

REPORT TO: BEST VALUE SUB-COMMITTEE
REPORT ON: BEST VALUE REVIEW OF MAILROOM, TAYSIDE HOUSE
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 563-2001

1.0 PURPOSE OF REPORT

1.1 To report on the Best Value Review of the Mailroom, Tayside House, function within the Support Services Department.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Sub-Committee:-

- (i) agrees that the Director of Support Services continues to provide mailroom services on behalf of Council Departments;
- (ii) notes the areas identified for continuous improvement as follows:-
 - annual customer survey
 - maintain high standards with regard to critical success factors, in particular flexibility
 - improve flexibility by providing mail uplifts from departments within Tayside House to allow improvement in spread of mail processing workload.
 - Implement pilot scheme of mailroom staff delivering mail to local Solicitors' Offices currently posted via Hays Document Exchange.
 - Mailroom staff to assist City Archivist with records management within Archives when workload permits

3.0 FINANCIAL IMPLICATIONS

3.1 This review accounts for 6.4% of the Department's Administration Division Revenue Budget at a budget cost examined of £150,748 and is 37.4% of the total expenditure reviewed in the Administration Division 2000/2001.

3.2 Annual estimated savings on Hays Document Exchange fees to be £2,000 - £2,500.

4.0 LOCAL AGENDA 21 IMPLICATIONS

4.1 This review was undertaken from a perspective of Local Agenda 21. In particular, that resources are used efficiently and waste is minimised.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are no equal opportunities implications contained within this report.

6.0 DEFINITION OF SERVICE REVIEWED

- 6.1 The mailroom provides efficient procedures for the receipt and dispatch of external and internal mail on behalf of Council Departments. In addition, a delivery and collection service is provided to Hays Document Exchange. This is a service providing document exchange for the Legal and Finance professions which provides secure and efficient transfer of documents, this service is mainly used by the Council's Legal Division for transfer of legal documents to and from firms of solicitors.

The majority of incoming external mail is pre-sorted by the Royal Mail using their Selectapost Service. The Royal Mail provides mail sorted for departments by post code which allows quicker processing of bulk mail to departments, all other external and internal mail is sorted by the mailroom staff.

The annual external mail volumes (number of items outgoing) from the mailroom is approximately 520,000, the postage costs of these items being approximately £110,000. The mailroom service has to facilitate fluctuations of workload to accommodate high mail volumes from Departments who undertake mailshots. The mailroom staff also carry out a security service in relation to the Fire Exit door at the east side of Tayside House at ground level.

There are two full-time members of staff providing this service, the grades of staff are GS1/2 and GS1. The supervisor graded GS1/2 works one hour of contractual overtime per day from 7.45 am to 8.45 am. The mailroom assistant graded GS1 45 mins. of contractual overtime from 8 am to 8.45 am.

The opening hours of the mailroom are:

7.45 am to 5 pm Monday to Friday.

7.0 JUSTIFICATION FOR REVIEWING THIS SERVICE

- 7.1 The mailroom, Tayside House, provides service to Departments of the Council and therefore it was essential to review areas of its service to underline the Council's total commitment to Best Value.

8.0 REVIEW METHODOLOGY

- 8.1 The Review Team consisted of the Review Team Leader, Steve Swann (Personnel and Management Services), Lead Officer, Bob Laird (Principal Administration Officer), Danette Ramsay (Senior Administrative Assistant), Andy Butterworth (Mailroom Supervisor) and Philip Owen (Principal Accountant).
- 8.2 The review methodology involved consultation with stakeholders, benchmarking and market testing.

9.0 CRITICAL SUCCESS FACTORS

STAKEHOLDERS

- 9.1 The main stakeholders were identified as all Departments of the Council (mailroom contacts and other staff).

CUSTOMER SURVEY

Questionnaires were issued to stakeholders, a blank copy of the Questionnaire is attached, (see Appendix 1).

CRITICAL SUCCESS FACTORS

- 9.3 The critical success factors in order of priority identified through the questionnaire are shown as follows:-

reliability
 cost
 general satisfaction
 time of availability
 flexibility of service
 condition of mail.

10.0 PERFORMANCE REVIEW

RESULTS OF SURVEY

- 10.1 Information extracted from the survey indicated that

100% of respondents agree that the service is maintaining a high degree of reliability
 Operating cost per item (ie excluding postage) was calculated at 8p (see 11.2 below)
 95% of respondents are satisfied with the service
 95% of respondents are satisfied with the time of availability
 89% of respondents agree that the service is flexible, 5.5% disagreed due to non delivery of mail to departments by mailroom staff when document handler (dumb waiter) was temporary out of action, departments were required to collect and deliver mail to the mailroom during this period. The remaining 5.5% did not respond to this question.
 100% of respondents are satisfied with the condition of mail items

From the above it can be seen that overall performance and satisfaction levels have, in relation to the critical success factors, been high.

- 10.2 INTERNAL STAFF TIME REVIEW

A review was conducted focussing on the levels of effective time within the mailroom services.

The result of this review identified periods of ineffective staff time during parts of the working day.

This ineffective time is addressed in the report under Continuous Improvement Proposals 13.4 and 13.5.

11.0 RESULTS OF COMPARISON

MARKET TESTING

- 11.1 Attempts to obtain qualitative comparisons with external business resulted in only one comparison being obtained, the result of which is detailed in the audit file.

The comparison shows that the service, if out-sourced would be 13.9% more expensive to provide.

11.2 BENCHMARKING

The Council participated in a benchmarking review on behalf of SOLAR, comparative cost figures are available below for four other authorities.

	A	B	B ÷ A
	ANNUAL MAIL VOLUMES	ANNUAL OPERATING MAILROOM COSTS	COSTS PER ITEM
DUNDEE	520,000	£42,396	8p
AUTHORITY (a)	190,000	£20,000	11p
(b)	592,979	£101,170	17p
(c)	167,081	£29,822	18p
(d)	227,300	£75,310	33p

It is clear that the operating costs for the Council's central mailroom compare favourably with those compared against. The names of the local authorities concerned are detailed in the Audit File.

12.0 OPTION APPRAISAL

12.1 (a) Consideration was given to outsource the operation, however market testing has shown that the in-house operation is currently cost effective

(b) Consideration was given to decentralising the operation which would mean departments preparing, processing and making available external mail for uplift by Royal Mail at a predetermined location. It would also be necessary for departments to incur costs to have the necessary equipment available to process mail (e.g. franking machines and weighing scales). It would also incur more departmental staff time in carrying out these additional mailroom duties.

The removal of the central mailroom would create difficulties for departments delivering internal mail between departments, at present all departments use the mailroom as a collection and delivery point for this purpose.

The security service provided by the mailroom staff (as detailed in the Definition of Service at 6.1) would be no longer provided, this could jeopardise the security at this entrance to Tayside House.

(c) Maintain existing service and seek improvements as outlined in the Continuous Improvement Proposals.

The high level of performance against critical success factors leads to the conclusion that the present arrangements offer best value and therefore no major changes were considered necessary.

13.0 CONTINUOUS IMPROVEMENT PROPOSALS

13.1 All Qualitative Critical Success Factors

The mailroom service will continue to review performance by the use of annual customer survey to ensure the current results are maintained or improved.

13.2 Cost

It is anticipated the current cost per item of 8p as outlined in 11.2 will be maintained or any increase held in line with inflation.

13.3 Flexibility of Service

To improve the flexibility within the operation the mailroom service will consult with departments within Tayside House by the end of June 2001 with a view to providing mail uplifts during the day to allow improvement in the spread of mail processing workload during the afternoon. As indicated in 10.1, 89% of respondents agree that the service is flexible, it is anticipated that this will increase to at least 94% by the time of the next annual survey.

13.4 Other issues

A pilot scheme has been introduced whereby mailroom staff deliver mail to local solicitors' offices, this mail was previously posted via Hays Document Exchange based in Panmure Street. If the pilot scheme is successful it will result in an improvement in ineffective staff time and an estimated saving of £2,000 - £2,500 per annum in fees for usage of the Hays Document Exchange facility.

The budget for this service is held within the Support Services Legal Division.

If the pilot scheme is successful it is anticipated this new arrangement will be implemented by August 2001.

The mailroom staff will assist the City Archivist with records management within Archives during 2001 as and when workload permits. This arrangement will again result in an improvement to ineffective staff time.

14.0 CONSULTATION

14.1 The Director of Support Services and the Director of Finance have been consulted in the preparation of this report.

15.0 BACKGROUND PAPERS

15.1 Best Value Submission to the Secretary of State for Scotland, December 1997, Policy and Resources Committee - 11th December 1997.

Signature

Date



DUNDEE CITY COUNCIL
SUPPORT SERVICES DEPARTMENT
MAILROOM, TAYSIDE HOUSE

Tel No 4495/4320

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To assist us in meeting the challenge of Best Value, we would like to canvass the views of service users on the quality of the services we provide. As a member of staff affected by that service we would be grateful if you would take a few minutes to assist in that regard.

Your views and opinions on the service provided will be beneficial in helping us to improve and continue to provide a quality service to the Council.

INTRODUCTION

This service is provided by the Support Services Department in connection with the day to day receipt and despatch of external and internal mail.

Once you have completed this questionnaire, please return it, in the envelope provided no later than 26/5/00.

No stamp is required.



QUESTIONNAIRE

YOUR LOCATION ADDRESS:

Please shade the appropriate circle for all questions.

Q1. The mail is available between 0845 hours and 0900 hours each day.

Is this timescale suitable for your needs?

YES

NO

If No, what timescale would you prefer.

Q2. Outgoing mail must be at the Mailroom by 1545 hours each day to allow for sorting, franking and preparing for uplift by Royal Mail.

Is this timescale suitable for your needs?

YES

NO

If No, what timescale would you prefer.

Q3. On receipt of mail each day, is the mail received by you in a satisfactory condition?

YES

NO

If No, please state problems experienced.

Q4. Do you think the Mailroom service is reliable?

YES

NO

If No, please give details.

Q5. Do you think the Mailroom service is flexible?

YES

NO

If No, please give details.

Q6. From the following, please rank in order of priority for your Department.

Please rank each from 1 to 6, **1 being the lowest with 6 being highest in priority.**

Please Place number within Circle

Cost of service

Flexibility of service

Reliability of service

**Time of availability of Incoming mail to
Department**

Condition of mail

General satisfaction with service

If you feel there are any other aspects of the services provided by the Mailroom that are important to you please detail below.

Q7. On occasions when you have contacted the Mailroom Staff did you find they were:-

Friendly/Polite	YES <input type="radio"/>	NO <input type="radio"/>
Helpful	YES <input type="radio"/>	NO <input type="radio"/>
Able to Deal with Enquiry	YES <input type="radio"/>	NO <input type="radio"/>
Handled Enquiry Efficiently	YES <input type="radio"/>	NO <input type="radio"/>

If No for any of the above please give details.

Q8. Have you had to make a complaint about the Mailroom Service?

YES <input type="radio"/>	NO <input type="radio"/>
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If Yes, how was your complaint addressed?

Q9. Overall, are you satisfied with the Mailroom Service?

YES <input type="radio"/>	NO <input type="radio"/>
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If No, how do you think the service could be improved.

Q10. Are there any other services you would like to have provided by the Mailroom?

YES

NO

If Yes, please provide details.

**Questionnaire completed
by:**

Telephone Extension:

Once again, I thank you for participating in this Survey and I assure you that the information you have provided will be of great assistance to me in maintaining a professional and courteous service to the Council.

Now that you have completed the Questionnaire, could you please return it via the internal mail in the envelope provided no later than 26/5/00.

Please do not hesitate to contact me if you require further information or clarification.

**Bob Laird
Principal Administration Officer**