Committees:		Dates:
Projects Sub Committee – for decision		7th Sept 2016
Policy and Resources Committee – for information		8th Sept 2016
Establishment Committee – for information		16th Sept 2016
Corporate Asset Sub Committee (CASC) – for information		23rd Sept 2016
Subject: Accommodation and Ways of Working	**Gateway 1&2 Project Proposal:** Complex	**Public**
Report of: Town Clerk **Report Author:** Paul Nagle, Chamberlain's Department		**For Decision**

Recommendations

1. **Approval track and next Gateway**	**Approval track:** 1. Complex **Next Gateway:** Gateway 3 - Outline Options Appraisal (Complex)
2. **Resource requirements to reach next Gateway**	

Item	Reason	Funds/ Source of Funding	Cost (£)
Programme Change Manager	Leadership and co-ordination, senior officer engagement – 6 months – av 2-3 days per week - £800 per day	Transformation Fund	£45,000
Space Planning and New Ways of Working consultant	Development of business case, space options, advice on implementation	£20k – Local Risk c'fwd funding, remainder Transformation Fund.	£60,000
2 Business Analyst – (ideally one be in-house secondment – covered by backfill cost)	Internal communication, project office, - 6 months	Transformation Fund.	£60,000

3. **Next steps**	• Oct 16 – Gateway 3 – Outline Options (options for implementing Model Office – including any additional funding if required) • Oct/Nov 16 – implemented Model office if approved • Dec 16 - Develop success criteria and lessons learned based on pilots for an overall programme • Jan 17 - Produce Gateway 4 Detailed Options Appraisal

Project Summary

4. Context	This programme aims to modernise working practices, based around the needs of our internal and external customers, optimise our buildings and facilities to provide focus for improvements to our business processes, skills and assets as well as positively enhance the Wellbeing of our staff. The City of London Corporation work-styles and culture, is typified by Departmental working with staff performance management often focused on inputs and presenteeism. We also have an inefficient utilisation of our office spaces with a high desk to staff ratio of 1.1 which does not support modern approaches to interaction and team working. The City Corporation culture and ways of working needs to keep pace with what is now standard practice for large successful organisations that successfully focus on outcomes and customer need, delivering joined up services and with whom we compete with to recruit and retain quality staff. This programme will be a core enabler and trigger to starting an organisation transformation of Culture, focused on Pride, Passion, Pace and Professionalism, with business processes orientated around achieving excellent outcomes for our customers, with the current culture of Departmental working overcome within the overall Transformation Programme. It will create the foundation for a culture that embraces continuous improvement, best practice and flexibility with performance measured through outcomes and delivery – with work styles and the tools to support these clearly defined. It will provide opportunities to breakdown Departmental silos and encourage Cross-Departmental working and interaction to achieve better outcomes for our customers. This programme will be interdependent with the operational property review, ensuring that identified benefits of running cost savings and rental income generation initially estimated at £1.6m per year from that project can be achieved through new ways of working. This will be through rationalisation and commercial letting opportunities enabled by staff vacating Walbrook Wharf front offices and Irish Chambers and moving into a more intensively utilised Guildhall Complex.	
5. Brief description of project	The programme will create the environment that will enable a significant cultural change through the introduction of ways of working and work spaces that break away from our traditional desk based silos. The project will encourage greater collaboration, co-creation, improved productivity and health benefits for staff with services focused around our customers whether they are internal or external. It will;	

	- Clarify our services and how best we can deliver these through improving how we work individually, in our teams and collaboratively with others - Establish a set of worker styles that support the culture and ways of working - Identify changes to process, policy, technology, design and use of space and facilities There are significant opportunities to improve services and we would like to create a business case describing these benefits, both to staff, customers and the bottom line of costs. The project will involve:- - Introduce a flexible and agile work environment supporting new ways of working - Increase mobile technology and decrease fixed desk devices based on role and functional needs - Rationalisation of operational property – achieved through increased density of staff occupation - Reduced sickness levels and loss of productivity through presenteeism - Training for managers in HR policy and work practices that support new ways of delivering outcomes
6. Consequences if project not approved	- Opportunity to enable organisational wide transformation through the adoption of modern ways of working not progressed resulting in underachievement of City of London Corporation ambition. - Do not meet the needs, expectations and demands of an increasingly modern workforce resulting in increasing difficulty in the recruitment and retention of staff - Opportunity to improve efficiency in the use of time & resources in programming internal staff moves not realised. - Status quo maintained on sickness absence levels and presenteeism - Gap between current and future technology and methods of working becomes too large to bridge economically - Lack of opportunities to relocate staff out of Walbrook Wharf, Irish Chambers and Guildhall Justice Rooms.
7. Success criteria	- More agile and resilient services - Increased productivity and reduced sickness absence levels - More motivated, engaged and positive workforce - Efficiency and collaboration - Improved reputation as an employer

		• Enhanced working environment for personnel. • Reduced energy needs and carbon footprint • Improved utilisation of Guildhall North and West Wings • Creation of revenue receipts from surplus premises.
8.	**Notable exclusions**	• Any of the City of London Police accommodation • Consideration will be given to introducing necessary infrastructure across the remainder of the operational portfolio (i.e. offices outside the core Guildhall Complex) at a later date.
9.	**Governance arrangements**	Project Board reporting to Strategic Resources Group, with links to **Spending Committee:** Policy and Resources Committee **Senior Responsible Officer:** Simon Murrells, Assistant Town Clerk **Project Board:** Yes

Prioritisation

10.	**Link to Strategic Aims**	1. To support and promote The City as the world leader in international finance and business services
11.	**Links to existing strategies, programmes and projects**	This proposal would assist all departments with Service Based Review aims and targets. • Joint Contact and Control Centre • One Safe City initiative • IT digitisation and Flexible Working Review • IT – Unified Communications • End User Device Renewal • Joint Network Refresh Programme • HR Wellbeing Project • Guildhall Justice Rooms Redevelopment Project • Strategic Energy Review
12.	**Project category**	3a. Spend to save
13.	**Project priority**	A. Essential

Options Appraisal

14.	**Overview of options**	*i) Do Nothing -* This option continues the current inefficient use of our office space compared to modern practices and limits opportunities to progress future Guildhall Justice Rooms and Walbrook Wharf potential redevelopment options.

	ii) Retain the existing layout and furniture, with increased agile working – Applying a simple 8 desks to 10 staff ratio to the existing desks gives a maximum capacity of circa 1,500 staff (located in North and West Wings, 65 Basinghall Street and Irish Chambers). However, this approach would not provide the ancillary space required to support additional staff in higher densities and would not achieve all the success criteria in terms of cultural change and the benefits from adopting an enhanced working healthy positive environment for personnel.
	iii) Adopt full modern new ways of working - implementing new office layouts and furniture, agile working IT, with the purpose of optimising the space, increasing staff densities enhancing wellbeing and adopting new ways of working.
	The Model Office pilot will look at a range of options between ii) and iii) which will be developed for Gateway 4.

Project Planning

15. Programme and key dates	**Overall programme:** Propose phased through 2016 - 2018 **Key dates:** October 2016 - Model Office established January 2017 - Development of Detailed Business Case 2016 – (Gateway 4) **Other works dates to coordinate:** Timing of the Joint Network Refresh, End User Device Replacement because these projects are necessary to provide improved IT infrastructure that will support Agile working.
16. Risk implications	**Overall project risk:** Amber • IT readiness and capability to provide the infrastructure and support new ways of working in a manner which is high performing, available, scalable and secure • Insufficient space for all staff in scope of accommodation changes • Insufficient capacity within business areas to support programme activities delaying implementation or resulting in reduced benefits

	• Staff do not embrace changes in ways of working resulting in negligible changes in culture • Changes to working practices negatively impact service delivery
17. Stakeholders and consultees	• Chief Officers • Wider staff consultation • Trade Unions

Resource Implications

18. Total estimated cost	**Likely cost range:** Estimated based on experience for an organisation of this size, although this programme would only cover incremental costs for IT required and outside of the scope of existing IT Programmes. 3. £5m+
19.	*Stage 1 – initial expert advice on implementation, office planning options and costs* *Stage 2 – implementation of model office and development of detailed business case so can progress to Gateway 4.* <table><tr><td>**Funds/Sources of Funding**</td><td>**Cost (£)**</td></tr><tr><td>Local risk contributions from DBE - £10k, Open Spaces - £10k</td><td>20,000</td></tr><tr><td>Transformation Fund</td><td>145,000</td></tr><tr><td>**Total**</td><td>**165,000**</td></tr></table>
20. On-going revenue implications	A significant financial benefit of the proposal is to reduce revenue costs by operating from a smaller estate (as identified from the operational property review) and to minimise wastage and improve the efficiency of operations through improved processes and ways of working as well as reducing cost from sickness absence and presenteeism.
21. Investment appraisal	A business case appraisal will be run balancing the estimated costs of investment against lower running costs and potential income and capital creation from released operational assets and other financial benefits.
22. Procurement strategy/Route to Market	A soft market testing and procurement exercise has been undertaken to research the costs of using an external companies and consultants to develop the project and provide space planning advice. An external Progamme Change Manager with experience and skills in delivering similar programmes in other organisations has been procured to deliver the first phase of the project on a

	6 month fixed contract at a rate of £800 per day.	
	A programme space management consultancy to support in the identification of best practice solutions, advising on the benefits of the proposal as well as the cost, alongside other issues to be considered such as M&E upgrade requirements and IT solutions has been contracted initially for £30k. Further work may be contracted to assist in the development of the work space designs.	
	Appointment of the two business analysts would be via internal and external advertising. Ideally one of the business analysts would be via an internal secondment.	
23. Legal implications	Potential HR/contract issues, Minimum space requirements under the Workplace (Health, Safety and Welfare) Regulations 1992	
24. Corporate property implications	In the context of modern working environments and the Service Based Review it is essential to ensure that we are optimising our central corporate assets. Furthermore industry claims suggest that staff retention and productivity are enhanced if more flexible working is adopted; however, there must be the appropriate associated infrastructure including sufficient break out spaces, quiet spaces, meeting rooms and personal lockers.	
	The proposal must be supported fully by appropriate IT infrastructure and mechanical and electrical capability; existing capacities will be reviewed and options to grade to the necessary levels will be put forward.	
	Chief Officer support and lead will be vital in relation to potential staff resistance to changes in new ways of working.	
25. Traffic implications	Increased deliveries / activities at Guildhall Complex will need to be managed.	
26. Sustainability and energy implications	Energy consumption likely to increase at Guildhall Complex, but CoL cost will be offset by reduced consumption at other sites if vacated, redeveloped or sold. The Strategic Energy Review and the upcoming Energy Efficiency Fund may prioritise work differently as a result of the Accommodation and Ways of Working Programme.	
27. IT implications	- Significant IT infrastructure investment / enhancement is already an identified requirement across the organisation. - Chamberlain's IT Division have partly completed network upgrades to allow some agile working and are challenging the existing 'one desk, one fixed computer terminal culture' when dealing with new requests. - This project links to the End User Device Renewal and Joint Network Refresh Programmes. Because these	

	projects will enhance IT capability to support agile working. These and further upgrades to infrastructure, IT equipment and telephony will be considered in conjunction with physical space and new ways of working outlined in this report. Progress on these workstreams will be a key dependency for this change programme.
28. Equality Impact Assessment	An equality impact assessment will be undertaken

Contact

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