TRANSFORMING ANGUS: AGILE WORKING AND ACCOMMODATION REVIEW

1.   BACKGROUND

1.1   Reference is made to Report 48/15, considered by the Policy and Resources Committee at its meeting on 3rd February 2015. That report considered the evolving strategy to support one of the key Transforming Angus work-streams of 'Agile working and estates review'. It also instructed work to "bring forward details of the implementation programme for agile working and the associated plans to secure a sustainable property estate".

1.2   Since that time, significant development work has been undertaken to establish a robust position to support realising maximum benefits from the Agile implementation phase.

1.3.   Members should note that based on the Improvement Service high level business case undertaken on behalf of the Council back in May 2014, indicative projected savings for the Council's agile programme over a four year period could amount to circa £8.5m, as a return on and subject to appropriate initial investment and service redesign. This also includes indirect benefits derived from, for example, improved performance and reduced travel cost opportunities.

1.4   Members may also recall from the Report 48/15 that officers had bid for hub (East Central Territory) enabling funding to support this initiative. An initial tranche of this funding support has been forthcoming and professional services procured through hub have supported the Council with this initial phase of development work.

2.   CURRENT POSITION

2.1   Introduction

2.1.1   The planning work for the pathfinder projects is nearing completion and implementation is due to commence in early July. Specialist advice and expertise from Scottish Futures Trust and hub colleagues has been used to support the development and design of contemporary office layouts to support the Council's cultural shift towards providing 21st century workplace settings and agile working arrangements and service delivery models for its workforce. This approach will create opportunity to derive maximum value from this pathfinder initiative, including informing future tranches of this creative change programme, while also supporting the Council progressing towards an efficient estate portfolio in due course.

2.1.2   Key background work undertaken since the February report has now significantly progressed in relation to four specific areas of development, including:

- Design development of pathfinders reflecting modern and vibrant work space settings (in lieu of the council's previous traditional 'lift and shift' approach to moves);
- 'Visioning' to establish a clear direction for cultural change within the organisation to support new and improved ways of working;
- Demand analysis, working with services to identify their needs from facilities, aligned with delivering new and improved ways of working; and
- Supply analysis, identifying the extent and suitability of the Council's existing estate portfolio to support the demand needs of services and identify opportunities to rationalise/ reduce the existing estate.

2.1.3   Members should note that advice taken from Scottish Futures Trust colleagues and other best practice industry advisers who have been involved in similar projects with other Council's and large organisations, have strongly recommended that this ground work is an absolute essential element to maximise the opportunities from this change programme.

2.2   Pathfinders Update

2.2.1   The 'pathfinder groups' comprise of approximately 230 staff spread amongst 13 teams from the People directorate and one team from the Chief Executives unit. The People directorate staff will be located in the lower ground floor at Bruce House, Arbroath and the Chief Executives Economic Development team will be relocating to the 2nd floor at Angus House.

2.2.2   A series of engagement events have been held with the team leaders involved to assist in their preparation towards adopting agile working and the new working practices this will introduce. The 'change journey' required for these pathfinder staff to successfully embrace agile working practices has been supported by Scottish Futures Trust (SFT). SFT have supported many other local authorities in their adoption of agile working, and this engagement has very much been a two way process, so that staff are heavily involved in the development of the new spaces to meet their service needs. This has been identified as a reason as to why previous attempts at implementing agile working have not progressed.

2.2.3   The timetable for these pathfinder moves is planned to commence in early July and should be concluded over a six week timeframe. Feedback from the pathfinder will be used to inform the roll-out of the Agile programme across the council thereafter.

2.3   'Visioning'

2.3.1   A series of engagement events have taken place with senior managers to establish a clear direction for cultural change within the organisation to support new and improved ways of working, aligned with the concepts of Angus Agile. These engagement events have been delivered via SFT at no cost to the council and by Hub via their enabling funds, again at no cost to the council.

2.3.2   The first of these engagement events included an envisioning exercise with the Council's Executive Management Team and was facilitated by SFT's workplace change adviser. A key output from this workshop was to produce an inward facing vision statement to support all stakeholders involved in the cultural and work practice changes required to support successful agile working, and the 'strap-line' output of this is:

'creating workspaces that inspire us to be bolder and better, whatever we do and wherever we are'

2.3.3   This vision was later tested and agreed in workshops attended by 28 senior managers on the 6th May with the final validation of this vision concluded on 27th May by the Corporate Management Team. This now provides an inward facing vision statement to crystallise the Council's ambitions.

2.4.1   Demand Analysis

2.4.1   A parallel series of engagement events has also been undertaken to conduct a high level demand analysis of how Angus Council works now and how it could work in the future. The output from this will inform the broad scope of facilities required to deliver services, along with space planning and space standards guidance for the future implementation projects.

2.4.2   As part of this exercise, one to one interviews were held with Space Strategies (funded via Hub's enabling funds) with 38 heads of service and senior managers across the council in late April with a follow up workshop in early May. This interview and information gathering exercise explored the appetite for change and assisted senior staff to engage in the transition from the philosophy of owning 'my desk' to sharing 'our workspace', which is essential for successful adoption of agile working practices.

2.4.3   This engagement with heads of service and senior managers was also validated on 27th May by the members of the council's Corporate Management Team. This information gathering and visioning exercise is also expected to inform the next leadership forum on 19th June to approximately 100 managers across the council.

2.5   Supply Analysis

2.5.1   The final part of the engagement, supported by Hub, has been to carry out a Strategic Estate Forward Planning review to focus on what the future estate might look like in a transformed service environment. The starting point for this is to understand the answer to 'how suitable are the buildings we currently have?' By understanding what already exists and analysing it in a structured way, provides a readily understood baseline from which to develop options to rationalise.

2.5.2   This supply analysis will provide a picture of what accommodation is available (and its suitability) to meet services' demand for physical space that will enable the Council to effectively and efficiently deliver services to the citizens of Angus.

2.6   Summary of Supply and Demand Analysis

2.6.1   The matching process to link these supply and demand exercises is due to commence in July 2015 and is illustrated in Appendix 1 of this report.

2.6.2   The matching of demand to supply will allow this programme to identify a list of buildings to retain/ develop and also provide a list of council buildings that are no longer required, providing opportunity for disposal, potentially releasing capitals receipts and generating revenue savings.

2.6.3   It is worth noting that Fife council have undertaken a similar programme of non-school estate rationalisation, starting in 2010, and have reduced their number of premises from 97 to 27 in a five year time frame. This has generated significant revenue savings of £5.11m to 2014/15, plus £10.5m capital receipts with a reduced carbon footprint (2,173 tonnes CO_2).

2.6.4   Once this matching exercise is complete, the final piece of enabling work will be to produce a business case, specifying requirements for investment into our retained estate to support the emerging philosophy, and detailing the return on investment expected from the whole programme.

2.6.5   This matching process, designed to meet the needs of the Council's services, will also highlight to all teams if they are in scope to adopt agile working, along with an informed timeframe for their moves. At this stage, it is anticipated that a report with this information will be available for consideration by this committee after the summer recess.

2.7   Key Dependencies

2.7.1   To support staff in the transition to agile working, the Council's HR policies have been reviewed and are currently subject to consultation prior to being finalised.

2.7.2   Additionally, the Council's Organisational Development team are preparing e-learning support materials for inclusion into the online training suite. This will include a training module for managers who require to manage an agile team, plus a second module for all staff that would be affected by the implementation of Agile working. The next leadership forum on June 19th is to have a strong focus on the developments and implications for the adoption of Agile working.

2.7.3   The Council's OD team have also incorporated a short workshop about agile working within the Leadership Development Programme for Middle Managers which is planned to start during June this year.

2.7.4   In terms of IT platforms to support the Agile pathfinders, work has been completed to provide an improved communications platform (called Microsoft Lync) to assist and support the teams in their adoption of new working practices.

2.7.5   Additionally, work is progressing via the Information Management Improvement Plan 2015/6 to bring forward plans for the adoption of a council electronic document management system which is a key enabler for the success of Agile working.

2.7.6   Finally a communications strategy is developing for the whole of the Transforming Angus programme and this will include a dedicated intranet page which is currently being developed to provide staff with a focussed area on all items regarding Angus Agile.

3.   FINANCIAL IMPLICATIONS

3.1   A bid of £175k from the Transforming Angus Change Fund has recently been approved, in principle, by the Transforming Angus Programme Board for investment in the pathfinder projects, principally founded on a return on investment of approximately 22 months, based on approximately £84k per annum savings and an associated CO_2 reduction of 88,800Kg per annum.

3.2   The pathfinder moves will also release further opportunity for savings from the space they are releasing, although this aspect cannot be fully determined until more information is available from the supply and demand analysis outputs.

3.3   However, for example, on completion of the pathfinder moves for social work, around 300m² of flexible office accommodation will be vacant on the Bruce House middle floor. A future phase of agile working using the current metrics and ratios could accommodate over 50 workstations to support around 80 staff in this space. Although the supply/ demand/ matching exercise is still to take place, this potentially allows 80 staff from other Council buildings to move into Bruce House and produce savings from the facilities they are vacating (e.g. leasing costs, capital receipt, planned maintenance, energy costs, facilities managements costs). This exemplifies the potential opportunities that will flow from this initial investment once the programme starts to progress.

3.4   Productivity and other improvement indicators will also be derived from the investment, but information on these aspects is at an early stage to give any meaningful information at this time.

3.5   This highlights that, in order to realise the benefits from this change programme, there is likely to be a significant initial financial investment required in order to create and maximise the potential opportunities. This was identified as part of the Improvement Service business case referred to earlier in this report, and, for example, pay back may not be fully realised on that investment until a period beyond the end of the life of the programme. However, these costs have not been finalised and will be addressed in more detail as part of the business case development.

3.6   At this stage, projected budget provision of £0.400m has been allowed in the TA Change Fund. However, there is potential need for greater investment which may require to draw on capital resources - a ball-park of an additional £0.600m has been indicated as potentially being required (making a total of £1m including TA Change Fund allowance).

3.7   The Council's Capital Budget does include provision for "Transforming Angus and Estate rationalisation" (£3.9m for the current five year period) which can be called upon if required to support some of the investment required to deliver savings (i.e. spend-to-save). At present, there are no commitments against that budget provision.

3.8   Members should however be aware that any investment decisions will be subject to business case identifying the emerging value of savings potential and an acceptable pay-back period. It should be emphasised that the figures noted above are only budget indications at this stage.

4.   OTHER IMPLICATIONS

4.1   Risk

4.1.1   There is a risk associated with this programme that the Council fails to maximise the potential opportunities from this strategy and the benefits are not fully realised. This risk is therefore being actively managed by the Transforming Angus Programme Board.

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Linking the Supply and Demand Models

Supply Model
Understanding what we have now

Demand Model
Understanding what we need in the future

Matching Future Supply to Future Demand

Developing Options & Change Scenarios

Establishing Priorities and Influencing Factors

Understanding Risk and Financial Consequences

Strategic Choices and Decisions