Corporate Scrutiny and Performance Panel

13 September 2011

Working Smarter Programme Update

Ward(s)   All

Portfolios: Cllr Arif, Business Support Services

Executive Summary:

To update Corporate Scrutiny and Performance Panel on the progress of the Working Smarter Programme.

Reason for scrutiny:

The Working Smarter Programme is a standing item on the agenda for the Panel. As the council's single transformation programme it is important that the Panel receive regular progress updates and have the opportunity to input into the Working Smarter agenda and work plan. This update contains a specific report from the Smarter Workplaces strand of the Programme as requested by the Panel at the last meeting.

Recommendations:

That:

1. Panel note the progress made to date in the Working Smarter Programme.
2. Offer input and feedback on the work plan.
3. Agree to receive further updates and reports as requested by the Panel

Background papers:

The papers that form this update include:

- *Corporate Scrutiny and Performance Panel WS Briefing paper*
- *Smarter Workplaces briefing paper*

Corporate   **Agenda Item**
Scrutiny and Performance Panel   **No. 6**

13 September 2011

Smarter Workplaces

Ward(s)　　　All

Portfolios:　Councillor Adrian Andrew, Deputy Leader and Regeneration

Executive Summary:

Smarter Workplaces is one of the strands of Working Smarter (along with Fit for the Future, and Customer Contact) which ensures that the council's operating model of Delivering Right Fast and Simple is achieved.

Smarter Workplaces will deliver the following outcomes:

- Our customers, partners, and colleagues will benefit from the changes in the way we work
- In the future more money will be spent on services through spending less on offices
- Staff will be able to work more flexibly and in ways which meet their needs
- Less time travelling will free up more time for customers and each other
- Teams will have access to improved work environments and better technology

The implications for staff resulting from the implementation of the Programme are primarily related to the changes to the ways in which they will be able to do their jobs using new technology, and working from or with different accommodation and facilities.

More flexible working opportunities will be both available and required. This will include "hot-desking", mobile working and home working. Within the main offices additional meeting rooms, drop down points, breakout spaces, project work areas will also be provided. As well as improving and creating a range of work based options it will also reduce costs.

In total 25 buildings will be eventually reduced to two - the Council House and the Civic Centre – more than halving the current office space and centralising town centre office accommodation into as few buildings as possible. This will take in stages as leases end and decisions around the future of surplus properties are made.

The disposal of properties deemed surplus to council requirements is being led by the Asset Management team working as part of the Smarter Workplaces property workstream. This activity will aim to achieve an appropriate balance between maximising the capital receipts for surplus properties and securing receipts in line with the agreed income profile.

The Programme will become self financing. The capital receipts expected to be generated from the sale of land and buildings will exceed the capital investment required. Capital will be provided from the recycling and ring fencing of capital receipts from the sale of surplus office buildings and prudential borrowing. All costs of capital were included within the financial model and identification of revenue implications.

Whilst a complex Programme to deliver, and one which will develop over its implementation, the governance and organisational structures are in place to manage any changes. Resources are under continual review and any issues reported to the SRO.

Rationalising office accommodation and improving processes will provide a cost saving for the council. In other similar organisations modernisation and more flexible working have increased productivity, improved staff retention and recruitment.

The Smarter Workplaces programme represents a unique opportunity for the council to invest in creating more modern workplace environments and technology which will transform the ways in which teams work and the delivery of services to customers.

Reason for scrutiny:

This report informs the Panel of the proposed Smarter Workplaces activity including implications for staff affected; the strategy for buildings no longer required and the financial aspects of the programme which justify it taking place and enables the panel to monitor progress to date and planned actions; enquire of the team on any matter; and to help develop areas of the Programme where improvements might be made whilst ensuring that the agreed outcomes and benefits are achieved against the context of the overall operations of the council.

Recommendations:

That the Panel:

1. Consider the report and presentation; providing comments upon the proposed Smarter Workplaces activities and outcomes as appropriate.

Background papers:

Cabinet Report 13 April 2011 – Smarter Workplaces

Resource and legal considerations:

Resources have been identified and assigned in line with the approval by Cabinet in April 2011. Involvement of Legal Services and other related services (Risk and Insurance; Health & Safety; Procurement) is ongoing as part of the Programme delivery.

Citizen impact:

The delivery of council services relies on staff being able to do their jobs in the best way possible and in locations which are appropriate to customer needs. The Smarter Workplaces programme is designed to save money and provide opportunities for the council to operate more effectively and efficiently with no adverse impact on frontline services.

Performance management:

Improved performance across the council can be supported by modern technology and more suitable office accommodation enabling better ways of working.

Equality Implications:

No adverse equalities implications are anticipated however the changes that will be delivered by the Smarter Workplaces Programme will be subject to periodic Equality Impact Assessments for any equalities implications. Specialist advice has been sought from People Services.

Contact Officers:

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Smarter Workplaces

Background

Smarter Workplaces is one of the strands of Working Smarter (along with Fit for the Future, and Customer Contact) which ensures that the council's operating model of Delivering Right Fast and Simple is achieved.

Smarter Workplaces will deliver the following outcomes:

- Our customers, partners, and colleagues will benefit from the changes in the way we work
- In the future more money will be spent on services through spending less on offices
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- Teams will have access to improved work environments and better technology

The Programme was formally approved by Cabinet on 13th April 2011. This included a description of the scope of the programme, resource requirements, governance structure and the benefits that would result from implementation including the financial business case which justified the creation and delivery of Smarter Workplaces. Work will starts in October 2011 and is planned to be completed by December 2012.

Whilst the Programme evolved from the AM2010 programme to reduce the number of office buildings in use by the council, and had therefore consisted principally of teams drawn from Property Services, the Smarter Workplaces Programme would be more cross-cutting and invest in areas of ICT and People Services.

The agreed governance structure is that at Director level Tim Johnson fulfils the role of Senior Responsible Officer (SRO) with the Programme team consisting of colleagues drawn from both Regeneration and Resources directorates, with dedicated team members established by way of fixed term contracts or secondments from service areas. Rory Borealis as delivery lead Director for Working Smarter sits on the Smarter Workplaces Steering Group which reports into the Working Smarter Board.

Objectives

The objectives of the Smarter Workplaces programme include those outlined below. As the programme has progressed, refinement of the original objectives has taken place within the parameters agreed by Cabinet in April 2011.

The original objectives presented were:

- Access to appropriate work environments for staff which supports the delivery of the Council's new operating model, thus enabling services to be delivered Right, Fast and Simple.
- Reduces building costs through reconfiguration of office accommodation including closures of some buildings; increased utilisation of retained buildings.
- Delivers technology to support the new ways of working
- Frees people up from outdated working routines.
- Changing cultural norms such as 'presenteeism'

The activities for each workstream continue to develop and are summarised below:

- Property
    - Dispose of surplus properties
    - Generation of capital receipts
    - Exit leased buildings – saving on property related costs
    - Co-locate service teams currently in numerous locations
    - Rationalise locations of teams within Civic Centre complex
    - Provide open-plan working combined with specific solutions for confidential/ meeting/ project needs
    - Review support necessary to optimise Smarter Workplaces outcomes as part of "Business as usual"
    - Support the wider use of the council's properties and inform the development and delivery of other property related objectives

- ICT
    - Put in place more reliable and robust systems
    - Roll out modern technology – with reduced maintenance liability
    - Improve security of electronic data
    - Increase use of video calls/ web meetings/ conference
    - Make available interactive and collaborative tools – document sharing and editing in real-time
    - Rationalise print/ copy/ scan/ fax solutions – less devices in circulation
    - Reduce expenditure on consumables and waste

- People
    - Create new relevant policies and guidelines for the council to maximise output whilst ensuring compliance with statutory requirements
    - Revise and/or remove existing policies that are not in line with the council's needs
    - Improve working conditions for staff which will contribute to staff recruitment and retention aims
    - Spend less time travelling between buildings
    - Ensure the council achieves its desired outputs at the same time as responding to individual needs by putting in place more workplace opportunities (such as home working)

Implications for staff

The implications for staff resulting from the implementation of the Programme are primarily related to the changes to the ways in which they will be able to do their jobs using new technology, and working from or with different accommodation and facilities.

More flexible working opportunities will be both available and required. This will include "hot-desking", mobile working and home working. Within the main offices additional meeting rooms, drop down points, breakout spaces, project work areas will also be provided. As well as improving and creating a range of work based options it will also reduce costs.

Staff will be encouraged to work flexibly and from home where appropriate and issues related to security and health and safety are satisfied. The intention is that on

average 10 people will share 6.5 desks. Space allocation would be rationalised such that a maximum of 9 sq m per person (including circulation, storage & meeting space) would be provided. These figures are consistent with best practice and have been proved to work within similar organisations.

Workstyle analysis has already been undertaken and continues to help an understanding of the ways in which teams and individuals work so that both the property and ICT solutions are matched to their needs – all with the intention of improving the suitability and quality of accommodation, facilities and technology to effectively support service delivery and improve customer service.

The workplace environment will be owned and managed corporately – which for some teams may be different from the existing situation. It is important to make sure that services concentrate on their own specialist areas and this includes ensuring property and ICT manage their own areas in support of those occupants of the buildings and users of technology in efficient and co-ordinated ways and at less cost.

Other considerations for staff include the relocation of their work base, staff travel and parking provision, and how colleagues will be supported through the changes from how they work now to the ways in which they will work in the future.

These are areas which are being worked upon and engagement with services and trade unions will continue so that solutions are developed which are realistic and have been subject to appropriate consideration and consultation.

Strategy for the disposal of surplus properties

In total 25 buildings will be reduced to two - the Council House and the Civic Centre – more than halving the current office space and centralising town centre office accommodation into as few buildings as possible. The First Stop Shop would remain a key point of contact for customers.

The rationalised office accommodation would need to support approximately 20% less workstations by 2014 by enabling more flexible and home working. This target has been established following utilisation studies of the existing office space. In addition the refurbished offices will provide flexibility to allow variations to meet future needs and where financially beneficial or where there is spare capacity, potentially accommodation for delivery partners.

The disposal of properties deemed surplus to council requirements is being led by the Asset Management team working as part of the Smarter Workplaces property workstream. This activity will aim to achieve an appropriate balance between maximising the capital receipts for surplus properties and securing receipts in line with the agreed income profile. Further consultation and work in understanding this area of the Programme will take place in the coming months.

How this is achieved effectively is currently being worked on by the team and options include looking at disposals on an instance by instance basis, as well as considering arrangements where a number of properties may be disposed as a group. Throughout this process the agreed arrangements for the disposals of council property will be followed including consultation with relevant members, engagement with the local community and meeting any statutory requirements.

Financial

The financial model presented to Cabinet was developed by Finance working closely with Property Services. The Programme will become self financing. The capital receipts expected to be generated from the sale of land and buildings will exceed the capital investment required. Capital will be provided from the recycling and ring fencing of capital receipts from the sale of surplus office buildings and prudential borrowing. All costs of capital were included within the financial model and identification of revenue implications.

A capital investment of £5.7m (including £1.8m capital investment for upgrades to ICT) was agreed and based on an expected capital receipt value of £7.2m. A surplus of capital income will be generated. It is also expected that revenue savings will be achieved which are currently forecast to maximise to £900k per annum within 7 years.

The Programme activity is now developing a detailed design to further test the programme and phasing to ensure the key project objectives will be met. Throughout the life of the programme there will be financial variables, including capital receipts and rental income; and these are and will be monitored closely throughout the programme. The major refurbishment of the Civic Centre – a building which for some elements has reached the end if its intended life - will mean that as work progresses matters may become apparent which were not previously planned for. To manage this some planning assumptions have been costed and as works go forward these will be actively managed as the team understand the reality of the situation.

The council currently has an ongoing property revenue liability of £3.7m per annum and a minimum capital liability of £3m to retain the existing estate and meet its health and safety requirements.

A lack of standardisation in ICT has led to complex support needs requiring much specialism. Knowledge and expertise to maintain bespoke systems/configurations is costly and does not enable efficient ways of working. Investment in ICT through Smarter Workplaces will address this issue.

Summary

Whilst a complex Programme to deliver, and one which will develop over its implementation, the governance and organisational structures are in place to manage any changes. Resources are under continual review and any issues reported to the SRO.

Rationalising office accommodation and improving processes will provide a cost saving for the council. In other similar organisations modernisation and more flexible working have increased productivity, improved staff retention and recruitment.

The Smarter Workplaces programme represents a unique opportunity for the council to invest in creating more modern workplace environments and technology which will transform the ways in which teams work and the delivery of services to customers.

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Appendix A – Properties in scope for review

| Building	Currently occupied by
17-18 Norton Rd	Social Care and Inclusion
28 New Forest Road	Property Services
Aldridge Manor House	Childrens' Services
Allen's Centre, Willenhall North	Social Care and Inclusion
Bentley Lane	Social Care and Inclusion
Blakenall Village Centre	Multiple Services
Bloxwich North NCO	Social Care and Inclusion
Challenge Building	Multiple Services
Civic Centre	Multiple Services
Council House	Multiple Services
Current Elections Office	Electoral Services
Darlaston Town Hall	Multiple Services
Delves Community Safety Office	Neighbourhoods
Education Development Centre	Childrens' Services
Education Support Centre	Childrens' Services
Essington Lodge	Childrens' Services
New Invention Centre (28 The Square)	Unoccupied
Pinfold Health Centre	Social Care and Inclusion
Pleck NCO	Neighbourhoods
Quest Bldg 139 - 143 Lichfield Street	Childrens' Services
Tameway Tower	Multiple Services
The Hollies	Childrens' Services
Toll point	Childrens' Services
Townend House	Social Care and Inclusion
Upland House	Childrens' Services

Appendix B – Benefits as agreed by Cabinet

Technology	• Technology will release people from their desks and from the current dependency on administrative buildings. • New functionality will encourage leaner and more joined up ways of working resulting in improved customer service delivery • Standardised corporate approach to integrating systems • Reduction is support costs e.g. printing, meeting rooms
Service Users	• The programme will create access to appropriate work environments for staff and thus better enable them to provide a better service. • Achieve a mind-set shift – a cultural change - It will achieve a more dynamic, empowered workforce, more able to deliver. • Improving accessibility to customers • Identifying solutions that enable partnership working
Carbon Footprint	• Improving the council's carbon footprint - new technology uses less energy and people will be travelling less.
Active work time	• Active work time will be freed up for real work rather than travelling so staff will become more productive. • Improvements in staff productivity • Less Absenteeism • Staff happier at work • Staff will be able to achieve a better work-life balance. • Reduction in travel costs and time
Buildings	• Rationalising property to deliver both service improvements and efficiency savings • Reducing the Council's liability on backlog maintenance • Effective management of the estate and efficient use of the Council's assets
Savings	• The programme will achieve further savings through process improvements. • Generating potential incomes streams and exploiting value from the estate to support further investment in public services

1.   **Purpose**
      This paper updates Cabinet and CMT on the delivery of the Working Smarter programme.

2.   **Scope**
      The Working Smarter Programme now includes the following strands:
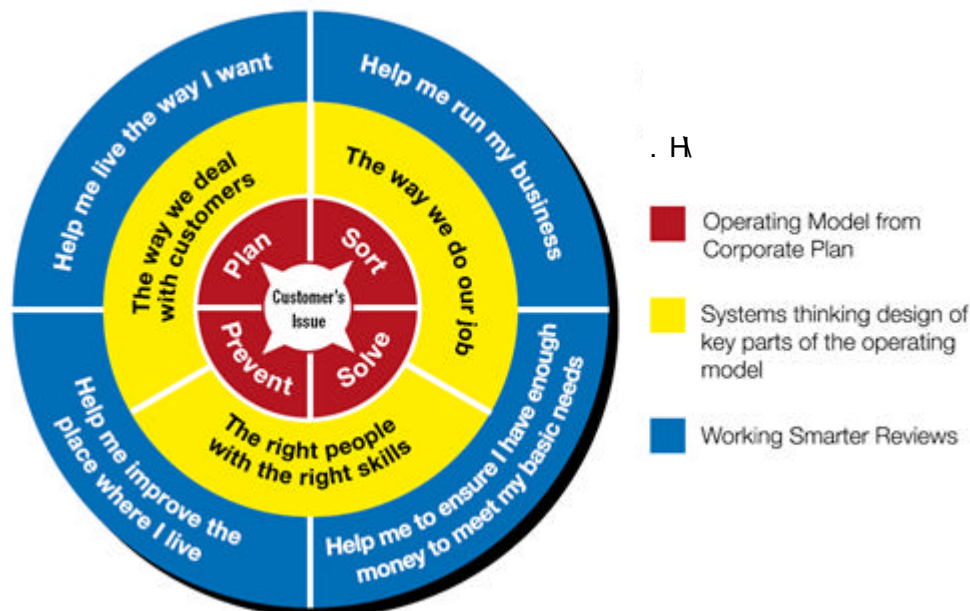
      This update covers all of the strands of the Working Smarter Programme.

3.   **Working Smarter Reviews**
      Since the 1 August, senior managers have been gathering data about the customer demand that hits our system (services) and our capability (ability) to meet that demand. They have identified the assumptions made and system conditions (obstacles) that prevent us from doing a better job.

      The next stage will be to take action (act on the findings). By following the customers' end to end experiences and seeing the service from their perspective, obstructive system conditions will be removed where possible and capability increased/improved as waste is removed and resources are released.

      What's Next
      The senior management team are still learning the Vanguard method. They are inviting other colleagues from across the council to learn this approach and assist with 'intervention' work to help make change happen in their areas of expertise.

      In order to further develop their understanding of the method the senior management team are visiting service areas to track the end to end process experienced by a specific type of customer linked to the four themes. They are tasked with identifying and acting on system conditions which make jobs difficult to undertake. To this end employees may be asked to change their working practices with immediate effect to enable simplified and more effective service delivery.

4.   **The way we do our job – Smarter Workplaces**
- The Programme remains on overall target with steady progress in all areas. More detailed development of the programme elements continue – particularly the phasing of the first moves and the technology solutions.
- Increased development of work stream level finances.
- Stakeholder campaign imagery received from Print & Design.
- Jennifer Blake (Business Change Manager) has now visited several locations occupied by Children's Services to fully assess their requirements as part of the Smarter Workplaces Programme. Further engagement will take place with all service areas as the programme progresses.
- The first Champion briefing sessions are scheduled for the 5th and 8th September 2011. The sessions will cover key outcomes for the programme, demonstration of the ICT solutions that will be put into place, move update and information on the planned change campaign. We will also be looking at engagement with the champions and their role within the programme.

5.   **The way we deal with customers – Area Partnerships**
- Summer programme activities delivered by a number of partners and supported by Area Partnerships have been popular.
- New Invention had a Fun Day on its village green attended by over 150 local people to help New Invention Community Forum raise money for future community events.
- Walsall South's Area Partnership is continuing to tackle anti-social behaviour in the town centre by providing alternative activities for young people.
- The Area Manager for the Darlaston/Bentley Area Partnership has met the Darlaston Business Partnership to understand the work of the partnership and how local businesses can access local information and support local activities and projects. Activities arising from the meeting will be featured in future revisions of the Area Plan.

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2nd September 2011