

Committees:		Dates:
Establishment Committee (For Information)		17 January 2017
Policy and Resources Committee (For Decision)		19 January 2017
Projects Sub-Committee (For Decision)		31 January 2017
Corporate Asset Sub-Committee (For Information)		10 February 2017
Subject: Accommodation and Ways of Working	Issue Report: Complex	Public
Report of: Comptroller & City Solicitor Report Author: John Galvin, Town Clerks Department		For Information
<p style="text-align: center;"><u>Summary</u></p> <p>Dashboard:</p> <p>Project Status: Amber Last Approved budget: £165,000 Spend to date: £68,775</p> <p>Latest Gateway approved</p> <p>Gateway 1/2 project proposal was approved by Project Sub Committee on 7th September 2016.</p> <p>Progress to date including resources expended.</p> <ol style="list-style-type: none"> Following approval of the Gateway 1/2 report, the Accommodation and Ways of Working (AWoW) programme team have been consulting with the Department of the Built Environment (DBE) and Open Spaces teams. This has been in order to understand the workplace requirements, develop options for the Pilot Office including workspace designs, consider the financial and non-financial benefits of the programme and further evaluate the risks associated with delivery of the IT necessary to make the pilot office a success. £38,775 of Programme Manager Consultancy costs and £30,000 of work place design costs and advice have been incurred to date. Programme costs to date of £68,775 have been met from an initial budget of £165,000. Of this sum, £145,000 was funded from the Transformation Fund, with the remaining £20,000 funded from the local risk budgets of DBE and Open Spaces. This funding was for leadership and co-ordination of the programme, development of the business case and model office design and options. To this point, the programme has not incurred any costs requiring funding from the Capital Programme budget for new schemes. <p>Summary of issue</p> <ol style="list-style-type: none"> The AWoW Programme Board has reviewed a number of concerns raised by the Programme Deliver Team. These were: <ul style="list-style-type: none"> Benefits identification Technology 		

- Costs
 - Programme timescales
 - Alignment with HR programmes
 - Project ownership
4. An Options Paper, which is included as Appendix A, was presented to the AWoW Programme Board. It outlined the key benefits and risks associated with three potential ways forward:
 1. Continue with the existing proposed plan to introduce a Model Office in the spring of 2017.
 2. Re-focus the programme between now and autumn on supporting activities
 3. Pursue traditional accommodation moves
 5. The recommendation of the AWoW programme board, endorsed by Strategic Resources Group (SRG) and Summit Group is to pursue option two.
 6. Between now and autumn 2017, the focus of activity will be on testing mobile devices and piloting alternative work settings on the 1st and 6th floors of the Guildhall. This will provide experience and feedback with which to further inform the design of any recommended options for a future model office. This activity, and other supporting activities, is detailed in Appendix B – Short Term Activities.
 7. The Programme Board will continue to meet on a reduced frequency, and appraise progress of the supporting activity. Once these have developed to a sufficient level the Board will give consideration to recommencing the programme.
 8. The Programme will report back to Project Sub Committee with its further recommendations for consideration in September 2017. This will either be in the form of a Gateway 3/4 report, or an alternative proposal.
 9. Communications have been developed for staff outlining the way forward and thanking them for their on-going support.
 10. Expenditure to date totals £68,775. This has been necessary in terms of identifying and codifying activities required to successfully deliver an Accommodation and Ways of Working Programme. This identification of issues has been useful, and it provides the organisation with the information required to progress the aims identified for this programme.

Recommendations

1. Members are asked to agree Option 2, with additional project costs not to exceed £10,000. No additional funding is being sought at this stage.
2. Members should note that a further report will be submitted to Project Sub-Committee in September 2017 advising on how it is intended to progress the programme. This will either be a Gateway 3/4 report, or an alternative proposal.

Main Report

1. Issue description	<p>The AWoW programme was designed to modernise organisational working practices, improve collaboration and co-creation, optimising our buildings and facilities and co-ordinate the delivery of supporting IT.</p> <p>The Programme Delivery Team has identified a number of concerns in relation to the AWoW programme:</p> <ul style="list-style-type: none"> • Benefits – There are limited cashable benefits delivered solely by the pilot, with property savings accruing to other programmes. Most of the anticipated AWoW benefits relate to improving services and staff wellbeing, where performance is not seen as an issue • Technology – The current ability of the IT team to support the pilot with mobile devices and a stable infrastructure and the misalignment of the pilot with the Desktop Transformation Programme and Network Upgrade Programme • Costs – Total costs for the 1st floor Pilot are circa £800k • Programme – There will be a 5 month lag from the Gateway 3/4 report being submitted to occupation, previously this looked at occupation in March 2017, currently this is likely to be June 2017 • HR – Alignment of the AWoW programme with wider HR strategy and understanding of the level of change support required • Project ownership – Currently the programme is owned corporately by the Town Clerk, with DBE and Open Spaces as ‘customer’ departments; this does not necessarily give the departments the level of ownership or control they are looking for
2. Last approved limit	<p>The Gateway 2 report agreed an initial budget of £165,000. Of this sum, £145,000 was funded from the Transformation Fund, with the remaining £20,000 funded from the local risk budgets of DBE and Open Spaces. To date, £68,775 has been spent.</p>
3. Options	<p>The Options Paper as presented to the AWoW Programme Board has been included as Appendix A to this report (available online). This paper noted three options:</p>

	<ol style="list-style-type: none">1. Continue with the existing proposed plan for the Guildhall North Wing first floor2. Delay the pilot office to allow for supporting technology programmes to progress sufficiently and enable greater alignment of organisational strategies.3. Deliver the move of DBE staff into the Guildhall North Wing first floor as a conventional accommodation move, not as a pilot for agile working. This would be paid through DBE Local Risk. <p>The full list of pros and cons for these options are contained in Appendix A - Options Paper.</p> <p>The recommendation of the Programme Board, endorsed by Strategic Resources Group and Summit Group, was to progress with option two. This refocuses the programme in the medium term and will delay the full deployment of the model office. However it will also offer a number of benefits and opportunities:</p> <ul style="list-style-type: none">• A significant reduction in the costs of the Pilot Model Office, particularly related to IT costs, of around £200,000.• Enabling supporting programmes to align with the AWoW objectives, particularly in relation to IT Desktop Transformation programme and the Network Upgrade.• Greater opportunity to align key organisational strategies, particularly the interaction between Property, HR and Technology. As these strategies are drawn together, the ability of the AWoW programme to support cultural change, property rationalisation and promote flexible and agile ways of working will become more compelling.• More work can be undertaken on quantifying cashable benefits of the programme, whether this can be directly attributable to AWoW, or where this supports other organisational initiatives. This will include further benchmarking with other organisations. <p>Continuing under the existing programme plan would not address any of the issues identified above, and on this basis, Option One was not recommended.</p> <p>Whilst Option Two entails a delay, it is not anticipated that the Corporation will incur significant costs through this re-profiling. A number of on-going activities have been identified as being required to be progressed over the period between now and the autumn and these are identified in Appendix B – Short Term Activities (available online). It is expected that these undertakings will be delivered through business-as-usual. These activities will be co-ordinated internally, and will not involve the retention of external consultants.</p>
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	<p>Whilst Option Three could be reasonably cheaply deployed initially, it did not offer any of the wider organisational benefits of the AWoW programme. This included the lack of a wider accommodation strategy, the delivery of an agile and modern workspace, enhanced ability to collaborate, or the inclusion of Open Spaces. Whilst initially appearing as a low cost option, expenditure would continue to be incurred by the Corporation for future tactical office moves through departmental expenditure. Also, this programme would not support the vacation of Irish Chambers, potentially an activity which would enable us to either minimise cost or maximise income.</p>
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Appendices

Both appendices are available online at:

<http://democracy.cityoflondon.gov.uk/documents/s75549/AWOWAppendices.pdf>

Appendix A	Options Paper as presented to the Programme Board on 29 November 2016.
Appendix B	Short Term Activities that will be undertaken between now and the autumn

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