

COUNCIL DECISION MADE BY A COUNCIL OFFICER



REPORT OF ACTION TAKEN BY AN INDIVIDUAL COUNCIL OFFICER

Decision Reference Number – ADFI 17/18

Decision	
1	Title of decision: Back Office Services Transition to DELT (Print and Document Services)
2	Decision maker (Council officer name and job title): Pete Honeywell, Programme Manager, Future Shared Services, following delegated authority to approve the business case made by Cabinet in February 2018
3	Report author and contact details: Freya Edwards, 01752 312562, freya.edwards@plymouth.gov.uk
4	Decision to be taken: 1. Approval of the Business Case to migrate Print and Document Services (PADS) to Delt.
5	Reasons for decision: The rationale the transfer PADS is that; <ul style="list-style-type: none">• Components of the service would have been best placed to migrate during the previous transfer of ITC services to Delt. For example office printers and their maintenance and the procurement of software solutions to support print services is already provided by Delt under the existing contract.• Increased investment in automating the service as well as developing fit for purpose digital solutions to ensure that PADS can compete in the commercial market as well as fulfilling the majority of PCC's Print and Document requirements• PADS is a service that has potential for sharing with other local partners – Delt have dedicated resource to develop the commercial offer and support a business development strategy to support this• Delt's vision is to achieve growth within PADS. Developing and growing the service will achieve economies of scale and increase both resilience and flexibility within the service.
6	Alternative options considered and rejected: The following list of delivery options have been considered:

Remain as is - PCC (Transactional) Service Centre

Specifically this option would deliver the development of the transactional service centre through the consolidation of HR Business Services with the Transaction Centre in Finance and the back office functions in Customer Services. The services would be managed consistently, with a single telephony platform, consolidated MIS and a restructure implemented to Standardise spans of control and exploit economies of scale in support functions.

Optimise PCC Service Centre (add specialist services)

This option would look to co-locate the services consolidated in option 1, it would also look at the case for transferring specialist services and business partners into the service centre. Essentially it would be seeking to extend option 1 without requiring a major investment to replace systems.

Optimise & move to new ERP/Systems solution

This option builds on options 1 and 2 with an additional investment in replacement/enhancement of systems to enable more efficient processing through automation and productivity improvements.

Joint Venture

This option requires PCC selecting and contracting with a 3rd party private sector partner with whom we would agree to develop a joint venture to provide services to PCC, with a view to expanding the scope of the operation in time to other customers/partners in the venture.

Outsourcing

Under this option PCC would select and procure a provider of outsourcing services covering the back office. PCC would pay a fixed fee (likely to decline over time) for a defined set of outputs/outcomes from the services in scope. Changes to the required outcomes/outputs

7 Financial implications:

The financial analysis of the proposal to transfer the service to Delt shows a best and worst case scenario paying back within the first year in both cases.

The best case shows the Council mitigating some of the stranded support services costs; the worst case assumes stranded costs are not mitigated. The worst case also assumes that Delt will not use our vehicles from year 2 which is an additional stranded cost to PCC, if the garage doesn't have an alternative use for the vehicles.

The proposed 5% dividend represents the contribution towards the wider savings target held by the Transformation and Change Directorate

Payback summary	Year 1	Year 2	Year 3
PCC - Best Case	£470,866	£616,839	£632,366
PCC Base	£483,092	£631,217	£647,193
Difference	£12,226	£14,378	£14,827
Cumulative Best case	£12,226	£26,604	£41,431
PCC - Worst Case	£472,366	£622,639	£638,204
PCC Base	£483,092	£631,217	£647,193
Difference	£10,726	£8,578	£8,989
Cumulative Worst case	£10,726	£19,304	£28,293

8 Please specify how this decision is linked to the Council's corporate plan and/or the policy framework and/or the revenue/capital budget:

The proposed migration of back office services to Delt supports the Plymouth Corporate Plan, in particular key themes in the City Vision are supported with Pioneering Plymouth being strongly reinforced as the proposal to move services to Delt represents innovative design that proposes

delivery of services that are accountable, flexible and efficient. In addition to this and supporting the key themes it is proposed that this proposition balances the books, represents new ways of working and is the best use of council assets.

Consultation

9	Have you briefed the Cabinet member?	Yes	
9a	Please confirm which Cabinet member you have briefed.	Councillor Ian Darcy, Cabinet Member for Finance and IT	
10	Are any other Cabinet Members affected by the decision?	No	
11	Which other Cabinet Member is affected?	N/A	
12	Please confirm that this Cabinet Member been consulted.	N/A	
13	Please confirm which Corporate Management Team member(s) has been consulted.	Andrew Hardingham – Interim Director for Transformation and Change and Finance	
14	Please include the sign off codes from the relevant departments consulted:	Finance	pl1718.242
		Legal	MS/PADS/29730
		Human Resources	
		Corporate Property	
		IT	
		Procurement	

Other Information

15	Is the decision in accordance with an Equalities Impact Assessment?	Yes	(Attach the EIA to the decision)
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Briefing report

16	Is the briefing report attached?	✓	(No is not an option)
	List (and include a hyper link) to published work/information used to prepare the report.	<u>Business Case</u> <u>Shared Services - Payroll and Pensions</u>	

Council officer signature

17 I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget.

Signature

P. Hoyle

Date of decision

19/03/18

Print Name

P. HONEYWELL