

# Executive Agenda



Contact: Steve Culliford, Democratic Services Officer  
Telephone number 01235 540307  
Email: [steve.culliford@whitehorsedc.gov.uk](mailto:steve.culliford@whitehorsedc.gov.uk)  
Date: 27 October 2010  
Website: [www.whitehorsedc.gov.uk](http://www.whitehorsedc.gov.uk)

A meeting of the

## Executive

will be held on Friday 5 November 2010 at 3pm  
Guildhall, Abingdon

### Members of the Executive:

#### Councillors

Tony de Vere (Chair)

Richard Webber (Vice-Chair)

Mary de Vere

Richard Gibson

Jenny Hannaby

Angela Lawrence

Jerry Patterson

A large print version of this agenda is available. In addition any background papers referred to may be inspected by prior arrangement.

Please note that this meeting will be held in a wheelchair accessible venue. If you would like to attend and have any special access requirements, please let the Democratic Services Officers know beforehand and they will do their very best to meet your requirements.

A handwritten signature in black ink that reads 'M Reed'.

Margaret Reed  
Head of Legal and Democratic Services

Members are reminded of the provisions contained in the code of conduct adopted on 30 September 2007 and standing order 34 regarding the declaration of personal and prejudicial interests.

# Agenda

## Open to the Public including the Press

### Map and vision

(Page 4)

A map showing the location of the venue for this meeting is attached. A link to information about nearby car parking is [http://www.whitehorsedc.gov.uk/transport/car\\_parking/default.asp](http://www.whitehorsedc.gov.uk/transport/car_parking/default.asp)

The council's vision is to build and safeguard a fair, open and compassionate community.

### 1. Apologies for absence

To receive apologies for absence.

### 2. Minutes

To adopt and sign as a correct record the minutes of the Executive meeting held on 3 September 2010 (previously published).

### 3. Declarations of interest

To receive any declarations of personal or personal and prejudicial interests in respect of items on the agenda for this meeting.

### 4. Urgent business and chair's announcements

To receive notification of any matters which the chair determines should be considered as urgent business and the special circumstances which have made the matters urgent, and to receive any announcements from the chair.

### 5. Statements, petitions and questions relating to matters affecting the executive.

Any statements, petitions and questions from the public under standing order 32 will be made or presented at the meeting.

### 6. Budget virement requests

(Pages 5 - 8)

Appended to the agenda is a schedule of requests for virements. Table 1 sets out virement requests for approval by the Executive. Table 2 sets out virements approved under delegated authority by the Strategic Director.

## **Recommendation**

that the virements set out in table 1 of the agenda report be approved.

### **7. Budget monitoring**

To consider the report of the head of finance (to follow).

### **8. Community safety partnership - possible merger with partnership in South Oxfordshire**

(Pages 9 - 12)

To consider report 63/10 of the head of corporate strategy.

### **9. Award of printing and photocopying contract**

(Pages 13 - 24)

To consider report 64/10 of the head of HR, IT and customer services.

### **10. Exclusion of the public, including the press**

The Chair to move that in accordance with Section 100A(4) of the Local Government Act 1972, the public, including the press, be excluded from the remainder of the meeting to prevent the disclosure to them of exempt information, as defined in Section 100(l) and Part 1 of Schedule 12A, as amended, to the Act when the following item is considered:

#### Westway, Botley

(Category 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information.)

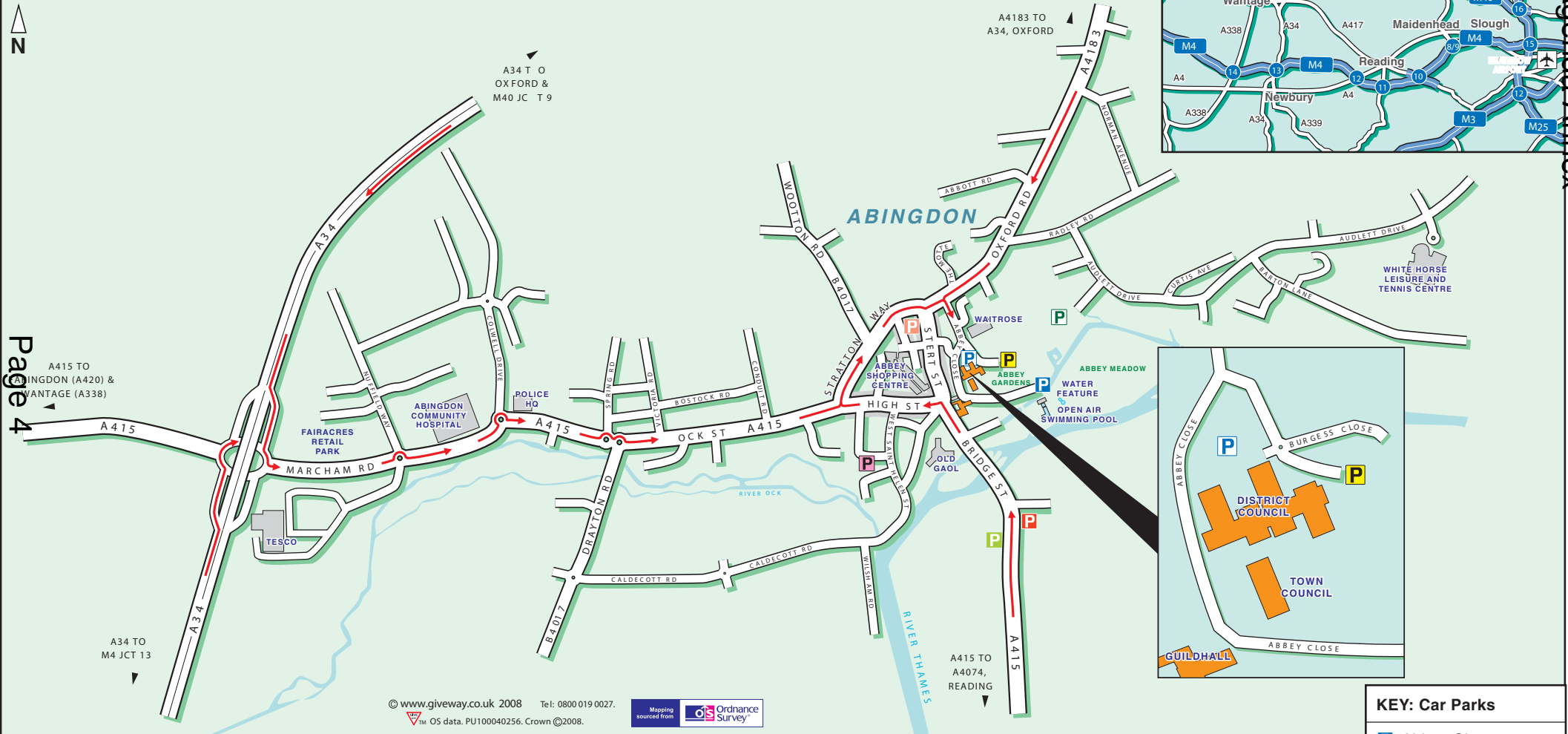
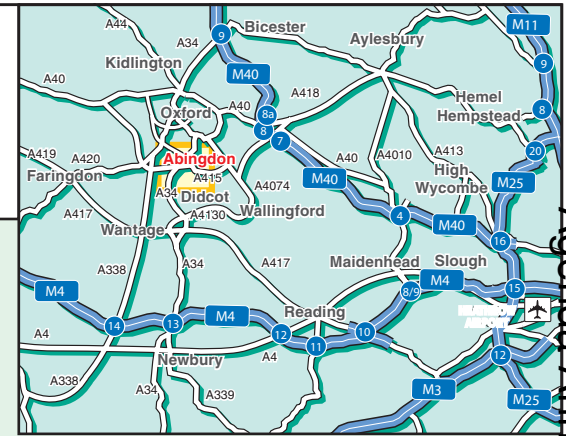
## **Exempt information under section 100A(4) of the Local Government Act 1972**

### **11. Westway, Botley**

(Wards Affected: North Hinksey and Wytham;)

(Pages 25 - 29)

To consider report 65/10 of the head of economy, leisure, and property.



© www.giveway.co.uk 2008 Tel: 0800 019 0027.  
OS data. PU100040256. Crown ©2008. Mapping sourced from Ordnance Survey

**KEY: Car Parks**

	Abbey Close
	Cattle Market
	Charter Multi-storey
	Civic
	Rye Farm
	Hales Meadow
	Audlett Drive
	West St Helen Street

**By rail** – the nearest main line railway stations to Abingdon are either Didcot Parkway (seven miles) or Oxford (eight miles). Radley railway station is located on the main line between Oxford and Didcot and is three miles from Abingdon town centre. For details of train times visit [www.nationalrail.co.uk](http://www.nationalrail.co.uk) or call 08457 484950

**By bus** – there are a number of bus routes serving Abingdon town centre. For details of services and timetables, visit Oxfordshire County Council’s website at [www.oxfordshire.gov.uk](http://www.oxfordshire.gov.uk). Contact details for bus operators can be found on the travel information pages on our website [www.whitehorsedc.gov.uk](http://www.whitehorsedc.gov.uk)

**Parking** – details of car parks charges can be found on our website

**Budget Virements requests received at 22 October 2010 for Executive Approval (or noting where approved under Delegated Powers)**

Table 1 in this report identifies all budget virements that must be authorised by Executive and reported to Council. Table 2 lists those budget virements which have been approved under delegated powers and which are reported to Executive for information only.

Budget virements do not increase the council's expenditure. The list includes a number of virements at a detailed level. This is to ensure that, wherever feasible, budget variances on day-to-day expenditure and income do not arise and that the real budget pressures and potential underspends can be correctly identified.

**Key to Type**

- 1 Within a subjective heading within a cost centre
- 2 Within a Cost Centre but across subjective headings
- 3 Within the cost centres of a service area
- 4 Across service areas
- 5 Over £10,000

**Table 1 - Virements for Approval by Executive**

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type
12/08/2010	4065	HM31	Temporary Accommodation	1001/1003 /1005	EP41	Food Safety	5,310	4.3%	Reinstate the previously deleted post of Principal Environmental Health Officer (part of budget saving proposal number 40) by deleting the replacement, lower graded, post of Environmental Health Officer which is currently vacant. The balance of the funding for the post to come from budget provision within the Temporary Accommodation cost centre.	5
					EP42	Health & Safety	5,300			
16/08/2010	4660	HM21	Homelessness	1001/1003 /1005	HM31	Temporary Accommodation	16,080	13.6%	The contract for the post of Technical Admin Assistant was due to end in May 2010 but has been extended until the end of March 2011. It is proposed to fund the cost of the extension from available mortgage rescue programme funds carried forward from 2009/10.	5
19/08/2010	1001/1003 /1005	HM21	Homelessness	1001/1003 /1005	HM11	Housing Register	13,210	5.2%	There have been a number of changes to roles within the Housing team and changes in the apportionment of costs between cost centres. This virement adjusts the salary budgets to match the actual apportionments.	3
21/09/2010	1001/1003 /1005	CH11	IT Operations	1001/1003 /1005	CH14	Property Data	10,670	2.5%	There is now a separate cost centre for the Property Data team but the salary budget for the system administrator post is still held in the IT Operations cost centre. This virement moves the budget to the correct place.	5
28/09/2010	1001/1003 /1005	CN41	Abingdon LSP	1100	CN41	Abingdon LSP	14,090	n/a	A vacant post in the Local Services Point is being covered by agency staff. This virement moves the appropriate salary budget to the agency budget.	5

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type
28/09/2010	1001/1003 /1005	PS31	Estates Management	1001/1003 /1005	PS11	Land Drainage	9,190	9.9%	Prior to 1 October the post of Principal Engineer was split between Estates Management in Economy, Leisure & Property and Commercial Services. As the post is now fully within Commercial Services the salary budget needs to be moved to match.	4
28/09/2010	1001/1003 /1005	DS31	Direct Services	1001/1003 /1005	DS21	Address Management	7,930	8.6%	Prior to 1 October the post of Technical Support Officer was split between Direct Services in Economy, Leisure & Property and Commercial Services. As the post is now fully within Commercial Services the salary budget needs to be moved to match.	4
30/09/2010	5000	BS01	Business Support Unit	4999	SB31	Contingency	15,190	100.0%	As part of the 4th tier restructure changes a budget was put into the Business Support Unit to cover the costs of a shared administrator post. However the post is actually below 4th tier and not a shared post so the budget can be returned to Contingency.	5
30/09/2010	1001/1003 /1005	DS31	Direct Services	1001/1003 /1005	CP21	Car Parks Administration	10,990	12.0%	As part of the reorganisation of the DSO the post of administrator was moved to Car Parks but the salary budget was left in DSO. This virement moves the budget to the correct cost centre.	5
30/09/2010	1001/1003 /1005	EP41	Food Safety	1001/1003 /1005	HE11	Housing Provision (Enabling)	25,880	20.8%	The post of Principal Housing Enabling Officer was deleted as part of the 4th tier restructuring. The postholder is under consideration for a new post below 4th tier but in the interim has continued to work at the original grade. It is proposed to fund this interim arrangement from the vacant post of Principal Environmental Health Officer.	5
30/09/2010	1001/1003 /1005	EP42	Health & Safety	1001/1003 /1005	HP01	Housing Strategy	25,880	21.7%	This virement represents the salary savings at the Civic Hall and Guildhall following changes to the staffing structure from April 2010. This is part of the £125,000 saving from the review of operational property.	5
15/10/2010	1001/1003 /1005	CC11/ CC22	Civic Hall/ Guildhall	4999	SB31	Contingency	56,200	n/a	There is a new contract for cleaning the public conveniences. This virement moves the residual staffing and running cost budgets to pay part year costs of the new contract.	5
07/10/2010	Various	DS32	Toilet Cleaning	2601	DS32	Toilet Cleaning	30,650	n/a	This virement transfers budget from the Building Control salary budget to fund the early retirement pension costs for the Building Control Surveyor.	5
13/10/2010	1001/1003 /1005	BC01	Building Control	1301	SB21	Unapportioned Overheads	47,500	10.0%	The salary budget for the Facilities Officer is currently held in the Estates Management cost centre but should be in the Facilities Management cost centre. This virement moves the budget to the correct cost centre.	5
14/10/2010	1001/1003 /1005	PS31	Estates Management	1001/1003 /1005	PS21	Facilities Management	27,640	11.6%		5
<b>Total Virements</b>							<b>321,710</b>			



Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type
------	--------------	------------------	------------------	------------	------------------	------------------	------------------	---------------------	--------	------

Summary	Virement Total £
Total Type 1	0
Total Type 2	0
Total Type 3	13,210
Total Type 4	17,120
Total Type 5	291,380
<b>Total</b>	<b>321,710</b>

**Table 2 - Virements approved under Delegated Powers for noting**

19/08/2010	1001/1003 /1005	HM21	Homelessness	1001/1003 /1005	HM11	Housing Register	3,290	1.3%	Following changes to the staffing structure it is estimated that there will be a saving on the salary budget in Homelessness. It is proposed that some of this saving is vired to the Housing Register cost centre to provide additional admin support.	3
07/10/2010	4512	DC11	Development Control	4703	DC11	Development Control	2,800	1.5%	The grant budget for the Thames Valley Environmental Records Centre (TVERC) was cut for 2010/11 but the information provided by TVERC is essential for the Local Development Framework process and for Development Management. For 2010/11 savings have been identified in the software licences budget to cover this.	3
07/10/2010	4512	DP01	Development Policy	4703	DP01	Development Policy	2,800	1.9%	The grant budget for the Thames Valley Environmental Records Centre (TVERC) was cut for 2010/11 but the information provided by TVERC is essential for the Local Development Framework process and for Development Management. For 2010/11 savings have been identified in the software licences budget to cover this.	1
14/10/2010	4432	Various		4999	SB31	Contingency	3,930	n/a	Budgets for the estimated cost of public liability insurance are held across a number of cost centres. Now that the actual costs for 2010/11 are known this virement adjusts the budgets to match the actual costs and moves the surplus to the Contingency cost centre.	4

Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type
14/10/2010	2701	Various		4999	SB31	Contingency	1,440	n/a	Budgets for the estimated cost of property insurance are held across a number of cost centres. Now that the actual costs for 2010/11 are known this virement adjusts the budgets to match the actual costs and moves the surplus to the Contingency cost centre.	4
27/09/2010	4999	SB31	Contingency	1800	DS31	Direct Services	68,350	n/a	The contingency budget includes an allocation to cover redundancy costs arising from the closure of the DSO. This virement moves the required funding from contingency to the Direct Services cost centre. (Virement approved by the Leader of the Council).	5
14/10/2010	4999	SB31	Contingency	3009	Various		2,430	n/a	Budgets for the estimated cost of motor insurance are held across a number of cost centres. Now that the actual costs for 2010/11 are known this virement adjusts the budgets to match the actual costs and transfers the shortfall from the Contingency cost centre.	4
14/10/2010	4999	SB31	Contingency	4400	RS71	Accountancy	4,300	n/a	The council has incurred a share of the litigation costs of a group action arising from the failure of Landsbanki. As there is no budget for these costs a request has been made for funding from contingency.	4
14/10/2010	4999	SB31	Contingency	1301	SB21	Unapportioned Overheads	43,780	n/a	The contingency budget includes an allocation to cover the estimated costs arising from the planned restructuring. Part of the costs relate to pension costs in future years and this virement moves the funding for this from contingency to the appropriate cost centre. (Virement approved by the Leader of the Council).	5
<b>Total Virements</b>							<b>133,120</b>			

Summary	
Total Type 1	2,800
Total Type 2	0
Total Type 3	6,090
Total Type 4	12,100
Total Type 5	112,130
<b>Total</b>	<b>133,120</b>



# Executive Report



## 5 November 2010

Report of Head of Corporate Strategy

Author: Liz Hayden

Telephone: 01235 540309

Textphone: 18001 01235 540309

E-mail: [liz.hayden@southandvale.gov.uk](mailto:liz.hayden@southandvale.gov.uk)

Wards affected (Vale only): All

Cabinet member responsible: Jane Murphy

Tel: 01235 819511

E-mail: [jane.murphy@southoxon.gov.uk](mailto:jane.murphy@southoxon.gov.uk)

To: CABINET

DATE: 4 November 2010

Report No 63/10

Executive member responsible: Tony De Vere

Tel: 01235 547693

E-mail: [tony.devere@whitehorsedc.gov.uk](mailto:tony.devere@whitehorsedc.gov.uk)

To: EXECUTIVE

DATE: 5 November 2010

## Recommendation to merge the South and Vale community safety partnerships (CSPs)

### Recommendation

To pilot a South and Vale community safety partnership (CSP) with effect from 1 April 2011, with a view to permanently merging the two CSPs into a single CSP

### Purpose of Report

1. This report recommends that Cabinet and Executive agree to pilot a South and Vale CSP with a view to merging the two CSPs into a single community safety partnership with effect from 1 April 2011.

### Strategic Objectives

2. The proposed merger contributes to the South strategic objective "helping people feel safe and secure" and the Vale strategic objective "helping to maintain a safe

Vale". It also contributes to the shared strategic objective of managing our business effectively.

## **Background**

3. The Crime and Disorder Act 1998 (CDA) as amended by section 97(3) of the Police Reform Act 2002 sets out the circumstances in which the responsible authorities for each CSP area can join together to work as a partnership to reduce crime, antisocial behaviour and the fear of crime.
4. More recently the consultation paper "Policing in the 21<sup>st</sup> Century: reconnecting police and the people" recognises that CSPs have played a strong role in preventing crime. The consultation paper sets out how the government wants these partnerships to continue but in a less prescriptive way.

## **The Role of CSPs**

5. The police, local authorities, police authority, fire authority, probation and primary care trusts are statutory members of the CSP, known as "responsible authorities" and must be involved.
6. The role of a CSP is to address national and local crime priorities. This includes an:
  - annual strategic intelligence assessment (SIA) of crime which identifies priorities in the area by assessing risks and opportunities and existing levels of crime
  - three year annual rolling community safety partnership plan which sets out the approach for addressing the priorities identified in the SIA
  - meeting minimum standards of community consultation and engagement on issues of crime and disorder and substance misuse
  - ensuring that the CSP has an information sharing protocol in place to facilitate partnership working.

## **Benefits of a joint South and Vale CSP**

7. The restructure of the South and Vale district community safety teams has been approved and we are currently in the process of forming a new shared community safety team. Thames Valley Police have recently announced that they intend to merge the two local police areas (LPAs) on the 1 April 2011. Furthermore, the future of primary care trusts is uncertain.
8. The benefits of creating one CSP include:
  - the new partnership would be coterminous with the newly formed police area and would reflect the local authority shared services ethos
  - a reduction in the number of meetings that partnership officers and statutory members are expected to attend

- pooling of expertise, knowledge, skills and resources to more effectively tackle crime and disorder

### **Process for merger:**

9. The Home Office has broken the process for merging CSPs down into six stages:
  1. The proposal to merge must be supported by all responsible authorities across both areas and discussed with the relevant Home Office Regional Deputy Director.
  2. CSPs pilot working together as a merged partnership. There is no specific timescale for this however, at the end of the pilot period the CSP must be able to provide evidence to support a merger and demonstrate that it has been successful.
  3. Following the pilot an application to merge is made to the Home Office Regional Deputy Director; this must be endorsed by all responsible authorities.
  4. The Home Office Regional Director will consider the application and make a recommendation supporting the application to the Police and Crime Performance Unit (PCPU).
  5. If approved the PCPU will recommend to the Secretary of State that an order is made to allow the merger.
  6. Recommendation is approved and Home Office legal advisers arrange for an order to be made

### **Options**

10. The option to maintain two CSPs was considered however with the reduced resource available to partners we are concerned that there is not enough capacity to keep both partnerships working effectively.

### **Financial Implications**

11. There are no financial implications to this report as there will be no additional cost to partners and by pooling resources we will deliver a more efficient service. Partners will need to consider how the budgets are managed, as at present there are separate funding streams for the two CSPs.

### **Legal Implications**

12. The proposed merger must be supported by all “responsible authorities” across both areas and discussed with the relevant Home Office Regional Deputy Director.

### **Risks**

13. The main risks of *not* merging the CSPs are that we may not be able to properly resource two partnerships. The merged partnership will be coterminous with the newly formed police area. Reducing the number of meetings that partners are expected to attend will enable us to dedicate more time to delivery. The future of

community safety funding is uncertain. By pooling expertise, knowledge, skills and resources we will be able to continue to tackle crime and disorder in both district council areas.

## **Other Implications**

14. Other implications are covered in the body of the report.

## **Conclusion**

15. The merger of the CSPs will ensure that our structure is fit for the future and enable the councils to maximise efficiencies by harmonising working arrangements.

## **Background Papers**

- Guidance on merging crime and disorder reduction partnership areas under section 5 of the CDA 1998 as amended by section 97(3) of the PRA 2002: <http://webarchive.nationalarchives.gov.uk/20100413151441/http://crimereduction.homeoffice.gov.uk/partnerships66.htm>

# Executive report



## 5 November 2010

Report of Head of HR, IT and Customer Services

Author: Geoff Bushell

Telephone: 01491 823024

E-mail: geoff.bushell@southandvale.gov.uk

Wards affected: All

Cabinet member responsible: Rodney Mann

Tel: 01844 281426

E-mail: Rodney.mann@oxweb.net

To: CABINET

DATE: 4 November 2010

Report No 64/10

Executive member responsible: Jerry Patterson

Tel: 01865 730588

E-mail: Jerry.patterson@whitehorsedc.gov.uk

To: EXECUTIVE

DATE: 5 November 2010

## Printing and photocopying contract and savings

### Recommendations

- (a) To approve the award of a contract for multi-function devices (MFDs) to Danwood as the supplier offering the most economically advantageous tender.
- (b) To authorise the Head of HR, IT and Customer Services to make detailed changes to optimise the requirement specification for number of MFDs to be procured following consultation with affected users.
- (c) To authorise the Head of Legal & Democratic Services to complete the legal formalities and enter into a Framework Agreement with the supplier.

### Purpose of report and executive summary

1. This report proposes the replacement of the fleet of relatively old desktop printers, photocopiers, fax machines and scanners at both councils with a smaller number of modern multi-function devices (MFDs).

2. The report describes the process for the procurement and recommends awarding a contract to Danwood Group. The procurement process uses a government Framework Agreement as described in contracts procedure rule 52. However, the four-year value of the contract is in excess of the EU threshold, therefore rule 57.5 requires Cabinet and Executive approval to let the contract.
3. There will be financial and carbon savings to both councils. In addition to this there are a number of operational benefits to both councils. In a later phase of the project there will be potential further cashable savings.
4. This report contributes to several strategic objectives:
  - Both councils: Managing our business effectively
  - South: Reduce energy use from our own operations
  - Vale: Minimise our impact on the causes of climate change / Minimise the waste we produce

## **Background and current position**

5. Over the years, the growth and variety of desktop printers, photocopiers, fax machines and scanners has been fairly ad-hoc. Many different manufacturers' equipment has been purchased over the years, and much of it is now life-expired. This has led to both councils expending significant effort in procuring, supporting and maintaining a variety of devices. More significantly, the councils are missing an opportunity to explore more efficient and more cost-effective ways of managing printing, copying, faxing and scanning.
6. Many printers are now approaching the end of their lives and are failing. In addition, South has a photocopying contract which is scheduled to end in December 2010, and this was an obvious trigger to research alternative options.
7. We looked at how other councils have addressed this challenge, and found that many of them have rationalised their desktop printing, photocopying, faxing and scanning by leasing multi-function devices (MFDs), with significant savings.
8. Discussions with other councils and with the Office of Government Commerce showed that the best way forward was to replace the inconsistent and inefficient fleet of legacy desktop printers, copiers, fax machines and scanners with a smaller fleet of modern energy-efficient MFDs.
9. Currently there are 86 printers, copiers, scanners and fax machines at Vale, while the total for South is 103.
10. Across both South and Vale, up to twenty eight fax machines sit idle most of the time, consuming energy 24 hours a day.

## **Project definition**

11. In order to improve the current position and explore available savings, we agreed the following project description with the Head of HR, IT and Customer Services (Andrew Down) in his role as project sponsor:



"To provide the most cost effective solution to the councils' printing, copying, scanning and faxing needs that minimises inefficient use of officer time, whilst serving to meet the councils' aims to reduce energy costs and carbon emissions."

## Outcomes

12. We specified several outcomes which we wanted to achieve in the project:

- To achieve a cost effective solution and savings if possible
- To achieve 13.6 tonnes of carbon saving per annum across both councils (specified as part of the councils' carbon management plans)
- To improve operational efficiency
- To reduce the likelihood of unpredictable calls on financial resources when owned printers and copiers fail
- To ensure that the chosen solution complies with the principles of Fit For the Future<sup>1</sup>
- For the new supplier to take ownership of the councils' legacy printers and copiers
- For the chosen solution to meet both councils' technical ICT requirements
- For there to be a simple contractual relationship not involving a third-party supplier
- For shortlisted suppliers to undertake (at no cost to the councils) due diligence, device audits and estimates of costs and savings.

## Potential benefits

13. We benchmarked with other comparable district/city councils, who have achieved savings from implementing MFDs in the following ways:

- Electricity use reduction from more efficient machines which shut down automatically when the offices are closed
- New machines should be more reliable, resulting in less "downtime"
- Reduction in paper use from full use of duplex copying
- Reduction of unnecessary colour output through management software
- Toner saving from using more efficient machines and from reduction in printing
- Reduced cost per page arising from the above
- Significant environmental benefit and carbon savings

14. There are also a number of operational benefits, particularly:

- Transfer of our legacy equipment fleet to the supplier for reuse or disposal
- Ordering consumables is done by the supplier, so elimination of ICT time
- Maintenance included in costs, so elimination of ICT time in repairing printers
- Automated billing and allocation to cost centre reduces effort in recharging

---

<sup>1</sup> Fit For the Future is a corporate business transformation programme spanning both South and Vale. It focuses on service improvements and increased efficiencies in delivering the councils' objectives. This brings benefits to customers and staff, as well as releasing capacity that can either be reinvested or taken as savings.

- Centralised budget minimising complexity and simplifies contract management
- Management information on device usage, enabling us to identify under-used MFDs, which could be returned to the supplier and lease costs reduced to give further savings

15. A more detailed statement of project benefits is available in a background paper on request.

## Disadvantages

16. The only significant disadvantage of MFDs is that in situations where only low-volume printing is required, and copying/scanning/faxing are not required, an MFD would be uneconomical. This situation has been addressed by recommending conventional mono laser printers for such situations.

## Purchasing options

17. Officers have researched the alternative procurement routes of outright purchase or leasing. The experience of other councils is that leasing offers greater operational benefits (as listed above) and is cheaper over the lifetime of a contract. Leasing also reduces staff time in managing equipment. A lease contract has a predictable spend, whereas owned equipment may suddenly incur the risk of urgent unpredictable expenditure when equipment fails.

18. All our research points towards the advantages of MFDs greatly outweighing the disadvantages, so officers have concluded that the councils' future printing, copying, scanning and faxing needs would be best met by leasing MFDs (and a small number of mono laser printers).

## Procurement process

19. Previously, a requirement of this kind would be tendered competitively according to the process set out in the councils' joint contracts procedure rules. However, rule 28.1 requires officers to establish whether there are any framework agreements available which the councils could use and which would potentially save time and money. After speaking to a number of other councils, it became clear that the best route for procuring MFDs is through Office of Government Commerce (OGC) Buying Solutions<sup>2</sup> framework agreement number RM450. To ensure best practice, we sought advice on the procurement process from the dedicated team at Buying Solutions, and they also checked our specific procurement documents.

20. As well as saving officer time in the procurement process, the use of this framework gives the councils access to pre-qualified suppliers who have already been through an EU tendering procedure, and also gives us access to the lowest possible prices and service fees.

21. Framework RM450 contains seven suppliers of MFDs, and the process of deciding on a preferred supplier is formally known as "further competition", which

---

<sup>2</sup> Buying Solutions is the government's leading procurement partner for all UK public services and is part of the Cabinet Office.

consisted of several stages - these have been documented in detail in a separate background paper available on request.

22. Two suppliers scored much more highly than the other four who responded, and in the comparison of final bids from the two suppliers, evaluating officers unanimously scored supplier A above supplier B, and the project sponsor then agreed to the appointment of supplier A – Danwood Group – as preferred supplier, subject to the agreement of Executive and Cabinet. Further details of the tender evaluation are available in the background paper on request.
23. The Buying Solutions framework agreement requires the councils to enter into a four year contract.

### **Cost of new contract, savings and budget reductions**

24. The preferred supplier provided us with savings estimates, based on the work undertaken during the print audit phase of the procurement. However, we have thought it more reliable to base our calculations on our own figures as far as they could be ascertained. In some cases, records were insufficient, and in these cases we have used the supplier figures.
25. The table below illustrates the reduction in the number of devices which would be achieved by the new contract.

	<b>Vale</b>	<b>South</b>
<b>Total number of existing printers, copiers, scanners and faxes</b>	86	103
<b>Total number of new devices</b>	23	22

26. The following tables summarise the costs and savings of the new arrangements for each council. In order to verify that cashable savings can be taken, accountants from Vale council have provided detailed financial data which identifies reductions to be made in a large number of specific cost centres; this data is available on request.

## Current and future costs: Vale

	<b>Current £</b>	<b>Future £</b>	<b>Note</b>
<b>CURRENT COSTS</b>			
<b>Variable consumables:</b>			
Annual printing/photocopying costs (i.e. toner, copier maintenance)	39,580	34,970	(1)
<b>Non cashable costs:</b>			
Annual cost of lease for printers and photocopiers (includes print management software licence costs)	0	26,070	(2)
<b>NEW CONTRACT COST</b>		<b>61,040</b>	<b>(3)</b>
<b>BUDGETS TO BE REDUCED/REMOVED</b>			
	<b>Current £</b>	<b>Future £</b>	
Total cost of various budgets including photocopying	285,480	267,110	
Business Support Unit	56,000	17,060	(4)
<b>Total across all budgets</b>	<b>352,670</b>	<b>284,170</b>	
<b>Therefore net saving in budgets</b>		<b>68,500</b>	
<b>NET SAVING AFTER CONTRACT COST</b>		<b>7,460</b>	
<b>Potential future savings:</b>			
Annual electricity cost	1,770	780	(5)

## Current and future costs: South

	Current £	Future £	Note
<b>CURRENT COSTS</b>			
<b>Variable consumables:</b>			
Annual printing/photocopying costs (i.e. toner, copier maintenance)	51,390	35,529	(1)
<b>Non cashable costs:</b>			
Annual cost of lease for printers and photocopiers (includes print management software costs)	12,543	21,345	
Ongoing/new revenue costs:	0	21,345	
<b>NEW CONTRACT COST</b>		<b>56,875</b>	<b>(3)</b>
<b>BUDGETS TO BE REDUCED/REMOVED</b>			
	<b>Current £</b>	<b>Future £</b>	
Cost centre: PN01 Printing and photocopying Account code: 4007 Materials and consumables	44,066	7,293	
Cost centre: CE10 PC & Intelligent Terminals Account code: 4508 Computer Supplies	28,365	0	
Saving already taken for 2010/2011		6,000	(6)
<b>Total across all budgets</b>	<b>72,431</b>	<b>13,293</b>	
<b>Therefore net saving in budgets</b>		<b>59,138</b>	
<b>NET SAVING AFTER CONTRACT COST</b>		<b>2,263</b>	
<b>Potential future savings:</b>			
Annual electricity cost	2,224	609	(5)

## Notes

- (1) The usage costs of MFDs is predicted to reduce as compared with current, partly because of reduced wastage of uncollected printing. This budget will be held and monitored centrally at each council.
- (2) [Vale only] Vale approved a capital bid of £13,000 in the 2010/11 budget for a new industrial printer. This capital expenditure will no longer be required. However, the cost of running the new contract printers and photocopiers will be an ongoing revenue cost and Vale does not have existing revenue budgets to allocate to this. There is no specific funding to replace some of the older, low cost printers and these would have been funded from underspends as required. The impact of the new contract, therefore, will be to avoid future costs rather than make cashable budget savings.

- (3) The new contract cost is the sum of the rows 'Annual printing/photocopying...' and 'Annual cost of lease...'.
- (4) [Vale only] The business support unit budgets were responsible for the repair and maintenance of the old Print Room equipment. Savings from the disbandment of the print room and business support unit have identified savings on these old budgets for materials, consumables, photocopying and stationery which can be used to support the new contract cost. Some additional saving may also be achievable once the contract cost is fully funded. Further details are available on request.
- (5) A reduction in the number of devices from 86 to 23 (Vale) and from 103 to 22 (South) will result in significant carbon savings. However, because of fluctuations in energy prices, budgets will be maintained (i.e. not taken as cashable savings) until long term reductions result in real cost reductions.
- (6) [South only] On-going annual avoidable costs of £6,000 for South for routine replacement of printers have already been taken as revenue savings from financial year 2011-12 onwards by being removed from budgets and built into the medium-term financial plan.

### Estimated carbon and electricity savings

27. Danwood have calculated the following forecast annual electricity savings and carbon savings. Note that the carbon savings are derived exclusively from electricity savings.

<b>VALE</b>	<b>Before</b>	<b>After</b>	<b>Estimated saving</b>
<b>Annual electricity usage</b>	23,169 kWh	10,335 kWh	12,834 kWh (55%)
<b>Annual electricity cost</b>	£1,770	£781	£989 (55%)
<b>Annual carbon footprint</b>	12.61 tonnes	5.63 tonnes	6.99 tonnes (55%)

<b>SOUTH</b>	<b>Before</b>	<b>After</b>	<b>Estimated saving</b>
<b>Annual electricity usage</b>	26,593 kWh	7,583 kWh	19,010 kWh (71%)
<b>Annual electricity cost</b>	£2,224	£609	£1,615 (71%)
<b>Annual carbon footprint</b>	14.47 tonnes	4.13 tonnes	10.34 tonnes (71%)

28. This gives a total forecast of 17.3 tonnes CO<sub>2</sub> savings per annum across both councils, which is comfortably in excess of the combined target of 13.6 tonnes associated with this project.
29. Because of the variability of electricity tariffs, we have agreed with the accountancy teams that estimated cost savings on electricity will not be considered as a cashable saving or removed from budgets.



## **People movement and number of devices**

30. During the procurement process we used Danwood's recommendations of numbers and locations of devices. A representative from the Fit For the Future team reviewed this in the context of lean systems thinking, and its requirement to minimise wastes such as staff time in walking to a machine and also in waiting for output if a queue forms. The resulting specification and draft floor plans included a number of additional devices for large offices, which would reduce the time taken to walk to and from the device.
31. We have specified MFDs with relatively high speed output and low warm-up time, in order to minimise waiting times.
32. Savings have been maximised on the assumption that directors and heads of service will not have printers in their private offices.
33. The contract will be set up in such a way that further MFDs can be leased if it turns out that there is an unforeseen need. Equally, MFDs can be returned to the supplier if they turn out to be under-utilised, or if fewer MFDs are required after team restructuring and office moves. Each MFD given up will enable the councils to make additional savings of approximately £1,100 per year.

## **Disposal of old equipment**

34. We intend to sell any old equipment that has any residual value. Realistically, there are few printers or copiers whose value has not already been written down in the accounts. Danwood has offered to remove such equipment. Depending on the condition of the equipment, it will either be disposed of in accordance with Waste Electrical and Electronic Equipment legislation, or re-manufactured and sold, either in the UK or abroad. For appropriate equipment, a common practice amongst suppliers is to donate it to the less economically developed countries.

## **Contract management**

35. Although the South photocopier budget is currently managed by the facilities team, we have agreed that when the project phase is complete, ongoing ownership of the MFD contract will transfer to the shared IT operations manager (Simon Turner).
36. The councils' IT operations team will be required to fit toner cartridges provided by the supplier and fix simple paper jams. All other repairs and maintenance will be undertaken by the supplier.
37. The Buying Solutions framework agreement we are using specifies a four-hour service standard for engineer call-out.
38. The shared facilities manager (Wendy Beasley) will continue to be responsible for ordering paper.
39. The above arrangements considerably simplify the management of printing and copying operationally, with many fewer officers involved in (e.g.) buying toner or

repairing failed devices. These staff time savings are additional to those quantified in this report.

## **Project plan**

40. The project team is consulting heads of service on the number and positioning of MFDs in their teams. Minor adjustments may be required, especially during office accommodation moves at Abbey House.
41. The preferred supplier has provided a project plan for the implementation of the new MFDs. Subject to approval by Executive and Cabinet and completion of a contract, we expect MFDs to be in place at both councils by early December 2010. The South photocopier contract will end as soon as possible after this, which in practice will be the end of December 2010.
42. The chosen supplier will provide training, to ensure minimal disruption and time wastage by users, ensuring that users will become aware of the rich functionality of MFDs.
43. Communications relating to the project have already included articles on the intranets and staff briefings at both councils.

## **Phase 2 further savings**

44. Once in contract, the chosen supplier will work with the councils to further refine the MFD solution and to explore additional savings, especially in association with office layout changes currently being planned by the shared facilities manager. One such example is to evaluate the future of both print rooms, which the shared facilities manager is currently considering.
45. Another initiative will be to identify all external printing procurement, to see if it makes better sense to print on demand when required. An area already identified is the external printing of Homechoice brochures and lists of available properties. We believe we can make savings by printing these documents on demand, thus avoiding the cost and inevitable waste of printing relatively large print runs externally.
46. The preferred supplier estimates from experience in other councils that the above initiatives and others are likely to contribute a further ten per cent saving.

## **Financial implications**

47. The net effect of this project is to achieve estimated annual cashable savings of £7,460 for Vale, and of £2,263 for South. The South saving would have been £8,263, however £6,000 of this relating to purchase of routine replacement of printers has already been taken as revenue savings by being removed from budgets and built into the medium-term financial plan.
48. In addition, proceeding with the project will allow Vale to avoid spending approx. £15,000 capital, and a variable annual cost in order to replace old and faulty machinery. South will save approximately £5,000 annually on purchasing replacements for failed printers and copiers.

49. At present, neither council has a dedicated capital budget for replacement of failed printers and copiers. By adopting a leasing arrangement, the contract costs are predictable, and there will be no sudden calls on financial resources when a printer unexpectedly fails.
50. Budgets have been assembled from various cost centres to ensure that cashable savings are identified and removed from budgets; further details are available in the background paper on request.
51. South already leases its photocopiers, whereas Vale has purchased these previously. Thus the change involved in moving to a complete leasing regime will be less significant operationally at South.

## **Legal implications**

52. The use of framework agreements instead of a council-led tendering process is encouraged under contracts procedure rule 28.1.
53. Though savings offset costs, the new MFD contract value over four years exceeds the EU threshold, therefore contracts procedure rule 57.5 requires Cabinet/Executive approval.

## **Risks**

54. There is a potential risk that the expected savings are not achieved. We have mitigated this risk by using actual cost figures from the councils' financial systems, rather than using supplier estimates. This report identifies those cost centres from which cashable savings can be removed. A more likely outcome is that underutilised MFDs can be given back to the supplier, saving their rental costs.
55. A further risk is that if the project does not go ahead, savings opportunities likely to be available in phase two of the project would be impossible to achieve without MFDs in place.
56. Existing equipment will be retained until the new MFDs are in place and users trained and happy, to minimise the risk of disruption to operational services.

## **Conclusion and recommendation**

57. The replacement of the current printer and copier fleet and integration of faxing and scanning into a reduced number of multi-function devices will initially achieve approximately £2,263 per year savings for South (£8,863 total less £6,000 savings already taken) and £7,460 per year savings for Vale. In addition there are future costs which can be avoided by proceeding. Further savings should be achievable by removing under-utilised MFDs and by carrying out phase 2 as described above, which could result in further savings by, for instance, removing the need for some printing to be done by external contractors.
58. Cabinet and Executive are separately requested to:

- Approve the award of a contract for multi-function devices to Danwood as the supplier offering the most economically advantageous tender.
- Authorise the Head of HR, IT and Customer Services to make detailed changes to optimise the requirement specification for number of MFDs to be procured following consultation with affected users
- Authorise the Head of Legal & Democratic Services to complete the legal formalities and enter into a Framework Agreement with the supplier.

## **Background paper contents**

1. Benefits of MFDs
2. Procurement process
3. Tender evaluation
4. Vale cashable savings and budget virements

## **Annexes**

- None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted