

## Cabinet – 13 April 2011

### Smarter Workplaces

**Portfolio:** Councillor Adrian Andrew, Deputy Leader and Regeneration

**Service:** Property Services

**Wards:** All wards

**Key decision:** Yes

**Forward plan:** Yes

#### 1. Summary of report

- 1.1 The report sets out the business case for developing a Smarter workplace proposal following the review of the Council's office accommodation through AM2010. It also includes the outline programme for the preferred option and outlines the key actions and outcomes together with the budget and performance targets.
- 1.2 The business case proposes the consolidation of the office estate and the creation of modern working environments which produce qualitative and financial benefits

#### 2. Recommendations

- 2.1 That cabinet approves the business case for the Smarter Workplaces plan which proposes to deliver option 2a identified in this report (**Appendix A**).
- 2.2 That Cabinet approves delegated authority to the Executive Director for Regeneration in conjunction with the Portfolio Holder for Regeneration to invite tenders for the works and supplies as outlined in this report for the delivery of development of the Smarter Workplaces programme option 2a and to enter into contracts with the successful tenderers subject to the programme cost being within the overall programme budget.

#### 3. Background information

- 3.1 The Council's challenge is to release annual savings of circa 70 million by 2014/15, while safeguarding priority front-line services & improving customer service. The Working Smarter Programme will transform the way the Council works through the implementation of a new customer focussed operating model which will enable services to be delivered **Right, Fast and Simple**. The Smarter Workplaces programme is a key enabler of this significant cultural change.

- 3.2 The Council aspires to be a high performing organisation that supports staff in achieving their best. Providing an efficient, fit for purpose working environment will support this aspiration as will the introduction of new flexible working practices.

An effective and enabling working environment requires office workspace which:

- Is consolidated and centralised to facilitate shared processes and support a collaborative culture
- Supports flexible working to empower staff to deliver services more effectively
- Provides sufficient space to support service delivery
- Has a high standard I.T. infrastructure
- Uses property resources efficiently

- 3.3 Research has been undertaken with other organisations which have embarked and delivered similar office accommodation strategies; these include Severn Trent, Nottingham, Coventry and Birmingham City Councils.

- 3.4 The key programme Objectives are:-

- Shaping to appropriate work environments for staff to enable the delivery of the Council's new agreed 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
- Free people up from outdated working routines.
- Changing cultural norms such as 'presenteeism'

- 3.5 The Council's brief for the future design of office accommodation workplace is as follows:

- Improve customer service
- Managers will encourage staff to work flexibly and from home
- Co-located but not enhanced one-stop receptions allowing access to individual teams (excluding Children's Services);
- Accommodate approximately 20% less staff by 2014 by enabling home working;
- Centralise town centre accommodation into as fewer buildings as possible, provide a small number of suburban hubs / neighbourhood touch-down space;
- Open plan floors with dedicated office accommodation for Director level only;
- Maximum 9 sq m per person (inc circulation, storage & meeting space), although aspire to 8 sq m;
- Hot-desking for all, averaging out across teams to better than 65%;
- Deliver low revenue costs from cost effective workplaces;
- Provide flexibility to allow variation to meet future needs;
- Improve the quality of accommodation and facilities to effectively support service delivery;
- Provide accommodation for partners where it is financially beneficial or when there is spare capacity;

- Enhance sustainability through reduction of carbon footprint;
- Manage the office estate centrally through a corporate landlord;
- Provide staff touchdown & meeting space within the neighbourhood through existing facilities; &
- Managers will lead by example and co-locate in an open plan environment
- Workplace environment will be owned and managed corporately

### 3.6 The Smarter Workplace Programme comprises 3 phases:-

- The review of the Council's operational estate commenced in February 2010 and phase 1 of this review was completed in June 2010. A report was presented to Cabinet/CMT which identified the potential options and savings across the estate.
- In Phase 2 the assumptions were tested and the solutions refined in order to identify and review a long-list of options for office efficiency and improvement and a detailed assessment of four short-listed options, including projected savings over 5 years

### 3.7 The four shortlisted options were as follows:

- Option 1 Release of leased accommodation, this provide a 9% space saving
- Option 2 As (1) but release of owned premises and consolidation into 6 buildings, this provides a 29% space saving
- Option 3 As (2) but with partial new build, this provides a 18% space saving
- Option 4 As (2) but with the inclusion of home working, this provides a 40% space saving

### 3.8 Option 2 was recommended at the end of Phase 2 which would enable the Council to maximise savings from the portfolio whilst modernising the workspace. Option 2 was outlined to achieve the following:

- A reduction from 26 to 6 offices locations
  - Council House
  - Civic Centre
  - Education Development Centre
  - Darlaston Town hall
  - Allens Centre
  - Blakenall Village Centre or Canalside House (these would be leased)
- 29% space saving
- Refurbishment of Civic Centre, upgrade of EDC & Allen's Centre
- Provision of 10% neighbourhood touchdown in existing premise (non office)
- Significant Investment in ICT to enable flexible and mobile working
- Customer access points centralised to First Stop Shop
- Enables flexible working in the Civic Centre for 1500 people using 1188 desks
- Potential inclusion of a combined heat and power plant to power the Civic Centre complex which will save energy and reduce carbon emissions.
- 70% desk sharing

Over time this option can be developed into option 4, by the utilisation of home working, this would increase the space saving to 40% and reduce the number of buildings down to 5.

The quality of the accommodation for the internal environment, ICT and furniture will be agreed in further consultation with the programme lead

- 3.9 Since the completion of Phase 2 in October, the following issues have arisen which have affected the assumptions in the preferred option:-
- Organisational Change indicates that the Council could reduce 20% of headcount by 2012/13
  - Impact of changes in Education
  - Uncertainty that Serco will enter into a lease for the additional 200 Serco staff relating to existing contract which has reduced the potential for additional revenue income (£230k per annum)
  - Clarity over the Blakenall Village Centre Lease ties the Council to this building for the next 5 years
  - Benchmark information against other similar authorities suggests that the Council could achieve 20% home-based working and a 65% share desk ratio. This assumption reduces the demand for physical space.
  - Potential for 60 additional Public Health staff
  - Uncertainty over future organisational model suggests a reluctance in the appetite for high levels of short term investment that do not produce significant revenue benefit
  - Potential swap deal with police over Challenge building has been delayed pending a decision from Police in April 2011
- 3.10 In Phase 3, further due diligence of option 2 has been carried out and the programme has been subjected to further analysis to review the wider implications and benefits within the core workstreams: Property, IT, HR and Business Change. In addition consideration has been made of the national context and the impact on the programme.
- 3.11 As a result of these changes, Option 2 has been refined and the impact of the strategic changes considered. Option 2a will provide the following-
- A reduction from 26 to 2 core offices locations by 2015/16
    - Council House
    - Civic Centre
  - Darlaston Town Hall will now be reviewed as part of the Council's review of venues, to maximise its use.
  - Rationalise from 26 to 2 offices
  - 57% space saving
  - Limited refurbishment of Civic Centre (£1.5m), short term upgrade of EDC, Allen's Centre and BVC to enable short term use of buildings
  - Includes £1.8m ICT to enable flexible and mobile working
  - No investment in Council House – beyond existing programme
  - Enables flexible working in the Civic and Council House for up to 1,898 people in 1,234 desks. This provides a surplus supply for 400 staff (ie.293 desks) which could accommodate the users within the EDC (non-core Council staff – 350 staff).
  - Potential combined heat and power plant to power the Civic Centre complex which will save energy and reduce carbon emissions. (£60k revenue funding to procure)
  - 20 % reduction in headcount by 2012/13
  - **20% home working but 65% desk sharing**

- 3.12 The delivery of this work programme will require significant resources and a work plan is attached to this report. The programme includes a number of key workstreams. There will be a requirement for an overall programme team and leads in each of the following workstreams:
- Property
  - Human Resources training and communications
  - ICT
  - Business Change
- 3.13 The proposal will embark the Council on a path that will require considerable organisational change. It is essential that staff is supported through that change and our partners are aligned with us on our journey in order to maximise potential benefits and improve outcomes for residents. The delivery of the Smarter Workplace must align with the Service Directorates' strategies
- 3.14 A significant core of the remaining estate will be open plan and this will enable more efficient working and communication between teams improving team performance and service delivery to the customer. Evidence from other local authorities has identified significant improvement in productivity, attendance levels and staff moral.
- 3.15 Appropriate technology will release staff from their desks and dependency on administrative buildings. 20% home working is assumed in Option 2a and this will require a significant cultural shift in a short space of time, work is underway to identify the services and staff most appropriate for home working

#### **4. Resource considerations**

##### **4.1 Financial:**

- 4.1.1 The detailed financial model has been developed by Finance working closely with Property Services. Within a 3 year period, Option 2a will become self financing. The capital receipts expected to be generated from the sale of land and buildings will exceed the capital investment required. It will require a capital investment of £5.7m (including £1.8m capital investment for upgrades to ICT), and based on an expected capital receipt value of £7.2m a surplus of capital income of £1.5m will be generated. It is also expected that revenue savings will be achieved within 3 years which maximises to £950k per annum within 7 years.
- 4.1.2 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 are included within the revenue implications.
- 4.1.3 The first phase of the programme will be to develop 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; these will be monitored closely throughout the programme.

## **4.2 Legal:**

4.2.1 Legal advice and assistance will be required to support the procurement of services to provide construction and ICT equipment through an EU compliant process and the sale of buildings. The new working environment also needs to comply with equalities and workplaces legislation.

## **4.3 Staffing:**

4.3.1 This proposal will affect all office based staff and communication and induction are key to the success of the programme.

4.3.2 Significant staff resources will be required to deliver the programme of work and these have been identified in the resources plan in the appendix. As far as possible these have been identified as internal resources

Consultation has been undertaken with Employees Relations Forum.

## **5. Citizen impact**

5.1 The proposal will include closure of buildings in certain parts of the Borough, and an assessment of the impact of this will be part of the proposals. However, the principle face to face point of contact is and will remain the first stop shop in the Civic Centre

5.2 The provision of modern flexible working environment for staff will contribute to improved efficiency and working practice of teams, this will not only reduce costs but improve service to customers

## **6. Community safety**

There are no direct community safety issues with this proposal

## **7. Environmental impact**

The reduction in the number of office buildings that the Council occupies will reduce the council's carbon emissions and contribute to the Council's carbon savings target of reducing emissions by 2020

## **8. Performance and risk management issues**

### **8.1 Risk:**

8.1.1 The key risks to the delivery of the programme identified at this stage are:

<b>Organisational Business Model</b>	<b>Organisational Business Model</b> —the implications for the Council’s Working Smarter project on the future operating model is yet to be concluded and will impact upon headcount, location and nature of office space. The current share desk ratio may be too ambitious to support this need.
<b>Stakeholder Support</b>	opposition to change from staff, managers, members, partner organisations, local residents and local businesses prevent the financial and non financial benefits from estate consolidation and investment in new ways of working being achieved.
<b>Business Continuity</b>	Programmed office closures and relocations and the introduction of new working practices may create disruption to the organisation.
<b>ICT</b>	Key applications currently used for operational services are not supported by the proposed IT solution
<b>EDRMS</b>	EDRMS is currently out of scope. However, poor data management could compromise floorspace due to the demand for filing
<b>Finances</b>	Cashable savings are relatively low whilst cost avoidance is significant. Changes in cashable saving assumptions could compromise the business case Council does not realise capital receipts from the sale Refurbishment costs are higher than anticipated
<b>Resourcing</b>	Insufficient investment in PPM including programme design, governance and resourcing (both internal and external) undermines the Council’s ability to deliver its preferred option to time, cost and quality.

## 8.2 Performance management:

8.2.1 It is proposed that the project is delivered under the Councils programme management guidelines, and that a appropriately resourced programme office is established

## 9. Equality implications

An equalities impact assessment has been carried out and is enclosed with this report.

## 10. Consultation

10.1 Consultation has been held with CMT/Cabinet, Strategic Property Board and Services which will be involved in the delivery of the programme

### Background papers

Smarter Workplaces business case  
Equalities Impact Assessment

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A handwritten signature in blue ink, appearing to read 'Tim Johnson', followed by a vertical line and a period.

Tim Johnson  
Executive Director  
Regeneration

14 April 2011

A handwritten signature in blue ink, appearing to read 'Adrian Andrew', enclosed in a light blue rectangular box.

Councillor Adrian Andrew  
Deputy Leader  
Portfolio holder Regeneration

14 April 2011



# Walsall Council

SMARTER WORKPLACES  
Changing the way we work  
Business Case – Cabinet Briefing Summary

April 2011



# Working Smarter Programme Smarter Workplaces Business Case

Purpose of this report:

- To outline the viability of the Smarter Workplaces business case to Cabinet in order to obtain approval to proceed with the implementation of the preferred option.

# Why are we doing this?

- The Council's challenge is to release annual savings of at least £68m by 2014/15, while safeguarding priority front-line services & improving customer service. The Working Smarter Programme will transform the way the Council works through the implementation of a new customer focussed operating model across all services. The Smarter Workplaces programme is a key enabler of this significant cultural change.
- It has been recognised that the Council's current workplace strategy does not support the aims and objectives of the Working Smarter programme. This is in part, a result of outdated working practices, historic underinvestment in the Council's assets and the current changing nature of local authority service provision.
- The Smarter Workplace programme will release significant cashable savings and cultural change through the modernisation of the Councils workplace and implementation of the new Council operating model.

# Objectives

- The key programme Objectives are:-
  - 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
  - Free people up from outdated working routines.
  - **Changing cultural norms** such as 'presenteeism'

# Smarter Workplaces principles

- Managers will encourage staff to **work flexibly** and from home
- **Improve customer service**
- Co-located but not enhanced one-stop receptions allowing access to individual teams (excluding Children's Services);
- Accommodate approximately **20% less staff by 2014** by enabling home working;
- **Centralise** town centre accommodation into as fewer buildings as possible, provide a small number of suburban hubs / neighbourhood touch-down space;
- Open plan floors with dedicated office accommodation for Director level only;
- Maximum 9 sq m per person (inc circulation, storage & meeting space), although aspire to 8 sq m;
- **Hot-desking** for all, averaging out across teams to better than **65%**;
- **Deliver low revenue costs** from cost effective workplaces;
- Provide flexibility to allow variation to meet future needs;
- Improve the quality of accommodation and facilities to effectively support service delivery;
- Provide accommodation for partners where it is financially beneficial or when there is spare capacity;
- **Enhance sustainability** through reduction of carbon footprint;
- Manage the office estate centrally through a corporate landlord;
- Provide staff touchdown & meeting space within the neighbourhood through existing facilities; &
- Managers will lead by example and co-locate in an open plan environment
- **Workplace environment will be owned and managed corporately**

# Smarter Workplaces in Practice

Activity	Facilities for officers
Enter Building	<ul style="list-style-type: none"> <li>•Book desk online or when entering the building using workplace management software</li> <li>•Staff are allocated to strategic zones</li> <li>•Staff have lockers for personal storage of bags, etc</li> <li>•Allocated pigeon holes for post</li> <li>•Managers will be able to utilise the workplace management system to locate</li> </ul>
Sit Down and Log on	<ul style="list-style-type: none"> <li>•Clear desk policy</li> <li>•No personalisation of space</li> <li>•log onto the system gaining access calendar, email, shared storage, IT applications and activation of their telephone number.</li> </ul>
Book Meeting Room	<ul style="list-style-type: none"> <li>•Utilise room booking system for meeting space and facilities</li> </ul>
Access Documents / Use specific applications	<ul style="list-style-type: none"> <li>•IT applications and documents are streamed to the requirements of the user profile</li> </ul>
Print	<ul style="list-style-type: none"> <li>•Centralised printing, scanning and photocopying will be available</li> </ul>
Make / Take Telephone Calls	<ul style="list-style-type: none"> <li>•Staff will have “follow me” telephone numbers which they will be able to log into from any workstation. Staff can connect via PC or telephone handsets.</li> </ul>
Leave the Building	<ul style="list-style-type: none"> <li>•Staff will clear their desks</li> <li>•Staff will log out of the workplace management system when leaving their workstation for a significant period of time</li> </ul>

# Progress to Date

- The Smarter Workplace Programme comprises 3 phases:-
- **Phase 1** completed in June 2010 reviewed 14 portfolios within the Council's estate and established that there are significant saving opportunities assuming that services are radically redesigned; and the potential service benefits from reducing the footprint of eight portfolios, through services sharing space, channel shift and focusing resources on priority areas.
- **In Phase 2** the assumptions were tested and the solutions refined so that we were able to identify and review a long-list of options for office efficiency and improvement and a detailed assessment of four short-listed options, including projected savings over 5 years
- The Phase 2 report was presented to an informal meeting of Cabinet in October 2010 for a steer on the preferred option.
- **Cabinet proposed a preference to proceed with Option 2 – “Refurbish and Consolidate”**
- **In Phase 3**, further due diligence of option 2 has been carried out and the programme has been subjected to further analysis to review the wider implications and benefits within the core workstreams: Property, IT, HR and Business Change. In addition consideration has been made of the national context and the impact on the programme.

# Strategic Changes in Assumptions

- **Since the presentation to Cabinet in October, the following issues have arisen which have affected the assumptions in the preferred option:-**
  - Organisational Change indicates that the Council could **reduce 20% of headcount by 2012/13**
  - The Education improvement contract is currently under review
  - Uncertainty that Serco will enter into a lease for the additional 200 Serco staff which has **reduced the potential for additional revenue income** (£230k per annum)
  - Clarity over the **Blakenall Village Centre Lease** ties the Council to this building for the next 5 years
  - Benchmark information against other similar authorities suggests that the Council could achieve **20% home-based working and a 65% share desk ratio**. This assumption reduces the demand for physical space.
  - 60 additional Public Health staff
  - **Uncertainty over future organisational model** suggests a reluctance in the appetite for high levels of short term investment that do not produce significant revenue benefit
  - **Swap deal with police** over Challenge building has been delayed pending a decision from Police in April 2011



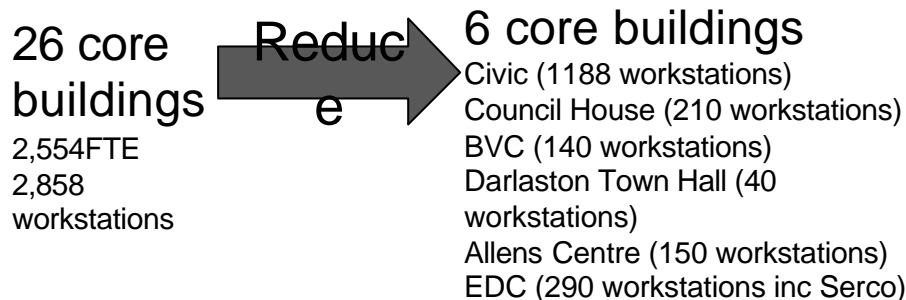
# Can we "Do Nothing"?

- Doing nothing is not a viable option as the Council:-
  - Has an outdated working environment and technology infrastructure that does not support efficiency and will not deliver the Council's operating model
  - Has an ongoing Property Revenue liability of **£3.7m per annum**
  - Has a minimum **£3m** capital liability to retain the existing estate and meet its health and safety liability
  - Lack of standardisation in IT has led to complex support requiring much specialism. Knowledge and expertise to maintain bespoke systems/configurations is costly and does not enable efficient ways of working.

# Options

- In October 2010 4 options were presented to informal Cabinet:-
  - Option 1 – Lease Release
  - Option 2 – Refurbish and Consolidate
  - Option 3 – New Build
  - Option 4 – Radical and Home working
  - Cabinet indicated a preference for option 2 which would enable the Council to maximise savings from the portfolio whilst modernising the workspace
  - Cabinet indicated a willingness to develop option 2 along with some of the principles in option 4 around more radical home working in order to ensure that the Council could extract greater savings and benefits
  - Option 2a has been developed to incorporate these principles and in addition captures the strategic Council issues that have arisen since October 2010

**Option 2 – Refurbish & Consolidate**  
**(As Presented to Cabinet in October 2010)**  
 Flexible ICT



**Demand: 2623 FTE**                      **Supply: 2018 desks**  
**2078 desks**

**Description**

- Rationalise from 26 to 6 offices
- 29% space saving
- Significant refurbishment of Civic Centre (£5.5m), upgrade of EDC (£2.1m) & Allen’s Centre (£0.5m)
- Suburban hubs and provision of 10% neighbourhood touchdown
- Includes £2.5m ICT to enable flexible and mobile working
- No investment in Council House
- Customer access points centralised to expanded One Stop
- Enables flexible working in the Civic for 1500 people in 1188 desks
- Lease space within the Civic to Serco for 200 staff
- Potential combined heat and power plant to power the Civic Centre complex which will save energy and reduce carbon emissions. (£60k revenue funding to procure)
- **Minimal home working but 70% desk sharing**

**Financial summary**

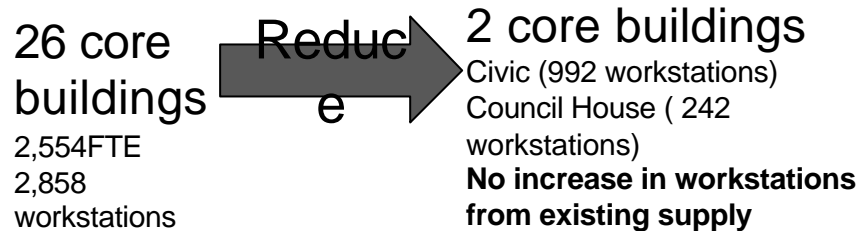
Revenue saving after financing (at steady state Yr 5)	£0.7m (23%)
Capital cost	-£13.2m
Capital Receipts	£4.8m
Net capital cost	-£8.4m

**Qualitative summary / conclusions**

- Substantially improves the majority of accommodation with significant centralisation
- Provides medium risk substantial savings
- Actively supports change and flexible working and invests in the ICT network
- Significant reduction in liabilities and improvements in sustainability

Note: Strategic Council decisions and further due diligence review reduced the steady state Revenue saving To £255k. (See Reconciliation for details on changes in assumptions)

## Option 2a – Rationalise & Consolidate with minimal investment in ICT



**Demand:** 1868 FTE  
971 desks

**Supply:** 1,234 desks

### Financial summary

Revenue saving after financing (at steady state Yr 7)	£950k (30%)
Capital cost	-£5.7m
Capital Receipts	£7.2m
Net Capital Saving	£1.5m

### Description

- Rationalise from 26 to 2 offices
- 57% space saving
- Limited refurbishment of Civic Centre (£1.5m), short term upgrade of EDC , Allen's Centre and BVC to enable short term use of buildings
- Includes £1.8m ICT to enable flexible and mobile working
- No investment in Council House
- Enables flexible working in the Civic and Council House for up to 1,898 people in 1,234 desks. This provides a surplus supply for 400 staff (ie.293 desks) which could accommodate the users within the EDC (non-core Council staff – 350 staff).
- Potential combined heat and power plant to power the Civic Centre complex which will save energy and reduce carbon emissions. (£60k revenue funding to procure)
- 20 % reduction in headcount by 2012/13
- **20% home working but 65% desk sharing**

### Qualitative summary / conclusions

- Substantially improves the majority of accommodation with significant centralisation
- Provides low risk substantial savings
- Actively supports change and flexible working and invests in the ICT network
- Minimal Property investment
- Significant Return on investment.
- Significant reduction in liabilities and improvements in sustainability

# 2010

Option 2 (October)	Option 2a (Minimal Investment)	Increase/Decrease in Capital expenditure since October 2010	Increase/Decrease in Revenue expenditure since October 2010 (p.a)
Capital Investment includes:- •Minimal Home based working •70% share desk ratio •10% reduction in headcount by 2012/13	Capital investment enables:- •20% home based working •65% share desk ratio •Reduction in floor space demand •20% reduction in headcount by 2012/13	-£4.2m (includes £1.8m ICT)	-£269k
Offsetting capital cost with budget allocated for essential repairs	Budget is no longer available for essential repairs	+£1m	+£64k
Serco to acquire a lease from the council for 200 additional staff	No Additional Serco staff		+£230k
Retain the EDC, Allens Centre, and BVC as Core Buildings	Dispose of EDC and Allens Centre and release the lease on the BVC after 5 years.		-£373k
Refurbishment of the EDC	EDC to be retained for 2 years and then disposed. Staff could be accommodated in the Civic Centre	-£2m	-£128k
Challenge Building to be offered as part of a swap deal to police. Therefore no Capital receipt	Challenge Building to be disposed (This assumption is still under review pending Police Decision in March 2011)	-£1m	-£64k
Provision of additional off site storage	Civic basement car park to be converted and used for storage		-£150k
Risk / Contingency 15% on Capital investment	Risk / Contingency 20% on capital investment	-£268k	-£17k
	Increase in ICT Revenue costs for staff		+£275k
Repay ICT borrowing over 25 years	Repay ICT borrowing over 5 years + lower ICT costs	-£853k	-£54k
Provide a Council wide EDRMS system	Provide a documentation management control filing system	-£500k	-£32k
All lease release savings to be captured within programme	Part of the lease release savings banked in 2010/11		+£295k

# Financial Summary

Option	Total Capital investment (Incl ICT)	Capital receipts	Final running costs	Running cost savings	Net borrowing	Steady state saving	Year steady state saving starts	Already committed saving	Total saving	ICT investment	Annual Income
2	13,200,745	-4,753,000	2,733,480	-1,126,747	5,607,743	-687,674	2015-16	-686,896	-1,813,643	2,645,000	-232,015
2a	5,730,556	-7,178,000	2,278,545	-1,297,250	-3,072,444	-950,205	2017-18	-686,896	-1,637,100	1,792,715	0

## Option 2a – Cashable Benefit

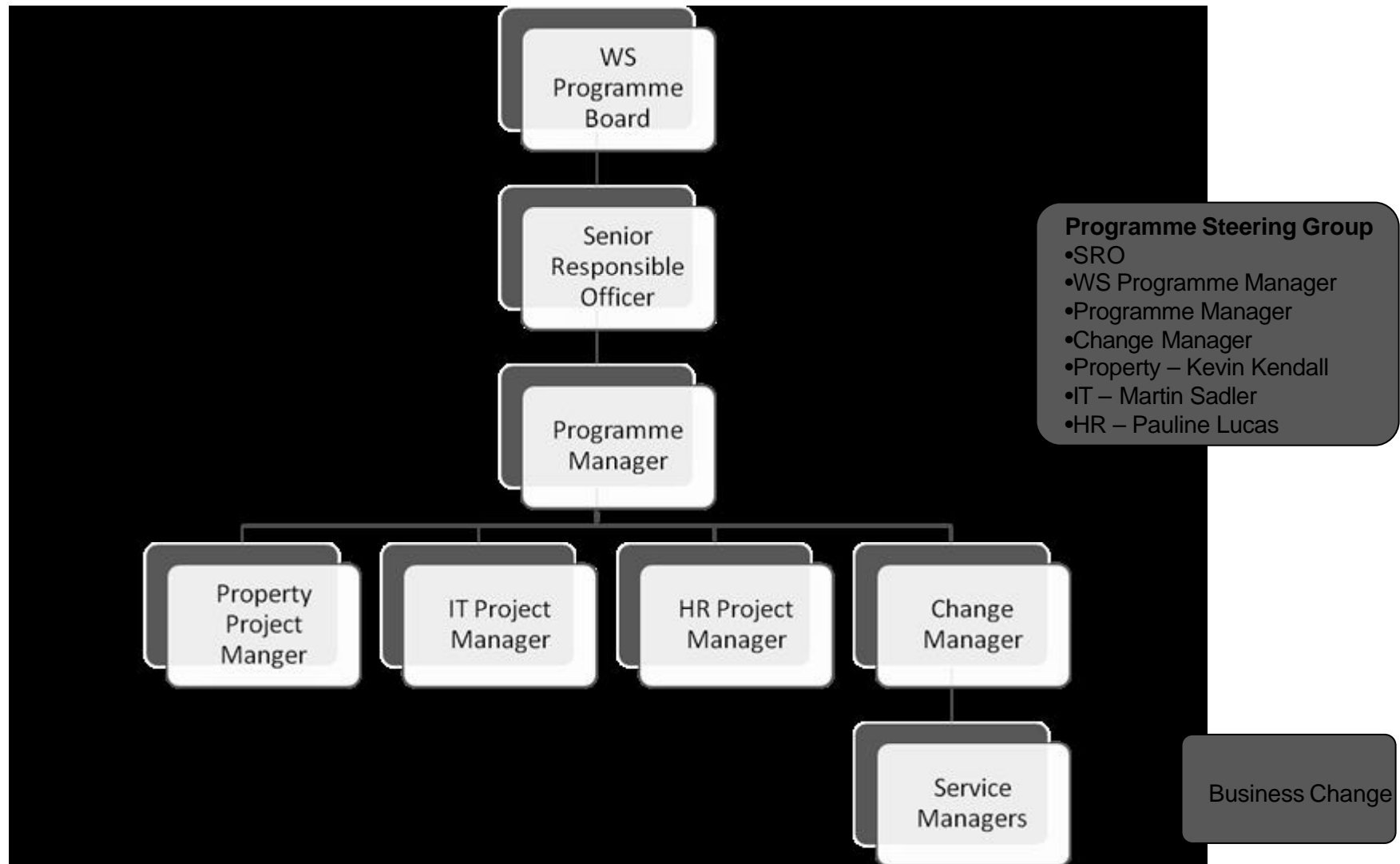
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Capital Receipts	0	0	0	-2,085,500	-3,783,000	-1,309,500	0	0	0
Cumulative Revenue	3,575,795	7,359,605	11,097,046	14,099,981	16,853,248	19,550,500	21,861,290	24,154,381	26,447,472
Compare to Budget	0	393,515	887,660	647,300	157,272	-388,771	-1,321,276	-2,271,480	-3,221,685
Annual Saving						-388,771	-932,505	-950,205	-950,205

Option 2a is self financing. It will be delivered within the capital receipt envelope and will provide a net capital income of £1.5m and a revenue saving within 3 years achieving a steady state revenue saving within 7 years of £950k per annum.

# Issues for Consideration

- There are 3 existing customer access points in the portfolio that will need to be relocated within the operational portfolio. These are in Quest, Uplands House and Essington Lodge.
- Reduction in capital investment in property compromises the flexible working environment
- Links into ICT strategy and capital bids
- Further analysis is required on how the work styles will suit service need and who will be home based
- Council downsizing 10% per annum next 2 years
- Allens Centre has already adopted a flexible way of working
- Centralisation of IT and Property budgets that are required to manage the workspace to enable standardisation and efficiency in workplace management.

# How will we Deliver?





# Who will Deliver?

staff released from day job, reporting to programme manager

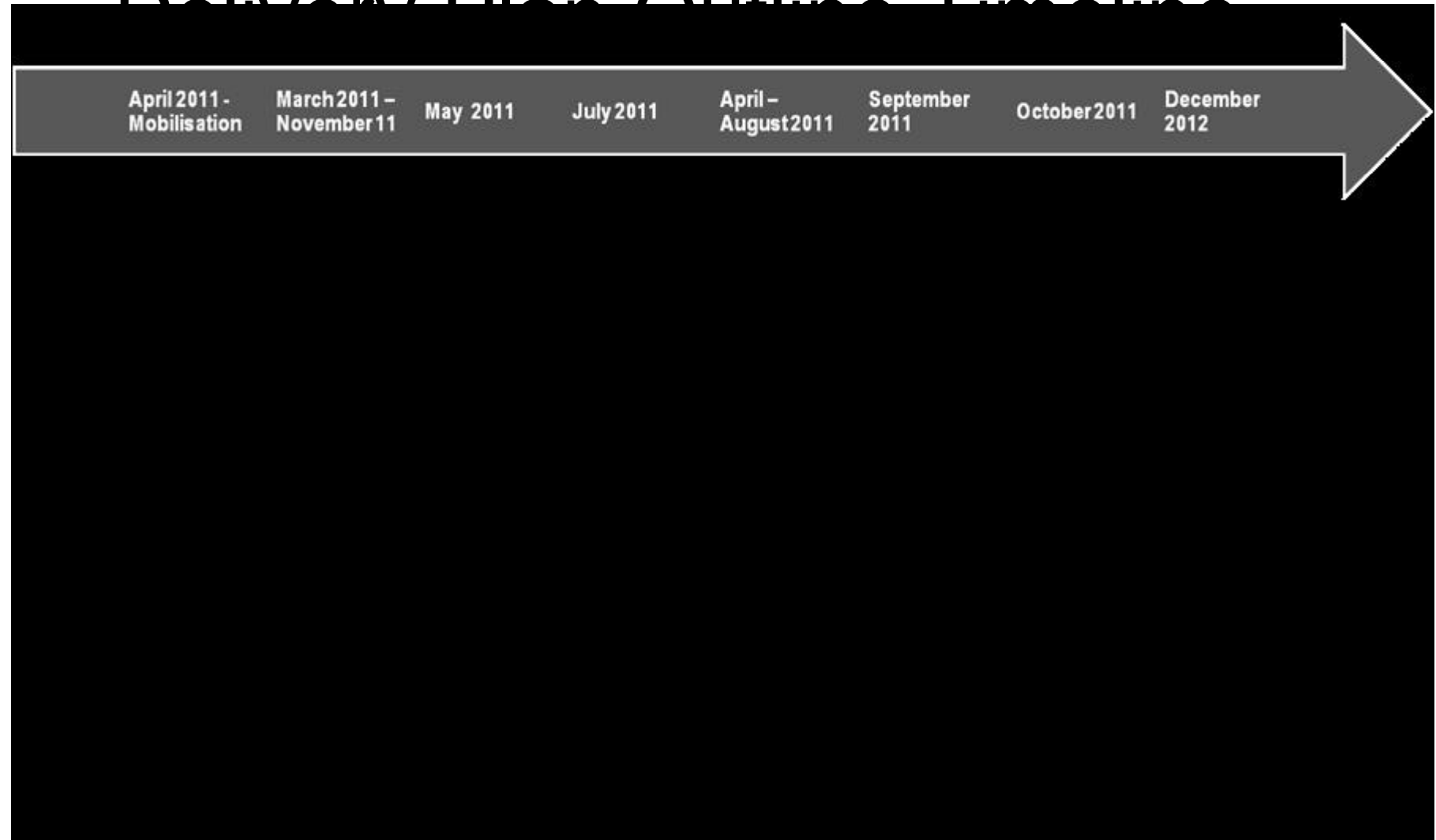
- Programme Manager (FT)
- Business Change Manager (FT)
- Business Change Officer x 2FTE
- Communications Officer
- Programme Support Officer (FT)
- Programme Administrator (FT)
- Project Manager – Property (FT)
- Project Manager – ICT (External) (FT)
- In addition the following Business advisory services will be required on a regular basis
  - Finance Technical Officer
  - Strategic Procurement Advisor
  - Legal Advisor Legal - Conveyancing
  - Audit and Compliance
  - Insurance Advisor
  - Business Officer

The anticipated cost of resources is:-

Revenue = £340k

Capital = £666k

# Delivery Plan Outline Timeline



# Recommendations

- Support the business case for the preferred option.
- Approve the implementation of Option 2a.
- Delegated authority to the Executive Director for Regeneration in conjunction with the Portfolio Holder for Regeneration to invite tenders for the works and supplies and to enter into contracts with the successful tenderers subject to the programme cost being within the overall programme budget

# Appendices

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# Financial Assumptions

- High level:
  - Ongoing cashable revenue savings of £950k from 2017 / 18
  - This is on top of savings already in the budget of £686k
  - ICT investment of £1.8m
  - Property investment of £2.36m
  - Capital receipts of £7m
  - Maximum temporary borrowing of £3.8m and in year overspend of £887k
  - Staff costs of £575k covered in the model for implementation
- Ongoing cashable revenue savings of £950k from 2017 / 18
- Compared to the budget there will be a cumulative overspend of £700k by 2012-13, but the savings will then kick in until there is an ongoing cashable saving of approx £1m by 2017-18.
- The £1m is made up of:
  - £1.3m running cost savings plus
  - £250k return on investment (from capital receipts exceeding costs) less
  - £200k additional ICT running costs
  - £400k lease release savings already included in the budget.
- This is on top of savings already in the budget of £686k
- The current budget already includes savings as part of the “lease release” programme. If the council literally did nothing it would have an overspend in future years as it failed to meet these budgeted savings. These budgeted savings need to be offset against the savings in the model to show the true cashable savings.
- ICT investment of £1.8m
- This includes:
  - Centralised printer rationalisation £150,000
  - Application streaming £103,000
  - Replacement PCs £255,000
  - Consultancy £100,000
  - Project management £90,000
  - Cabling and data points £700,000
  - Workspace management system £82,715
  - Future years costs £312k
- These are project specific requirements. There is also significant ICT investment funded through the capital programme which will assist this but is needed separately and so is not counted here.

# Financial Assumptions

- Property investment of £2.36m
- This includes:
  - £1.5m for the Civic
  - £250k for Allens Centre
  - £50k for storage
  - £300k to move the ICT servers
  - £50k each for the BVC and EDC
- Capital receipts of £7m
- The receipts are assumed between April 2013 to March 2016. Significant income includes:
  - £1m for Aldridge Manor House
  - £1.5m for Allens Centre
  - £1m for Challenge
  - £750k for Essington Lodge
- All income figures are from Property services

# Documentation Management

- A high level review has been carried out to assess the appropriateness of implementing a Council-wide Electronic Documentation Management and Record system. However, it is recommended not to proceed with the implementation of this new corporate wide system at this stage for the following reasons:-
  - Implementation costs are likely to exceed £1.5m
  - Costs may be higher as the extent of backlog scanning required is an unknown quantity
  - Further Service review is required as part of business change to assess the appropriateness of the documentation and information management system that could meet the needs of the systems thinking in particular service areas
  - ICT will be implementing “Share point” within this programme which will improve the management of electronic documents
  - A new records management approach is currently being implemented
  - From the 1 May 2011, staff will be encouraged to retain electronic records rather than hard copies to reduce the pressure on filing and storage
  - There is minimal evidence from other authorities to suggest the benefits that a Council-wide system could provide

**Note: Further review with services through the business change workstream may suggest that a corporate EDMS system may be beneficial to the Council. However, this will be supported by a separate business case and is deemed to be outside the scope of this programme.**

# Key Risks

<b>Organisational Business Model</b>	<b>Organisational Business Model</b> – the implications for the Council’s Working Smarter project on the future operating model is yet to be concluded and will impact upon headcount, location and nature of office space. The current share desk ratio may be too ambitious to support this need.
<b>Stakeholder Support</b>	opposition to change from staff, managers, members, partner organisations, local residents and local businesses prevent the financial and non financial benefits from estate consolidation and investment in new ways of working being achieved.
<b>Business Continuity</b>	Programmed office closures and relocations and the introduction of new working practices may create disruption to the organisation.
<b>ICT</b>	Key applications currently used for operational services are not supported by the proposed IT solution
<b>EDRMS</b>	EDRMS is currently out of scope. However, poor data management could compromise floorspace due to the demand for filing
<b>Finances</b>	Cashable savings are relatively low whilst cost avoidance is significant. Changes in cashable saving assumptions could compromise the business case Council does not realise capital receipts from the sale Refurbishment costs are higher than anticipated
<b>Resourcing</b>	Insufficient investment in PPM including programme design, governance and resourcing (both internal and external) undermines the Council’s ability to deliver its preferred option to time, cost and quality.



# Smarter Workplaces – Critical Success Factors

Technology	<ul style="list-style-type: none"> <li>• Delivery of appropriate ICT solution</li> <li>• Reduction in cost of telephony</li> </ul>
Service Users	<ul style="list-style-type: none"> <li>• Employee communication, participation and involvement</li> <li>• Adoption of flexible working practices</li> <li>• Improved working between service areas at a local level</li> <li>• Identification of barriers and overcoming restrictions</li> </ul>
Carbon Footprint	<ul style="list-style-type: none"> <li>• Carbon footprint will be reduced - new technology uses less energy and people will be travelling less.</li> </ul>
Modern workspace	<ul style="list-style-type: none"> <li>• Piloting modernisation in working practice</li> <li>• Creation of suitable and appropriate working environments</li> </ul>
Buildings	<ul style="list-style-type: none"> <li>• Release of leased accommodation on profile</li> <li>• Consolidated offices into 2 core office buildings from 26 offices</li> <li>• Sharing premises with other public sector bodies</li> </ul>
Savings	<ul style="list-style-type: none"> <li>• Reduced cost overhead through rationalisation of estate</li> </ul>

Within Smarter Workplaces Programme, the culture change required for successful implementation cannot be underestimated. It requires a move from traditional ways of working or work styles e.g. 9 am to 5.00 p.m. at a fixed office desk, to a more flexible work style where performance is judged by outcomes rather than “presenteeism”. The latter is a particular challenge to some managers within the organisation.

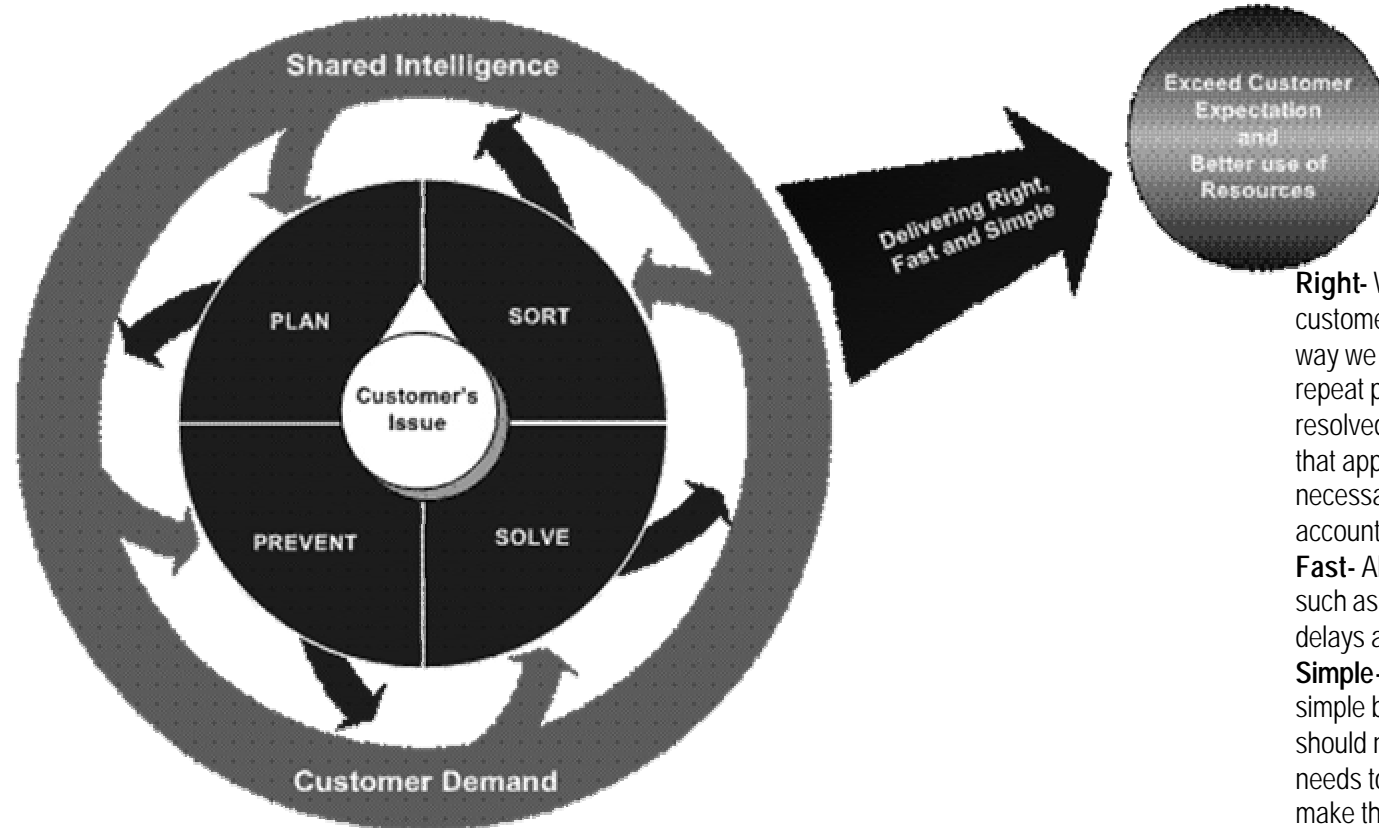
## Smarter Workplaces – Benefits / Outcomes

Technology	<ul style="list-style-type: none"> <li>• Technology will release people from their desks and from the current dependency on administrative buildings.</li> <li>• New functionality will encourage leaner and more joined up ways of working resulting in improved customer service delivery</li> <li>• Standardised corporate approach to integrating systems</li> <li>• Reduction in support costs e.g. printing, meeting rooms</li> </ul>
Service Users	<ul style="list-style-type: none"> <li>• The programme will create access to appropriate work environments for staff and thus better enable them to provide a better service.</li> <li>• Achieve a mind-set shift – a cultural change - It will achieve a more dynamic, empowered workforce, more able to deliver.</li> <li>• Improving accessibility to customers</li> <li>• Identifying solutions that enable partnership working</li> </ul>
Carbon Footprint	<ul style="list-style-type: none"> <li>• Improving the council's carbon footprint - new technology uses less energy and people will be travelling less.</li> </ul>
Active work time	<ul style="list-style-type: none"> <li>• Active work time will be freed up for real work rather than travelling so staff will become more productive.</li> <li>• Improvements in staff productivity</li> <li>• Less Absenteeism</li> <li>• Staff happier at work</li> <li>• Staff will be able to achieve a better work-life balance.</li> <li>• Reduction in travel costs and time</li> </ul>
Buildings	<ul style="list-style-type: none"> <li>• Rationalising property to deliver both service improvements and efficiency savings</li> <li>• Reducing the Council's liability on backlog maintenance</li> <li>• Effective management of the estate and efficient use of the Council's assets</li> </ul>
Savings	<ul style="list-style-type: none"> <li>• The programme will achieve further savings through process improvements.</li> <li>• Generating potential income streams and exploiting value from the estate to support further investment in public services</li> </ul>

# Work Styles

- **Office Worker**
  - An employee whose job requires them to be based from the same council office for the full contractual hours of their post.
- **Access Point Worker**
  - An employee whose job is based at a single office location as part of a team of workers doing the same or very similar jobs, and where members of the public access Council services directly. A number of access point workers may share a single computing device to perform their public facing duties.
- **Mobile Worker**
  - An employee whose job requires them to be away from their nominated office base on a regular basis. When not at base they could be visiting various other council offices, working at locations such as client premises or visiting the offices of other organisation.
- **Field Worker**
  - An employee whose job requires them to work out in the field on a regular basis.
- **Occasional Home Worker**
  - An employee, who with the support and agreement of their manager, works at home on an ad-hoc basis.
- **Regular Home Worker**
  - An employee, who with the support and agreement of their manager, works at home for an agreed proportion of the working week.
- **Full Time Home Worker**
  - An employee, who works from home for the full contractual hours of their post, where their work type allows and where they have the support and agreement of their manager.

# Delivering. Right, Fast and Simple: an operating system for Walsall Council.



**Right-** We should strive to ensure our customer's needs are effectively met. The way we work should drive out the need to repeat processes because an issue was not resolved first time around. Right also means that appropriate actions were taken and all necessary information was taken into account.

**Fast-** All processes should be steam-lined is such as a way as to avoid unnecessary delays and improve efficiency.

**Simple-** We recognise that not every issue is simple but our processes or communications should never make it more complicated than it needs to be. Our aim should always be to make things as simple as possible for our customers.

## The model explained

Different issues will require a different type of delivery. There are four types of delivery that have been identified; these are Sort, Solve, Prevent and Plan.

**SORT** – frontline workers are empowered to fix simple problems;

**SOLVE** – more complicated problems are fixed using a team-based approach, potentially involving multiple services and partners

**PREVENT** – processes are redesigned to avoid problems repeating themselves;

**PLAN** – anticipated future demand requires strategic priorities to be set in a way that allows demand to be met.