

## Corporate Services Overview and Scrutiny Committee

16th October 2013

### Update Report - Progress on Property Rationalisation Programme

#### Recommendation

To consider the report, asking questions in relation to its content and making recommendations if considered appropriate.

#### 1.0 Key Issues

- 1.1 This report is the 5th progress report in line with the Committee's request for regular progress reports, on the progress of the Property Rationalisation Programme (PRP).
- 1.2 This report provides detail on the current progress on the Property Rationalisation Programme, by highlighting the significant changes and achievements since the Programme was last reported to this Committee in October 2012.
- 1.3 The background and context for the Property Review was explained in detail within the 5th October 2010 report, and is therefore not repeated here.
- 1.4 However, it is worth repeating the very real target that has been set against the review and rationalisation of property. The effective use of the Council's property and its rationalisation is to make a £4.376m contribution to the Council's savings plan by March 2015.

#### 2.0 Introduction

- 2.1 The PRP was established to support the authority's medium term savings plan. The programme is a 4 year programme with a target to secure £4.376M revenue savings by the end of the financial year 2014-15, by maximising the use of the Council's (non-school & centralised) properties, implementing the accommodation space standards and adoption of modern and flexible working practices.
- 2.2 Whilst the programme is specific to the Council's property portfolio it is vital that it is aligned to and supports a wide range of other corporate strategies and supports any on-going review of service delivery. Without this alignment there is a risk that the Council will have a property portfolio that does not support service delivery and that the Council's assets may be in the wrong place and of the wrong type to support service delivery.

2.3 The vision for the PRP is:

*Delivering value to customers and staff by having the right properties in the right place providing a modern and flexible working environment*

2.4 The objective of this briefing is to update the Committee on progress to date, identify any risks or issues to the programme and provide an insight to current and future work streams.

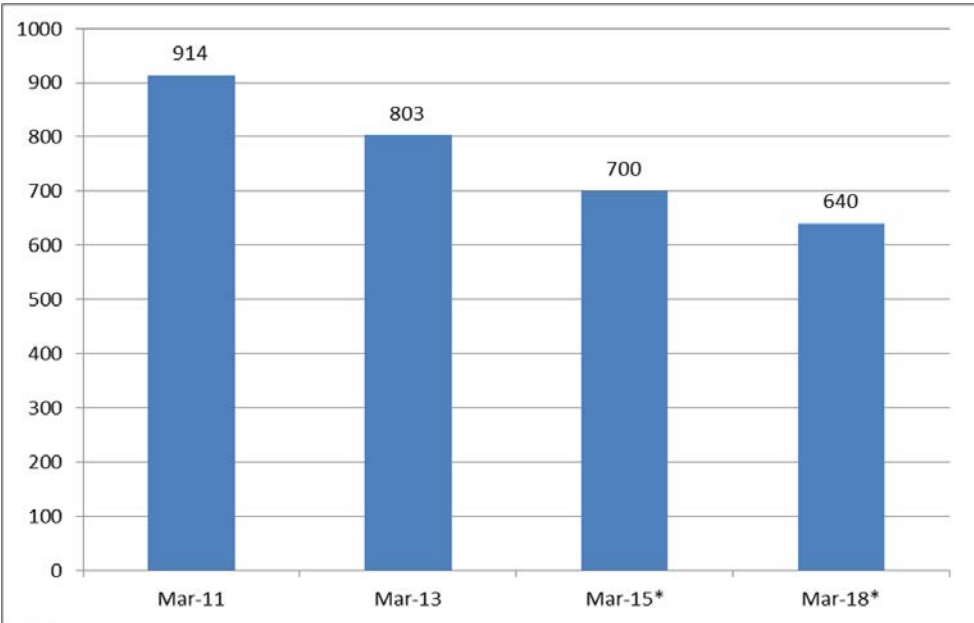
**3.0 Years 1 & 2 (2011-12-13)**

3.1 In the first two years of PRP over 100 properties have been released see Fig1

3.2 The majority of these properties were libraries and youth centres all of which were subject to major service review that will be familiar to Members. Also included are the 3 surplus fire stations and a number of other surplus and vacant county buildings.

3.3 The programme has progressed with the delivery of Local Centres for Stratford, Bedworth and Rugby with work in progress on the Nuneaton and North Warwickshire Centres

3.4 By releasing these buildings we have reduced the total size of the non-school portfolio by nearly 40,000m2, or 14% of the total. In land area terms over 70 ha



has been released.

3.5 The first two years savings target was £1.99M and this was met and represents a 21% saving.

*Fig1: Total number of properties by year*

3.6 Below are graphical interpretations of property asset by ownership and by Group. This indicates that the holding type has remained reasonably constant over time but the impact of centralisation can be seen in Fig: 3 with movement of property from People to Resources.

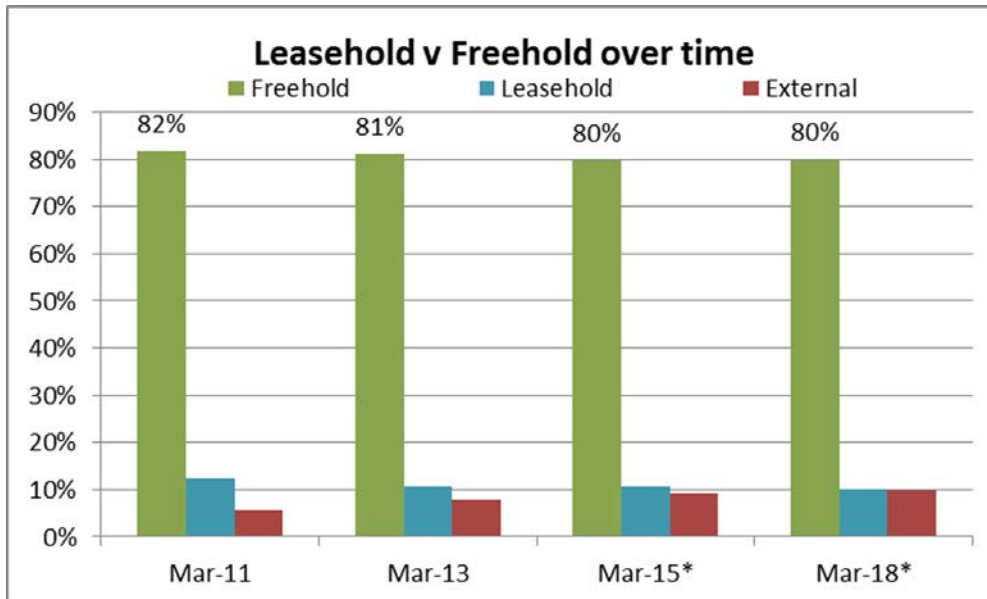


Fig 2: Leasehold v Freehold over time

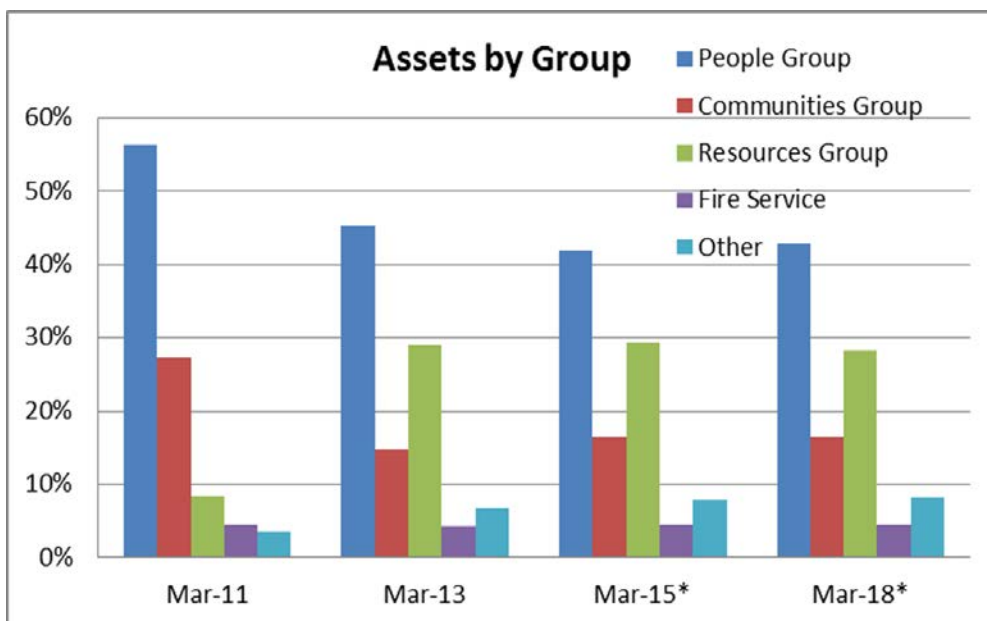


Fig 3: Assets by Group over time

#### 4.0 Year 3 (2013-14) – Current Year

4.1 Overall the authority currently holds 803 unique assets. The rationalisation programme and savings are based on the non-schools centralised portfolio which is approximately 60% of the total portfolio. Details of all properties and status within PRP can be found in the Corporate Asset Management Plan which is available on both the internet and intranet. The plan is reviewed and updated on a regular basis as part of the rationalisation programme; the next review is in progress.

A revised Asset Management Plan Framework, comprising Property Strategy 2013-18 and Asset Management Plan Guidance incorporating Property Review and Performance Guidance is in development.

4.2 In the current year 44 properties are awaiting disposal and achievements to date include the disposals of:

- 2 - 22 Northgate Street
- Northgate South
- The Butts
- Warwick House, Nuneaton
- Orion House

4.3 Major projects in progress at present include

- Shire Hall Phase 2 Refurbishment
- Local Centre for Nuneaton
- Local Centre for Bedworth
- Local Centre for North Warwickshire
- Options Appraisal for the Local Centre for Warwick District
- Consideration of options for Wedgnock House & Montague Road
- Leamington Fire Station & HQ options



*Photo 1: Shire Hall before*



*Photo 2: Shire Hall after*

- 4.4 The current year's financial savings target is £1.602m, with a £587k saving achieved to the end Q1 13-14.
- 4.5 In May 2013 a communications survey relating to PRP was completed and the findings were as follows:
- 84.7% were aware of PRP
  - 15.3% were not aware of PRP (down from 24% in 2011)
  - 79.6% seen information about PRP
  - 78.1% rate communication as useful

The Resources Group customer survey is currently being undertaken this includes a number of questions relating to the impact of PRP.

## **5.0 Modern and Flexible Working (MFW)**

- 5.1 The PRP has been a significant driver in teams adopting more flexible working approaches. Through innovative office design and creative use of technology to underpin more flexible working, we have been able to increase the overall density of buildings, and at the same time create professional and welcoming work environments. Rather than sit at the same desk all day, we have actively encouraged the use of different spaces for different types of activities e.g. quiet/focused, collaborative, 1:1, confidential, desk based, and have also promoted office etiquette for open plan working. It is still quite early days in the adoption of these behaviours, but the refurbished accommodation spaces do lend themselves to this way of working as evidenced in Shire Hall and Saltisford 2.
- 5.2 To-date, the buildings rationalised have predominantly been utilised by People Group and Resources, and this is where the majority of manager support and team engagement has occurred. Moving forward, we will be working more proactively with the Communities Group to relaunch MFW and prepare teams for forthcoming changes arising from the PRP programme. We have utilised post implementation surveys to learn lessons from each PRP project and amended our approach for subsequent projects.

- 5.3 We have seen a large number of teams go through a transition from desktop PCs to lightweight mobile equipment to underpin new ways of working - this has been actively supported by the IT Business Partners for each Group. The move to Google for email has also created an opportunity to support collaborative working from different venues through Google Drive, Instant Messaging and Hangouts - the IT Training function is actively supporting this trend. There is also a growing expectation that connectivity to the network and internet will always be available, so we are expanding our WCC Wi-Fi network across all major offices to support anywhere working for both WCC staff and partners. We have also expanded the number of touchdown sites in Libraries and Fire Stations, installing WCC Wi-Fi and equipment. This provides a two fold benefit - our staff can access these spaces when working out in the field, and the wider community can utilise our public Wi-Fi service at these venues at no cost. Use of touchdown facilities is relatively low at present, but this is expected to increase as teams embrace more location independent working approaches.

- 5.4 Teams have been required to significantly reduce their paper storage in the office. For services operating very traditional paper based processes, it has been a physical challenge to sort and sift files for disposal or onward storage to Records Management. We have learned not to underestimate how much time is needed for teams to sort their paperwork and much of our early engagement focuses on raising this as a priority action area. We have also been able to launch new technology to underpin the change towards paperlite working. A Corporate Document Centre has gone live, enabling teams to electronically manage policy and procedure type documents. A method for managing case file repositories has also recently been launched providing an Electronic Social Care Record facility for Adult Social Care, and this facility will be expanded for Children's Safeguarding over the coming months. The move to more paperlite ways of working provides a number of business benefits including single version of the truth, increased security, automated retention & disposal, as well as the physical aspects of reducing the need to store paper in the office and freeing up staff from the constraints of needing to access a paper file. This is forecast to be a significant growth area as service transformation takes shape.
- 5.5 The move to shared spaces in open plan working has not been without emotional challenge as staff are asked to give up their personalised desk and operate within a shared team zone. "Will I find a desk?" is the most common concern, and our post implementation studies show that although there are peak office periods (normally mid week mornings), on the whole everyone can find a desk in the building. There have been additional benefits from being able to sit with different colleagues, enhancing collaboration and networking opportunities. Our desk utilisation ratios have been tweaked to make them slightly more challenging based on lessons learned from early implementations, but even working on 8:10 for flexible workers, the evidence suggests that teams with highly flexible roles could push this ratio further.
- 5.6 Managers are most concerned about the challenge of managing a more flexible team - "how do I know my team are working if I cannot see them?" and "how can I ensure team cohesion is protected?" are often asked. We work closely with the Learning & Development team to host various workshops and bite sized events to help managers gain practical strategies for managing a more flexible team. This includes managing by outcomes, performance management, managing change, lone working and information security. We also have information and signposting on the intranet - and we are planning to revamp this to make it more accessible for managers and staff - this includes a relaunch of the Flexible Working Policy. We know from our surveys that many staff have informal flexible working arrangements with their managers. We are seeing a gradual rise in the number of formal Flexible Working Agreements which help to drive the arrangement from a service delivery perspective. These exist in pockets across the organisation at present, and more support and encouragement will be given to managers to implement these over the coming year. We will also be creating induction material for new staff so that they are confident to work in our open plan shared spaces.
- 5.7 The pressure on car parking spaces continues to be concern for managers and staff. It does appear to influence some of the flexible working decisions being taken by staff, which may not always be driven by business need. The Corporate Car Park Working Group has been looking into potential ways forward.

5.8 When MFW is implemented and managed well, it provides benefits for our customers, as well as the organisation and our staff. It has played an active role in supporting the PRP. Over the coming months we will be gathering examples from across the organisation to demonstrate good practice and innovation arising from the wider adoption of MFW principles.

## **6.0 What are the issues/risks to PRP?**

- 6.1 The culture change for staff of moving from their current way of working to a more flexible approach is significant and requires time and resources to prepare for this.
- 6.2 Other organisations are rationalising their portfolios at the same time, and therefore our approach to the property market needs to be measured and that we use various methods by which to attract the best offers. The PRP approach is designed to avoid both significant reductions in values being offered, and to unreasonably extend disposal timescales.
- 6.3 Data and information integrity: this is critical to the success of the project and to be able to provide consistent reports of progress to all stakeholders.
- 6.4 Substantial one-off revenue costs to deliver the savings e.g. removals, dilapidations on leased properties, ICT decommissioning etc. have to be met in order to achieve the long term savings that accrue from removing the property entirely from the Council's ownership or responsibility.
- 6.5 Competing drivers: the need to maximise capital receipts compared to the transferring of assets to the community at a rate affordable to community groups.
- 6.6 Pressure on parking is envisaged as we intensify the occupation of buildings
- 6.7 The ambition to identify opportunities to find additional savings through collaboration with public sector partners, though these more aspirational projects are complex and require a longer timeline to deliver what could be marginal savings
- 6.8 The limitations on business and project resources require the programme to prioritise activity and clearly not all projects can be completed at the same time. It also means more effort required of all concerned to adopt modern and flexible working.
- 6.9 Costs of implementing new ways of working, where any changes will need to be met from existing budgets.
- 6.10 The scale of the changes required across the Council are large, and it will take time to embed flexible working in each Service.

## **7.0 Year 4 (2014-15)**

- 7.1 Continue and complete works / plans identified in current year as noted in paragraph 4.3.



- 7.2 Identify scope for further savings within PRP across the whole of the portfolio in collaboration with service leads to ensure the portfolio is fit to meet both current and future challenges.
- 7.3 Specific projects already identified
- Complete and implement Rugby Local Centre
  - Complete and implement Warwick District Local Centre
  - Complete corporate office rationalisation in Warwick
  - Review the Group & Residential Homes
  - Expand programme to all teams and groups
- 7.5 Compare actual savings with planned savings to ensure the planned savings are being delivered and develop strategies to bring actual in line with planned.
- 7.6 A programme of evaluation and impact of PRP & MFW to both service delivery and employee satisfaction will be completed in addition to on-going utilisation surveys.

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