

Y BWRDD GWEITHREDOL

23/10/17

CYNLLUN BUDDSODDI - GWEITHIO YSTWYTH

Y Pwrpas: 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 £481k bob blwyddyn a £2.433m ar ôl 5 mlynedd.
- Cymeradwyo'r cynigion ar gyfer cyllido'r buddsoddiad cyfalaf, fel y'u disgrifiwyd yn y Goblygiadau Ariannol, gan gynnwys defnyddio Cronfa Ddatblygu'r Cyngor i gyllido gofyniad cyfalaf gwerth £405k ar gyfer 2017/18.
- 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, mewn egwyddor, y dylid eu rhyddhau o ganlyniad i effaith y dull ystwyth o weithio. Fodd bynnag, bydd swyddogion yn cael cyfarwyddyd i fod yn hyblyg o ran dull ac yn agored i gyfleoedd os byddant yn codi.
- Rhoi cyfarwyddyd i swyddogion adrodd ymhellach ar weithredu'r cynllun cyflawni.

Y Rhesymau:

- Mae'r Cynllun Buddsoddi Gweithio Ystwyth yn egluro'r goblygiadau o ran arbedion a chostau sy'n gysylltiedig â rhoi'r prosiect ar waith.

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 & Y Cyng. David Jenkins,
Adnoddau**

Y gyfarwyddiaeth:	Swydd:	Rhifau ffôn: / Cyfeiriadau E-bost:
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**EXECUTIVE SUMMARY
EXECUTIVE BOARD
23RD OCTOBER 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

The implementation of agile working is now recognised as a key organisational priority which is being progressed as part of a wider digital transformation project under the umbrella of the Council's Transform, Innovate and Change (TIC) Programme.

The key aim of the project is to help 'the Council realise financial savings through the rationalisation of buildings and to help support the delivery of wider organisational benefits'. An Agile Working Business Case was reported to Corporate Management Team 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 more modest proposal which would set out the savings and cost implications associated with delivering the project.

The project is being overseen at a strategic level by the TIC Digital Transformation Steering Group, chaired by the Director of Environment, supported by an Agile Working Delivery Group, chaired by the Head of Property.

A revised Agile Working Policy was approved by the Executive Board in May 2017. This sets out a series of policy commitments which are to be used to support the implementation of the agile approach across the Council.

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 £218k over a 5 year period, to be achieved from costs savings arising from disposal of 3 properties (Nant-y-Ci; 5-8, Spilman Street, Carmarthen; Parc Amanwy, Ammanford), 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 anticipated potential reductions in staff sickness.

This proposal would generate a net annual saving of £481k and net cumulative savings of £2.433m 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	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
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and Equalities YES	NONE	YES	YES	NONE	YES	YES
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1. Policy, Crime & Disorder and Equalities

A revised Agile Working Policy was approved by Executive Board in May 2017. This sets out a series of policy commitments which are to be used to underpin the implementation of the agile approach across the Council.

3. Finance

The business case has identified annual savings of £481k through the implementation of agile working, with total cumulative savings of £2.433m to be achieved over a 5 year period. In terms of property related savings, 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 4 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	2020- 2021 £'000
Capital requirement	405	861	521	115
Funding Source:				
Development Fund	-405			
Capital receipts from released buildings		-315	-300	-320
Unfunded	0	546	221	-205

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.

4. 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).

7. 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 in coming months.

The delivery plan proposes that 3 buildings could be released as a result of the implementation of agile working initiatives which could generate revenue savings of £218k by 2022.

The implementation of the agile delivery plan could also generate additional spare capacity within the retained administrative buildings which could then be made available to lease to other public sector partners or the private sector. . 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 around £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.

6. 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:

Agile Working Policy, Executive Board, Item 8, 2nd May 2017:

<http://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?CId=131&MId=714&Ver=4>