

1st AUGUST 2013**REPORT OF THE PORTFOLIO HOLDER FOR OPERATIONS AND ASSETS****AGILE WORKING****EXEMPT INFORMATION**

There is no exempt information

PURPOSE

The purpose of this report is to update Cabinet on progress relating to the Agile Working Project and to advise Members of the next stages of implementation.

RECOMMENDATIONS

That Cabinet:

- Endorse the implementation plan for Option 3 'Full Agile Working'.
- Approve the capital and revenue spend as outlined in the report; see **Appendix 3**
- Approve the release of funds from the Building Repair retained fund (£160k) and of £50k from HRA Capital Contingency budget; see **Appendix 3**
- Authorise the Director of Assets and Environment to award the contract for floor refurbishment and the Director of Technology and Corporate Change to award the contracts for infrastructure and telephony in consultation with the Portfolio Holder for Operations and Assets.

EXECUTIVE SUMMARY

This report highlights the positive impact that the agile working pilot has generated in making staff aware of the potential operational, environmental, technological and financial benefits that flow from this style of working. Additionally, it aims to show how reconfigured office accommodation can enhance those benefits.

It is intended that subject to Members agreement, this method of working will become standard practice not only for this project but for the future design and layout of office accommodation across the council.

The report also makes clear how the implementation of agile working is reliant upon the organisations ability to change, the application of fit for purpose ICT infrastructure, hardware and telephony.

People

This quiet but amazing revolution taking place in the world of work is seeing Tamworth Borough Council barriers tumbling down. It is now recognised and evidenced that considerable savings can be achieved when a workforce is mobilised. This is not to say that it's a 'done deal' or indeed that there are not still significant challenges ahead. However, over the last 12 months or so we have agreed plans to bring about change under the Corporate Change umbrella which are at last making the agile workforce vision a reality.

As well as technological barriers, there have also been many cultural and business issues to

overcome. But this is less of a problem with people becoming more familiar with devices and social media in their daily lives as well as the concept of agile working. From the business perspective, how we engage with, and manage teams of, remote workers is now also far better understood.

Nationally, many agile working pilots have taken place which has seen a significant growth in demand for new applications whether they be for carers visiting clients in their own home to inspectors identifying potholes in the road. However, with lessons learned comes the knowledge that efficiencies and process transformation play a major part in mobilising our workforce. The link to the Corporate Change Programme (CCP) is now even more evident.

The way we manage our workforce through this change will be challenging but given the growing acceptance of agile working benefits the ability to respond to that change should be easier.

From the results of the agile working trial together with learning from others it is clear that mobilising our workforce will be critical to meeting the financial challenges within the Medium Term Financial Plan.

Asset Management

The property work stream of the Corporate Change Programme runs throughout its life cycle and is an enabler to business transformation.

At present co-location of Marmion House is seen as an enabler to achieve premises rationalisation for many local partners, namely SCC, Police & Health, and also may act as a catalyst to future development of more purpose built accommodation within the town.

Marmion House is seen as the only possible location for a public sector hub that is within the town centre.

TBC's property strategy is intrinsically linked to the SCC Asset Strategy but given the global economic downturn, achievement of this strategy has not been achieved in the time plan originally detailed.

TBC's commitment to the development of the workplace for its workforce aims to provide fit for purpose / adaptable workspace for both customers and employees, encourage wider adoption of desk/space sharing, mobile and home working whilst ensuring its assets are utilised by consolidating shared service outlets.

Current thinking has been to utilise spare capacity within Marmion House to facilitate co-location of other public sector partners, however recent study shows organisations such as Citibase are establishing themselves in the office provision market. Citibase target small and medium-sized firms, which are often cost conscious but still want buildings with good access to public transport, shops and food outlets. This has led to a Managed Workspace Study being undertaken.

Technology

It is also evident that technology is key to delivering agile working.

The existing technology in place does not support this new way of working, and whilst the proof of concept trial has confirmed this it has also contributed to the specification of what the organisations actual requirements are.

In order to ensure that appropriate technology is in place to support the aspirations of an agile working environment, technology is being procured to replace such things as the telephony system, access to systems and data both internally and externally and the

development of a website which delivers an increased number of transactional services.

Longer term, these solutions are scalable to accommodate changes in the work environment and the potential for other partners to utilise the technical infrastructure.

FINANCES

The financial summary detailed at **Appendix 3** makes clear the investment required, the allocated budget and the ROI. It is anticipated that we will see, under the best case scenario, an initial ROI within 5 years with the project starting to pay back from year 3 (£73k) with savings in subsequent years in the region of £200k p.a.

RESOURCE IMPLICATIONS

There are considerable costs associated with the “Full” option; in the region of £411k (including IT/Technology costs).

This project delivery will affect people, customers and operational models and therefore its impact will be significant for Tamworth Borough Council.

Within the overall budget allocated to the CCP we realise agile working plays only a part in the larger change programme.

LEGAL/RISK IMPLICATIONS BACKGROUND

The risks associated are detailed at **Appendix 4**. Governance arrangements ensure that the Agile Working Project reports into the CCP.

£160k has been allocated to the Agile Working project in year 1 from the Building Repairs Fund retained fund and £50k from the HRA Capital Contingency budget. However, this is high risk as there may be other draws on these funds, and there is no identified budget to make up any shortfall should there be a critical failure within one of our corporate/HRA assets. This will also limit the use of these funds for other projects that may arise.

SUSTAINABILITY IMPLICATIONS

The cost of accommodation has become a significant burden. Implementing Agile Working across the authority will allow us to reduce that burden and increase our effectiveness. By looking to accommodate partners within Marmion House we will become a more sustainable organisation.

The impact on resources from the Sustainability Strategy and with other projects contained with the Corporate Change Programme will require close monitoring via the Corporate Change Board.

REPORT AUTHOR

Anica Goodwin

LIST OF BACKGROUND PAPERS

There are no background papers

APPENDICES

1. Desk utilisation survey
2. High Level Project Plan
3. ROI
4. Agile working risk register
5. Draft 7th floor design plan
6. Marmion House Occupancy Comparison (Pre and post Agile Working)

BACKGROUND INFORMATION

The Need for Agile Working

One Tamworth, delivering services anytime, any place, anywhere

A new organisational model is emerging in organisations, based on agile working deliverables. It's driven by a combination of work environment changes, including greater use of IT, more flexible office layouts and greater autonomy and discretion for employees.

The defining feature of agile working is a mind-set and a set of associated values which is increasingly being adopted by organisations ranging from major investment banks through to government departments.

The key deliverables from adopting an agile working approach include:

Employee deliverables	Business deliverables
High trust working relationships	Better performance and enhanced productivity (volume and quality) – processes and systems are simpler, faster and cheaper to deliver, requiring less managerial support.
Helps employees achieve a work/life balance	Outcome based performance
Enables employees to enter/remain in employment when personal circumstances might otherwise prevent this	Work environments using enabling technologies including desk sharing
Enables employees to work close to communities	Smart working involves managing the work environment to release employees' energy and drive performance
Reduced stress and less time wasted	Better aligned IT spend while harnessing new technologies
Reduced spend on travel costs	Reduced property spend
Increased employee satisfaction – more empowered (higher degree of freedom to act), increased engagement, increased attendance, talent attraction and retention, increased flexibility towards work locations/ hours	Enhanced customer experience and better outcomes – proactive management of customer interactions to increase the delivery of the service to meet need and demand, exploitation of access channels especially web-based self service
Reduced spend on childcare/caring costs	Reduced costs – reduce process, information and IT complexity through consolidation, simplification and standardisation, effectiveness around back office support
	Reduction in the council's carbon footprint
	Travel cost saving
	Workspace utilisation
	Improved business continuity
	Virtuality in teams/work groups
	Greater collaboration (no silos)

Considered options for Agile Working

An appraisal outlining three agile working options was submitted to CMT for consideration on April 22nd 2013.

Given the will for Agile Working among staff and the benefits it brings to our customers and the organisation, CMT agreed to the implementation of Option 3 'Full Agile Working'.

Full implementation of an agile workforce would commence with the redevelopment of the 7th floor to initially minimise costs this floor would be fit for purpose in order to facilitate an agile working solution. This is a high building intervention approach; buy new "fit for purpose" furniture for the 7th and consequently the 6th and 8th floors.

This option minimises TBC foot print in Marmion House, we occupy only 3 floors, providing an additional 2 floor rental opportunity.

<p>Strengths: Re-use of the empty 7th floor to create a "fit for purpose" environment with suitable, reliable infra survey. Clear decision point/gate - to objectively assess success and make decision to extend Agile Working. "Full" Agile Working introduced to all TBC, it joins up with TBC change programme; people, process and technology '<i>The whole is greater than the sum of its parts</i>' Develop and implement a corporate Agile Working capability; HR policies, processes and people engagement It joins up with TBC change programme; people, process and technology</p>	<p>Weaknesses: Significant spend, includes complete refurbishment of 3 floors c. £285k. High Resources, High Impact & long timescales</p>
<p>Opportunities: Opportunity to achieve rental revenue from a 3rd party for the partial Ground, 1st & 3rd floors. Creation of public sector hub in Tamworth. Better opportunities for partnership working.</p>	<p>Threats: There are Critical dependencies on other programme deliverables.</p>
<p>TBC Occupancy: Occupy – partial Ground, 1st part, 6th , 7th & 8th Floors</p>	<p>Rental Occupancy: Exist Rent - 2nd part, 4th, 5th part New Rent opportunity – partial Ground Floor, 1st, 5th part, 3rd Floors</p>

High Level Implementation Plan

A high level implementation plan has been produced which details how we will apply agile working across the authority; see **Appendix 2**.

The plan identifies key activities and milestones for the agile working project which would provide Tamworth Borough Council with three agile working floors by August 2015.

The plan achieves rental income from the ground floor and first floor from April 2014 and further rental income from the third floor from September 2015. It also achieves additional rental income from the fifth floor from August 2015 and the continued rental income of the second floor and fourth floor.

There are seven stages to the plan with the view to cause minimal disruption for our customers and employees and the customers and employees of other organisations occupying the building

Costs and Return on Investment

The decision to proceed with the project has hinged on the potential Return on Investment. There are two aspects to this – cashable and non-cashable.

The spreadsheet (see **Appendix 3**) demonstrates the indicative costs we feel are appropriate for the initial and ongoing investment across a five year plan. Against this, it is anticipated that we will see, under the best case scenario, an initial ROI within 5 years with the project starting to pay back from year 3 (£73k) with savings in subsequent years in the region of £200k p.a. This will make a significant contribution to filling the financial deficit identified in the Medium Term Financial Plan which hits the organisation's budget in Year 3. However, there are significant financial risks associated with the project and the agile working options table (see **Appendix 3**) details a sensitivity analysis considering 3 scenarios - as future payback is dependent on rental income from other organisations which is still to be confirmed. The scenario detailed within the appendix to the report and shown as best case in the table assumes full occupancy from the other Public and Voluntary Sector organisation as planned with reduced income impacting on payback considered as part of the other scenarios.

In addition, £160k has been allocated to the Agile Working project in year 1 from the Building Repair Fund and £50k from the HRA contingency budget. However, this is high risk as there may be other draws on this fund/budget which could not then be financed.

We are also awaiting confirmation of the £10k grant from IEWM but are confident that this will be received. In addition, a further transformation/innovation grant submission in the region of £400k has been made to Transformation Challenge Award the outcome of which will be known at the end of August.

The non-cashable benefits have been calculated based on feedback from other organisations (private and public sector) and our own experiences. As an example, during recent bad weather, Marmion House was closed and the cost to the organisation of doing this was worked out and used as a base calculation.

Technology

As the biggest enabler of change, the Technology theme has some of the most complex projects requiring the largest investment. These include new infrastructure to enable hot desking, access from outside of Tamworth Borough Council's main offices and home working. The organisation has already made significant investment in server virtualisation and now hopes to do the same across the majority of its desktop environment. Additionally, we are intending to implement Voice Over Internet Protocol (VOIP) Telephony to further support this flexibility and to improve the signposting to customers when they first telephone the Council.

The Electronic Document and Records Management System (EDRMS) in use within Tamworth Borough Council is provided by Civica and is currently in use in pockets of the organisation. It is intended to roll this product out for corporate use, delivering a virtual post room, general filing, workflow and storage of files. Again, this will facilitate the flexible and mobile working culture we are trying to implement.

Longer term, these solutions are scalable to accommodate changes in the work environment and the potential for other partners to utilise the technical infrastructure.

Traditionally, it was the ICT service that evaluated and decided which technology an organisation would use, in conjunction with the service(s) requiring the application. It was responsible for purchasing and protecting that technology, and it decided how and where it would be used. But things have changed. More recently, many people prefer to use their

own technology at work. Having found clever new ways of doing things with smart phones, tablets and apps, they are no longer content to accept the traditional workplace desktop.

ICT have already met this front line challenge with supporting employees to bring their own devices to work and the way employees can connect to the network. They have also developed a new approach to security whilst ensuring continued commitment to requirements from external bodies such as the Governments Code of Connection.

No matter what devices people want to use, it is essential that we are able to keep the data on them secure, and manage them efficiently and with confidence.

These new ways of working mean that ICT support will also have to adapt further to changing demands outside of normal office hours, promoting self and automated help wherever appropriate and reviewing its general resourcing capability.

The Corporate Change Programme comprises a number of technology based projects which, when complete, will see a significantly different picture as far as technology is concerned.

Access technology will see a mix of Personal Computers, thin clients, laptops, handhelds and smart phones, enabling defined job roles to access the information they require, when they require it. This will be on an infrastructure that supports access from any TBC or partner premise, home or on the move. Additionally, the telephony will be improved to support 'follow me' technology, enabling those same staff to use the authority's telephone system from any of those places.

Meeting Rooms will be kitted out to support video conferencing, WiFi, audio visual and teleconferencing technology to enable suites of rooms to be leased out to the private sector generating additional revenue.

Tools such as Customer Relationship Management (CRM) and Electronic Document and Records Management System (EDRMS) mean that information will be available at the touch of a button and officers won't be dependant on paper files. This will reduce storage requirements, demonstrate business continuity and ensure the integrity and security of the authority's greatest asset – its information.

Potential solutions are currently being explored through partners to ensure that integration, scalability, value for money and shared service can all be achieved for minimum investment. Comprehensive training is also being considered to ensure that staff are comfortable and confident in the new and changing systems they will be given access to.

Agile working was in existence but on an informal basis thus causing inconsistencies across the work force. The work environment, ICT and employment policies are currently not conducive to supporting a full roll out of agile working (i.e. we are not fit for purpose).

The agile working project to date consists of 3 stages. Stages 1 and 2 are complete which involved the clearing of the 7th floor, changes to the 1st and 8th floors and the delivery of a trial of Agile Working for 14 officers (a summary of the trial is attached at **Appendix 7**).

Asset Management

What is evident is that space in Marmion House is not being utilised efficiently. A desk utilisation study carried out showed that we were occupying around 54% of the space available to us; see **Appendix 1**. This will have reduced but there is still much we can do. **Appendix 6** shows Marmion House occupancy comparison pre and post agile working.

Managed Workspace Incubation Units

There is a joint study with Staffs CC currently underway to look at the feasibility of using the Philip Dix Centre as a managed workspace unit. Should this be viable the voluntary sector will have a need for accommodation within Marmion House which will approximate to one

floor (473sm). There is anecdotal evidence from both SCC and our own intelligence there is demand for this type of facility.

Examples of what the local external partners are doing....

Staffordshire County

New building Staffordshire place 1, 2 c90% open plan offices.

Adopted and embedded Agile Working practices:

- Generally 8 sq metres per person with 1 lineal metre for shelf storage and a small personal locker.
- An 8:10 desk to people ratio.
- are considering to reduce down to 7:10

Staffs County are advocates of “co-location” and future “IT integration”

SCC have been active partners in co-location with us since 2003, and have for many years centralised some of their key services in Tamworth at Marmion House. Since their own premises rationalisation project commenced they have actively taken more space in Marmion House, now occupying nearly all of the 4th floor and most of the 5th floor due to be occupied in May 2013.

Worcestershire County

Split of Hereford & Worcester councils required Worcester to build new office out of town.

- Opted Agile working practices and open plan offices:
- Open car parking policy, no designated parking
- Built IT infrastructure to support Agile Working
- Implemented self service Waste Management – recycle bins

Police

Not seen any local examples yet, but “co-location” is hot on the agenda. Matthew Ellis (commissioner) actively seeking “co-location”.

Fire

A different approach, use of private funding for new community fire stations and operate a lease back.

Building is open to hire to public and partners; meeting rooms and office space. TBC street wardens currently use Stonydelph station as an office location as do Community Development workers.

Voluntary sector

No examples of embracing Agile working, they're primarily community facing, however consideration needed in regard to alternative premises.

Health

Yes co-location is on their agenda, already 90% of the available office space on the second floor of Marmion House. Active discussions are ongoing to see if further co-location can be facilitated which will result in greater occupancy of Marmion House.

Summary

New Ways of Working

The trial findings and learning from others have helped to inform an emerging office strategy that would see employees able to work from almost any desk in an office and not tied to a particular work station.

The vision of agile working is defined as “providing services anytime, any place, anywhere” will be made possible by the investment in Marmion House. The 7th floor as Stage 1 of this project is now vacant. So in order to make the vision a reality the outcomes to be achieved for the 7th floor are:

- Many workstations will no longer be regarded as any single individual’s personal domain
- Space will be defined according to function not grade
- Information Security
- Space will be in accordance with H & S legislation (i.e. 11 cubic m3 pp)
- Separate kitchen and eating areas will be provided to include dishwasher, fridge, instant hot water provision to remove the need for kettles
- Meeting space will consist of pods and break out areas as well as bespoke meeting rooms with presentation facilities
- Secure wireless networks at points through the building
- Central printing/scanning/fax facilities
- Central recycling point
- No waste bins
- Hot desk areas
- Zoned areas where necessary
- Meeting rooms will be managed via a common booking system
- Provision of cleaning throughout the day
- Layout of the floor will give consideration to IT cables
- Furniture to be modular
- Storage facilities will be kept to a minimum but will be modular and assigned to teams
- VOIP (Voice Over Internet Protocol) telephony technology to include soft phone software installed, unified messaging, single number reach, presence
- EDRMS (Electronic Document Record Management Systems)
- Safe working environment
- Clear desk policy
- Good quality internal working environment

These outcomes will ensure both spatial efficiency (how the workspace is planned) and the desk utilisations (% time that each desk is actually used) is improved. Clearly these issues are not just a property issue but require support from ICT and HR colleagues.

Using team profiling information gathered from Directors and heads of service which also detailed ICT etc requirements the draft redesign of the new 7th floor has been completed and is shown at **Appendix 5**.

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