BRECKLAND DISTRICT COUNCIL

Report of: Paul Hewett, Executive Member for Assets and Contracts and Rob Walker Executive, Director of Place

To: Council, 31 October 2019

Author: Rob Walker, Executive Director of Place

Subject: WorkSmart 20:20 - Workplace design for an agile future

Purpose: To seek authority to make investment in Elizabeth House, the Council's Headquarters, so as to enable agile and flexible working practices with more efficient and better use of space.

Recommendation(s):

That Council authorises:

1. The implementation of a project to introduce agile and flexible working for the workforce and make the necessary changes and investment to the Council's ICT infrastructure and HQ (Elizabeth House) building to enable this change.

2. The formation of a Member Steering Group and grants delegated authority to the Executive Member for Assets and Contracts – in consultation with the Executive Director of Place – to spend the allocated funding on an agreed work programme for this project.

3. The allocation and release of £800,000 from the Growth and Investment reserve to this project.

1.0   BACKGROUND

1.1   The world of work is changing and, with it, the need for a more agile approach is growing to allow organisations to be more efficient and attract and retain talent. Along with changing working styles, an overall contraction of the Council's workforce and an increasing use of digital technology the use of the headquarters has and is changing. To maintain pace with these changes, the building and its infrastructure needs to adapt to enable further efficiency and workforce development.

1.2   The Council's headquarters, Elizabeth House in Dereham was constructed in 2002/3 and first occupied in 2003/4. It is a modular building and has sectional units across two levels with a largely open plan design. The gross internal floor space is 3,100 sqm with the Council directly utilising 82%; the remaining space being let to third parties such as Capita and the Department for Work and Pensions. Elizabeth House has remained largely unchanged since the original construction except for the addition of the Committee Suite to the north elevation and a more recent extension to the reception / main entrance. The expected life expectancy of the building is 60 years and is therefore due to expire in 2063. The net operating cost (after taking account of rental income) is £307,209 per annum.

Main Office Space (Office Space Review)

1.3   In October 2018, a project was initiated to review the Council's operational use of Elizabeth House. At that point the asset-driven project sought to determine whether the Council's use of space could be rationalised; if the Planning & Building Control and Housing Services could be relocated to the first floor; if additional space could be let to third parties and income generating; and, could the space be redesigned to be more flexible and enable agile working and take advantage of more digital ways of working.

1.4   Earlier in 2019 a specialist space and utilisation company undertook a full space review of Elizabeth House and the findings from their work inform this report. The review helped us to understand how we currently use and occupy 'our space' and rethink how Elizabeth House could be used in the future and how the benefits of aligning the work place [environment] with wider organisational priorities could be realised.

1.5   Whilst this project was initially asset-driven it is clearly apparent that any changes to the layout and fabric of the building will have a major impact on those using the building and this should be the overarching focus for this project moving forward. The changes to the working environment can enable transformation of the way we work and our working practices. The proposed changes to Elizabeth House can be the catalyst for change and help us develop a workforce and working environment that is flexible and fit for the future.

1.6   The following is a snap shot of the office space review:

- There are 228 workstations across the ground and first floor (excl. DWP) on average these workstations were utilised 62% of the time (and actually occupied for less). The peak level of utilisation was at 72%, which is equivalent to 164 workstations.

- There are 7 formal meeting spaces which were utilised on average 35% of the time, with the peak times being between 10.00-12.00 and 14.00-15.00. On only one occasion were all meeting rooms occupied at the same time (during the review) and on average only 16% of the available seats were being used. It is worth noting that for 85% of meetings - the meeting size was 4 people or fewer.

1.7   The above snap shot demonstrates that we are not currently using the space the headquarters to its full capacity and the working environment does not promote agility or flexibility.

1.8   The review also confirmed that based on current usage and capacity, the Planning & Building Control and Housing teams could be relocated to the first floor with the vacated space by these two teams being made available for external lettings. The review further provided a number of high-level options for how this could be achieved. Each option would see a reduction in workstations and with each level of reduction in workstations the requirement to be agile increases. Whilst indicative drawings have been produced, a detailed design would need to be completed before any options are implemented.   A fully integrated ICT and agile working environment could reduce the number of workstations to 157 from the current 228. To fully enable agile working the indicative cost of this option is outlined in 5.5.

Agile Working

1.9   Agile working is defined as a range of ways of working, enabled by mobile and digital technology, that lets people and organisations make better choices about when, where and how they work. Agile working is important for a number of reasons, including: -

- **Attract and retain talent:** organisations that maintain an outstanding reputation as employers often place the workplace at the heart of their agenda. This investment demonstrates that employees are valued. Employees that feel looked after are usually a lot more loyal than those that aren't.

- **Increased productivity:** smart workplace design and management can help increase productivity and morale – but usually only if accompanied by a genuine desire to change the way people work, manage and lead.

- **Smart workspace utilisation:** the introduction of agile working can free up office space for other work purposes that aren't being catered for, and/or enable the space to support more people or be put to alternative use.

- **Reduce carbon footprint:** agile working can be deployed to make better use of people and space, which can greatly improve sustainability while reducing cost and the organisation's carbon footprint.

- **Ready for change:** agile workplaces enable employees to operate in an environment that best suits their personal working styles and activity portfolios. Embracing a move to agile working means organisations are also safeguarding themselves in the face of future challenges.

1.10 With specific regard to Breckland and Elizabeth House, as highlighted in the space review: people don't always need a workstation all day. They need a workstation for some tasks, but not for others. Some teams and functions need more workstations than others. Likewise people need different levels of ICT equipment and use of meeting spaces depending on their job-role.

1.11 This under utilisation and empty capacity has a cost (through service charge and missed income).   But there's more to it than that; providing people with a greater range of choices about how and where they work will result in a better supported, more productive workforce as well as an increased ability to retain and recruit the talent we require. Indeed, there are many benefits – beyond cost reduction – associated with flexible and agile working practices.

1.12 The world of work has changed and in order to attract and retain employees and ensure a good work/life balance, we need to be completely agile in the way we work. We have trialled agile working in some internal teams which – although limited in scope – has been successful.

1.13 The implementation of agile working will require a different approach to management of staff and teams i.e. to ensure there is the right cover in the office for enquiries. It will also require staff to staff to be trusted to complete their work where it is best placed for the organisation and focus on their output and performance rather than being present in the office. Through a separate but related HR policy in areas such as flexitime arrangements are being reviewed.

1.14 The proposed changes to Elizabeth House can help catalyse an agile working environment and culture and align our ways of working and managing people with our physical space and make sure that staff are equipped to work effectively in the new way and new environment.

ICT and Technology

1.15   The implementation of a full agile workforce is dependent on the right technology provision and digital solutions. Investment will be needed in a number of areas, including; workstation hardware; internet connectivity; wireless networking; data scanning & storage; and telephony. The required technology and digital solutions will be developed in this project and will need to fit the requirements of each function.

1.16   The areas for investment include the following and would be essential. They need to be integrated into the redesign of the office to move towards agile working:

- Universal hardware (i.e. laptop docking stations) to allow for optimum hot desking.

- A range of standard 'at desk' ICT configurations to suit certain staff profiles i.e. screens, and adaptive desks. These configurations would range from a basic hot desk with power (and WiFi) up to a comprehensive workstation with fixed telephony, docking station, multiple monitors and sufficient power sockets.

- The wireless network at Elizabeth House would need to be extended and upgraded. With an increase in use of video calls / video conferencing either in groups or individually will require increased [internet] bandwidth.

- Additional telephony i.e. mobile phones would be required to reduce the reliance of desk based fixed telephony and promote greater flexibility and agility.

- Investment in the Virtual Private Network would be necessary to enhance the quality of remote access, supporting other location working practices.

- Software (digital) and hardware to support more mobile working for staff which conduct work at external locations. The increase in software provision to allow one-time recording of inspections, surveys, meetings and assessments rather than double-entry.

- Data storage will need to be provided off site and where possible this should be stored digitally. This affects Planning & Building Control in particular and there is, in particular, a current risk about the quality of the microfiche storage. The future scanning and digitisation of documents at source needs to be considered to reduce physical storage requirements moving forward – but this is not part of this project scope.

1.17   There are existing ICT and digitalisation programmes underway and the additional works proposed here complement this work as referenced in the Council's adopted Digital Strategy. The costs are summarised later in the report.

Committee Suite

1.18   The committee suite is a key part of the headquarters and its use has changed since it was first constructed and the rooms remain largely unchanged since this part of the building was constructed. The committee suite now provides an income stream from increased sessional room hire, however to maintain this and ensure it is a 'state of the art' offer, the space requires some upgrade. This combined with the Planning Advisory Service's review of the Planning Committee in March 2018, has led to a number of proposals being generated regarding the layout, audio visual technology and furnishings in this part of the building. These proposals make the necessary changes to the committee suite rooms to provide a more flexible environment delivering the necessary facilities for the Council's future needs. The scope of the upgrade to these rooms provides for improvements to the

technology and the air conditioning, furniture and lighting. This will allow the rooms to be more flexible in their use together with the potential to create additional income from further external sessional room hire. The proposed project to upgrade the committee suite has now been included within the scope of this wider project.

Courtyard Area

1.19   This external area of the building has historically been used as a rest area for those occupying the building and remains largely unchanged since construction of the building. Over time this area has become less used with the staff in the building opting to use the grassed area to the west elevation of the property. This space, therefore, could be potentially better utilised for users of the building. The concept for this area is an internal space that would be used as a rest or informal area along the lines of a staff room but with improved internal decoration and fit out and facilities to make it an appealing space to be used.

1.20   It is the opinion of the report author, that the courtyard project is central to the overall development of Elizabeth House as a modern workplace that facilitates agile working. This project is, however, less advanced than the others detailed in this report and costs have not been included at this stage. The project is in scope but will be brought forward separately when it has been further developed with a full business plan and costings for Member ratification.

Project Governance

1.21   It is proposed that a Member Steering Group is established with a membership of:

- Deputy Leader;
- Executive Member for Assets and Contracts;
- Executive Member for Customer Engagement.

Supported by the: -

- Executive Director of Place.
- The appointed Project Manager.

The Executive Member for Assets and Contracts will have delegated authority to approve expenditure against the allocated sum.

1.22   Underneath the Member Steering Group will be a Project Team coordinated by the Project Manager (who will report to the Member Steering Group). The membership of the Team will include officers from: HR, ICT, Finance, Property, Communications and Legal. The Project Manager will be the lead officer and will be accountable for the delivery and performance of this project.

1.23   On commencement of the project, terms of reference for the Member Steering Group and Project Team will be established. Also a detailed delivery plan will be developed by the Project Manager with key milestones which will reported to the Project Steering Group.

Future Lettings

1.24   If the ground floor of Elizabeth House (Planning & Building Control and Housing areas) are made available for letting to third parties further thought needs to be given to our lettings policies and these will need to be formalised in a Lettings Strategy.

1.25   Breckland Council has already realised the service and financial benefits of co-locating with public sector partners at Elizabeth House as part of the *One Public Estate* programme. The Lettings Strategy will need to set-out whether third party lettings will be restricted to public sector partners for these reasons, or more widely to any interested party.

Infrastructure Impact

1.26   The proposals in this report would see an increase in usage of Elizabeth House through third party lettings and greater use of the Committee Suite. This will impact on the support in infrastructure, for example, kitchens, toilets, parking, etc. and this will need to be mitigated.

1.27   In particular, we would need to undertake a feasibility assessment of extending the car parking availability at the north and south elevations. A Travel Plan for the Council will also be developed that supports alternative modes of transport.

1.28   Please note: it is not the intention to 'decant' staff or operations at any stage during this change programme.

2.0   OPTIONS

2.1   **Option 1:**

Support the implementation of a project to introduce agile and flexible working for the workforce and the necessary changes and investment to the Council's ICT infrastructure and HQ (Elizabeth House) building to enable this change as outlined in the report.

2.2   **Option 2:**

Do not support the implementation of the project as outlined.

3.0   REASONS FOR RECOMMENDATION(S)

3.1   The way we work has evolved over the past decade and consequently office design has to adapt and create a work place that support new concepts such as agile working. We need to look to implement new ways of working that can have a positive impact on collaboration, creativity, staff retention, wellbeing and ultimately productivity. There is also a requirement to optimise space usage to reduce our physical footprint and maximise the return on investment.

4.0   EXPECTED BENEFITS

4.1   As detailed in the report, the expected benefits include: -

- Better utilisation of Elizabeth House with reduced operational costs.
- Increased rental income from additional lets to third parties.
- Sustained external bookings (and income) from the committee suite.
- Increased performance of the headquarters for the users.
- Increased satisfaction with facilities during Council and other committee meetings.
- Improved recruitment and staff retention.
- Improved productivity.
- Improved health and wellbeing and reduced sickness.

5.0 IMPLICATIONS

5.1 Constitution & Legal

5.1.1 It is the opinion of the report author that there are no constitutional implications.

5.1.2 DWP's tenancy will be unaffected by the project proposed, however DWP will be a key stakeholder in the proposed changes as one of the main occupiers of the building. Capita's tenanted area will change and a contractual variation will be needed but the proposed changes are supported by Capita and it is, therefore, not envisaged that this will cause problems.

5.2 Corporate Priorities

5.2.1 The proposals will mostly support the council priority *"Our Council"* and our ways of working. That said, if the proposals drive improvements in productivity and efficiency as expected then it will benefit all four corporate priorities.

5.3 Crime and Disorder

5.3.1 It is the opinion of the report author that there are no implications.

5.4 Equality and Diversity / Human Rights

5.4.1 The proposals in this report promote a flexible and agile working environment that can adapt to different working styles, needs and patterns and should therefore accommodate diversity and equality more easily than current arrangements.

5.4.2 The individual needs of current staff will be considered before any changes are made to their immediate working environment. All staff will be consulted on their particular requirements, e.g. chairs, desks, lighting, location, etc. ahead of any changes.

5.5 Financial

5.5.1 The project and investment made will realise operational savings through the more efficient use of the Council Headquarters, Elizabeth House. The investment made will also realise income through increased third party lettings at Elizabeth House.

5.5.2 In total the indicative cost for this project is £798,000 and it is requested that this is provided from the Growth and Investment reserve. The figures provided below remain indicative and further work is needed before spend is committed. It is recommended to commit £800,000 towards this project at this stage.

5.5.3 It is predicted that there will be an annual rental income of £48,900 will be realised from the vacated space on the ground floor of Elizabeth House, albeit not immediately due to lead-in time for creating the lettings. This income creates a 5.1% gross return on the required investment which is above the 4% threshold required for the Growth and Investment reserve provided costs remain as outlined and the income is achieved as outlined.

		Cost
ICT	Hardware, software & cabling	150,000
ICT	Scanning & Data Storage	100,000
ICT	Fund 50% from planning fee income	-50,000
Communications/HR	Agile working roll out	30,000

Property	Committee suite refurbishment	145,000	
Property	Office transformation for Agile working	273,000	
Property	Office transformation lighting, lifts, fire, etc	100,000	
Property	Office Design Consultancy costs	50,000	
Total	**One-off Cost**	**798,000**	

		Income
Property	Lettings	-48,900
ICT	Data storage	8,000
Total	**Annual Income**	**-40,900**

5.5.4   The cost for the project manager is funded from already realised staff vacancies on a part time (2 days per week) and short term basis (3 months) initially.

5.6   Risk Management

5.6.1   A full Risk Management Plan will be developed as part of this project and will be managed by the Project Steering Group. The key risks to note currently are as follows:

- Change can be unsettling and disruptive and the appropriate engagement and training for staff needs to be provided. To mitigate this the project will ensure that staff are aware and supportive of the changes that are being made and are best placed to benefit from the new working arrangements.

- There could be potential negative reaction to investment by the Council on its own building (headquarters) and workforce. The mitigation is to ensure there is proactive and appropriate communication messages from a Communications Plan that the Project Steering Group will manage.

- If agile working is to succeed, then the technology needs to be in place to facilitate this. Failure to provide this technology in advance of office layout changes or new working arrangements will lead to an unsuccessful roll out of agile working.   To mitigate this a detailed Project Plan will be developed to ensure that the right technology is both procured and staff trained at the right time.

- 'Agile' will be a different way of working for the majority of our employees and we will need guidelines about what it means to be agile to help support staff and managers. To mitigate this the project will produce "agile working guidelines" and associated policies, which will outline the principles of agile working, the boundaries and what it will mean to work in our redesigned office space. These guidelines will include: desk ratios; etiquette of working open plan; storage; working from home; people impacts including special equipment & health considerations; travelling-impact on parking/cycling; clear desks; managing your time; and use of the workplace.

- The project costs may be inadequate and the income may not be achieved.   To mitigate this the Steering Group will manage the overall budget and authorise expenditure accordingly.

- The management of the facility (building) will change and therefore guidelines will be developed to confirm the scope of further tenants. Also the accessibility will need to be reviewed to ensure the building remains compliant and other facilities such as additional car parking, reception and a move to longer open hours to facilitate the changes will be developed.

5.7   Staffing

5.7.1   As outlined throughout this report this project will change the way people attend for work, where they work and how they work. This is a significant change for the workforce and is reflect in part by the emerging Workforce Development Strategy. It is therefore crucial that the staff feel fully engaged in the project and the reasons for change.

5.7.2   The Communications Plan and activity outlined below is vital to support this change.

5.7.3   Staff engagement will be critical to this programme being successful and this goes beyond the communication tools outlines below. Staff champions will be introduced, the staff forum will be engaged at all key development stages for their input and feedback, floor walkers will be introduced as works commence and progress and other measures will be introduced as deemed necessary by the Steering Group.

5.8   Health and Wellbeing

5.8.1   The surroundings in which employees spend their working lives are an important source of job satisfaction and impact on work motivation and productivity. Control at work is a key determinant of health and wellbeing. The extent to which employees perceive that they have control over their physical work environment has been associated with improved performance, job satisfaction and group cohesiveness.

5.8.2   An agile working environment will promote and enable greater flexibility in working patterns. Public Health England research has shown that allowing employees flexibility in office furniture and working stations is associated with reduced sickness absence and greater job satisfaction. The evidence suggests that it is important to consider ergonomics, including adjustable chairs and desks.

5.8.3   Further Public Health England research has shown that open plan offices have the potential to increase collaboration, boost innovation and use space efficiently. However, it is important for organisations to integrate space for quiet, privacy and concentration in their office plans. Higher rates of sickness absence have been associated with a lack of perceived control and privacy at work.

5.8.4   The impact on health and wellbeing will be fully taken in to account when the plans for this project are fully developed and implemented.

5.9   Reputation

5.9.1   The potential negative reaction to investment by the Council on its own building (headquarters) and workforce is dealt with below at section 5.10.

5.9.2   A well-designed office that clearly and originally reflects the culture of the organisation can have a positive effect on the recruitment and retention of staff and more widely, its external reputation.

5.10   Stakeholders / Consultation / Timescales

5.10.1   Change of any kind can be unsettling for staff and potentially disruptive to efficient service delivery. As outlined already it is therefore essential that staff are taken along the journey and embrace the change as being positive for them, the Council and our customers.

5.10.2 To support this, the Project Steering Group will commit to regularly updating staff on progress, to answer queries in a timely way, and to work with a group of staff to help shape some of the finer details of the project so staff 'own' the work as much as possible.

5.10.3 Staff are not the only users of the building and those affected by the changes will also include Members, contractors and tenants. The Project Steering Group will be responsible for keeping Executive Members up to date with progress. All members will be informed as key milestones are reached. Senior DWP staff will be updated by email regularly and advised to cascade relevant information to their teams using their own internal channels. Capita staff will receive the same updates as Breckland's directly employed staff in line with an inclusive approach to the Planning & Building Control teams.

5.10.4 A full Communications Plan for communication with staff, members, partners, external interests and other key stakeholders will be used. Communication will be undertaken in the following ways:

- **Dedicated intranet page:** A project intranet page will be put in place to provide a 'one stop shop' of information for staff, including for example: updates on progress, downloadable site plans, etc. It will also advise staff how they can submit questions (e.g. utilising the *Ask Anna* process), in case they are unclear about the project or how they may be affected.

- **Email bulletin and staff newsletter:** An article updating all Breckland staff (including the Capita-employed Planning & Building Control team) will be included in the all staff e-newsletter. Between editions a dedicated email update will be sent to all staff to inform them of latest progress. This means staff will receive updates on progress (even if this is simply to confirm the project is on track) every two weeks. Content from the newsletter will be informed by updates to the intranet page and vice versa.

- **All Staff Briefing:** Updates will be provided to all staff from the Chief Executive via the bi-monthly all staff briefings. This will also provide an opportunity for staff to ask questions.

- **Staff steering group:** All members of staff will be invited to form a steering group who represent colleagues and help to inform some of the non-project critical decisions. For example, the staff group may be asked to express a preference over colour schemes and furniture, once this has been shortlisted by the Project Steering Group [who will take into account specification and budget]. The group will be open to all staff to join, with members of the Staff Forum particularly encouraged to take part (and to feedback to the wider Staff Forum group after decisions have been made).

- **WhatsApp and Facebook:** social media forums will be used to share key messages to audiences not reached through more traditional methods of communication.

5.10.5 External communication is also important. There is a potential reputational risk if people perceive the council to be spending money on itself and its staff instead of prioritising frontline services. It is therefore important to help people to understand the rationale of the project and the benefits it will ultimately bring to residents in the longer term (e.g. more efficient staff and council, potential service hub, greater income generated at the office asset). To enable this, the local media will be invited to attend a face to face briefing on the project if it is given approval by Members.

5.10.6 A full Project Plan (timetable) for delivery will be developed on implementation of the project. However, the outline key indicative milestones are:

Stage	Date
Authority to implement the project	October 2019
Staff Engagement begins	November 2019
Housing relocation to 1st Floor completes	December 2019
Project governance, structures and controls established including budget, project plan, communications plan, risk management plan established	December 2019
Agile Working preparation begins	December 2019
Office Design completed and approved	March 2020
Committee suite upgrade works completed	March 2020
Office works completed	July 2020
Agile Working established	July 2020

6.0   WARDS/COMMUNITIES AFFECTED

6.1   All Wards.

7.0   ACRONYMS

7.1   PAS – Planning Advisory Service
VPN – Virtual Private Network
ICT – Information Communication Technology
DWP – The Department for Work and Pensions

Background papers: None

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

None