

TIC Agile Working Project

Agile Working Investment Plan

October 2017

1. Purpose of report

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

2. 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 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 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 Services.
- 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.

3. Delivery Plan - Property

3.1 Impact on buildings

- One of the key aims of the project will be to adapt designated Council buildings in order to create a work environment that supports the move to a more agile way of working. This could involve changes to the internal design and layout of buildings (where appropriate), in order to create more suitable, open plan office environments, together with the use of designated hot-desking facilities.
- The purchase of more appropriate office furniture and the adoption of desk ratio principles as outlined within the agile working policy (*Fixed Worker* 1:1; *Flexible Worker* – no more than 8:10; *Field Worker* no more than 5:10), will allow for more effective use of space and allow more staff to be accommodated in the designated buildings.

3.2 Rationalisation of buildings

- The natural consequence of accommodating more staff in a smaller number of buildings is that other buildings within the portfolio can be released for disposal or lease, thus allowing for revenue savings / capital receipts to be delivered.
- The opportunities presented by agile working will help the authority to continue to progress its property rationalisation programme, which has been in place for a number of years.
- The Council's Office Accommodation Strategy 2014-2017 recognises the important contribution that property related savings can make in helping the Council respond to its on-going financial challenges.

'The challenges going forward will continue to relate to rationalisation of the current stock to reduce revenue commitments, which is essential in assisting with the Council's efficiency savings'

Office Accommodation Strategy 2014-2017.

- Over the last 5 years, the Council has vacated a number of buildings which has generated approximately £385,000 in revenue savings. A number of these buildings were subsequently sold, which also generated over £1m in capital receipts.

Office buildings vacated/sold over last 5 years

Building	Revenue	Capital
Lime Grove Offices, Carmarthen*	£83,417	N/A Leased
40, Spilman Street, Carmarthen	£35,192	£165,000
Crescent Road Day Centre, Llandeilo	£12,251	£332,500
13, Guildhall Square, Carmarthen*	£13,727	N/A Leased
5, Llys Glas, Ammanford*	£13,727	N/A Leased
Pensarn Offices, Carmarthen	£40,000	£200,000
Old Johnstown School, Carmarthen	£100,000	£83,000
1, Spilman Street, Carmarthen	£17,000	£145,000
2, Spilman Street, Carmarthen	£11,000	£85,000

** Buildings previously leased by Council with lease now surrendered*

- The current budget strategy includes a further £130,000 of revenue savings arising directly from the introduction of agile working in 2018/19 and 2019/20. This has been a focus of property-related efficiencies for several years. The new Office Accommodation Strategy for 2018 onwards will focus more fully on Agile Working and identify the property implications in more detail.

3.3 Accommodation Review

- As part of the development of the agile working implementation programme, a review of the existing office accommodation portfolio has been undertaken to identify those buildings to be included in

the agile working investment programme, together with those surplus buildings which could then be released for potential disposal or rent.

- A number of factors have been brought into consideration as part of this review, including the potential adaptability of the building to suit an agile approach and the additional capacity to be created as a result of these changes; the commercial viability of being able to sell/ lease a building; the need to continue to provide access to key Council facilities and the need to maintain a Council presence and footfall in the major towns.
- The implementation of agile working will also be subject to on-going monitoring and review. While certain buildings have been identified for potential disposal or letting, the project would continue to evolve as it progresses and respond to market conditions. If, for example, a business was seeking to expand and approached the Council to use a property not identified as part of the Review, the programme may change to accommodate this requirement. However, this approach would need continue to take into consideration some of the factors outlined above, such as the need to maintain a presence and footfall in the major towns.

3.4 Creating capacity in buildings

3.4.1 The review has identified that implementing an agile approach in designated buildings across the portfolio could generate significant additional capacity within these buildings.

Building	Current Space Requirement (sq metres)	Potential Requirement after agile working (sq metres)	Potential spare capacity (sq metres)
3, Spilman Street	1770	1340	430
Parc Dewi Sant	5,271	3,990	1,281
Parc Myrddin	1,431	1,083	348
Ty Elwyn	1,943	1,471	472
East Gate	873	661	212
Municipal Buildings, Llandeilo	753	570	183

Spilman Street – Space Survey

- An initial pilot to test assumptions has been undertaken at the 3, Spilman Street building in Carmarthen, where Vodafone Consultants were engaged to undertake a study of office occupancy, utilisation and storage.
- Some of the key findings from the review are included below :
 - 19% of desks were never, or rarely, occupied over the review period.
 - Only 13% of desks were occupied for more than 70% of the working day and 41% for more than half of the working day, suggesting that users are already spending considerable time away from their desks.

- The average occupancy across all teams/services within the building was 49%. Raising occupancy from 41% to 65% (an accepted minimum target for hot-desking) would reduce the number of desks needed, based on current working practices, from the current 237 to around 150 desks. The corollary is that the current 237 desks could support around 365 people.
- For 88% of the working day, meeting rooms were on average empty and 70% of meetings were of four or fewer people.
- A significant amount of space was taken up with 'non-desk storage' which includes cupboards, filing cabinets, open shelving and paper and files stored on the floor or open surfaces.

3.5 Buildings to be released

- **An accommodation review has identified that the following 3 buildings could be released following the implementation of the agile working programme:**
 - **Nant-y-Ci, Carmarthen**
 - **5-8, Spilman Street, Carmarthen**
 - **Parc Amanwy, Ammanford**

3.6 Staff relocation

- One of the consequences of the closure of office buildings is that staff and services operating from those buildings will need to be re-located. The project will aim to ensure that there is minimum disruption to services and staff as a result of these changes and, where possible, will aim to ensure that staff are relocated to other buildings within the same town.
- Decisions regarding the re-location of staff will also be determined by the nature of the service provided and whether there is a need to ensure access for customers and elected members.
- Through introducing agile working arrangements, staff would be encouraged to base themselves in the area of the County they were working in that day, rather than necessarily returning to their traditional office location. This would potentially optimise the occupancy of the remaining buildings.
- There will also be an opportunity for staff to work from various locations, including from home, where appropriate and subject to business need, which would further reduce the office space required.

3.7 Property investment required

- As outlined above, the move to create a more agile working environment could require adaptations to the design and layout of designated buildings and / or the purchase of suitable office furniture.
- However, due to the nature of the existing design of a number of these buildings, the potential for significant adaptations and changes to the internal layout would be limited. Only 3, Spilman Street and Ty Elwyn buildings were identified as having the potential for significant internal modifications. As Ty Elwyn had been subject of a significant refurbishment programme in the last 3 years, it was agreed that a further feasibility study of the costs / benefits of adapting a building should focus on 3 Spilman Street.
- The results of this initial feasibility study have estimated that the total costs of adapting 3 Spilman Street to a fully agile-friendly environment could be in the region of £3m. The payback on investment

through the ability to release other buildings would not be sufficient to allow this proposal to be financially viable in its current form, and therefore other options will need to be considered; for example, adapting specific parts of the building.

- Therefore the investment requirements for this initial phase of the programme are mainly focussed on the potential minor building modifications (removing partition walls) and the estimated costs of purchasing suitable office furniture for 3, Spilman Street and other buildings within the scope of the project. There may also be a requirement to commission external specialists to support the re-design of office lay-outs and the selection/ purchase of appropriate furniture.

Cost Element	Description	£
Building Adaptations	Adaptations to the internal make-up of buildings to create a more agile work environment.	£820K
Furniture	Purchase of appropriate office furniture in order to fully optimise space and create agile friendly environment	£200k
Office Design/ Moves	To finance the costs of staff moves linked to the implementation of agile delivery plan	£30K
	Total	£1,050m

3.8 Property related savings

Revenue Savings

- There will be revenue savings to be achieved through the release of administrative buildings as part of the implementation of the agile delivery plan.

Building	Property Costs – Annual Saving	IT Costs – Annual Saving
5-8 Spilman Street	£21k	nil
Nant-y-Ci	£31k	£2.78k
Parc Amanwy	£66k	£2.6k
Total	£118k	£5.38k

Other income

- The implementation of the agile delivery plan could 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.
- Although it is recognised that it may not be possible to close and sell further buildings, the roll out of the agile approach could provide the impetus to seek opportunities to release further parts (specific blocks or floors) at various locations for rent. Parc Myrddin or St David’s Park would lend themselves most easily to rental of part, although we would look to seek rental opportunities wherever presented across the County.
- 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.

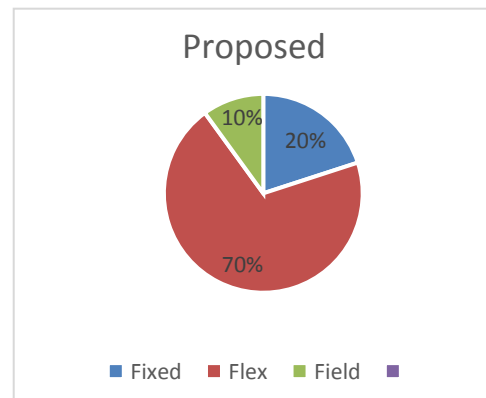
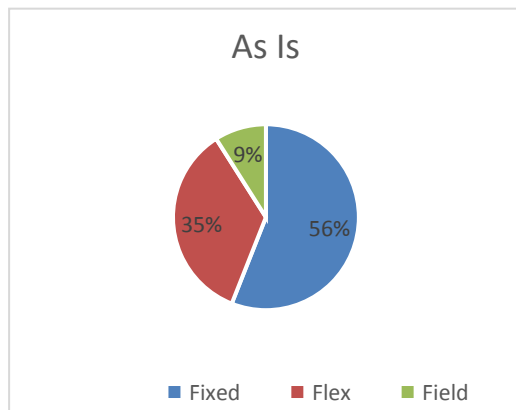
Capital Receipts

- There will be capital receipts estimated as **£900k** associated with the sale of buildings to be released as part of the implementation of the agile delivery plan.

4 Delivery Plan – IT

4.1 Initial capital investment

- 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



Current position	Number	%
Lap-tops	1,509	46%
PC's	1,788	54%
Total Devices	3,297	
Desired Position		
Lap-tops	2,638	80%
PC's	659	20%
Total Devices	3,297	
Total Number of lap-tops required (to meet desired position) – minus existing lap-tops	(2,638 – 1,509)	
Net requirement	1,129	
Number of existing laptops greater than 4 yrs old by 1st Sept 2017	530	
Total Number Required / Cost Laptops Required	1,659 £995,000	
Other costs		
Docking Stations	£116,130	
Softphone Licences	£44,000	
Monitors	£53,820	
Corporate Wif-fi	£83,680	
Total	£297,630	
Total Lap tops plus other costs	£1,292,630	
Funding Available via existing programme	-£600,000	
Initial investment required over 3 years	£692,630	

- There is the potential to reduce this amount by a further **£214,000** if it was decided that other costs such as docking stations and monitors were to be funded from departmental budgets. However, there is a concern that this could compromise the ability to deliver a consistent approach during the roll out of the IT element of the programme.

4.2 Sustainability – future IT revenue implications

- It is estimated that at the end of the 3 year deployment of agile working, ICT Services will need to replace 659 laptops per annum based on a 4 year lifecycle to keep the estate performing well. Extending the life of equipment in the past has significantly impacted on the productivity of users. There would be a need to replace 113 PC's a year, based on a 6 year life-cycle for PC's. However, it is envisaged that there wouldn't be a need to procure a new PC for at least 3 years due to the number of reusable PC's that will become available as a result of the transformation exercise.

Requirement	Number	Cost (per annum)
Replacement of lap-tops per annum based on 4 year life-cycle	659	£415,170
Replacement of 113 PC's a year based on 6 year life -cycle	113	£41,528
Total	772	£456,698
Current Replacement Programme Funding		-£200,000
Additional Revenue Funding Requirements (from 21/22)		£256,698
		(Part year effect of £128k in 20/21).

4.3 IT Savings

- As outlined earlier in the report, the implementation of agile working will allow some administrative buildings to be released for disposal. These buildings contain communications equipment and network links connecting them to the corporate network and decommissioning buildings would result in approximately **£5k** of savings.

5 Project Management Resource

- 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 approach to implementation.
- 2 temporary posts are being created:
 - Project Manager X 1
 - Project Coordinator X 1
- The estimated cost of this resource is approximately £80 pa for 2 years (total cost 160k).

6. Project Investment/ Savings

6.1 Summary of Investment implications

Investment Required	Over 3 years
Investment in property	£1,050,000
IT investment	£692,000
Project Team	£160,000
Total	£1,902,000

6.2 Savings

- This investment plan now includes revised property savings projections of £218,000 over a 5 year period, to be achieved from revenue costs savings arising from disposal of 3 properties (Nant-y-Ci; 5-8, Spilman Street, Carmarthen and Parc Amanwy, Ammanford), together with rental income linked to the ability to release parts of sites such as Parc Dewi Sant and Parc Myrddin.
- The investment plan also identifies that further savings will be made in relation to areas such as paper, print, staff travel and the management of pool cars, as staff adopt smarter and more efficient ways of working.
- It is anticipated that agile working will also deliver wider organisational benefits, such as reductions in sickness absence levels, although it is difficult to quantify this effect and therefore these have not been factored into the savings projections.
- This option would generate a net annual saving of **£480,000** and net cumulative savings of **£2.4m** after 5 years.

Cost Area	Annual Saving	Savings by year 5 (Cumulative)
Savings		
Property	£218,000	£733,500
Printing	£150,000	£675,000
Paper	£25,434	£114,453
Pool and department cars	£87,416	£393,372
Business Travel	£254,271	£1,144,219
IT Saving	£5,356	£24,220
Total	£740,477	£3,084,764
Costs		
Home Workers	-£1,944	-£9,720
Technology (revenue from 20/21)	-£256,698	-£641,745
Total	-£258,642	£651,465
Total	£481,835	£2,433,299

7. Communication Plan

Executive Board	October 2017
Departmental Management Teams	November 2017
Heads of Service Forum	November 2017
Divisional Management Teams (for staff involved in first phase of project)	November 2017
Establishment of project groups in specific buildings	December 2017

Appendix A

Town	Administrative Buildings to be retained and adapted to support agile approach	Administrative Buildings to be sold / leased	Staff relocation proposals (subject to consultation with services and staff)
Carmarthen	<ul style="list-style-type: none"> County Hall 3, Spilman Street Parc Dewi Sant Parc Myrddin 	<ul style="list-style-type: none"> Nant-y-Ci (March 2018) 5-8 Spilman Street (Sept 2018) 	<ul style="list-style-type: none"> Parc Dewi Sant 3, Spilman Street
Llanelli	<ul style="list-style-type: none"> Town Hall Ty Elwyn East Gate 	<ul style="list-style-type: none"> None 	
Ammanford	<ul style="list-style-type: none"> Town Hall, Ammanford Old Library, Ammanford 	<ul style="list-style-type: none"> Parc Amanwy (March 2019) 	<ul style="list-style-type: none"> Ammanford
Llandeilo	<ul style="list-style-type: none"> Municipal Buildings 	<ul style="list-style-type: none"> None 	

Capital Costs

	17/18	18/19	19/20	20/21	Total
IT Investment	£115,000	£231,000	£231,000	£115,000	£692,000
Project Management	£40,000	£80,000	£40,000		£160,000
Buildings	£250,000	£550,000	£250,000		£1,050,000
	£405,000	£861,000	£521,000	£115,000	£1,902,000

Revenue Costs/Savings Projections -

Cost Area	Current Annual Costs	Projected Annual Costs	Income	Annual Saving/cost	Savings by Year 5
Savings					
Property	£2,605,566	£2,487,566	£100,000	£218,000	£733,500
Printing	£300,000	£150,000		£150,000	£675,000
Paper	£51,434	£26,000		£25,434	£114,453
Pool and Departmental Cars	£349,664	£262,248		£87,416	£393,372
Business Travel	£1,017,083	£762,812		£254,271	£1,144,219
IT Savings				£5,356	£24,220
			Total	£740,477	£3,084,764
Costs					
Home Workers	£216	£2,160		-£1,944	-£9,720
Technology	£1,850,000	£2,106,698		-£256,698	-£641,745
	£1,850,216	£2,108,858		-£258,642	-£651,465
				£481,835	£2,433,299

Savings Profile

Appendix C

	17/18	18/19	19/20	20/21	21/22	22/23	Total
Property*		£41,500	£138,000	£158,000	£178,000	£218,000	£733,500
Printing		£75,000	£150,000	£150,000	£150,000	£150,000	£675,000
Paper		£12,717	£25,434	£25,434	£25,434	£25,434	£114,453
Pool and Departmental Pool Cars		£43,708	£87,416	£87,416	£87,416	£87,416	£393,372
Business Travel		£127,135	£254,271	£254,271	£254,271	£254,271	£1,144,219
IT		£2,796	£5,356	£5,356	£5,356	£5,356	£24,220
Total		£302,856	£660,477	£680,477	£700,477	£740,477	£3,084,764
Costs							
Home Workers		£1,944	£1,944.00	£1,944.00	£1,944.00	£1,944.00	£9,720.00
IT				£128,349.00	£256,698.00	£256,698.00	£641,745.00
Total		£1,944.00	£1,944.00	£130,293.00	£258,642.00	£258,642.00	£651,465.00
Net Cumulative Saving		£300,912	£658,533	£550,184	£441,835	£481,835	£2,433,299

*Properties to be released:

Nantyci Release by March 18 (31k)

5-8 Spilman Street Sep 18 (21k)

Parc Amanwy – March 19 (£66k)

Income from release of parts of PDS and PM- £100k by end of year 5

Agile Working Project - High Level Implementation Plan – Key milestones

Appendix D

Phase	Time-scales	Agile Initiatives	Implications
Phase 1	2017/18 – 2018/19	<p>Agile Working Office environments to be created at Blocks 2 & 4, Parc Dewi Sant and 3, Spilman Street, Carmarthen.</p> <p>Roll out of IT kit - to be prioritised to support relocation of teams/creating space in designated buildings (Parc Dewi and Spilman Street) / teams in other buildings to support move to flexible/field.</p> <p>Supporting New Ways of working – initiatives to support managers and teams to work in an agile way</p> <p>Hot-Desking Facilities to be created at 3, Spilman Street, Carmarthen and facilities in other buildings with details to be confirmed.</p>	<p>Release of Nant-y-Ci (March 18) , Carmarthen and 5-8, Spilman Street Carmarthen (Sept 18) for disposal</p> <p>Potential that Block 8, PDS be released for rent by 19/20</p>
Phase 2	2018/19-2019/20	<p>Agile Working Office environments to be at Town Hall, Ammanford and other designated buildings</p> <p>Roll out of IT kit - to be prioritised to support relocation of teams (Parc Amanwy)/creating space in designated buildings Town Hall.Ammanford and other buildings)/ teams in other buildings to support move to flexible/field.</p> <p>Supporting New Ways of working – initiatives to support managers and teams to work in an agile way</p> <p>Hot-Desking Facilities to be created at Town Hall, Ammanford and facilities in other buildings with details to be confirmed.</p>	<p>Release of Parc Amanwy for disposal or rent by March 2019.</p> <p>Release of other office accommodation for sale or rent (TBC)</p>
Phase 3	2019/20-2021/22	<p>Agile Working Office environments – to informed by potential to release further buildings for sale or rent</p> <p>Roll out of IT kit - to be prioritised to support relocation of teams creating space in designated buildings.</p> <p>Supporting New Ways of working – initiatives to support managers and teams to work in an agile way.</p> <p>Further roll out of Hot-Desking Facilities</p>	<p>Release of other office accommodation for sale or rent (TBC)</p>

