

## SMARTER WORKING – THE CASE FOR CHANGE

### 1. PURPOSE OF REPORT

- 1.1 To set out the case for a Strategic Approach to “Smarter Working” and an implementation and budget plan for the period 2018 to 2021 to assist with delivery.

### 2. BACKGROUND

- 2.1 It is said that people are the Council’s greatest asset and the dedication and commitment of staff helps make the Council what it is.

However, all too often Council staff are delivering high quality services against a background of outdated IT, poorly designed workplaces and inflexible working practices. The Council will only be able to realise its full potential if we empower staff with the right tools and create the right environment. More than anything, we have to free up the culture of work so people can just get on with it unhindered. This is why the way we work is so very important. Working smarter will lead us to challenge all the assumptions of our traditional ways of working and bring a new approach to management and teamwork, with a sharp focus on management by outcomes. We need to develop skills and shared expectations about how work is done, and be innovative in developing more effective and efficient ways of working.

- 2.2 Transforming the way we work is not a “nice to have”. It is the only way to make sure we provide the services our customers expect and demand, both now and in the future.

### 3. STRATEGIC APPROACH

- 3.1 In the current challenging climate we need to take steps not only to weather the current economic pressures, but also to plan for the longer term. Smarter Working is at the heart of transforming and streamlining the Council.

- 3.2 We are taking a strategic approach to modernising working practices across the Council. It is based upon the following principles:

- Work takes place at the most effective locations and at the most effective times, respecting the needs of the task, the customer, the individual and the team.
- Simplified collaboration and connectivity virtually everywhere, means sharing information and working with others, regardless of location.
- Space is allocated to activities, not individuals and not on the basis of seniority.
- A flexibility-first approach, where flexibility is the norm, rather than the exception.
- A shared and agreed approach to Smarter Working which balances the freedom to choose, with the responsibility to meet Council business needs.
- The processes people are asked to work with are continuously challenged to make sure they are fit for purpose.
- Managing performance focuses on results and outcomes, rather than presence.

- 3.3 The outcomes of adopting this strategic approach:

- Greater productivity and services delivered more effectively.
- The costs and environmental impacts of work are reduced as space is shared and used more intensively.

- Staff have more choice about when, where and how they work, supported and connected by effective and appropriate technology.
- Staff have the opportunity to lead more balanced and healthier lives.
- An end to wasteful working practices which are currently built into traditional ways of working, including:
  - ❖ Commuting (average UK worker commutes for an hour a day – equivalent to 4 years over a working life)
  - ❖ Office space (average UK office occupancy is 45%)

3.3 In summary, there are positive impacts from Smarter Working on the “Triple Bottom Line” - benefits for public service, for staff and for the environment.

3.4 We aim to ensure we will be a Council in which:

- Well-designed workplaces support how people work best, with location options such as shared hubs with other public bodies, hosted space, an HQ and home.
- Work is undertaken in a variety of settings, to ensure staff are no longer tethered to a desk.
- IT is usable, convenient and works just as well in and away from the office.
- Connectivity to colleagues and to data can be provided from virtually anywhere.
- Security and access arrangements make it easy and safe to work in a variety of settings.
- Management embrace and exploit the flexibility, productivity and effectiveness offered by the changes to our workplace.

3.5 Work in the future is about what you do, not where you do it. The strategic use of technology will enable much of the work we do to be carried out from other locations, as well as offices.

## 4. BUSINESS CASE

4.1 It is vital that the move to Smarter Working has strong support from Members and Senior Management. Without strong messages coming down, individual managers may resist or introduce compromise that will in the end lead to failure of the project. So the vision and the broad direction of the changes need to be clearly understood by everyone at the outset and throughout implementation.

4.2 The business case for Smarter Working is relatively straightforward:

The Council will invest in:

- The working environment
- Technology and business processes
- Flexible working practices

The benefits are:

- Lower operating costs
- Higher productivity
- Improved staff performance
- Better service delivery

In addition, non-financial benefits can include improved environmental and social sustainability and better employee health and wellbeing.

4.3 In summary, investing in a combination of new working environments, technology, business processes can deliver substantial business benefits.

## 5. IMPLEMENTING CHANGE

- 5.1 Implementing the changes will involve close liaison between members, senior management, the facilities team, estates, IT and HR working with the management of service teams undergoing the change. This will likely involve rethinking the culture and management practices of the service. To help support this approach, the services of Portsdown Office Ltd have been procured to assist with interior designers/project managers/furniture suppliers. They are a local business that has done significant work for Hampshire County Council and previously assisted the Council.
- 5.2 The Council recognises that it is not in a position to do everything at once; there are constraints on the investment in IT, the availability and suitability of accommodation. There are also opportunities with the need to vacate Lymington Town Hall with demand from new tenants to occupy the space. The approach to change both recognises these constraints as well as taking the opportunities to progress Smarter Working.
- 5.3 Following on from this strategic approach detailed below is the Council's implementation plan for 2018-2020 which covers the themes of Culture, Technology and Workspace. The themes are running in parallel and cover the following key areas:
- Learning and support for staff and managers – this has involved both managers and employee sessions for some service areas with further sessions completed by March 2019. This gives staff a chance to discuss the changes and opportunities smarter working will offer, with action plans to support the teams through the change
  - We are working with Portsdown to deliver modern flexible workspaces in Appletree Court (Ground floor south wing) and will also focus on the much-needed drop in spaces across the District.
  - On the technology theme, we are 60% through the roll out of Hybrid Devices (Laptops), with the first phase of Office365 implementation scheduled for March 2019.

Tasks	Q4, 18	Q1, 19	Q2, 19	Q3, 19	Q4, 19	Q1, 20	Q2, 20	Q3,20	Theme
Learning and support for Staff and Managers									Culture
Workspace changes									Workspace
New ICT infrastructure and Hybrid Device roll out									Technology
Office 365 - Phase 1 email, instant messenger									Technology
Office 365 - Phase 2 external telephony									Technology
Office 365 Phase 3 – replace Meridio with SharePoint									Technology

## **6. BUDGET INVESTMENT PLAN**

- 6.1 Investment in technology and accommodation is essential to meet the key themes of Smarter Working:

### **6.1.1 TECHNOLOGY**

The aim of Smarter Working is to enable our staff to work from any location. In practical terms, the appropriate technologies for the future are 'hybrids' combining the best features of laptops with the touch-screen ease of use of tablets, rather than desktop computers. These are then combined with new ICT infrastructure, together with a new communications network, new ways of remotely connecting into it, and new in-office Wi-Fi. All of this will make flexible working a practical reality for staff. Choosing the right technologies for staff has been based on a rigorous assessment both of operational and user needs, as well as an awareness of the ever-increasing possibilities as technologies evolve.

Effective use of new technologies is central to Smarter Working. With the right technology choices, staff can work more effectively in the office and away from it, using internet, broadband and wireless communications to work at the most effective times and locations. The focus is on empowering employees wherever they work with productivity tools, collaboration tools and access to systems and data.

### **6.1.2 WORKSPACE**

The aim is to create attractive and inspiring work environments across the Council that support the new work styles, increase the adaptability of space, and increase performance. A smart and flexible approach to office design will seek to achieve these benefits while at the same time achieving significant savings and efficiency gains. Unlike, traditional offices, which are based on having ranks of personally allocated desks, Smart office environments will have a mix of work positions and meeting spaces where work can be carried out.

While one of the aims is to have offices utilised more efficiently and to save costs by eliminating wasted space, it is also the aim to use under-occupied space to provide alternative non-desk spaces that are closely aligned to the needs of modern, Smart employees.

Some interesting facts are that a traditional office is used only 30% of the time (Monday to Friday 8am to 6pm); typical desk occupancy is 45% and office costs per desk are around £5,000 per annum on average. There is an opportunity for significant financial savings.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 The transition towards Smarter Working and the need for investment in order to deliver was recognised by the Council with budget provision approved (Feb '18) within the Council's MTFP capital programme 2018/19 – 2020/21. The budget provision approved by Council over the 3 financial years was £3.5m. This was intended to cover in addition to any upfront Design and Feasibility work, ICT requirements and accommodation and related expenditure when opportunities to progress the Council's readiness for Smarter Working occurred.
- 7.2 When opportunities arose, Cabinet was given authority by Council to develop and authorise draw down on this budget as appropriate.
- 7.3 The development of the Council's ICT strategy recognises the important role it can play in ensuring the Council best utilises technology in the future design of services. The essential replacement of the existing Avaya telephone system and the existing Meridio electronic document filing and retention solution creates the opportunity to develop solutions that support the development of Smarter Working. The introduction of Office 365, which provides Email, Calendar, Office tools as well as Skype for telephony and SharePoint for document management has been identified as the best way forward. Replacement of Meridio alone is

estimated at £250,000 and Telephony has a similar cost. Full implementation of Office 365 is estimated to require investment of about £750,000 spread over the next 18 months, with an ongoing net annual cost of around £200,000 per annum.

- 7.4 The opportunity to move the Revenue & Benefits team from Lymington Town Hall to Appletree Court not only generates a net saving and income opportunity of approximately £140,000 per annum it provides the opportunity to redesign the ground floor of the South Wing, in addition to improvements to a limited number of other workspaces at Appletree Court, making them all Smarter Working Workspaces.
- 7.5 Work is ongoing with the Council's appointed design and building contractors on these initial areas of Appletree Court. In addition other and existing satellite sites, like Ringwood Gateway are being reviewed to determine whether investment could create more suitable Smarter Working workplaces.

- 7.6 In order to deliver the types of benefits set out in this report Cabinet is asked to approve the utilisation of budgets previously provided in the MTFP of £1.25 million to be utilised as follows:

	<b>£'000</b>
Office 365 Including Meridio	750
Accommodation Changes	500
	<b>1,250</b>

- 7.7 Identified annual financial benefits/additions that achieve a neutral budget position as required by the MTFP, are as follows:

Rental from Lymington Town Hall	(140)
ICT annual costs (Office 365)	200
Savings and productivity to be identified from Smarter Working transition	(60)

**TOTAL CHANGE TO ANNUAL REVENUE POSITION** **Neutral**

- 7.8 The accelerated technology equipment replacement programme is well underway; this will enable Smarter Working to progress. It is being funded by bringing forward funds earmarked for the next 2 financial years, that would probably been utilised for more general equipment replacement (this equates to £150K p.a. over the next 2 years).

## **8. CRIME AND DISORDER, EQUILITY AND DIVERSITY AND ENVIRONMENTAL IMPLICATIONS**

- 8.1 None arising directly from this report.

## **9. PORTFOLIO HOLDERS' COMMENTS**

### **Leader and Corporate Affairs:**

It is important we continue to develop and change into a fit-for-purpose organisation for the future, and invest in suitable technology for our staff and customers alike.

### **Finance, corporate Services and Improvement:**

We continue to invest in technology to ensure that we deliver for our residents in both timely and cost efficient ways.

## 10. RECOMMENDATION

- 10.1 That the strategic approach to Smarter Working, as set out in this report, be endorsed; and
- 10.2 Approve the utilisation of £1.25 million of the Medium Term Financial Plan Smarter Working budget previously approved by Council in 2018 to 2020. .

**For further information contact:**

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**Background Papers:**

None