



FULL BUSINESS CASE

Design and Print

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1 EXECUTIVE SUMMARY

1.1 Purpose

The purpose of this document is to present the case for outsourcing the Design and Print function.

1.2 Background

In June 2016 ASP gave SWOne notice of its intention to terminate for convenience the Design and Print and Stores Services. Both services returned to ASP on the 01/01/2017. The return of the services has delivered *[Redacted]* cashable savings.

The Strategic Procurement Service Department (SPS) has identified an opportunity to outsource the Design and Print Function to an external specialised supplier through a framework agreement or direct award.

1.3 Options

Three options are presented in this business case:

- Option 1 – Return the services to ASP, realise the cashable savings and make minor changes to the department.
- Option 2 – Return the service to ASP, partially outsourcing to a specialised supplier and retaining two operators in-house to deliver a digital only service with pre-press support. The two operators would cover digital printing, finishing and limited file management. This option includes the creation of a new role to manage both the relationship between ASP and the supplier and to provide a graphic design function.
- Option 3 – Return the service to ASP and then outsource to a specialised supplier. Option 3 also includes the creation of a new graphic design role as mentioned above in option 2.

1.4 Benefits

[Redacted]

The preferred option is option 3 and will deliver £591,814 per annum of savings (including the *[Redacted]* saving achieved by returning the service to ASP). This option will also see 257m² of space released, representing a £24,000 efficiency saving.

1.5 Recommendation

Option 3 is the recommended option because it will deliver significant savings to ASP – £591,814 per annum compared to current costs. This option will cost £84,968 to implement, £14,931 of which will be absorbed in to existing project costs.

1.6 Timescales and next steps

If approved it will take approximately 4 – 5 months to implement Option 3 and can be resourced using funded posts within the SWOne Exit Project and BAU posts from SPS and HR. SME input will be required to develop the role profile for the Graphic Designer.

2 STRATEGIC CASE

2.1 Background

In March 2016 Avon and Somerset Constabulary (ASP) took the decision not to extend the partnership with SWOne and to allow the contract to expire in 2018. Subsequently ASP gave SWOne notice of its intention to terminate for convenience [Redacted] the Design and Print and Stores service lines, and these service lines were brought back under the control and management of ASP from 01/01/2017. The 2016/17 unitary charge paid to SWOne by ASP for “Purchasing and Supply”, which includes the Design and Print service, was [Redacted] and the return of these two service lines to ASP has delivered cashable savings of [Redacted] against the unitary charge paid to SWOne. Further work by SPS has identified an opportunity to realise further cashable benefits through the outsourcing of the Design and Print function, the case for which is presented in this document.

2.2 Investment Objectives

The objective of the change is to:

- Deliver cashable savings for the 2017/18 financial year

2.3 Existing arrangements

The Design and Print service provides bulk and specialist printing services to ASP and a small number of other local customers (generating £20,000 a year in income over the last 12 months), from the Print Shop located in the stores building at Police HQ.

At the point the service returned to ASP the Design and Print team was comprised of 9.09 FTE (including vacant roles), at a cost of £211,102 per annum, detailed in Figure 1. The Design and Print function also has a non-pay budget of approximately £167,395. [Redacted]

Role	Employee type	FTE	Salary
Reprographics Manager	[Redacted]	1.00	£44,697
Printer	[Redacted]	1.00	£26,820
Desktop Publisher	[Redacted]	1.00	£32,937
Reprographics Team Member	[Redacted]	0.5	£10,777
Reprographics Supervisor	[Redacted]	1.00	£32,937
Pre-Press Operative	[Redacted]	1.00	£24,334
Reprographics Operator	[Redacted]	0.54	£8,213
Reprographics Operator	[Redacted]	1.00	£19,933
D&P Production Estimator	[Redacted]	0.54	£10,454
Vacancies	[Redacted]	1.51	n/a
Total		9.09	£211,102

Figure 1 Staff information for the current Design and Print team. Source: SWOne

Design and Print services lease print shop equipment to deliver services to their clients.

The service carries out bulk printing of standard materials (e.g. Force forms) as well as bespoke printing of specific items (e.g. targets used in Firearms training, and crime scene maps). Management information for 2015/16 show print volumes to be 1,000,000 mono and 1,486,000 colour copies per annum, inclusive of lithographic and digital.

Additionally the function also offers a design service which is used for the production of material including leaflets and banners. Consultation with the Corporate Communications department has identified that they carry out much of their own design work through a ‘workaround’ model. The department rely upon a member of their team who has some self-taught design skills but is not a qualified graphic designer and whose job is not graphic design. This limits the quality and type of work that can be delivered in-house; most importantly campaign concept development. The team member’s substantive role is social media officer and

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a design function is not included within this specific role profile. The reason for this workaround process is that the service offered by design and print does not reach the level of technical and design requirements of Corporate Communications. If this individual were to leave, Corporate Communications would not have any capability in this area which is a huge vulnerability for the department.

It should be noted that some of the BAU bulk printing (force forms) is provided to ASP as part of the unitary charge whereas other adhoc printing e.g. specific printing requirement for a change initiative is charged for.

2.4 Business need

With ASP facing budgetary challenges when services return to ASP from SWOne either now or when the contract expires there is a need to review the service delivery model for each function to ascertain whether or not savings can be achieved. There is a fundamental requirement to deliver cashable savings and that is the main driver behind this proposal.

The delivery of design and particularly bulk printing service to ASP via a dedicated team is convenient but is increasingly unnecessary. There are numerous suppliers in the marketplace whose speciality is the delivery of print services to organisations and as such they are able to deliver clients requirements at a much lower cost compared with an in house team.

ASPs requirements can be summarised in to three broad categories:

- Bulk printing of standard planned and unplanned material
- Smaller print jobs of specific, bespoke items
- A graphic design capability

With regard to the design service, consultation with Corporate Communications has highlighted that the service provided by SWOne for the design element does not meet the requirements of the organisation. As mentioned above, Corporate Communications produce some of their design work internally utilising the skills of one individual within their team with more complicated design work being sourced externally. Graphic design is integral to the work delivered in Corporate Communications and is a core part of the service delivered on behalf of the force. The requirement to retain graphic design skills in house is growing and this trend is expected to continue as the way people consume information is changing, due to the proliferation of social media and reliance on image led communications. Corporate Communications are currently limited in their design ability in-house and are unable to deliver creative concept development so buy in these skills from a design agency at a high cost. To give an example, the cost of work Corporate Communications commissioned from external design agencies for 2016 is detailed in figure 2 below:

Design requirement	Cost
Domestic abuse and CSE (internal and external)	[Redacted]
In the Know	[Redacted]
Everything Starts with hello	[Redacted]ed)
Be Proud stickers	[Redacted]
Total	£17,750

Figure 2 Cost of work commissioned by Corporate Communications from external design agencies in 2016
[Redacted]

The costs indicated in figure 2 are a vast underestimate of the market value of the design services Corporate Communications deliver. If the work Corporate Communications has delivered in-house since April 2016 had been commissioned from external design agencies, an estimate of the cost is circa £50,000 - £60,000 (in addition to the above actual costs). There is a clear business need to either employ a member of staff to be responsible for all graphic design requirements for the force or have more efficient access to an external supplier for provision of the service.

A further consideration is the frequent last minute nature of ASPs printing requirements which should not be underestimated and any change to the current processes will require communication across all departments. Should the proposal here be approved there will be some behavioural change required.

2.5 In scope

- The Design and Print function only

2.6 Out of scope

- The Stores function returning to ASP at the same time
- General printing using local multifunctional devices and/or desktop printing

2.7 Assumptions

Key assumptions are:

- A retained graphic design role will be required for Options 2 and 3 and this role will likely sit within Corporate Communications
- The job description for the retained graphic design role will be developed by Corporate Communications on agreement of the post
- The Business Case is predicated on the volumes presented being static

3 ECONOMIC CASE

3.1 Options

3.1.1 OPTION 1 – Return Design and Print to ASP

Following the return of the Design and Print Service to ASP on 01/01/2017, minor changes are made to the department including:

- Deletion of the Reprographics Manager role
- An uplift in salary [*Redacted*] (estimated at £2,500) for either the Reprographics Supervisor or the Desktop Publisher to adopt team leader responsibility
- Deletion of an expected upcoming vacancy
- Termination of Honoraria currently paid to two members of staff

For the last ten months, the Reprographics Manager has been seconded to the Finance and Business Services Team. This managerial role would be permanently deleted, generating a salary saving of £44,697. There would be an uplift in salary for either the Reprographics Supervisor or the Desktop Publisher from scale 5 to scale 6, estimated at £2,500 to undertake a team leader role and maintain management responsibility for the team. This is subject to role profile review and approval with HR. As a result of this change the Honoria of £250 per month paid to two members of staff could be ceased allowing a saving of £6000 per annum.

An upcoming vacancy is expected imminently [*Redacted*]. This vacancy would be deleted generating a further salary saving of £8,213.

Based on data supplied by the Design and Print manager this option would also see the non-pay budget reduced from £167,395 to £121,795, which represents a saving of £45,600.

3.1.2 OPTION 2 – Partial outsource with the retention of two operators in-house

Following the return of the service to ASP, the service would be partially outsourced to a specialised supplier, retaining two digital press operators in-house to deliver a digital only service with pre-press support. The two operators would cover digital printing, finishing and limited file management. It is proposed that two new roles are created for this in-house requirement and the assumption is that one role will be graded at Scale 4 and the other at scale 6 to adopt a senior role incorporating management

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responsibilities, subject to role profile reviews and approval by HR. The proposal is that the operators are embedded within Corporate Communications for line management purposes.

In order for the operators to deliver the digital service, a small amount of finishing equipment would need to be retained (no additional cost would be incurred for this) alongside the digital copiers which enable a high quality output and are currently leased at £24,000 per annum. Additional non pay costs of software licenses and consumables are estimated to be £36,000 totalling £60,000.

The in-house operators would be responsible for producing short-run digital work for different departments across the organisation. Large-run work would be outsourced to an external supplier.

There will be a requirement for a retained role to:

- manage the overall process for ASP, potentially liaising with departments to ensure print requests are completed effectively
- act as a single point of contact and manage the relationship with the supplier
- either gatekeep or monitor requests (and volumes) being sent to the supplier e.g. through quarterly audits
- manage the budget for the outsourced service

To date no existing role has been identified that could take on the relationship management responsibilities described above and there would be no capacity within the streamlined design and print service detailed within this option. Therefore it is proposed that a new role is created covering both the graphic design requirements described in section 2.4 and the process/relationship management requirements. There is more work to be completed exploring the exact responsibilities attached to this role and the degree of control the role should have corporately with regard to print requests, but as a minimum they will need to be a qualified graphic designer. It is proposed that this role sits within Corporate Communications.

The creation of this joint role will allow the Constabulary to exercise some control over the use of external print services and enhance its graphic design capability and capacity.

This option would see the release of 193m² of space within the Design and Print Office which could be released for another use within force. The release of this space represents a £18,000 efficiency saving. The existing members of staff who are not being retained would be subject to ASPs Redundancy Policy and would either be redeployed across the business or subject to redundancy.

In summary, Option 2 will retain control within the organisation, maintaining a secure, confidential service for digital print services, provide more efficient lithographic printing through outsourcing and enhance the Constabulary's graphic design capability.

3.1.3 OPTION 3 – Outsource

As soon as possible after the return of the service to ASP, outsource the whole service to an external specialised supplier. This solution would see the user submit bulk print requests via a retained single point of contact to the supplier using a web portal. The request would then be completed by the supplier and couriered to the user.

[Redacted]

There is an additional option for design services via the specialised supplier, pricing is based on a fixed set of rates and is delivered against a quote on a case by case basis before proceeding. However use of this service may mean that there a loss of corporate control on the presentation of materials, e.g. corporate style and branding.

As with option 2, there will be a requirement for an in-house graphic design role to cover both the graphic design requirements described in section 2.4 and the process/relationship management requirements with the external supplier. The responsibilities of this role replicate those detailed within option 2 and will allow the Constabulary to exercise some control over the use of external print services whilst enhancing its graphic design capability and capacity. It is proposed that this role sits within Corporate Communications. The Revenue Non Pay costs for software licenses required for this role are estimated at £14,000.

This option would mean that the current service could be decommissioned with the space (257m²) currently being used by the Design and Print team being release for another use. The release of this space represents a £24,000 efficiency saving. The members of staff would be subject to ASPs Redundancy Policy and would either be redeployed across the business or subject to redundancy.

3.2 Constraints, Dependencies & Interdependencies

3.2.1 Constraints

Constraints include:

- **Redundancy Policy** – Under Options 2 and 3 staff will be subject to the redeployment process and potentially redundancy. The timescales for implementing options 2 and 3 would need to take into account the need for formal consultation period of 30 days (as less than 20 people are affected, as per ASPs redundancy policy) and a notice period of up to 90 days where necessary (dependent upon length of service). If either option 2 or 3 is approved then the consultation with the staff will need to be managed carefully.
- **Route to market** – The correct procurement approach will need to be followed - see commercial case.

3.2.2 Interdependencies

Interdependencies requiring management are:

[Redacted]

3.3 Options Appraisal

Figure 3 below shows an analysis of the costs per annum of each option compared to the projected costs of providing the service through SWOne in 2017/18. Please note that because the costs associated with the Stores service are included in the baseline (the SWOne unitary charge) it has been necessary to include them in the analysis of the cost of each option.

		[Redacted]	Option 1 (Return to ASP) Per annum		Option 2 (Partial outsource) Per annum		Option 3 (Outsource) Per annum	
Cost of solution	[Redacted]	[Redacted]	D+P Staff costs	[Redacted]	D&P staff costs	[Redacted]	D&P staff costs	[Redacted]
					Annual supplier payment	[Redacted]	Annual supplier payment	[Redacted]
			D+P Non pay costs	[Redacted]	Retained Graphic Design role	[Redacted]	Retained Graphic Design role	[Redacted]
			Stores Pay costs	[Redacted]	Non Pay Costs	[Redacted]	Non Pay Costs	[Redacted]
					Stores Pay costs	[Redacted]	Stores Pay costs	[Redacted]
Stores Non pay costs	[Redacted]	Stores Non pay costs	[Redacted]	Stores Non pay costs	[Redacted]			

Total	[Redacted]		£463,014		£369,303		£289,309
Cashable savings			£418,109		£511,820		£591,814

Figure 3 Costs per annum of each option.

3.3.1 Impact to the business

The implementation of Option 1 requires no effort and will have minimal impact on the business.

Option 2 and 3 will require some business change activities to explain the impact of the change in processes to the business and to notify the external Design and Print customers.

If option 3 is implemented, it is essential that the organisation does not lose control of historical and current artwork as large costs would be incurred to re-create this.

It is assumed that the retained graphic design role will require a full time position and that a new job description/role profile will need to be created by Corporate Communications and recruited to.

3.3.1.1 High Priority/Confidential Printing

One particular area that would need to be accounted for is the printing of priority and/or confidential material. This is comprised largely of:

- **Jury bundle printing (including design work)** – two or three requests per year for court packages, often having had input from a barrister. Often required the same day after a few weeks of development
- **Legal Bundles** – 10 – 20 requests per year from Legal Services for the printing of legal material.
- **Map printing** – Approximately 20 requests (of varying run sizes) per year for crime scene location maps

As detailed above, the volumes for these printing requirements are relatively small.

Currently, Legal Services rely upon the design and print service for urgent requests for the printing of legal bundles. All printing requirements were previously done in-house but consultation has indicated that the newly installed multi-functional devices (MFDs) do not have the capability to meet the printing requirements of the department which is why they turn to the design and print service.

[Redacted]

The printing requirements for both PSD and Legal Services include bulk, high quality printing with the ability to hole punch and paginate. Reliability is also a necessity.

If the design and print service is outsourced, confidential printing is not considered an issue as the specialised suppliers have an [Redacted] security accreditation. A concern for the departments was the ability of the chosen supplier in meeting short turnaround deadlines and the loss of internal control and accountability. Due to the small demand for both departments, they have confirmed that if the printing functionality of the MFDs could be improved to meet the requirements listed above, then all printing for Legal Services and PSD could be delivered in-house.

Procurement have identified a solution for this through the relocation of a high volume, high quality MFD configured to meet their requirements at no additional cost. This printer will only be utilised by Legal Services and PSD. As a contingency, a further printer could be purchased to negate the risk of printer failure but this would be considered as business growth and would therefore incur a cost which would need to be absorbed through either Legal Services or PSD’s budget (estimated at approximately £1000 per annum).

Currently, there is one A0 printer located in Estates and there are three A1 printers located within Estates, Operational Planning and Comms Support which have capability to deal with more complex printing requirements such as map printing and architectural drawings. Consultation with these departments has indicated that the demand for these sorts of requirements is relatively low and volumes are manageable internally. For big events such as the Glastonbury festival, Operational Planning has on occasion, relied upon the design and print service to produce operational booklets due to the large volume required. This requirement however could be outsourced through an external supplier. All departments within the force can access the A1 printers if required. The training requirement for this is minimal and can be provided by a team member within Operational Planning.

3.3.2 Options appraisal assumptions

In assessing the options the following have been assumed:

- The annual supplier payment has been estimated based on actual quotes from the 2015/16 print volumes and estimated costs for finishing requirements.
- Baseline non pay costs have been estimated based on the review carried out by Deloitte between November 2015 and February 2016.
- The Graphic Design role needed for options 2 and 3 has been costed based on market research by Corporate Communications which showed the role is likely to cost £35k - 40k per annum (not including on costs); the upper limit has been included here with on costs added. Further work will be required when drawing up the job description to confirm the grade of the role and whether it should be full or part time.
- Within option 2, the proposed uplift in salary for the team leader is subject to a role profile review and approval by HR.
- The proposal within option 2 for the creation of two new roles to deliver the in-house digital only service is based on the assumption that one role will be graded at scale 4 and the other at scale 6 to adopt a senior role incorporating management responsibilities. This is subject to role profile reviews and approval by HR.

3.4 Recommended Option

It is recommended that Option 3 is progressed; the Design and Print function is outsourced and a Graphic Design role is created that also provides a relationship/process management role with the external supplier.

3.5 Benefits

As shown above, implementation of Option 3 will deliver cashable savings of £591,814. In addition to the cashable savings the space currently occupied by Design and Print would be released for use by the business. This space is 257m² representing a cost of £24,000 per annum (based on space at HQ costing £94 per m² per annum).

3.6 Dis-benefits

Key disbenefits are:

- Potential redundancy of staff.
- ASP may have to renew some contracts for equipment and maintenance that are not fully utilised (see section 5.1).

3.7 Risks & Issues

The key risks associated with implementing option 3 are:

[Redacted]

Figure 4 Key risks associated with the proposal

4 COMMERCIAL CASE

4.1 Procurement approach

[Redacted]

4.2 Service requirements

As described above there will be a requirement for a relationship/process management role in ASP.

4.3 Risk transfer

The implementation of option 3 will mean the following risks will be transferred to the supplier:

- Resource issues
- Power failure,
- Mechanical failure,
- Printing errors

4.4 Charging Mechanism

ASP will be charged monthly in arrears.

4.5 Key Contractual Arrangements

As the solution will be procured via a framework the arrangements will consist of standard contract standard T&C's and SLA's

4.6 Personnel (TUPE) Implications

[Redacted].

5 FINANCIAL CASE

5.1 Costs

The costs related to the change in service delivery include (summarised in Figure 4):

- **Service Delivery Charge** *[Redacted]*
- **Implementation costs** – Appendix 2 details the resource costs (revenue pay budget) associated with implementation of Option 3. It has been assumed that the effort to implement the change will be absorbed by the SWOne Exit Project Team and by SPS as part of BAU, therefore no additional funds are required in terms of a revenue pay budget.
- **Redundancy costs** – It is hoped that the affected staff will be redeployed to other posts across ASP, however for the purposes of the business case costs have been modelled assuming the redundancy of the permanent members of staff (both ASP secondees and SWOne directly hired staff).

[Redacted]

5.2 Funding the change

The revenue required to pay for the service provision over the 5 year period plus the costs of the retained role will be funded by the savings delivered as a result of the change. Project team costs are already funded through the SW1 Exit project. The remainder of the costs will be funded from in-year budgets, thereby reducing the immediate savings achieved from bringing this service back from SW1, and potentially creating a small budget pressure in 2016/17.

6 MANAGEMENT CASE

6.1 Project Governance & Control

The change will be implemented following PRINCE2 methodology. The implementation will be managed by the already established SW1 Exit project team and overseen by the SW1 Exit Project Board, which meets on a monthly basis and is chaired by the Director of Finance and Resources.

6.2 Stakeholder Management

Figure 5 shows the areas of the business affected by the change and those consulted with in the development this business case.

[Redacted]

Figure 6 Stakeholder register

6.3 Timescales & Milestones

Figure 7 shows an overall implementation plan and specific immediate activities should this business case be approved are:

Activity	Description	Responsible
Formal Consultation	Brief Unison regarding the business case, the decision taken and associated timelines and begin staff consultation	HR and Business Lead/SRO
Business Change – Impact assessment	Verification of the Design and Print customers and detailed picture of the impact of change	Project Team
Business Change - Retained role	Detailed requirements for client side design and relationship management role, followed by development of job description and role profile	Corporate Communications and HR
Communications	Develop communications for affected areas of the business	Project Team
Supplier engagement	Confirm and sign the contract	SPS

Figure 7 Immediate activities following approval

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[Redacted]

Figure 8 Implementation timeline

7 RECOMMENDATIONS

It is recommended that:

1. Option 3 is approved for implementation
2. A post implementation review is carried out after 12 months to:
 - a. Confirm the benefits have been realised
 - b. Review the effectiveness of the retained design/management role

APPENDICES

Appendix 1 – Costs incurred through the return of purchasing and supply returning to ASP on 01/01/2017

[Redacted]

Appendix 2 - Estimated revenue pay costs for the implementation team.

[Redacted]