

Improving service and efficiency transforms business



Thanks to a Kern solution, Birmingham City Council is the first local authority to sign up to a Royal Mail Condition 9 Agreement, saving itself hundreds of thousands of pounds each year in postage costs.

“The savings are phenomenal with this fantastic piece of kit - we have more than exceeded our estimates of £400,000 annual savings and are actively seeking to collaborate with other public bodies to enable them to share the savings too.”

*Martin Reynolds,
head of corporate postal and scanning services.*



Birmingham City Council is the largest, most populated local authority in Europe, with over a million people in its boundaries.

The Council's postal team processes almost eight million outbound items per year and, as part of transformation programmes run throughout the organisation, was looking to make efficiencies.

Needing to communicate with local residents and businesses for a wide range of reasons - anything from council tax bills to notifications about the recent Papal visit, and election material to packs for the Birmingham half marathon - the Council looked at various options to save money, before realising that this could be achieved by just adding one Kern solution to their existing post room.

With an NPI Vsort sortation machine, the Council has been able to sign a flagship Condition 9 Agreement with Royal Mail. The sorter uses Optical Character Recognition or Customer Barcode readings to sort local letters up to C4 size inhouse, so that they can be inserted into the Royal Mail system further 'downstream', and so benefit from a postage cost of 14p an item, compared to 25p. The postal team is engaging with the Council's directorates to ensure that as much post as possible is sent via the centralised service and Kern sorting machine, thereby benefitting from the savings available.

The overall Council postal spend has dropped by almost £500,000 a year, equating to about 40-45% of postage costs.

The team has also been impressed by the Kern sortation machine's resilience and speeds of up to 24,000 items an hour. Says Martin Reynolds, head of corporate postal and scanning services: "It does some wonderful things, but is really quite simple. It only took four members of staff to successfully run 800,000 council tax bill packs through it in ten days, which is essential to meet strict legal timelines."

The aim now is to collaborate with other public and private sector organisations so that those who do not generate enough mail to have their own Condition 9 Agreement can save via the Council's. This fits well with the aims of the Treasury's Total Place initiative, which encourages public sector organisations to work together and share services. Trials with health and housing authorities are already underway.

Concludes Martin: "The support we have had from Kern in supplying and maintaining this sorter over the last two years has enabled us to make huge changes to our bottom line and, when you bear in mind that a lot of post is still being sent first class, there's even more potential there."

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