

***SmartWorking HRD & Paper-less Office
Stage D Business Case***

DRAFT v4: Following feedback from Portfolio Bd prior to EMT

SmartWorking

Overview & Contents

This pack summarises the Outline Business Case for Stage D: SmartWorking HRD and Paper-less Office. It is intended for review and comments from key stakeholders before submission to EMT for approval.

It comprises of the following request for funds to deliver the first part of Stage D:

1. General Fund (Efficiency Projects Reserve) monies of:
£144,309 for required IT and programme resources
2. HRA Fund monies of:
£ 56,351 for required IT, telephony and programme resources
£12,000 for accommodation moves

This document includes the following:

- Background & Achievements so far
- Outline scope & Requests for funding
- Return on investment and indicative benefits by department
- Summary of costs
- Timeline

Background

- Cabinet approved funding of £1.529m on 14th July 2008, to cover Stage A of the SmartWorking programme
- In November 2009 Cabinet approved a funding drawdown of £673k to SmartWork teams in Environment to enable the disposal of Riverview House in February 2010 (Stage B)
- In July 2010 Cabinet approved a funding drawdown of £2.773m to deliver Stage C, enabling the vacation of Barclay House and MTFS savings. A subsequent SmartWorking FCS project with a budget of £103k is due to complete end Jan 2012.
- A total sum of £3.5m has been drawn down from the total sum of £3.944m set aside for SmartWorking from the Efficiency Projects Reserve.
- In July 2011 the Transforming Business Portfolio Board requested investigation of the following areas as part of an Outline Business Case for Stage D: Paper-less Office: Mail Correspondence, Managing the Document Lifecycle, Invoices & Payments, Mobile Field Working and Smart Meetings
- This Outline Business Case recommends pursuing the following initiatives:
 - **Mail Correspondence:** Streamlining paper-based processes for inbound and outbound mail
 - **Managing the Document Lifecycle:** Establishing efficient electronic management of documents
 - **Invoices & Payments:** Improving cross-cutting processes for managing invoices and payments
 - **HRD New Ways of Working:** Culture change and flexible working practices

What we've achieved so far

- Stage A of the SmartWorking programme established the IT infrastructure, policies and procedures, and methodology for SmartWorking and included service team pilots and set up of the SmartSpace
- Stage B (Environment and H&F Homes – SmartWork Lite) has enabled the disposal of Riverview House, generating an annual cashable saving of circa £1.35m
- Stage C has enabled the vacation of Barclay House and reduction in accommodation footprint in the Town Hall Extension, generating an annual cashable saving of circa £717k, and enabled £2.8m in 2011/12 departmental MTFS savings

Stage D Outline Scope

Part A: Cabinet approval and funding will be sought at this stage for:

- SmartWorking HRD (new ways of working)
- Full Business Case
 - Digital Mailroom detailed design, costs and benefits
 - EDMS projects in HRD Housing Management and CSD Finance
- Invoices & Payments project – phase 1
- Service preparation for EDMS (HRD and CSD)

Part B: a subsequent Cabinet funding request will be made on provision of a Full Business Case for:

- Digital Mailroom Trial and rollout
- EDMS implementation in HRD Housing Management and CSD Finance
- Invoices & Payments project – phase 2
- ROI for further EDMS projects

Stage D Request for funding

Cabinet funding requested now:

Total Part A cost	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Costs						
Total one-off Move costs	£12,000	£0	£0	£0	£0	£12,000
Total programme team costs	£200,660	£0	£0	£0	£0	£200,660
Total costs	£212,660	£0	£0	£0	£0	£212,660
Total cumulative costs	£212,660	£212,660	£212,660	£212,660	£212,660	
General Fund	£144,309	£0	£0	£0	£0	£144,309
HRA	£68,351	£0	£0	£0	£0	£68,351

Indicative Cabinet funding to be requested on provision of Full Business Case:

Confirmation and sign-off of these costs in conjunction with CMO to be undertaken as part of production of Full Business Case

Total Part B cost	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Total one-off IT costs	£252,630	£0	£0	£0	£0	£252,630
Total annual IT costs	£41,450	£41,700	£41,950	£42,310	£42,570	£209,980
Total programme team costs	£116,060	£0	£0	£0	£0	£116,060
Total costs	£410,140	£41,700	£41,950	£42,310	£42,570	£578,670
Total cumulative costs	£410,140	£451,840	£493,790	£536,100	£578,670	
General Fund	£272,385	£26,500	£26,550	£26,610	£26,670	£378,715
HRA	£57,905	£15,200	£15,400	£15,700	£15,900	£120,105
Housing Capital Programme	£79,850	£0	£0	£0	£0	£79,850

Return on investment (Stage D)

Return on investment (£'000s)

End of Stage D

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%	

Cross departmental Indicative Benefits – to be reviewed and signed off by all departments

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							
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

Environment Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
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
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
Removed cost of franking machines; Post Room	£3,202	£6,404	£6,404	£6,404	£6,404	£28,818	
Removed cost of franking machines: Parking Services	£2,638	£5,276	£5,276	£5,276	£5,276	£23,742	
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: ENV	9,677	19,353	19,353	19,353	19,353	£87,089	Parking £8779; Other £10,574
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
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

CHS Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
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: CHS	1,960	3,919	3,919	3,919	3,919	£17,636	

RSD Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
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: RSD	289	578	578	578	578	£2,601	

HRD Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
Reduced cost of postage: HRD	6,009	12,017	12,017	12,017	12,017	£54,077	Area Offices: £5,148; Other £6,869
Managing the document lifecycle							
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
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)
Invoices and payments							
Increased productivity of Finance staff in HRD	£10,000	£10,000	£10,000	£10,000	£10,000	£50,000	Realised through restructuring of functions

Non-cashable benefits:

Managing the document lifecycle	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
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

NOTE: Non-cashable benefits to be quantified

FCS Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
Removed cost of franking machines: H&F Direct	£1,198	£2,395	£2,395	£2,395	£2,395	£10,778	
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: FCS	7,038	14,075	14,075	14,075	14,075	£63,338	Pay & Park £7,430; Electoral Reg £4,110; Other £2,535
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

CSD Indicative Benefits – to be reviewed and signed off by department

Cashable benefits:

Mail correspondence	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
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: CSD	2,121	4,241	4,241	4,241	4,241	£19,085	

Non-cashable benefits:

Managing the document lifecycle	2012/13	2013/14	2014/15	2015/16	2016/17	Total	Assumptions
Increased productivity of Finance staff in CSD							Cashable element included in Central Payments team

NOTE: Non-cashable benefits to be quantified

Phase 2: further potential benefit areas to be quantified

Mobile working:

Eg Street Scene Enforcement, Housing Officers

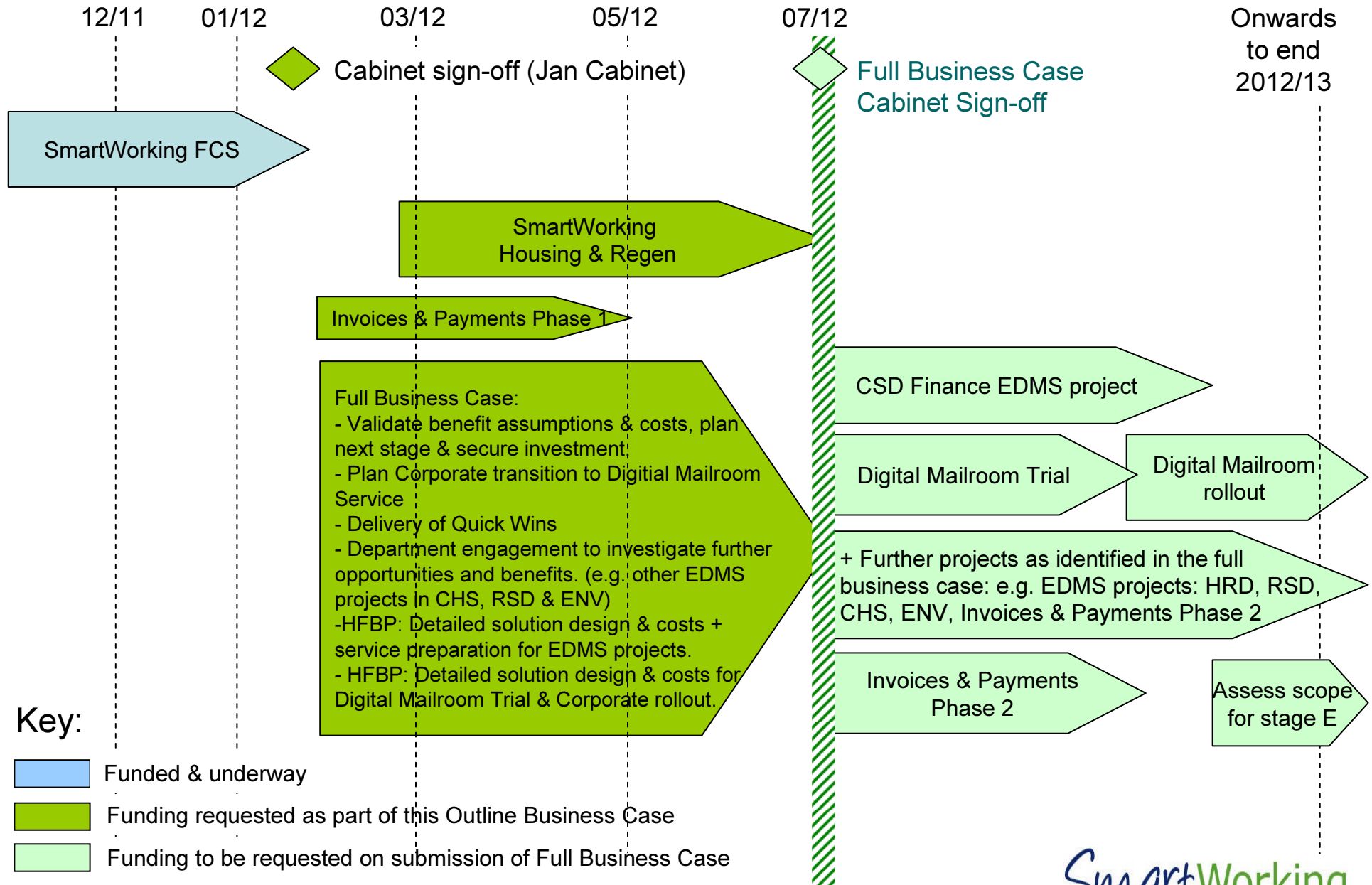
EDMS workflow:

Eg SEN, Child Psychology

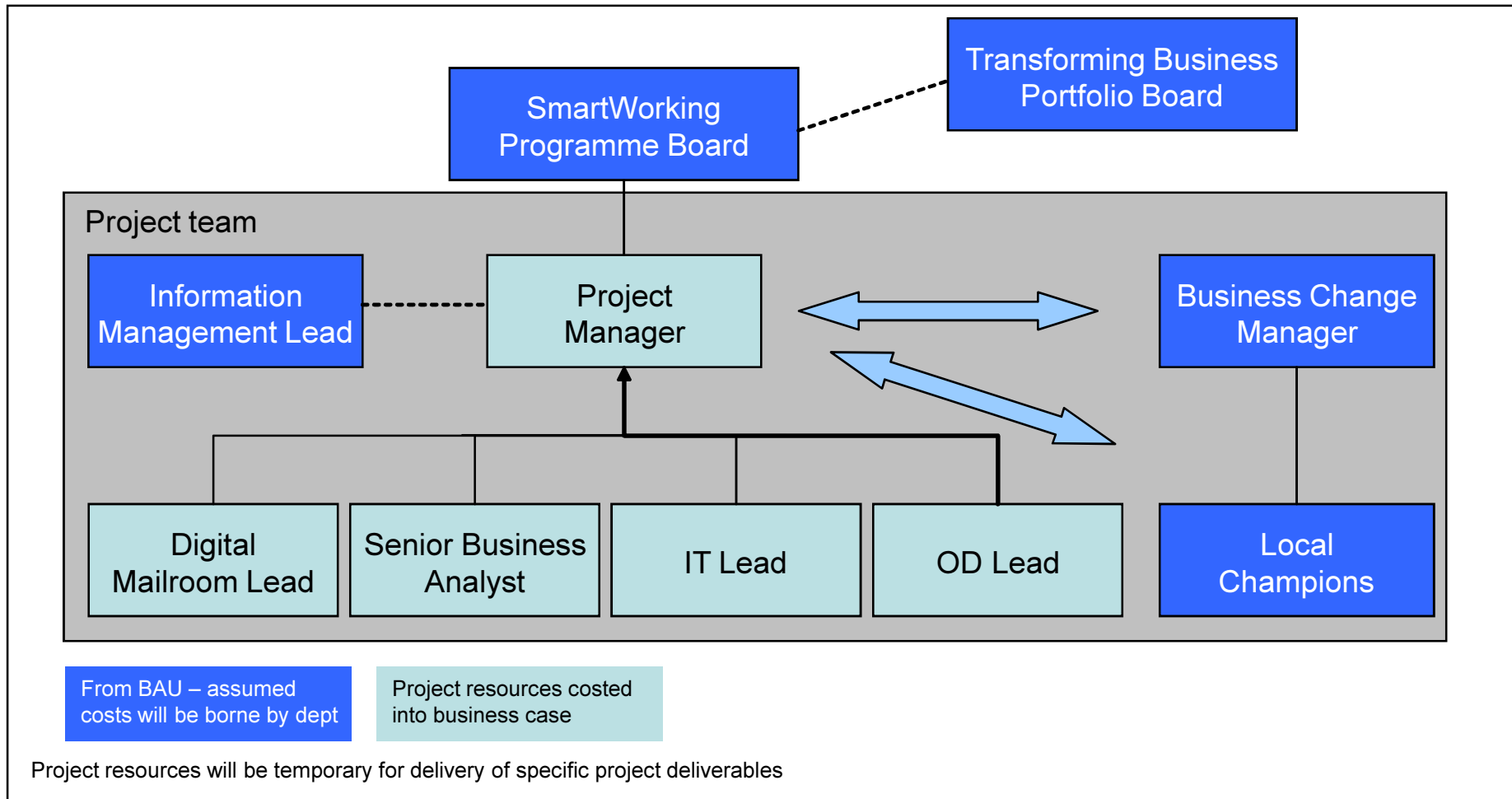
E-storage via EDMS or other cheaper route:

Eg Highways & Engineering, Trade Waste

Stage D SmartWorking – Feb 2012 to end 2012



SmartWorking Stage D Organisation



Extra slides

Stage D – Projected costs: One-off costs

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

Stage D – Projected costs: Annual IT costs

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

Stage D – Projected costs: project team

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)	£23,900	£0	£0	£0	£0	£23,900
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)	£18,500	£0	£0	£0	£0	£18,500
Days	36					
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