

**HERTFORDSHIRE COUNTY COUNCIL
RESOURCES, PROSPERITY, PARTNERSHIP AND
CONSULTATION SELECT COMMITTEE
1 NOVEMBER AT 10.30 A.M.**

Agenda Item
No.

5

REPORT ON PROGRESS ON THE POST ROOM BEST VALUE REVIEW

Report of the Head of County Supplies & Contract Services

Author:- Ros Aird, Head of Purchasing & Supply Tel. 01707 281710

Executive Member:- David Beatty

1. Purpose of the report

To provide the Select Committee with details of the Implementation Plan for the Post Room Best Value Review (pilot) and to update the Committee on the progress with the recommendations

2. Summary

The report details the implementation and subsequent performance against the targets set by the Post and Courier Best Value Review, which was set up in 2000 following the decision of Policy Committee on 13 April 2000 to adopt the recommendations. The key recommendation was the centralisation of departmental post rooms to a single facility. The Post Room, which commenced operation in August 2000 is now fully established and is operating within budget. User feedback is supportive of the changes and service levels have been improved over the period of operation.

3. Conclusions

3.1 Background

The pilot Best Value Review of Post and Courier Services was carried out between October 1999 and April 2000 proposed that a central post room be set up and that the services provided by the existing five departmental post rooms were transferred to this facility. Contingent upon the establishment of this facility were a further series of recommendations which can be summarised as:

- Make optimum use of discounts available from Royal Mail
- Standards and protocols for post procedures be developed
- There should be a sustained effort to drive down post volumes
- Ad hoc courier arrangements be co-ordinated and that proper contractual arrangements are put in place
- The potential for realising economies on bulk mailings be explored
- Determine the benefits of locating a DX collection point at County Hall

The report identified savings of £38,400 p.a. from the adoption of the recommendations, although set against this was the one off building and change management costs of establishing a central post room. This was based on the cost of the service at the time of the review being assessed as £222,700.

The Review proposed that the responsibility for management and operation of the post room should lie within corporate services, in County Supplies and Contract Services in view of their role in managing existing courier services.

Implementation

The amalgamation and integration of 5 central post rooms into one centralised operation with the attendant building work and staff recruitment was completed by August 2000 when the new unit started operation. It has now been running for 14 months and feedback from users is good. Inevitably there have been some teething troubles but there has been significant progress against the targets set by the Review. These can be summarised as follows:

Rationalisation of arrangements with Royal Mail

Discussions have taken place with Royal Mail and investment has been made in mail franking equipment that will facilitate the process. Work is continuing to gain the full benefit from the investment. The predicted saving of £3000 for the first full year of operation is expected to be achieved.

Standards and Protocols development

The concentration here is on the development of internal procedures to ensure consistency of service delivery, this has been particularly important in the light of staff turnover and the intention to achieve Investors in People (IIP) during 2002. A post room guide is currently being finalised and this will be available on Connex and in hard copy.

A sustained effort to drive down post volumes

This has been very difficult to progress in the light of the major departmental reorganisations that have taken place. However much work has been done in ensuring that all post is routed by the most cost effective means, and there is positive evidence that the volumes through the Royal Mail are reduced on last year. Work has also been carried out in reducing the amount of 'junk' mail.

That ad hoc courier arrangements be co-ordinated and that proper contractual arrangements are in place

Requirements for courier deliveries are almost entirely co-ordinated through the central post room and these are placed with the existing contractor. A contracting exercise is currently under way to test the value for money of the arrangement

That the potential for realising economies on bulk mailings are explored

A study to review existing processes and determine feasibility is being carried out. Some work has already been done in programming and planning bulk mailings. The data is being collected and analysed and will be taken forward once the CSF/ACS moves are complete.

To determine the benefits of locating a DX collection point at County Hall

Discussions are under way with DX and the installation of the collection point is planned for mid October. Some issues have emerged over the value for money of the proposed arrangements but these are now resolved and the installation of the DX facility will bring service benefits and, through wider use of the facility some cost savings are expected although it is not possible to quantify them at this stage

Financial Implications

The savings identified by the review were made up as follows:

Area	£ p.a.
Staff	27,200
Accommodation	5,200
Mail discounts	3,000
Courier	3,000
Total	38,400

The post room is currently operating to the budget set and is expected to achieve the savings targets set for the first full financial year of its operation.

Background information referred to by author

Review of County Hall Post and Courier Services
Report to Policy Committee of 13 April 2000 - Agenda Item 3