	£41,450	£41,700	£41,950	£42,310	£42,570	£209,980

Project team	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Project Manager - Full BC stage (60%)	£43,200	£0	£0	£0	£0	£43,200
Days	72	0	0	0	0	
Project Manager - Implementation (HRD)	£32,400	£0	£0	£0	£0	£32,400
Days	54					
Senior Business Analyst - Full BC stage (60%)	£38,160	£0	£0	£0	£0	£38,160
Days	72	0	0	0	0	
Digital Mailroom Lead (60% for 9 months)	£59,400	£0	£0	£0	£0	£59,400
Days	108	0	0	0	0	
Senior Business Analyst (40% for 9 months)	£38,160	£0	£0	£0	£0	£38,160
Days	72	0	0	0	0	
Senior Business Analyst (HRD EDMS)	£23,850	£0	£0	£0	£0	£23,850
Days	45	0	0	0	0	
OD Lead	£36,000	£0	£0	£0	£0	£36,000
Days	72	0	0	0	0	
HFBP Analyst (HRD New Ways of Working)	£18,550	£0	£0	£0	£0	£18,550
Days	35					
Project Support Officer 1 (100% for 9 months)	£27,000	£0	£0	£0	£0	£27,000
Days	180	0	0	0	0	
Total project team costs	£316,720	£0	£0	£0	£0	£316,720

APPENDIX C – ASSUMPTIONS

No.	Benefit	Assumptions
1	Reduced cost of staff in the Post Room	<p>Saving = £37,451 pa</p> <ul style="list-style-type: none"> TO BE team: 1 mgr (PO2), 2 scanners & 2 drivers (Scale 6) = £138,332 (@£34,583), PO2 @£44,018 = <u>£182,350</u>. AS IS staff cost = <u>£219,801</u> (7 FTE) Current inbound volume 450,000 pa. <p>Assume 70% scannable = 315,000 letters pa. Assume 252 working days pa (2011). Therefore 1,250 per day. (H&F Direct, 1 person scans av. 788 per day)</p>
2	Reduced cost of Post Room vehicles	<p>Annual saving for small van = £9,656</p> <ul style="list-style-type: none"> Lease cost = £3,990 + fuel & maintenance @ £5,666 Assumption that it is possible to reallocate this van to another part of H&F. Penalty charge for giving back small van = £6k, large van = £12k
3	Removed cost of franking machines	<p>Annual costs of franking machines: £17,988</p> <ul style="list-style-type: none"> Housing Offices (Fulham North & Hammersmith North) = £3,912 H&F Direct = £2,395 Post Room = £6,404 Parking Services = £5,276
4	Reduced cost of postage	<p>Current cost of postage = £260,013. At 2nd class this would be £204,447. Potential saving if all 2nd class = £55,666</p> <ul style="list-style-type: none"> Existing post that is sent out manually from Housing, the Post Room, H&F Direct (Pay & Park) and part of Parking, is a mix of 1st & 2nd class.
5	Reduced cost of physical storage	<p>Assumes space saving can be realised at Cambridge House lease expiry.</p> <ul style="list-style-type: none"> CSD Finance shelving occupies 10sqm @ £461.52 per sqm pa) = £4,615 2/3 of storage is scannable. Total saving = £3,077 pa
6	Increased productivity of the Central Payments team	<p>3 FTE saving for Central Payments team from 2012/13 based on reduced error demand, process improvement and reduced paper-based admin. Included in WCFM Phase 2 target.</p>
7	Reduced costs of paper and printing	<p>Total of 14m MFD and Retained printer clicks April 2010 – March 2011 @ £313k. Assume conservative 15% reduction in printing equates to £45k annual saving (non-cashable).</p>
8	Increased productivity of the Tenancy Services functions	<p>Productivity improvement based on 10 min saving per day 1 FTE at SO1 (top of grade)</p>