

Report of David Outram – Chief Officer – PPPU

Report to Deputy Chief Executive

Date: 22 June 2016

Subject: Design & Cost Report for Changing The Workplace – Business Support Centre (BSC) fast-track new ways of working

Capital Scheme Number: 16256

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. On 18th July 2012, Executive Board approved injection of the full capital budget for the Changing The Workplace (CTW) programme.
2. This project is part of the wider programme of work that will enable the Council to deliver improved services and make significant savings by reducing Council buildings. The 2016 refresh of the phase 1 business case has shown that the cost of delivering CTW in the city centre over the 25 year lifecycle is projected to reduce. This is being achieved by improving how we work across the programme, ongoing challenge of costs of delivery and using existing buildings more effectively. This, together with future release of additional buildings, has resulted in an anticipated total net present value NPV saving for phase 1 of £27M based on 2016 figures, an increase of £12M compared to the £15M total saving estimated in 2012. These savings figures are taken against the original baseline used: that is if the council had continued without introducing CTW principles and continuing with Merrion House under the old lease terms.
3. The CTW programme aims to improve how we work across the organisation through co-ordinated activity around people, process, technology/information, and workplace. It supports the changes needed across the organisation so we can respond more effectively to our customer's needs and the significant challenges ahead. The CTW programme has successfully delivered the first stage of phase 1 in the city centre. Over 2000 staff have gone through new ways of working.

4. Authority to Spend £126,283 from existing budget provision (Capital Scheme no. 16256) is being sought to enable Business Support Centre (BSC) to improve how they work and to adopt CTW principles prior to their move to St George House. The bulk of this money will be invested in ICT and associated equipment, this report provides information on cost and proposed funding arrangements.
5. This project includes the resources required to undertake the adoption of NWoW for 180 staff at Belgrave House to facilitate the move to St George House once refurbished. This will then allow the release of in excess of 1,900 sq m (20,000 sq ft) of 'leased in' office accommodation.
6. Laptops, monitors, USB mice and keyboards, laptop rucksacks, mobile phones, access tokens and laptop power modules are required for the staff in BSC to enable the introduction of new ways of working (NWoW). Prior to receiving their new laptops all teams will be able to review how they are working and will receive NWoW training to support and help them to implement improvements and to work more flexibly.
7. Through NWoW services/staff are empowered to improve outcomes through better management of their work and delivery of service objectives. In turn, this has been shown to help improve staff well-being and morale and reduce levels of stress and sickness.

8. Recommendations

The Deputy Chief Executive is requested to give Authority to Spend £126,283 from existing budget provision (capital scheme no. 16256) for the purchase of ICT equipment for BSC to enable them to adapt to NWoW prior to their proposed move from Belgrave House to St George House in 2017.

1. Purpose of this report

- 1.1 The purpose of this report is to seek authority to spend for the resources required to purchase ICT equipment for BSC to enable them to move towards NWoW prior to their proposed move from Belgrave House to St George House in 2017.

2. Background information

- 2.1 The Phase 1 business case for CTW was predicated on investing in mobile technologies, city centre services/staff improving how they work, creating an integrated customer facing hub and reducing the number of council office buildings in the city centre to a maximum of four. A key part of this programme is a new Merrion House refurbished and extended as the main city centre workplace and customer interface.
- 2.2 The CTW programme aims to improve how we work across the organisation through co-ordinated activity around people, process, technology/information, and workplace. It supports the changes needed across the organisation so we can respond more effectively to our customer's needs and the significant challenges ahead.
- 2.3 The CTW programme will deliver cashable benefits through integration of services and property release. Other benefits include increased staff productivity, improvements

in health and wellbeing, improvements in service delivery, investment in people, technology and workplace.

- 2.4 Phase 1, stage 1 of CTW is now complete. Over 2000 staff have been through NWoW so that services can work more effectively and improve outcomes for the citizens of Leeds. These staff have now been relocated out of Merrion House into other council property to allow it to be refurbished.
- 2.5 Phase 1, stage 2 of CTW will see a further 2,000 plus staff going through NWoW. Merrion House will be re-occupied during 2018 with the other three retained buildings made fit for purpose during that time. The surplus city centre properties will then be released.
- 2.6 This project is part of the wider programme of work that will enable the Council to deliver improved services and make significant savings by reducing Council buildings. The 2016 refresh of the phase 1 business case has shown that the cost of delivering CTW in the city centre over the 25 year lifecycle is projected to reduce. This is being achieved by improving how we work across the programme, ongoing challenge of costs of delivery and using existing buildings more effectively. This, together with future release of additional buildings, has resulted in an anticipated total net present value NPV saving for phase 1 of £27M based on 2016 figures, an increase of £12M compared to the £15M total saving estimated in 2012. These savings figures are taken against the original baseline used: that is if the council had continued without introducing CTW principles and continuing with Merrion House under the old lease terms.
- 2.7 The Authority to Spend is a critical decision in terms of taking the project forward and in terms of ensuring the service is transferred to NWoW and the new location as soon as possible and to meet the wider Stage 2 programme milestones particularly that of the release of the leases at Belgrave House and Evolution House in excess of 1,900 sq m (20,000 sq ft) of 'leased in' office accommodation.
- 2.8 This project is part of Phase 1, Stage 2 of CTW. It will focus on supporting the early adoption of New Ways of Working and better enable the realisation of the CTW Programme benefits. A review of working patterns, use of ICT and remote/home-working potential will be undertaken to enable opportunities for more flexible working. Through NWoW services/staff are empowered to improve outcomes through better management of their work and delivery of service objectives. In turn, this has been shown to help improve staff well-being and morale and reduce levels of stress and sickness.

3. Main issues

3.1 Design proposals and full scheme description

- 3.2 St George House is one of the four buildings to be retained in the city centre and this project is part of Phase 1, stage 2. The project focuses on enabling BSC to be able to adopt NWoW prior to moving into the building in 2017 following its refurbishment.
 - Personal ICT equipment (Laptops, monitors, USB mice and keyboards, laptop rucksacks, mobile phones, access tokens and laptop power modules) are required so that any opportunities for staff to work flexibly can be tried and

tested prior to the move to St George House. This will also help plan the zoning and location of BSC within the building as teams will gain a better understanding of how flexible they can be under new ways of working and how many desks they require.

- NWoW training for staff and managers to support the above.

3.2.1 Other requirements are:

Recycling of old base units, and the retention of any spare ICT equipment for redeployment where possible.

ICT charges for issuing / setting up equipment

3.2.2 This project will include appropriate ICT equipment; project management resource; training; and engagement and change support.

3.3 Project delivery

3.3.1 In order to achieve these objectives, the project will;

- Establish current ways of working for the staff in scope.
- Facilitate the development NWoW in accordance with the defined and corporately agreed CTW principles.
- Establish and deliver the ICT and associated equipment necessary to support these new ways of working.
- Provide dedicated Engagement and Change expertise to support this service to drive through the change process and help embed these new ways of working.

3.3.2 The following illustrates the key deliverables and timescales.

Gateway	Activities	Timescales
Gateway 0 – Identify change	Identify staff in scope Complete project brief	October 2015 - Completed
Gateway 1 – Feasibility and options appraisal	Update project brief Assess feasibility, scope and specification	November 2015 - Completed
Gateway 2 – Outline design	Questionnaire and face-to-face interviews Initiate communication and engagement activities	October – November 2015 - Completed
Gateway 3 – Detailed design and procurement	Determine office/staff requirements Determine cost of project Secure funding for project	November 2015– March 2016 - Current
Gateway 4 – Mobilisation and delivery	Deliver ICT equipment Deliver further engagement and change activities	July 2016
Gateway 5/6 – Handover, steady state	Handover to business as usual activities, service adopt new ways of working	July - August 2016

3.4 Project team resources

3.4.1 Workpackages will clearly set out the roles and responsibilities of the project team. The PPPU team's responsibilities will be consistent with the council's project management methodology.

3.4.2 A Project Manager from PPPU has been allocated the responsibility for the day to day delivery and management of the project and will be the key contact along with other resources from PPPU project management staff as required. Project management costs will be reviewed throughout to ensure value for money.

3.4.3 As part of the overall project management of the project, the CTW project team will oversee and coordinate the following activities to deliver the project and support the transition of staff to bring about the cultural and behavioural improvements needed for the successful implementation of NWoW:

- The delivery and integration of NWoW policies and procedures, as specified in the CTW principles, and engagement and change sessions tailored to meet business needs.
- The provision of fit for purpose ICT, to meet both the business needs and CTW principles.
- The removal of base units to ensure compliance with the councils "One Device" policy.

4. Corporate consideration

4.1 Consultation and engagement

4.1.1 The project has consulted with all managers within BSC and has gathered data about team requirements notably ICT to support the early take-up of NWoW.

4.1.2 Consultation regarding this Design and Cost Report has taken place with the Head of Business Improvement, colleagues in PPPU. The Deputy Chief Executive and Deputy Leader and Executive Member for Strategy and Resources have been fully briefed on the details of the CTW Phase 1 Programme.

5. Equality and diversity / cohesion and integration

5.1 The CTW programme Equality Impact Assessment undertook specific consultation with both staff and groups representative of protected groups. This is available upon request.

5.2 The project has a process in place that assesses any specific needs for staff and/or customers in relation to equality, diversity and cohesion. These will be addressed and where any issues are highlighted, 'fair and reasonable' action will be taken.

6. Council policies and city priorities

6.1 The project meets the Leeds City Council policies and the City Priority Plans as follows;

- Fulfilling our Best Council ambitions by making better use of our resources, enabling the council to save money whilst improving our services to customers

and the well-being of staff. The council will become a more agile, resilient, productive and efficient organisation.

- Improving the environment through reduced carbon emissions as part of our Best City for Business Plan. Reducing the amount of travel time for staff will help to reduce carbon emissions.

6.2 In relation to the Best Council Business Plan 2015-2020 the project meets the following outcome;

- One of the council's objectives is to take all council staff through NWoW. This project will enable a further 180 staff to undertake new ways of flexible working.

7. Resources and value for money

7.1 Full scheme estimate

The estimated costs for the project are split down as below:

Small laptop, build and asset tagging	LCC - ICT (SCC)	180	£447.00	Each	£84,483
Laptop backpacks	LCC - ICT (SCC)	180	£29.13	Each	£5,505.57
Mobile phones	LCC - ICT (SCC)	180	£20.00	Each	£3,861.27
VASCO token	LCC - ICT (SCC)	100	£40.00	Each	£4,200.00
Mouse	LCC - ICT (SCC)	350	£3.53	Each	£2,438.10
Keyboards	LCC-ICT (SCC)	180	£12.90	Each	£2,438.10
Monitors	LCC-ICT (SCC)	61	£136.11	Each	£8,717.85
Monitor leads	LCC-ICT (SCC)	150	£0.53	Each	£83.48
HP Smart power adapter 65 watt	LCC - ICT (SCC)	180	£12.51	Each	£2,364.39
ICT desk set up	LCC - ICT (SCC)		£2,646	Bespoke	£2,646
Laptop distribution	LCC - ICT (SCC)		£4,631	Bespoke	£4,631.00
PM costs			£4,914	Bespoke	£4,914.00
				Total	£126,282.75

All ICT equipment will be moved across to St George House from Belgrave House in 2017.

7.2 Capital funding and cash flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2015 £000's	FORECAST			
			2015/16 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2015 £000's	FORECAST			
			2015/16 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	114.1		114.1			
DESIGN FEES (6)	7.6		7.6			
OTHER COSTS (7)	4.6		4.6			
TOTALS	126.3	0.0	126.3	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2015 £000's	FORECAST			
			2015/16 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LCC Supported Borrowing	126.3		126.3			
Total Funding	126.3	0.0	126.3	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent scheme number: 16256

Title: Changing the Workplace

7.2.1 The furniture and equipment costs are estimated at £112.438 include:

- New ICT equipment to support flexible working.

7.2.2 PPPU fees are estimated at £4,914

7.2.3 ICT internal fees are estimated at £2,646

7.2.4 Estimated at £4,631 for laptop distribution by SCC.

7.3 Revenue effects

The following table illustrates that no necessary alterations to the department's revenue budget are required:

REVENUE EFFECTS	2015/16	2016/17 and SUBSEQUENT YEARS
	£000's	£000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	0.0	
EXTERNAL INCOME GENERATED		

8. Legal Implications, access to information and call in

- 8.1 There are no legal implications to this project other than meeting the Equality Act; compliance has previously been outlined in section 5.
- 8.2 This is a Significant Operational decision but not subject to call in, because as per Article 13 of the constitution this is a decision which is a direct consequence of implementing a previous Key Decision. That is, this project is funded from the Changing the Workplace budget which was approved by Executive Board in July 2012.
- 8.3 The Deputy Chief Executive has the authority to make this decision under powers granted under Part 3 of the council's constitution.

9. Risk management

- 9.1 A project risk register will be developed and managed throughout the project lifecycle by the Project Manager, with items of concern escalated to CTW Board and the programme risk register. The key risks at present are;
- CTW project budget put under pressure due to escalating project costs. This can be mitigated through monthly budget monitoring and reporting to CTW Board.

10. Conclusions

- 10.1 This project has a clear synergy with the objectives of Leeds City Council and the City Priority Plans. Its savings in the longer-term will be realised through the 32% reduction in floor space that the overall CTW programme will deliver. In the short-term, it will improve workforce productivity and service delivery through better working practice and technology utilisation. This particular project will realise the following benefits:
- Adoption of new ways of flexible working by a further 180 staff.
 - Enable the move of Business Support Centre from Belgrave House to St George House.
 - Increased productivity as a result of more flexible working, reduced travelling time and improved work-life balance.
 - Support the roll-out of the Enterprise Voice phone system.

10.2 The Authority to Spend is a critical decision in terms of taking the project forward and ensuring the service adopts NWoW to support the future release of Belgrave House.

11. Recommendations

11.1 The Deputy Chief Executive is requested to give Authority to Spend £126,283 from existing budget provision (capital scheme no. 16256) for the purchase of ICT equipment for BSC to enable them to adapt to NWoW prior to their proposed move from Belgrave House to St George House in 2017.

12. Background documents

12.1 Executive Board CTW programme report, July 2012.