

Y BWRDD GWEITHREDOL

31^{AIN} GORFFENNAF 2017

CYNLLUN BUDDSODDI - GWEITHIO YSTWYTH

Ystyried cynllun cyflawni/buddsoddi i helpu i gyflwyno gweithio ystwyth ar draws yr Awdurdod.

Yr Argymhellion / penderfyniadau allweddol sydd eu hangen:

- Cymeradwyo cyfanswm cyllid o £1.9 miliwn dros 4 blynedd ariannol lle bydd angen cyfanswm buddsoddiad o £405k ar gyfer 17/18 a £861k ar gyfer 18/19 i gefnogi elfennau cynllun cyflawni'r prosiect gweithio ystwyth yn ymwneud ag eiddo, TG a rheoli prosiect gyda'r nod o arbed cyfanswm o £500k bob blwyddyn a £2.518m ar ôl 5 mlynedd.
- Cymeradwyo'r cynigion ar gyfer cyllido buddsoddiad cyfalaf fel yr amlinellir yn y Goblygiadau Ariannol
- Helpu i lywio'r Strategaeth Swyddfeydd ddiwygiedig ar gyfer yr Awdurdod drwy gytuno pa adeiladau gweinyddol y dylai'r cynllun cyflawni gweithio ystwyth ganolbwyntio arnynt a pha adeiladau y dylid eu rhyddhau o ganlyniad i effaith y dull ystwyth o weithio.

Y Rhesymau:

- Cyflwynwyd Cynllun Buddsoddi - Gweithio Ystwyth i'r Tîm Rheoli Corfforaethol ar 16 Mai 2017 oedd yn egluro'r goblygiadau o ran arbedion a chostau sy'n gysylltiedig â rhoi'r prosiect ar waith.
- Gofynnodd y Tîm Rheoli Corfforaethol fod adolygiad arall yn cael ei gynnal ynghylch sut y gellir cyflawni elfennau'r cynigion am arbedion yn ymwneud ag absenoldeb salwch ac eiddo a bod cynllun buddsoddi diwygiedig yn cael ei ddatblygu.
- Mae'r adroddiad hwn yn cynnwys cynnig am arbedion a gymeradwywyd gan y Tîm Rheoli Corfforaethol ar 13 Mehefin, ynghyd â chanlyniadau adolygiad arall o'r costau cyfalaf a referniw sy'n gysylltiedig â chyflawni elfennau TG y prosiect.

Angen i'r Bwrdd Gweithredol wneud penderfyniad Oes

Angen i'r Cyngor wneud penderfyniad Nac oes

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cyng. Mair Stephens (Dirprwy Arweinydd) a'r Cyng. David Jenkins, (Adnoddau)

Y gyfarwyddiaeth:	Swydd:	Rhifau ffôn: / Cyfeiriadau E-bost:
Ruth Mullen	Cyfarwyddwr yr Amgylchedd (Arweinydd Strategol)	RMullen@sirgar.gov.uk 01267 224647
Jonathan Fearn	Pennaeth Eiddo (Arweinydd Cyflawni Prosiect)	JFearn@sirgar.gov.uk 01267 246244
Awdur yr Adroddiad: Jon Owen	Rheolwr Rhaglen TIC	JOwen@sirgar.gov.uk 01267 224522

EXECUTIVE SUMMARY

EXECUTIVE BOARD

31ST JULY 2017

AGILE WORKING INVESTMENT PLAN

Purpose of report

- To consider an investment plan to support the further implementation of agile working initiatives across the authority.

Background

- An Agile Working Business Case was reported to CMT in February 2017, which concluded that significant savings (£9m over 5 years), could be achieved from the implementation of agile working, but that there would also be significant implications for the Council's office accommodation portfolio in terms of potential release of buildings, some of which would be both politically and commercially problematic to deliver.
- The project team was therefore asked to develop a realistic proposal which would set out the savings and cost implications associated with delivering the project. The investment plan report considered by CMT on the 16th May identified potential 5 year cumulative savings of £5.3m after an initial capital investment of £2.1 million.
- CMT requested that a further review be undertaken of the deliverability of the property and sickness absence elements of the savings proposals and that a revised investment plan be developed.
- This revised plan incorporates an amended savings proposal, together with the outcomes of a further a review of the capital and revenue costs associated with delivering the IT elements of the project.

Revised Investment Proposal

- The total investment required is £1.9m over 4 financial years with £405k required for 2017/18.
- The plan includes property savings projections of £220k realised in full per annum from year 5, to be achieved from costs savings arising from disposal of 4 properties (Nant-y-Ci; 5-8, Spilman Street, Town Hall, Ammanford, and the Old Library, Ammanford) - £120k), together with rental income linked to the ability to release parts of sites such as Parc Dewi Sant and Parc Myrddin (£100k).
- This proposal does not include savings relating to potential reductions in staff sickness.
- This proposal would generate a net annual saving of **£502,000** and net cumulative savings of **£2.5m** after 5 years.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Ruth Mullen, Director of Environment (Strategic Lead –TIC Digital Transformation Project)

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	NONE	YES	YES	NONE	YES	YES

1. Policy, Crime & Disorder and Equalities

- An Agile Working Policy has recently been approved by CMT/Executive Board.

1. Finance

- The business case has identified annual savings of £500k through the implementation of agile working, with total cumulative savings of £2.5m to be achieved over a 5 year period. In terms of property related savings, although it is recognised that it may not be possible to dispose of Parc Myrddin as an entire site for sale, the roll out of the agile approach could provide the impetus to seek opportunities to release further parts of the portfolio for rent. It is estimated that this could generate over £100k of rental income a year and this has now been factored into the savings estimates within the options appraisal exercise.
- There will be capital receipts associated with the sale of buildings to be released as part of the implementation of the agile delivery plan.
- The investment plan identifies total capital costs of £ 1.9m to be incurred over a 3 year period including £1.05m (property costs); £692k (IT costs) and £160k (project management), together with full year revenue implications of £257k from 21/22 (part year costs of £128k from 20/21) in order to ensure that the approach is sustainable from an IT perspective.
- The phasing of the capital investment and potential funding is currently as follows:

	2017-2018 £'000	2018-2019 £'000	2019-2020 £'000	2021-2022 £'000
Capital requirement	405	861	521	115
Funding Source:				
Development Fund	-405			
Capital receipts from released buildings		-315	-300	-320
Unfunded	0	546	221	-203

- It is proposed that the 2017-2018 Capital requirement of £405k is funded from the Authority's

Development Fund. The balance in the Development Fund available for new projects is £635k, and in common with a number of applications over recent years it is proposed that the criteria that assistance is restricted to 25% of the available fund resources is set aside. The Fund repayments will be £101.25k per annum over 4 years, being met from the savings generated.

- It is proposed that the unfunded capital elements of the project be kept under review and be prioritised when the 5 year capital programme is revisited and updated.

3. ICT

- The initial business case concluded that the authority could achieve significant financial benefits by providing staff with the appropriate IT equipment to work in a more agile way and thereby adopt smarter, more productive ways of working.
- The main focus of the IT delivery plan is to support the authority in changing the ratio of Fixed, Flex and Field employees. The total net cost of this investment is estimated to £692k over 4 financial years.
- It is estimated that at the end of the end of the 3 year deployment of agile working, ICT Services will need to replace laptop/pc's to keep the estate performing well. The net revenue costs of this on-going investment will be £257k pa from 21/22 (part year effect of £128k in 20/21).

6. Physical Assets

- The project delivery plan has been developed which sets out key priorities for the project and time-lines for implementation. This plan has been aligned with the objectives of the authority's Office Accommodation Strategy with a view to supporting the delivery of associated financial savings. A more comprehensive Strategy is to be developed during 2017.
- The delivery plan proposes that up to 4 buildings could be released as a result of the implementation of agile working initiatives which could generate revenue savings of £220k by 2020.
- The implementation of the agile delivery plan could generate additional spare capacity within the retained administrative buildings which could then be made available for rent/lease to other public sector partners/private sector. Although it is recognised that it may not be possible to dispose of Parc Myrddin as an entire site for sale, the roll out of the agile approach could provide the impetus to seek opportunities to release further parts of the portfolio for rent. It is estimated that this could generate over £100k of rental income a year and this has now been factored into the savings estimates within the options appraisal exercise.
- There will be capital receipts associated with the sale of buildings to be released as part of the implementation of the agile delivery plan, which have not been factored into the savings

identified as they would form part of future capital programme funding.

- The investment plan identifies that up to a £1m may be required to adapt buildings/offices to create an agile friendly environment including building design/alteration; creation of hot-desking facilities and the purchase of appropriate furniture.

7. Staffing Implications

As part of the sign up to the high level business case to implement agile working initiatives, Corporate Management Team agreed that dedicated posts should be created to support the project management of the programme. It was suggested that these resources (2 posts) should sit within the TIC team in order to reflect the need for a more corporate drive to implementation.

It is proposed that 2 temporary posts are created :

- Project Manager X 1
- Project Coordinator X 1

The estimated cost of this resource over 2 years is £160,000.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Ruth Mullen, Director of Environment (Strategic Lead – TIC Digital Transformation Project)

1. Scrutiny Committee

N/A

2. Local Member(s)

N/A

3. Community / Town Council

N/A

4. Relevant Partners

N/A

5. Staff Side Representatives and other Organisations

Consultation with recognised trades unions via the Corporate Employee Relations Group on the revised Agile Working Policy

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE