

Report to the Cabinet

Meeting to be held on Thursday, 16 January 2020

Report of the Head of Service - Core Business Systems

Part I

Electoral Division affected:
None;

Document Handling Service Replacement Hardware and New Software

Contact for further information:

Gabby Nelson, Tel: (01772) 537303, Head of Service - Core Business Systems,
gabby.nelson@lancashire.gov.uk

Executive Summary

This report sets out the reasons for and costs required for the immediate replacement of essential existing hardware/software due to some equipment nearing end of life. The equipment supports business as usual within Document Handling Service.

In addition it also sets out a request for the service to develop longer term initiatives to support the delivery of the Digital First agenda and Service Challenge 1 and 2.

Recommendation

Cabinet is asked to approve a capital investment of £305,274 required to future-proof the Document Handling Service with one off revenue costs of £22,350 and annual revenue support costs of £65,445 which has been included as recommended adjustment to the Quarter 2 Medium Term Financial Strategy position.

Background and Advice

In 2013, the Document Handling Service (formerly known as the Resolution Service) was formed under One Connect Limited, as part of a five year Resolution Service Improvement Programme.

The investment covered the refresh of hardware, software, and a refurbishment of the County Hall central print and mailroom areas.

As the programme was for a period of five years, no funding arrangements or contingency provisions were put in place to address future equipment refresh in order to ensure business growth and continuity. Whilst some of the existing

equipment is not yet end of life, it is important that measures are put in place now, to plan for its lifecycle replacement to ensure the uninterrupted delivery of business as usual.

Dependencies and Risks

The council depends on the Document Handling Service to provide a cost-effective, in-house central printing, mailing and scanning service. The service has already been instrumental in implementing many of the savings around print and mail including introduction of Minkz Hybrid Mail and the scanning of mail and other hard copy documents.

More recently the service has explored cost saving initiatives linked to external print buying as part of our service challenge programme. The replacement equipment will also support this initiative by providing a comprehensive range of services at a competitive price and at a quality specification, in order to negate the need for reliance upon external print agencies.

It should also be noted, that the Document Handling Service is integral to the delivery of numerous initiatives that will enable the delivery and further investment required to deliver the Digital First Strategy.

These initiatives will continue and increase, long term and the sustainability of the equipment will be key in the delivery of future work plans.

Capital Requirement

Function	One Off Cost £
Large Format Printer	11,440 Revenue
Booklet Maker	39,440
Thermal Binder	3,195 Revenue
Guillotine	17,699
Enveloping Machine	62,000
Letter Extraction and Scanning	135,000
Letter Opener	4,000 Revenue
Folding Machine	3,715 Revenue
High Volume Document Scanning	12,544
Parcel Tracking Software	38,591
TOTAL	327,624
Capital	305,274
Revenue	22,350

Additional ongoing revenue costs which have been recommended as adjustments to the Quarter 2 Medium Term Financial Strategy are outlined below.

Function	Cost Per Annum £
Planet Press Support	13,000
Large Format Printer	3,375
Booklet Maker	755
Thermal Binder	755
Guillotine	755
Enveloping Machine	11,016
Letter Opener Extraction and Scanning	17,000
Folding Machine	755
High Volume Document Scanning	3,836
Parcel Tracking Software	4,198
Colour printing machine	10,000
TOTAL	65,445

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The equipment is critical for the continued delivery of numerous initiatives that will enable the delivery of the Digital First Strategy as well as ensuring we have the relevant technology and equipment to drive continuous business as usual which meets the needs of a digital first organisation.

Financial

The Capital investment will be from additional borrowing and will have revenue costs of circa £31,000 per year over 10 years. The revenue investment will be met from service revenue budget in 2020/21 and the ongoing support costs through a Medium Term Financial Strategy adjustment from 2020/21 onwards.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A