To: City Executive Board

Date: 30th June 2010   **Item no: 8**

Report of: Head of Corporate Assets, Head of People and Equalities, Head of Customer Services

Title of Report: Offices for the Future Programme

Summary and Recommendations

Purpose of report: To update the CEB on progress with the projects progressing within the Offices for the Future programme; to seek project approval for the Programme i.e. enabling works to substantially rationalise the Council's office accommodation, significantly improve the Customer Service Outlet in St Aldate's, to introduce more flexible ways of working for employees and disposal of surplus offices.

Key decision? Yes

Executive lead member: Councillor Bob Price
                                          Councillor Ed Turner
                                          Councillor Oscar Van Nooijen

Report approved by:
Procurement: Jane Lubbock
Finance: Jackie Yates
Legal: Lindsay Cane/Sue Brown

Policy Framework:
Transform Oxford City Council by improving value for money and service performance
Tackle Climate Change and promote sustainable environmental resource management
Asset Management Plan

Recommendation(s):
That the City Executive Board:

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1. Give project approval for the Offices for the Future Programme incorporating capital expenditure of £4.958m through 2010/11-2012/13 with indicative phasing as follows:

a) Year 2010/11 £883k
b) Year 2011/12 £3,553k
c) Year 2012/13 £522k;

2. Allocate revenue funding of £100k to be made available through 2010/11-2012/13 to enable the resourcing of internal project management, training, staff development. This is to be drawn from Transformation funding and is in addition to the £88k agreed in 2009-10;

3. Agree the funding strategy set out in section 8.3;

4. Agree that Blue Boar Street and Ramsay House Offices be declared surplus to requirements, to initiate disposal and decant staff;

5. Note the estimated revenue savings achievable through reductions in accommodation management costs (circa £400k pa);

6. Note that the annual reduction of 261 tonnes of CO^2 by vacating Blue Boar Street & Ramsay House will satisfy 2.6% of the 3% Corporate target needed by year end 11/12 (NI185);

7. Delegate authority to the Executive Director City Regeneration, after consultation with the Deputy Leader and Lead Member for Business Improvement & Efficiency:

a) to enter into the contractual arrangements as set out in section 16 of the report using appropriate procurement processes; and
b) to take any executive decisions necessary to deliver the programme including the approval of the detailed project business cases and project initiation documents

8. Delegate authority to invite bids and accept offers for the disposal of Blue Boar Street and Ramsay House to the Executive Director City Regeneration and waive the requirements set out in paragraph 20.20 (b) and (c) of the Constitution (Contract rules).

1.   Overview
1.1   The Council has embarked on an ambitious transformation programme to achieve a 20% improvement in service quality and a 20% improvement in cost efficiency – "Oxford 2012". The 2012 programme identifies significant improvements and efficiencies that can be achieved by co-locating similar activities carried on across separate service areas and by removing duplication. The Council is addressing this programme in the context of a difficult future funding climate for local authorities having regard to the focus on deficit reduction by national government.

1.2   This paper outlines the steps proposed to significantly reduce the Council's office footprint, improve service delivery and reinvest savings to protect front line service delivery, as part of the Council's overall 2012 programme.

1.3 The Offices for the Future (OFTF) programme is being managed under the City Council's Programme Management Approach. The OFTF Board reports into the Corporate Management Team in the context of overall CEB approval as requested in this report and acting through the delegated authority requested in this report the OFTF Board has been appointed to coordinate, manage and deliver the Programme.

2. Background

2.1 The OFTF Programme brings together three major projects; office rationalisation, modern working styles and customer first (which includes an improved Customer Service Outlet at St Aldate's). Also, a large enabler to the programme is an information management project which is also addressed in this report. These projects are mutually interdependent and will allow the Council to derive significant savings in administrative costs which can either be a contribution to transformation savings in the light of anticipated central government imposed cuts or for reinvestment in front line services.

2.2 The Council's approved budget for 2010/11 identifies a sum of £5million within the Capital Programme for the OFTF Programme. An outline of the approach was discussed and endorsed by Group Leaders in April 2010. This report details the case for enabling investment to deliver the programme and considers the separate but interdependent elements in turn.

2.3 The programme is also a key enabler for the potential rationalisation of major Council depots (with consequent revenue savings / potential capital receipt) in that it provides a solution to rationalising the accommodation to achieve greatly increased efficiency in utilisation

3. Summary Benefits

3.1 This report provides details of the benefits under each project, but as a summary, the programme will deliver the following:

Component	Details	Current position	OFTF Outcomes	Total annualised saving	Notes
Accommodation	Office floor space	4970 sq metres (1 person: 10.4 sq. metres)	2687 sq metres (1 person: 5.6 sq. metres)	2283 sq metres (46% reduction)	
Accommodation	Maintenance & repairs backlog	£9.7m	£8.7m	£1m saving (one-off only - not currently budgeted for)	Reduces future liability
Revenue costs	Total annual cost of buildings inc. heating, lighting, rent and rates	£781,000	£383,000	£398,000 (51% reduction)	Based on historic cost & usage data - *NB any uplift in running costs for higher occupancy of St Aldate's is yet to be quantified*
Carbon	Overall carbon footprint	683 tCO$_2$/yr	422 tCO$_2$/yr	261 tonnes (38% reduction)	Based on historic cost & usage data
Capital receipts	Sale of BB Street & Ramsay House	N/A	£4.805m	N/A	Estimated sale price

3.2 The project will be a major enabling factor in securing savings of c£500k per annum targeted from bringing together and rationalising support functions – which rely on co-location and consequent alignment of similar tasks under "one roof". These savings will be further quantified as part of the Council 2012 programme. This report also identifies a number of other benefits, including productivity gains, increased customer satisfaction, increased staff morale, benefits attributable to modern workstyles and this programme will demonstrate the Council's ability to change and deliver visible transformation.

3.3 The total savings at the end of the project are estimated to be:

Maintenance backlog avoided (one-off)   £1m
Accommodation costs (annualised)   £400k

Savings over a 5 year period (one-off & annualised) **£3m**

4.   **Office Rationalisation**

4.1   The Council's Corporate Plan 2010 – 2013 commits the Council to reducing its office footprint by 25% in the period to March 2013. In order to deliver this it is necessary to make enabling investment in buildings to be retained so that they can operate satisfactorily at a greater staffing density. Providing for home and flexible working allows the reduction of the office footprint to be maximised. This project is led by the Head of Corporate Assets and will deliver the following estimated benefits:

- £400k per annum reduction in revenue costs
- £1m reduction in repairs & maintenance backlog
- Annual reduction of 261 tonnes CO^2 by vacating Blue Boar Street and Ramsay House, which will satisfy 2.6% of the 3% target needed by 2011/2012 (NI185)
- Generic workspace designed for optimum use which provides flexibility for future service changes

Options Considered
Stage 1 – Relocation/Consolidation Option Appraisal

4.2   A number of property options were evaluated in February 2009 for the rationalisation of the city centre administrative office portfolio, comprising the Town Hall, Blue Boar Street, St Aldate's Chambers and Ramsay House.

4.3   A total of six options were evaluated which included:

- retaining the existing office footprint; "do nothing";
- improve use of existing, allowing release of some accommodation;
- remaining in the city centre with relocation in part to the Carlyle Group development scheme planned for St Aldate's;
- relocation to combined offices with the County Council at Oxpens;
- The Carlyle proposal with a later move to Oxpens;
- relocation to an "out of town" Business Park location.

4.4   This options appraisal (appendix 1) was the subject of a Member briefing event. The outcome of the options appraisal was that the optimal course of action was for the Council to rationalise it footprint from within its existing holdings in the city centre rather than relocating to Oxpens or an out of town business park location. Moreover the inability of the Carlyle Group to deliver a viable scheme at St Aldate's effectively ruled out the option of taking space in a redeveloped scheme. This was reinforced by the fact that Carlyle have not been able to bring forward a viable scheme within acceptable timescales

Stage 2 - Offices for the Future Analysis

4.5   Further analysis was undertaken to test the assumptions made on modern "workplace standards" for a potential consolidation within the city centre estate and to identify which buildings offered the best potential for being either retained or successfully disposed of.

4.6   Five options were considered:
- Option 1 - St Aldate's "backfill" – maximise occupancy with minimum cost which could potentially release Blue Boar St
- Option 2 - St Aldate's "part-floor pilot" – no release of office buildings however a chance to test modern layouts and work practices.
- Option 3 - St Aldate's "one-floor" roll-out - release Blue Boar Street using modern layouts and work practices
- Option 4 - St Aldate's "max-pack" - release Blue Boar Street & Ramsay House offices. Consolidation within St Aldate's Chambers using modern layouts and work practices, combined with improved utilisation of Town Hall
- Option 5 - Do nothing – continue to occupy 4 Central office buildings

4.7   Taking account of the cost of enabling works, fitness for purpose and likely marketability of buildings that would become surplus Option 4 was identified as the optimal solution which will produce the key benefits described.

4.8   It should also be noted that undertaking repair and improvement to the retained stock and disposing of surplus stock would have the effect of reducing the current repairs and maintenance backlog which stands at approximately £9.7 million by approximately £1 million (i.e. St Aldate's Chambers, Blue Boar Street, and Ramsay House)

4.9   Financial modelling was undertaken to identify options for financing the project and these are available as background papers.

Stage 3 – Financial Appraisal

4.10   Cash flow appraisals were undertaken for funding Option 4 which in summary were as follows:
- Sell Blue Boar Street & Ramsay House
- Let Blue Boar Street & Ramsay House
- Let & subsequently sell the investment of Blue Boar Street & Ramsay House
- Sale & leaseback of Blue Boar Street & Ramsay House pending refurbishment of St Aldate's Chambers

4.11   The outputs of these appraisals demonstrated that the project to refurbish St Aldate's Chambers and vacate Blue Boar Street and Ramsay House at the earliest opportunity was cash flow and revenue positive over a five year pay back period, more particularly described in Financial Implications. On this basis approval is sought to go ahead with the project which will provide the comprehensive refurbishment of St Aldate's Chambers, the provision of a new Customer Service Outlet, together with enabling works at the Town Hall and allow offices at Blue Boar Street and Ramsay House to be declared surplus and disposed of and the proceeds reinvested. It is considered that this option appropriately mitigates risk.

4.12   Future provision needs to fit our requirements in terms of service, resources and finance. Through introducing modern workstyles (see section 5 below) the number of workstations (and as a consequence the office footprint) will be significantly reduced. The table on page 9 is the result of an exercise conducted by the Chief Executive, Head of People & Equalities and various Heads of Service, as follows:

- Identification of all posts & categorised in terms of service area according to draft proposals under Council 2012
- Assessment of these positions in relation to work station requirement (based on estimated percentage use)
- Addition of 15% contingency and allocated to either Town Hall or St Aldate's Chambers
- Suggested allocation of floors to service areas in St Aldate's

4.13   Heads of Service agreed the assessments behind these figures and a validation exercise is about to commence. There is considerable scope for increased numbers within the St Aldate's work station allocation, were it to be a requirement. The 300 work-stations do not include hot-desks

4.14   Therefore under the OFTF proposals, the Town Hall would accommodate approximately 100 work stations (largely existing) and St Aldate's Chambers approximately 300, plus the corporate call centre and one stop shop, meeting space, etc.

Leasehold Obligations

4.15   Of the three buildings in scope of the project, Ramsay House and Blue Boar Street are held under freehold ownership and therefore the Council have unfettered rights to dispose of them. However, St Aldate's Chambers is held by way of a lease with 27 years remaining, on Full Repairing and Insuring terms, which means that the Council is responsible for the repair and maintenance of the building and delivering the building up at expiry in repair in accordance with the covenants of the lease.

4.16 In paragraph 2.3, reference was made to Horspath Road. The future of depot site is subject to another review but early indications are that a modest capital receipt of £1m could be achievable on disposal of our freehold interest only. The options for the disposal of our leasehold interest are in current negotiation and are not available for reporting at this time.

Other Consents

4.17 The nature and scope of works proposed to St Aldate's Chambers will require Landlord's and potentially Superior Landlord's formal written consent. This provision within the lease is qualified to state that this consent is not to be unreasonable withheld.

4.18 This provision within the lease may have an impact on certain core infrastructure works proposed for the building. Consequently where the proposed replacement elements involve substantially redesigning core elements, this will require the co-operation of the landlords, who may be entitled to refuse consent if the proposal would have a material impact on their interest. This may require certain works to be re-designed or re-specified if the landlord(s) are unwilling to approve the proposals.

4.19 In addition, the works will require Building Regulations consent and certain works, such as changes to the windows or the main entrance area could require planning permission given the area is situated within a Conservation Area. This will be pursued (if it is needed) when there is sufficient detail to share with the Planning Team. Any such applications for Planning Permission will also require notification to the Landlord and Superior Landlord.

OFTF posts / workstations analysis

Service area total post numbers

Service Area	Positions	FTE	Notes
Business Transformation	16		Current incumbents
City Development	93		Current incumbents
City Leisure	85		Current incumbents
City Works	174		Move to Direct Servs
Community Housing / Community Development	135		Current incumbents - OCH to be added
Corporate Assets	41		Current incumbents - OCH to be added
Customer Services	125		Current incumbents - OCH to be added
Environmental Development	67		Current incumbents
Finance	35		Current incumbents
Law & Governance	37		Current incumbents
Oxford City Homes	116		To be redistributed, add 330 Direct S
Policy, Culture & Communications	42		Current incumbents
People & Equalities	23		Current incumbents
Procurement	6		Current incumbents
TOTALS	1325		includes wider OCH

Analysis of posts to est. workstation usage

	Perm desk	80% desk use	60% desk use	40% desk use	20% desk use	No desk	NEW LOCATION
Business Transformation	0	0	2	6	0	6	All Town Hall
City Development	0	15	22	33	8	2	All SAC
City Leisure							
City Works							
Community Housing / Community Development	0	44	33	27	24	47	All SAC
Corporate Assets	0	7	16	16	3	19	All SAC
Customer Services	0	66	36	29	8	33	All SAC
Environmental Development	0	10	23	25	6	1	All SAC
Finance	0	13	22	5	0	0	All Town Hall
Law & Governance	0	13	23	1	0	0	All Town Hall
Oxford City Homes							
People & Equalities	0	5	15	3	0	1	All Town Hall
Policy, Culture & Communications	0	4	15	4	13	7	All Town Hall
Procurement	0	1	5	0	0	0	All Town Hall
TOTALS	0	178	212	149	62	116	
Adjusted for percentages	0	142.4	127.2	59.6	12.4	0	341.6

Total work station analysis

	Perm desk	80% desk use	60% desk use	40% desk use	20% desk use	No desk	NEW LOCATION	Plus 15%	TOTAL
Town Hall	0	28.8	49.2	7.6	2.6	0	88.2	13.23	101.43
SAC	0	113.6	78	52	9.8	0	253.4	38.01	291.41

Totals do not include dedicated hotdesk provision throughout SAC - which is in addition to 15% contingency
Totals do not include under-utilisation for sickness / leave

St Aldates by floor based on positions

	Perm desk	80% desk use	60% desk use	40% desk use	20% desk use	No desk	NEW LOCATION	Plus 15%	TOTAL	
City Development	0	12	13.2	13.2	1.6	0	SAC	6	46	Floor A
Community Housing / Community Development	0	35.2	19.8	10.8	4.8	0	SAC	10.59	81.19	Floor B
Corporate Assets	0	5.6	9.6	6.4	0.6	0	SAC	3.33	25.53	Floor C
Customer Services	0	52.8	21.6	11.6	1.6	0	SAC	13.14	100.74	Floor C and 40 seats call centre
Environmental Development	0	8	13.8	10	1.2	0	SAC	4.95	37.95	Floor A
									291.41	

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5. **Modern Workstyles Project**

5.1 The 2010 – 2013 Corporate Plan sets out plans for rolling the Council's improvement programme forward. The "transform Oxford City Council by improving value for money and service performance" priority aims to "improve: the quality and accessibility of our service; performance; customer satisfaction and offer good value for money".

5.2 The Council's People Strategy & Workforce Plan identifies a number of key people issues and sets out the Council's aims in a number of areas, including meeting the challenges of budget constraints, resourcing, recruitment and retention, modern workstyles and the accommodation strategy. The 2009 Staff Survey revealed that less than half (42%) of staff were satisfied with their working environment

5.3 This modern workstyles project is led by the Head of People & Equalities and is responsible for delivering the following:
- Specify what ICT equipment, software, support & telephony needs building to support people working in a Modern Workstyles environment in St Aldate's Chambers and remotely, and manage the funding & delivery of this throughout the programme – this aspect will be key to the success of the programme
- The rollout of the introduction of office-based & modern working practices like hot-desking/sharing etc using human resource policies and approaches that support better use of desk space
- Implementing a Cultural Change Programme that will ensure managers are supported in how to manage modern working throughout the programme, i.e. managing remote workers, maintaining communication, etc.
- Establishing a communications strategy to assist that cultural change programme, including engaging with trade unions.
- Set up Service Area Forums (where appropriate) to facilitate liaison and consultation between staff & the Project Team

5.4 The office accommodation project will provide 300 desks in St Aldate's Chambers plus the corporate call centre to accommodate circa 500 staff (i.e. current occupants of St Aldate's Chambers, Ramsay House & potentially a proportion of staff from Horspath Road). This work needs further validation, but the results of the initial assessment are considered to be sufficient in terms of work stations required, particularly as occupancy survey data identifies a low occupancy rate (e.g. Ramsay House - likely due to employees being out on site, flexible working arrangements currently in place, etc.)

5.5 Modern Workstyles provides a partnership between people, places and technology. It delivers cost effective and efficient services to our customers, creates a better environment for our employees and reduces the overall cost of property to the Council. A principle component is flexible working (e.g. working from home or remotely regularly).

5.6   Home working itself is extremely likely to increase productivity, resulting in improvement in cost efficiency and service delivery. The 2009 Telework Association survey on home-working revealed that almost 85% of workers felt they were more productive when working at home (not just simply through not having to commute, but significantly through being able to fit work in with other commitments – and thus being able to concentrate more with fewer interruptions) and of those, 68% felt confident they could measure this increase productivity (i.e. they were not simply "feeling" more productive)

5.7   A pilot of staff working from home was started in May 2010 and to date 20 staff are participating in a trial reflecting the home working policy (attached at appendix 2 and agreed with the Trade Unions, pending Council approval – July 2010) & guidelines. A further 70 staff already work from home less formally (e.g. less specific in terms of ICT requirement). Lessons learned from the pilot will be fed into the larger roll-out of modern working to all staff.

5.8   The consultation strategy (e.g. modern workstyles forums) has given a strong indication that more flexible working arrangements will be welcomed by many staff, having regard to the perceived benefits, as below:

- Improved workplace facilities:
    - Designated break-out area & prayer room
    - Improved kitchen & eating areas
    - Photocopying & printing facilities
    - Designated meeting rooms & touchdown areas
    - DDA compliant
    - Staff showers

- Service delivery & work/life balance:
    - Significant and visible organisational change resulting in improved staff satisfaction and recruitment/retention (an environment staff are proud to work in)
    - Reduced sickness levels through a more flexible working approach (staff may previously have phoned in sick but more likely to undertake some work from home if well enough under flexible approach)
    - Raised morale, motivation, commitment & engagement
    - Increased productivity – statistics consistently show home workers are more productive and mobile ICT enables employees to work more effectively without reference to back office systems
    - Key benefit as "employer of choice"
    - Improved recruitment & retention of a diverse workforce
    - Increased flexibility with co-location enabling generic working

- o Less unnecessary travel leading to better time management. Subject to the needs of the service employees can fit work more easily around life

6. <u>Customer Services Outlet Project</u>

6.1 The Customer Contact Strategy was agreed by CEB on 14th October 2009. The strategy has been developed according to three key principles:
- Customer–focussed services
- Quick and easy to access services
- Cost effective services

A key part of this is to improve the way we manage our face-to-face interactions with customers and resolve as many enquiries as possible at the first point of contact.

6.2 Led by the Head of Customer Services, in collaboration with the Head of Corporate Assets, this project will deliver:
- An agreed specification for a new Customer Services Outlet (CSO) in St Aldate's Chambers
- Improvement in the physical experience for customers at the CSO
  - o A welcoming and interactive environment between customers and staff, with physical barriers removed and better circulation space;
  - o Promotional displays and easy access to information leaflets
  - o Space for complimentary organisations to hold surgeries (subject to final determination / agreement)
  - o Access to self help facilities through a bank of PCs
- Rationalisation of 3 reception areas & staff into one reception area
- Accommodate one call centre for the entire Council
- The staff will be trained and have access to the systems, processes and equipment that will make the service a "Right first time" experience for our customers.

6.3 The current number of enquiries handled each year at St Aldate's equates to circa 31,500, whilst at Ramsay House the number of enquiries resolved is in the region of 8,000 per annum. The plans for the new outlet at St Aldate's have allowed for an increase on this total volume to a grand total of 54,000 potential enquiries each year.

6.4 When considering the physical alternatives to deliver the service as specified above three options were considered:

Option 1 – "Refresh" (£170k)	Option 2 – "Upgrade" (£600k)	Option 3 - "Flagship" (£900k)
Utilising 250 square metres (current space is 223sq m)	350 square metres	350 square metres
10 customer service desks	12+ desks	12+ desks
Existing 3 interview rooms	6+ high spec interview rooms	6+ flexible interview rooms
5 desk planning zone	5 desk planning zone	5 desk planning zone
New wall and floor finishes	New reception area and first stage information points	Bespoke interior design, very high quality ceiling, wall & floor finishes, signage & display areas
Minor heating improvements	Provision for self service PC's	New enhanced reception area
Phased refurbishment	Enhanced display areas	New heating, ventilation & lighting schemes
	High spec furniture & fitting out	Provision for self service PC's
	Heating & ventilation improvements	Unisex toilets with baby changing facilities and accessible WC
	Fast tracked refurbishment	

6.5 **Preferred option:**
On balance the "Upgrade" option provides a cost effective solution which will deliver the desired improvements for the service and customers. The increased space will enable us to deliver the full range of council enquiries in one location through multi-skilled staff (e.g. provision for the number of customers currently handled at Ramsay House) whilst allowing for increased capacity. We will be able to offer display and potentially surgery space to our partners, whilst encouraging our customers to self help in terms of promotional displays and self service PCs. This option enables us to deliver customer services that meet the objectives of our strategy in terms of customer –focus, quick and easy access to services that are cost effective.

7. Information Management Project

7.1 Sponsored by the Head of People & Equalities, in summary, this enabling project is responsible for the following:
- provision of a reduced and more efficient solution for storage of data/records
- providing a strategy for the reduction of departmental on-site storage requirements
- significantly reduce the extent of storage space currently in use by electronic substitution & rationalisation

7.2 The project is a key enabler to the wider programme as the Council has too much paper / data and too little storage, with no consistent approach to records management.

7.3 Storage provision under the office rationalisation proposals will significantly reduce the space available (1 linear metre per employee is the assumption, so a large housekeeping project is underway).

7.4 The Project team is also reviewing the Council's current document image processing provision and requirements to ensure alignment for the future programme. Some departments are progressing their DIP projects. City Development & Law & Governance both have current projects on-going. Community Housing & Community Development have approx 20,000 files to scan under this project.

7.5 A review of the Council's archive storage facilities is also underway. Capacity is being determined against need with a possible solution being addressed under the office accommodation project, that being racking the basement in St Aldate's Chambers to provide maximum capacity for archiving documents.

7.6 In terms of electronic records, the project is considering a number of corporate initiatives (e.g. email storage restrictions, protocols and housekeeping).

8.   Financial Implications

8.1   The Council's approved budget for 2010/11 identifies a sum of £5million within the Capital Programme for the OFTF Programme. There is also a requirement for approval of an additional £100k revenue. A summary of the costs for this project is set out in the table below:

Cost Heading	Capital £'000	Revenue £'000	Comments
Construction – Offices	3,778		
Construction – CSO	600		
Facilitation of office disposal (fees / costs)	100		Offset against disposal proceeds
Modern Workstyles		188	£88k funded in 2009-10 plus an additional £100k for the remainder of the project
ICT	400		
Data/Storage	80		
Total	**4,958**	**188**	

8.2   A full financial appraisal of this project in relation to the building elements has been carried out and is summarised below (does not include maintenance & repairs or support staff savings):

Note - subject to checking of phasing

Offices For The Future Project **Outline Financial Summary**						
	2010-11	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**5 year total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Capital Cash flow						
Capital Expenditure - Refurbishment	883	3,553	522			4,958
Net Disposal proceeds – Blue Boar St., Ramsay House	100	(2,255)	(2,650)			(4,805)
Net Cash flow	983	1,298	(2,129)	0	0	153
Revenue						
Project Management/ Support Costs	88	50	50	0	0	188
Net operating costs saved	0	(143)	(171)	(398)	(398)	(1,111)

8.3   Funding:

8.3.1   The 2010 -11 Budget sets out a requirement to hold capital receipts in a reserve, to manage the risk of the lack of flexibility in terms of revenue budgets associated with increased levels of borrowing, and also to mitigate the risk that future government regulations could limit local authorities' ability to borrow.

8.3.2   Capital receipts in hand (£1m for 2009/10 and forecast receipts for 2010/11 of just under £2m could be earmarked to front-fund this project (which would be repaid – see paragraph 8.3.4 below). Use of this capital funding for the Offices for the Future Programme allows the project to proceed on the accelerated timetable set out in Section 11 below.

8.3.3   Following the recent exchange of contracts for the long leasehold disposal of St Clements Car Park for a purpose built student housing development (with a lease back to the council for the operational car park) a greater degree of certainty can be placed on the anticipated receipt on completion of £3.2m, due in 2011/12.   This potentially provides additional capital cover and risk mitigation in the event of a delay or change in the receipt of disposal proceeds from Blue Boar Street and/or Ramsay House.

8.3.4   It is proposed that, with the exception of the £138k of Member priority capital schemes approved in the budget, no further capital schemes using receipts proceed until the office disposals are achieved. The net capital receipts of £4.805m from the sale of Blue Boar Street and Ramsay House would then be allocated to the capital reserve fund.

8.3.5   Using the capital receipts from the disposal of surplus offices to fund the project removes the requirement for long-term borrowing and the associated interest and repayments costs. This means that both that the operational savings are realised in full and also that the Council's overall reliance on Prudential Borrowing is reduced, also contributing to revenue budget flexibility.

8.3.6   The high level outline financial summary set out above illustrates cash flows over a five year period with positive net cash flows from the end of year 3, but this is dependent on the disposals of Blue Boar Street and Ramsay House. The project is designed to allow the early release of Blue Boar Street and those disposal proceeds, together with the disposal proceeds of Ramsay House being invested into the capital reserve fund.

8.3.7   It would also be prudent to take advantage of current low construction costs i.e. move quickly to the build stage of this project. These are likely to increase as the economy recovers.

9.   Due Diligence Approach

9.1   Capital costs:
The strategy set out in section 8.3 addresses funding.

9.2   Space allocation / utilisation:
Empirical data surveys were undertaken to understand the space allocation and utilisation of the City Centre office footprint. The average space allocation across the three City Centre office buildings (excluding Town Hall) was calculated to be circa 11.61 square metres per FTE.

In addition desk utilisation surveys provided an insight into the occupancy levels within these buildings over a given period, which in mean average terms produced the following results:

St Aldate's Chambers - 33% occupancy
Blue Boar Street - 43% occupancy
Ramsay House - 43% occupancy

The desk utilisation survey is available as a background paper.

9.3   Staffing numbers:
There have been a number of exercises modelling the current staff group (i.e. Blue Boar Street, Town Hall, St Aldate's, Ramsay House and some staff from Horspath Road) in terms of the requirements of each post in relation to the work station need. The table referred to at paragraph 4.12 shows a 15% contingency has been added to the work station requirements agreed with Heads of Service, based on the 300 desks (plus call centre) intended for St Aldate's Chambers, the modelling could cope with a 40% increase. There is further opportunity in hot desk areas and these figures do no allow for leave, sickness, etc.

9.4   Service needs:
The approach is one of a generic standard across St Aldate's Chambers which will give maximum flexibility. Heads of Service are in agreement with this approach.

9.5   Engaging key stakeholders:
The Consultation & Communications Strategy referred to in Section 12 details the key stakeholders that need to be engaged during this programme & the activities already underway or planned.

9.6   Office / workplace standards:
Preliminary design works are underway to produce the following documents:

Stage 1 "Workplace standards manual" - This will provide a vision and objectives for the new workplace and will outline the nature and specification of the accommodation, with regard to the proposed requirements and use of the building.

Stage 2 "Concept Design Perspectives" - This will provide some concept designs to illustrate the "look and feel" of an average floor within St Aldate's Chambers, and inform design choices by the project team.

Both draft documents in turn will be widely consulted on and the feedback incorporated into the final versions which will provide the brief to the Professional team.

9.7   Resourcing the programme:
        Each project needs to be appropriately resourced, with over-arching programme manager and administration support in place. The majority proportion of officer time is being allocated as part of normal work-programmes. Within the £88k already agreed to kick-start the programme, resources have been used to either provide services direct or back-fill officer time.

9.8   Governance:
        Appendix 3 outlines the approach being taken in managing the programme. There are key cross-cutting inputs from the Council's Finance, Procurement, Asset Management, People & Equalities & Business Transformation functions, in addition to the project leads & teams for the various themes in the programme.

9.9   Critical path:
        The programme with its many inter-dependencies requires extreme care in management and planning. There are project plans and an overall programme plan in place. Section 11 of this report outlines the key milestones in the programme

9.10   Procurement:
        A summary of the procurement strategy is included in Section 16.

10.   Delivering the Programme

10.1   The Programme is being managed under the City Council's Programme Management Approach. Appendix 3 provides details of the arrangements in place including a diagram showing the construction procurement model.

11. Programme Plan Proposals - Key Milestones/Dates

Ref	Milestone	Date for completion
1	Finance move complete (releases SAC space)	May 2010
2	Workplace Standards, ICT and Flexible Working Standards	June 2010
3	CEB Approval	30 June 2010
4	Joint Consultative Council & Council approval of "Modern Working" policy & guidelines	July 2010
5	Roll-out of Modern-Working phase 2 begins	July 2010
6	Issue tender documents	September 2010
	Blue Boar Street - start preparations for vacation (L&G, Fraud)	September 2010
7	Physical storage solutions actioned	June 2010-Feb 2011
8	Commencement of work on site	January 2011 (or 7 months from Milestone No. 2)
9	Blue Boar Street Disposal	30 June 2011
10	SAC 3rd Floor Construction	April 2011
11	SAC Ground Floor & CSO	June 2011
12	SAC 2nd Floor Construction	September 2011
13	SAC 1st Floor Construction	January 2012
14	Ramsay House Disposal	November 2011
15	Exit of Ramsay House	February 2012

12. Consultation & Communication

12.1   A Communications & Consultation Strategy was prepared and approved in March 2010 to begin the process of advising and consulting with staff about the planned changes in their workplace and workstyles. The Strategy also details the planned communications with key stakeholders like Members, Trade Unions and Customers.

12.2   Heads of Service have been consulted and advised of the OFTF Programme objectives and how they would impact upon their service areas since the Programme was set up. They continue to be kept informed through the forum of Wider Leadership Team Meetings & one-to-one briefings.

12.3   Staff Forums have been held monthly since March covering topics such as modern working, ICT & telephony technology and space planning and workplace standards. Future topics include the design for the new St Aldate's reception, the integration of service front-line delivery.

12.4   A further more detailed staff survey is to be carried out which targets topics specific to the OFTF programme. The outcomes of this will inform the Programme Planning and allow measurement of the success of the Programme.

12.5   Consultation & communication with customers about their views on the reception at St Aldate's are due to begin in September 2010.

12.6 Consultation with Lead Members has also been held and post CEB approval it is planned to regularly update all Members with quarterly bulletins on the Programme's progress.

12.7 Approval of this project is a key decision and as such has been published in the Council's Forward Plan. To date there have not been any comments made during this consultation.

12.8 Consultation with the Unions has been held with regard to the Home-working Policy and Modern Workstyles Guideline for managers.

13. Risk

13.1 A risk assessment of this report and the recommendations are set out in Appendix 4.

13.2 The principle risks are:

A cost overrun of the main build project and an under-estimate of the fit out and ICT costs - to mitigate this they will be quality assured before the project is started and the build contract will pass much of the risk to the construction company. An 18% contingency (including preliminaries) will be built into the build budget.

There is a risk that the Council will fail to dispose of the assets or not achieve the budgeted sales prices - this risk is mitigated by the allocation of capital receipts which means that the project is not dependant of the sale for funding.

The sale of St Clements not achieved – this is a small risk but is mitigated by freezing the expenditure of other capital receipts until sales are achieved within this project.

14. Environmental Impact

14.1 The environmental impacts of the project are positive. Overall there will be a reduction in the Council's use of resources and its emissions. The annual reduction of 261 tonnes CO_2 by vacating Blue Boar Street and Ramsay House will satisfy 2.6% of the 3% target needed by 2011/2012 under NI185.

14.2 This is represented primarily through a significant decrease in the Council's carbon footprint through office rationalisation and the opportunity to maintain a high level of efficiency in the future through the retrofitting of energy efficient technologies.

14.3 Modern work styles and office rationalisation also offer the opportunity to use fewer resources in the office e.g. paper and ICT equipment which will ultimately result in less waste overall and greater opportunities to reuse and recycle the waste that we do generate resulting in less waste to landfill. In addition to the activities that the Council directly controls the project can influence some of the indirect carbon emissions of the Council such as those associated with travel to work through encouraging individuals to work from home.

14.4 An initial review of the opportunities to reduce carbon at each stage of the programme will be carried out to ensure that the best practicable solutions are applied to reduce carbon without compromising other key benefits. The review will also set our wherever possible the quantifiable benefits of the carbon reduction to ensure that these are measured and accounted for.

14.5 The initial phase of office rationalisation is likely to result in a one off but none the less significant increase in office waste it is recommended that this is reused wherever possible within Oxford and as a second option recycled ensuring that a minimum amount is sent to landfill.

15. Equalities Impact

15.1 The refurbished offices and CSO at St Aldate's will be fully accessible and be compliant with the Disability Discrimination Act.

15.2 An initial equalities impact assessment is attached at Appendix 5 which outlines the affect on both our customers and staff.

16. Procurement Plan

16.1 To achieve the OFTF programme, several procurements will need to take place. There are national and local frameworks that can be used for the ICT, telephony and property consultancy. These frameworks provide both excellent value for money and will reduce both the time and cost of tendering. It is proposed that framework contracts are used for these areas of expenditure.

16.2 There is a wide range of local suppliers able to provide office furniture and manage building refurbishment. It is proposed that these contracts are advertised through an open tender to create opportunities for local companies. All tenders will include requirements for the chosen supplier to demonstrate sustainable and economic benefits through offering training opportunities as well as offering low carbon impact building refurbishment solutions.

16.3 The appropriate procurement processes will be used for each contract, including for the construction and property specialist contracts the NEC3 form of contract.

16.4 The Constitution provides for tenders for contracts of £250k and over to be accepted if the CEB agrees after considering a written report. This report seeks authority for the Executive Director City Regeneration to accept them if he is satisfied that the tender is the lowest and/or the most economically advantageous.

16.5 The details of the principal contracts to be awarded are as follows:

Procurement Need	Summary Details
Main building contractor	Refurbishment of office buildings & the CSO
Main building project manager	Co-ordination of all consultants & construction administration
Architectural services	Responsible for designs, specifications, statutory consents & assisting with quality control on site
CDM Co-ordinator	Responsible for pre-contract safety and recording progress during construction phases, assistance with production of health & safety file
M&E Consultant	Responsible for the design of technical solutions for all building services, specifications, production information, assisting with quality control on site
Quantity surveying Consultant	Responsible for production of bill of quantities, construction valuations/payments, final account
Telephony supplier & equipment	Procurement of VoiP & softphones to facilitate remote & home-working
Multi-functional device supplier	Procurement of multi-functional devices to replace printers and reprographics
Office Furniture	Procurement of all new furniture
ICT hardware	Procurement of all equipment needed for staff to work in new offices & remotely/at home.

17. Legal Implications

17.1 The Council holds the underleases for St. Aldate's Chambers on full repairing terms. This means that the landlord's written approval for the works proposed to the premises must be obtained before they can be started.

17.2 The various contracts to be let will need to comply with appropriate procurement processes.

17.3 There are employment issues arising out of the proposals to introduce modern workstyles. These are referred to in the Modern Workstyles and Consultation and Communication sections of the report.

17.4 Recommendation 8 of this report seeks authority for the Executive Director City Regeneration to invite bids and accept offers for the disposal of Blue Boar Street and Ramsay House. Given the short timescales set out in the programme, this will provide the additional flexibility needed to achieve them.

18. Staffing Implications

18.1 The staffing implications of the programme are as set out in the relevant parts of this report.

19. Conclusion

19.1 This project is a major step forward in terms of developing new, more effective working styles for staff and will generate considerable financial savings and promote joint working between co-located staff. It reduces the Council's carbon footprint and over a five year period is projected to save the Council over £5m in repairs obligations and running costs. Use of capital receipts to upfront fund the project de-risks it significantly and enables us to proceed taking advantage of current low building costs.

20. Recommendations

20.1 That the City Executive Board

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1. Give project approval for the Offices for the Future Programme incorporating capital expenditure of £4.958m through 2010/11-2012/13 with indicative phasing as follows:
a) Year 2010/11 £883k
b) Year 2011/12 £3,553k
c) Year 2012/13 £522k;

2. Allocate revenue funding of £100k to be made available through 2010/11-2012/13 to enable the resourcing of internal project management, training, staff development. This is to be drawn from Transformation funding and is in addition to the £88k agreed in 2009-10;

3. Agree the funding strategy set out in section 8.3;

4. Agree that Blue Boar Street and Ramsay House Offices be declared surplus to requirements, to initiate disposal and decant staff;

5. Note the estimated revenue savings achievable through reductions in accommodation management costs (circa £400k pa);

6. Note that the annual reduction of 261 tonnes of CO^2 by vacating Blue Boar Street & Ramsay House will satisfy 2.6% of the 3% Corporate target needed by year end 11/12 (NI185);

7. Delegate authority to the Executive Director City Regeneration, after consultation with the Deputy Leader and Lead Member for Business Improvement & Efficiency:

a) to enter into the contractual arrangements as set out in section 16 of the report using appropriate procurement processes; and
b) to take any executive decisions necessary to deliver the programme including the approval of the detailed project business cases and project initiation documents

8. Delegate authority to invite bids and accept offers for the disposal of Blue Boar Street and Ramsay House to the Executive Director City Regeneration and waive the requirements set out in paragraph 20.20 (b) and (c) of the Constitution (Contract rules).

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List of background papers:

OFTF Programme Brief – Jan 10
Lead Members Brief – Mar 10
Design/Workplace Standards
Communication & Consultation Strategy
Asset Management Plan
Desk utilisation survey
Detailed financial modelling

Version number:

List of Appendices:

Appendix 1 – Office Rationalisation Options Appraisal
Appendix 2 – Home Working Policy
Appendix 3 – Programme Management
Appendix 4 – Risk Register
Appendix 5 -   Initial Equalities Impact Assessment

Appendix 1 – Office Rationalisation Options Appraisal (Keith Jones)

OXFORD CITY COUNCIL

OFFICE ACCOMMODATION STRATEGY
EVALUATION OF OPTIONS

PROGRESS REPORT
FEBRUARY 2009

1. Summary

1.1. This report considers the relative merits of six options for the future of the Councils Office Accommodation. This is a preliminary assessment of the options which is designed to allow the Council to make an initial judgement on the Carlyle development proposals and also to allow the selection of a favoured option(s) which should be the subject of more detailed appraisal.

1.2. The Options that have been appraised are:

OPTION 1A – Current Position Baseline - Current position (i.e. Carry on as we are in our existing accommodation)

OPTION 1B – Existing Accommodation – Flexible working within our existing accommodation and letting surplus space.

OPTION 2 – Carlyle – Flexible working and taking space in the Carlyle development and vacating St Aldates Chambers.

OPTION 3A – Carlyle and Oxpens – Flexible working and taking space in the Carlyle development and vacating St Aldates Chambers and then moving to Oxpens (in ten years time) whilst continuing to occupy the Town Hall.

OPTION 3B – Existing Accommodation and Oxpens – Flexible working within our existing accommodation, letting surplus space and then moving to Oxpens (in ten years time) whilst continuing to occupy the Town Hall.

OPTION 4 – Business Park – Flexible working in a business park location close to the ring road whilst continuing to occupy the Town Hall.

1.3. A summary of their relative merits are described in the table below:

Option	SUMMARY
OPTION 1A – Current Position Baseline	Low risks, poor value for money but with no revenue growth.
OPTION 1B – Existing Accommodation	High revenue growth in early years with high revenue savings in later years, but with poorer value for money, with manageable levels of risk.
OPTION 2 – Carlyle	Lower revenue growth in early years, with revenue savings in later years, with better value for money, and manageable levels of risk.
OPTION 3A – Carlyle and Oxpens	High growth in some years with some savings thereafter, but providing good value for money, but high risk.
OPTION 3B – Existing Accommodation and Oxpens	High levels of revenue growth in early years with some savings in later years, with good value for money, but high risk.
OPTION 4 – Business Park	Very high revenue growth in early years gradually tailing off to revenue savings in later years, but with poorer value for money, and medium risks.

1.4. The Report concludes that, at the present time none of the options, (except, obviously, Option 1A [Current Position Baseline] which is in the current Council budget) are currently fully affordable as they all involve some initial revenue growth, which is not affordable, albeit that in some cases this is balanced by later savings. However even with these revenue savings none of them could be justified, at this time, on the basis of spend to save, although with further work some may be able to be justified on that basis.

1.5. Option 2 (Carlyle) would be the best option to pursue if its moderate initial revenue growth could be reduced. It is better than, in all other respects, Option 1A (Current Position Baseline). Failing this, Option 1B (Existing Accommodation) would be a "fall back" option, if its early significant revenue growth could be reduced.

1.6. In all three cases (Options 1A, 2 and 1B) it would be possible to consider Oxpens later (depending on circumstances at the time) and therefore pursuing Option 1A (Current Position Baseline), Option 2 (Carlyle) or Option 1A (Existing Accommodation) would not preclude a possible move to Oxpens later.

1.7. Option 4 (Business Park), whilst not out of the question, would not appear to have comparable overall benefits and it suffers from very high revenue growth in its early years.

1.8. The sections that follow describe in detail the reasoning behind these conclusions and recommendations.

2. The Council's Current Position and its Transformation Programme

2.1. The Council currently occupies office accommodation at the following locations:
- Blue Boar Street
- Bury Knowle House
- Northway
- Ramsay House
- St Aldates Chambers
- Town Hall (offices plus ancillary meeting rooms)

2.2. The Council's Corporate Plan and The Council's Transformation Programme has specific objectives relating to improving office working conditions and reducing the Council's office floorspace and this taken with the opportunity to change the Council's office configuration, presented by the Carlyle development/refurbishment proposals at St Aldates/Queens Street, together with the longer term possibility of relocating to Oxpens, means that it is important for the Council to consider options for the future of its office accommodation and to decide on the most appropriate way forward.

3. Purpose of this Report

3.1. This report is the first stage in that process. It presents the findings of a "first cut" evaluation of six possible options and inevitably contains many assumptions. Whilst innumerable options could have been chosen, these six options are considered to the ones that represent the realistic range of options open to the Council and they are described in more detail later in this report. This report seeks to clarify which option might be the most favoured by the Council to enable further work to be undertaken on that option.

4. The Council's Current Office Accommodation

Accommodation, Floorspace and Staff Numbers

4.1. The Council currently occupies or owns office floorspace of **7358 m^2** (Net Internal Area) which houses **596 Council and Partners' staff** (May 2008 figures), the current occupancy (Council and partners staff) is **12.35m^2** per member of staff (headcount).

4.2. The staffing numbers are likely to reduce slightly in the near future, with the transfer of the Council's ICT work to the County Council and the letting of the Leisure Services Contract. In line with the Council's Transformation Programme, the numbers of Council staff may reduce still further and this in turn may affect office staff numbers.

Running Costs and Maintenance Liabilities

4.3. The property running costs of the buildings that the Council occupies as offices totals approximately **£975,500pa**. In addition there is a significant maintenance backlog on all of its office buildings totaling some **£698,000**.

4.4. **The Customer Service Outlet (CSO)** – This is currently located on the ground floor front of St Aldates Chambers with a "shopfront" on St Aldates. In this option appraisal it has been assumed that the size of the CSO remains unchanged.

4.5. **Wider Use of the Town Hall** – Of course the Town Hall is not solely used for office purposes. In fact the majority of the space is used for other purposes. Any changes to the offices in the Town Hall may have a bearing on some or all of these other uses. It should also be borne in mind that the Town Hall is a Grade II* listed building, which constrains the ability to make changes to its layout.

4.6. **Regeneration** – The Council's office floorspace also has a wider relationship with the regeneration of the City Centre and the City generally, as for example with the Carlyle proposals and the longer term Oxpens proposals.

4.7. **Environmental Issues** – The Council's carbon footprint from its offices is significant and any reduction in office floorspace and/or improvement in building efficiency will contribute to the Council's overall environmental performance.

5. The Reasons for Considering Change Now

The Carlyle Development Proposals

5.1. For some time now, The Carlyle Grou,p in association with Merton College, have been planning to refurbish and redevelop a site at junction of St Aldates and Queen's Street. To carry out the scheme, Carlyle Group wish the Council to surrender its lease of St Aldates Chambers (which covers both the Council's offices and the CSO) and it has offered the Council new leases of office and retail (the latter for the CSO) accommodation in the new development. Contrary to current market trends, the Carlyle Group are still indicating that they would like to proceed with their development scheme. Should the Council wish to proceed, the broad timetable presently envisaged (yet to be agreed) would see the Council reconfiguring its floorspace to accommodate overflow from the vacation of St Aldates Chambers offices during 2009/10 and 2010/11 and then vacating St Aldates Chambers and taking space in the Carlyle scheme in late 2010/11.

Under-occupancy

5.2. As a rule of thumb, the industry standard, for modern open plan office floorspace, is in the region of 8.5 m^2 NIA per workstation and with "flexible working" this results in an overall ratio of some **7.2m^2 per member of staff** (headcount). In some cases lower ratios of floorspace to staff numbers than 7.2m^2 per member of staff can, and have been, achieved in modern open plan buildings. Currently the Council occupies **12.35m^2 per member of staff** (headcount). Whilst achieving industry standards is not normally possible in older buildings, the Council clearly has scope for reducing the amount of office floorspace that it uses, with consequent accommodation cost savings. However to do so would involve some up-front investment to allow for the more efficient use of space.

5.3. This report suggests that at the present time, bearing in mind the characteristics of its existing office floorspace, the Council should aim for 10m^2 per workstation and 0.85 workstations per member of staff resulting in **8.5m^2 per member of staff**. It must be noted however that the Council will need to work hard to achieve this level of reduction.

Improvement to Office Working Conditions

5.4. Evidence generally and from other local authorities suggests that if the Council improves office working conditions there will be a consequent improvement in productivity, recruitment and retention and an improvement in the Council's branding.

Co-location with our partners

5.5. In the longer term the Council has always been interested in co-locating its offices with its partners. A possible location for this is the Oxpens Regeneration Area. There are a number of hurdles to overcome before this site can be brought forward and so it will be some years (possibly 8 or 9) before this may happen.

Challenges in adopting "flexible working"

5.6. Moving to a flexible style of working brings a number of challenges, which will take time to address. Amongst these challenges are:
- **Office layouts** – Flexible working requires a different office layout which will require expenditure.
- **Decanting** – Making the physical changes to the offices requires the vacation of space whilst the works are being undertaken and careful planning of this decanting process is necessary. This is the case in all options but particularly so in the options involving the Carlyle proposals where floorspace will be particularly tight. Achieving the required floorspace per person standard will be very challenging in all options except perhaps the option involving a business park.
- **Change in management style** – managers need to manage their staff in a different way as some of staff may not be present in the office for some or much of the time.

- **"Office behaviour"** – There needs to be a change in the ways the office is organised as personal space may be more limited, filing and storage will need to be more structured, meeting room and desk booking will need to be organised etc.
- **Culture and reluctance to change** – Sometimes staff are hesitant to move to a different way of working and this needs to be managed effectively. Managers may take time to adapt to working in open-plan offices.
- **ICT** – There will be additional ICT challenges and costs connected with, for example, possible changes to the ICT platform to facilitate remote working and remote security, the substitution of desktops with laptops, "follow me" telephone systems etc.
- **HR** – New policies will need to be developed to cover home and remote working and clear guidelines will be needed. Changes may need to be negotiated with staff representatives.

6. The Options

The Council's ongoing floorspace requirement

6.1. This figure has been noted above and is based on May 2008 figures and is 5066m^2 Net Internal Area. However, taking recent staffing changes into account in future space planning, our requirement would be:
596-26= 570 (headcount) x 0.85 x 10m^2 = **4845**m^2 Net Internal Area.

Initial space planning feasibility work is showing that if, for example, the Council decided to consolidate into floorspace comprising Blue Boar Street, Bury Knowle House, the new Carlyle scheme, The Town Hall and Ramsay House, then it would be very challenging to fit all our staff in, unless the Council adopted floorspace standards that would achieve less generous floorspace ratios that those stated above, in some buildings.

Choosing Options

1.1. To inform the Council of the best likely course of action in planning its future office space requirements, it is necessary to compare the benefits and costs of different future office configurations. The possible combinations are many and the work involved in appraising them all is extensive and so there needs to be a representative set of options which seeks to cover all the various combinations. One of these options is normally the "status quo" (in other words carrying on as we are) so that this can be used as the baseline with which to compare the other options.

The Options

1.2. The six chosen options have been described at the beginning of this report.

7. The Appraisal

Appraisal Method

7.1. The appraisal is an outline appraisal designed to narrow the options, so that further work can be done on a more limited range of options. The appraisal of each option covers three elements:
- **Value for money.** This involves calculating the *all the expenditure and incomes over 20 years* of each option - how much each option will cost over its "whole life" (in this case taken as 20 years). It is normally expressed in a financial investment concept called Net Present Value (NPV). It then involves assessing the *non-financial benefits* –a scored assessment of the various non-financial benefits, weighted for relative importance which allocates "benefit points" to each option. By dividing the benefits points into the total net present value (or net present cost) for each option we can see the *"net present value (or cost) per benefit point"* which is a measure of *value for money*.
- **Capital and revenue affordability** – This looks at anticipated annual capital and revenue spending to test the annual affordability of the options. (It should be noted that a good value for money project may not necessarily be affordable).
- **Risk** – where risks have not been reflected in the financial appraisal they are identified separately. The risks include *project management considerations* - the implement-ability of each option.
Finally all these issues need to be brought together for each option so that the Council can make a judgment on the best way forward.

Inherent and Explicit Assumptions

7.2. As the options are very diverse and cover a number of buildings and particularly because of the uncertainties in the economy and other uncertainties about the future, it has been necessary to make many assumptions in this evaluation. However, this does not weaken the validity of undertaking the exercise now, as it is important to narrow the options to enable more detailed work to be done. Inevitably at this stage this means that there is still some margin of error in the assessment, but this is to be expected.

8. Summary of the Appraisal Results

8.1. The table below brings the all the results of all of the elements of the appraisal together.

Option	Value for Money	Affordability	Risk	SUMMARY
OPTION 1A – Current Position Baseline	In relative terms this is one of the three options that provides **poorer** value for money. In fact it provides marginally the poorest value for money of all the options. It is the baseline against which others are judged. **Rank in best VFM – 6th**	This is the baseline against which all the others are judged. It involves annual revenue expenditure of approx £1.4m **Rank in affordability – 1st**	This is the option with the lowest risks as it is largely a "known" position. Cost overrun and property condition give some risks here. (However it should be noted that this option does not provide many of the non-financial benefits mentioned elsewhere in this report). There are few project management challenges in this option. **Rank in Lowest Risk – 1st**	**Low risks, poor value for money but with no revenue growth.**
OPTION 1B – Existing Accommodation	In relative terms this is one of the three options that provides **poorer** value for money. It provides slightly better value for money than the baseline. **Rank in best VFM – 5th**	A high revenue commitment in early years rising to growth of some £840,000pa in year 4 and then falling back to existing revenue spend at year 9 followed by savings on existing revenue spend in year 14 onwards of some £510.000pa **Rank in affordability – 3rd**	This option carries some risk but significantly less than most other options (except for 1A above). The risks are relatively evenly spread amongst those listed in the risk table. In project management terms, whilst this option keeps the staff in existing accommodation it will involve a number of office moves and "restacking" as offices are gradually refurbished and fitted out for "flexible working". **Rank in Lowest Risk – 2nd**	**High revenue growth in early years with high revenue savings in later years, but with poorer value for money, with manageable levels of risk.**
OPTION 2 – Carlyle	In relative terms this is one of the three options providing **better** value for money. In fact it provides the third best value for money and provides better value for money than the baseline. **Rank in best VFM – 3rd**	Some modest growth in years 2 to 6 peaking at £284,000 in year 2, and then modest revenue savings thereafter peaking at £180,000 in year 9. **Rank in affordability – 2nd**	This option carries some risk but significant less than most other options (except for 1A above). The risks are relatively evenly spread amongst those listed in the risk table. In project management terms, this option is similar to Option 1B above except that the suddenness of the reduction in floorspace and the shorter timescales to prepare for the move make this a slightly greater challenge than Option 1B. **Rank in Lowest Risk – 3rd**	**Lower revenue growth in early years, with revenue savings in later years, with better value for money, and manageable levels of risk.**

Option	Value for Money	Affordability	Risk	SUMMARY
OPTION 3A – Carlyle and Oxpens	In relative terms this is one of the three options providing **better** value for money. In fact it provides the best value for money and provides better value for money than the baseline. **Rank in best VFM – 1st**	In years 1 to 8 this is the same as Option 2 above but in year 10 there is significant revenue growth (£440,000) due to capital expenditure on Oxpens, until the benefit of letting our other existing properties comes in year 15 onwards with modest savings of some £127,000pa. **Rank in affordability – 4th**	This is one of two of the options which carry higher risks and in fact this option carries the most risk of all the options. This is mainly because of the risk associated with the move to Oxpens which is added to the risks of the interim solutions between now and the move to Oxpens. This option adds the project management challenges of moving to Oxpens to Option 2 and therefore makes it particularly challenging and probably the most challenging of all the options. **Rank in Lowest Risk – 6th**	**High growth in some years with some savings thereafter, but providing good value for money, but high risk.**
OPTION 3B – Existing Accommodation and Oxpens	In relative terms this is one of the three options providing **better** value for money. In fact it provides the second best value for money and provides better value for money than the baseline. **Rank in best VFM – 2nd**	In years 1 to 8 this is the same as Option 2 above but in year 9 the revenue growth from Oxpens shows, peaking in year 10 at £790,000 and then gradually declining to year 15 with savings of £364,000 thereafter. **Rank in affordability – 5th**	This is one of two of the options which carry higher risks and in fact this option carries the most risk of all the options. This is mainly because of the risk associated with the move to Oxpens which is added to the risks of the interim solutions between now and the move to Oxpens. This adds the project management challenges of moving to Oxpens to Option 1B and therefore makes it particularly challenging although slightly less challenging than Option 3A. **Rank in Lowest Risk – 5th**	**High levels of revenue growth in early years with some savings in later years, with good value for money, but high risk.**
OPTION 4 – Business Park	In relative terms this is one of the three options that provides **poorer** value for money, although it provides the best value of these three poorest options and provides better value for money than the baseline. **Rank in best VFM – 4th**	This shows significant revenue growth in years 2, 3 and 4 rising to a maximum of £1,220,000 in year 3, and then modest revenue growth from in years 5 to 12 with savings in years 14 to 20 of some £240,000pa. **Rank in affordability – 6th**	This option carries "medium" risks compared to the other options carrying more risks than options 1A, 1B and 2 but less risks than Options 3A and 3B. This involves a relatively early and extensive move to a Business Park, which is less challenging than options 3A and 3B but which because of the extensiveness of the move and the property project management is nevertheless significantly challenging in project management terms. **Rank in Lowest Risk – 4th**	**Very high revenue growth in early years gradually tailing off to revenue savings in later years, but with poorer value for money, and medium risks.**

Appendix 2 – Home working policy

Oxford City Council

HOME WORKING POLICY AND PROCEDURE

1   POLICY STATEMENT

Oxford City Council recognises a number of significant benefits for employer and employee in maximising home working. This includes cost and carbon savings, reduced office footprint, better service delivery, increased staff morale and flexibility. The Council maintains that promotion of home working will enable significant improvements and rationalisation in the office accommodation we hold.

The Council will agree to an employee working partly or wholly from home, provided that such an arrangement complies with this policy, is suitable for both parties and is likely to facilitate effective and efficient working.

The Council will seek to maximise the number of home workers where possible and a flexible approach from both employer and employee will be encouraged and expected – but there is no "right" to work form home.

Each home working opportunity will need to be reviewed on its own merits and agreement to a specific request will depend on an objective assessment of whether the employee's work can be done from home without any detriment to the Council's productivity, service delivery and customer relations. As every job is different and every employee is different, the Council cannot guarantee that it will agree to every employee's request to work from home.

This policy aims to describe the procedure for working arrangements that will apply when it is agreed that an employee will work from home.

2   SCOPE

2.1   This policy and procedure applies to all employees. The term "home workers" used throughout this policy refers to any employee working from home, regardless of the frequency or regularity. It can mean permanent home workers, or those working fixed or unfixed days when required.

3   DEFINITIONS

3.1   The Council has indentified 5 different "working styles", covering all employees. Although this policy principally covers home working, definitions of the working styles are useful for context:

Category	Definitions
Office worker	An employee whose job requires them to be based in the same Council office for the full contractual hours of their job.
Access point worker	An employee whose job is based at a single office location as part of a team of workers doing the same or very similar jobs, and where customers can access Council services directly. A number of access point workers may share a single computing device to perform their public facing duties.
Mobile Working	An employee whose job requires them to be away from their nominated office base on a regular basis. When not at base they could be visiting various other Council offices, working locations such as client premises, or visiting the offices of other organisation. They do not need a permanent allocated work station. There will be different degrees by which an individual can work flexibly: **Desk sharing** Two or more individuals may be able to share an existing workspace based on their working patterns. **Hot-desking** Someone who hot-desks doesn't have a permanent allocated workstation but has a designated area where they can work at one of a number of suitably equipped workstations in any Council premises. **Touchdown working** An individual may have a permanent, formal, office base but does not need an allocated workstation as their work involves being out of the office for a significant part of their working week.
Field worker	An employee whose job requires them to work out in the field on a regular basis.
Home Working	This definition is split into two categories: **Regular** – An employee who, with the support and agreement of the manager, works from home for an agreed proportion of the working week. **Permanent** – An employee who works from home for their full contractual hours, where their type of work allows and where they have the support and agreement of their manager.

4   ROLES AND RESPONSIBILITIES

4.1   Employees are expected to:

- Ensure as home workers, they can demonstrate the following skills & attributes:

  o self-discipline;
  o the ability to work, motivate themselves and use their own initiative without direct supervision;

- o good organisational skills;
- o the ability to manage time, workload and deadlines effectively;
- o identify and resolve any new pressures created by working at home
- o an ability to cope with the potentially conflicting demands of work and family, ensuring that domestic and family commitments do not intrude into working time.
- o adapt to new working practices including maintaining contact with line manager and colleagues at work.

- Respond flexibly to requests to work from home and not decline an opportunity without good reason.
- Understand that abuse of home working provisions are likely to result in formal disciplinary action.
- Sign an agreement relating to home working (see appendix 1.)

NB – The factors which will be taken into account when the feasibility of home working is being considered are as follows:

1) whether an employee has successfully completed their probationary period
2) does an employee needs to be present in the office to perform their job (e.g. because it involves a high degree of interaction with colleagues or third parties or involves equipment that is only available in the office);
3) is the employee's most recent annual appraisal satisfactory
4) does the employee's line manager consider that the employee's current standard of work or work production is unsatisfactory
5) whether the employee has an unexpired warning, relating to conduct or performance;
6) does the employee needs supervision to deliver an acceptable quality and/or quantity of work;
7) does the employee have a suitable workplace at home for undertaking work undisturbed, securely and with due regard to health, safety and well-being.

Any term on which it is agreed that an employee may work from home will include the following:

- The Council reserves the right to terminate home working arrangements, subject to reasonable notice.
- Employees will be subject to the same performance measures, processes and objectives that would apply if you worked in the office/at Council premises.
- If an employee receives an unsatisfactory grade in an appraisal or a subject to a written warning for any reason their home working arrangements will be terminated immediately and they will be expected to return to work in the office/Council premises.
- Working at home may affect an employee's home and contents insurance policy. Employees must make any necessary arrangements with your insurers before commencing home working (e.g. checked all home and contents insurance policies and confirmed that these provide adequate cover for home working)

4.2   Managers are expected to:

- Maximise home working opportunities for employees.
- Actively consider how services can be improved and support more working from home, by:

  o **Business process improvement –** what does the customer need to do, the team need to do, what can be done differently or not at all? Consider engineering work to avoid bottlenecks where only one worker can deal with their part in the process and in their absence, a delay occurs.
  o **Re-examine minimum office cover** – how many people must be at a location at a given time? Think about skills and impact on colleagues.
  o **Re-examine opening times –** what is desired/needed/appropriate?
  o **How else can we provide service?** - can customers be directed to the internet or to phone instead of face to face?
- Proactively manage home workers through an inclusive approach, good communication, setting SMART targets, regular reviews and a flexible approach in terms of working hours and rosters – where possible.
- remain responsible for supervising the home worker, will regularly review home working arrangements and take steps to address any perceived problems.
- inform the employee of meetings or training sessions that the employee must be able to attend and ensure that the employee is kept up to date with circulars and information relevant to you work.
- Sign an agreement relating to home working.

5   PAY

5.1   Employees who work from home either permanently or when agreed will receive normal salary.

6   HOURS OF WORK

6.1   Home workers are required to perform their normal contracted weekly hours. Subject to the needs of the service and line manager's approval they may however vary their start and finish times providing these are clearly communicated to and approved by the line manager. However, where a manager requires a home worker to be available during certain times (e.g. to respond to customers and colleagues) then this will prevail. In all cases the needs of the service come first and home working should not be conducted in such a way that it places additional burdens on colleagues or the service.

6.2   The employee will be required to contact their manager at least once per day and as regularly as is necessary when working at home.

6.3   Home workers must ensure that they take adequate rest breaks as required by the Working Time Regulations 1998. They must:

- take a break during each working day (after 6 hours of consecutive

work) of at least 20 minutes, during which they must stop work;

- ensure that they have a daily rest break of at least 11 continuous hours, i.e. the time period between stopping work one day and beginning work the next day must not be less than 11 hours; and
- have at least one complete day each week when no work is done.

6.4 Where employees are able to use the provisions of the flextime scheme, those rules prevail with the following adjustments to the Working Hours Policy & Procedure:

- The flex scheme has a maximum operating period of 11 hours (i.e. Monday to Thursday 7:30am to 6:30pm, 6:00pm on Fridays).
- In accordance with paragraph 6.1, home workers may work flexibly around and either side of these times, by agreement.
- A lunch break of at least half an hour must be taken during the working period
- To ensure no period of work is longer than 6 hours without a break, a further break of half an hour will be assumed.
- Home workers can work their normal working hours and accrue additional flextime up to a combined maximum of 10 hours per day (i.e. working time plus flextime)
- Therefore, the flexsheet should record actual worked time & flextime up to a maximum of 10 hours.

7   VISITS TO THE COUNCIL'S PREMISES

7.1 Home workers are required to attend the workplace for purposes such as training, performance assessment and team briefings*. This will typically be at least once per month and the dates and times of such visits will be notified in advance. The employee will be paid normally for time spent at the workplace on such visits. Travel to work time and costs will not be met by the Council.

7.2 If the needs of the service require it, or there is a reasonable management request, home workers will be expected to attend the office to work.

* For those employees working a mix of home and office working, this will be normal office activity.

8   VISITS TO THE EMPLOYEE'S HOME

8.1 As a condition of home working the Council may wish to attend an employee's home for work-related purposes, including health and safety matters, risk assessments, and to install, maintain and service its equipment. Visits would only occur where necessary and practicable, by advance agreement with the employee. It is a condition of any home working agreement that the employee agrees to accept visits from management in his/her home on this basis. The visits would be for the purposes of:

- providing a channel for reporting
- performance monitoring and feedback
- general discussions about work-related matters
- ensuring health, safety and security; or

6

- any other work-related purposes that the Council considers appropriate.
- It will usually be for the employee to collect and deliver work to and from the Council, but there may be exceptional occasions where a manager may do this

9 EQUIPMENT AND MATERIALS

9.1 It is the home worker's duty to ensure that proper care and security is taken of any equipment and materials provided by the Council.

9.2 In terms of equipment provided, the following table sets out the general provisions.

9.3 On termination of the employee's employment for any reason, the Council may wish to attend an employee's home having exhausted all other options on reasonable notice and retrieve all equipment and documents belonging to the Council that have not already been returned.

Working style	ICT equipment provided (may be provided on a shared basis)	Desk	Notes
Office worker	Desktop computer	Allocated at office, location may change	
Access point worker	Desktop computer or client access device, e.g. internet terminal only	Allocated at office, location may change	
Mobile worker	Desktop computer Laptop PDA	None allocated. Mobile workers use touchdown areas which have docking stations for laptops or desktop computers	Equipment may be shared and not necessarily permanently allocated
Field worker	Rugged PDA device if required Desktop computer or laptop	None allocated. Field workers use touchdown areas which have docking stations for laptops or desktop computers	Equipment may be shared and not necessarily permanently allocated
Home worker – e.g. 1 day per week or less	Desktop computer, will need to provide own equipment for home use	Allocated at office, location may change	ICT security policy applies, Own equipment supported by ICT
Home worker – e.g. 2 days or more per week	Laptop Mobile phone	None allocated, hotdesk	
Home worker – Government Connect user	Laptop Mobile phone	See home worker and depends on frequency	

10   EXPENSES

10.1   There are many benefits to home working for employees, including improved work/life balance and reduced commuting costs and stress. The Council recognises that there can be increased costs in terms of heating & lighting used at home, etc.

10.2   Where an employee is working from home more than 2 days per week every week, the Council will pay an allowance of £15 per month (taxable) to assist in the potential increased expenditure of being at home during the day (e.g. heating, lighting, insurance).

10.3   For those employees wishing to work from home but without access to broadband, because there are personal benefits (and not just business use) arising from a connection, the Council cannot reimburse the costs of acquiring or maintaining broadband. Employees without broadband wishing to work from home will be expected to provide this themselves

10.4   In exceptional cases of business need, the Council may consider making a contribution to costs of installation.

10.5   As the Council will provide a mobile phone for home workers (which may be shared depending on frequency of homeworking) and/or a VOIP softphone (a headset device which plugs into a computer and uses the internet in parallel with normal access for voice calls), the Council will not reimburse the cost of calls made by employees on their own equipment. Phones provided by the Council must only be used for work purposes unless in case of an emergency.

11   SECURITY, RULES AND REGULATIONS

11.1   Home workers must ensure they understand and comply with the requirements of the ICT security policy, use of internet and email policy and the data protection policy. In the event of an issue, it will not be an acceptable defence to claim a lack of knowledge about these requirements

11.2   Employees who work from home are responsible for keeping all documents and information associated with the Council's business secure at all times. Specifically, home workers are under a duty to keep documents secure and restrict access and ensure safe transit to and from the workplace

11.3   The home worker must not allow members of his/her family or third parties who are not employed by the Council to access or use the Council's equipment.

11.4   Furthermore, the computer [and other equipment] provided by the Council for the home worker must be used only for work-related purposes.

12   HEALTH, SAFETY AND WELL-BEING

12.1   The Council is committed to ensuring safe and healthy working practices and there are significant responsibilities under health and safety legislation to ensure the health and safety of home workers in

the same way as office-based staff. The Council is therefore required to ensure that:

- all work equipment and systems of work in the employee's home are safe;
- all articles and substances are handled and stored safely;
- an assessment of the employee's working environment is conducted;
- information and training on the safe use of equipment, including display screen equipment, is provided to the home worker; and
- risk assessments are carried out in respect of the work the employee is carrying out.

12.2 All employees who work from home have a duty to ensure, so far as is reasonably practicable, that they work in a safe manner and that they follow the health and safety policies in place and also any instructions issued by the Council from time to time.

12.3 All employees who work from home must follow safe working practices and must not arrange meetings in their home with customers, nor give customers their home address and telephone number.

13 INSURANCE

13.1 The home worker is responsible for checking that all home and contents insurance policies provide adequate cover for the fact that he/she works from home.

13.2 The Council will not meet any additional costs of insurance except by way of payment of the £15 monthly allowance to home workers working more than 2 days per week at home every week.

14 RELATIONSHIP WITH OTHER POLICIES AND PROCEDURES

14.1 The Council's normal policies apply to home workers (e.g. Disciplinary, Performance Improvement, Attendance)

Flexible Working

14.2 An employee who has parental responsibility for a child under the age of 17 (18 if a child is disabled) has the right to request flexible working, as long as he or she has a minimum of 26 weeks' continuous service as at the date the application is made. The right to request flexible working is available to employees who have a minimum of 26 weeks' continuous service as at the date the application is made and caring responsibilities for an adult aged 18 or over who is their spouse, partner or civil partner; a relative; or someone who lives at the same address. This includes the right to request to work from home.

14.3 Employers are not obliged automatically to agree to a request for flexible working, but are under a duty to consider a valid request seriously. The employer may refuse the request only if the refusal is for one of a list of specified business reasons. These are:

- the burden of additional costs;

- a detrimental effect on ability to meet customer demand;
- a detrimental impact on quality;
- a detrimental impact on performance;
- the inability to reorganise work amongst existing staff;
- the inability to recruit additional staff;
- insufficiency of work during the periods the employee wishes to work; and
- planned structural changes.

Health & Safety policy

14.4 The Council's health and safety policy applies equally to work at home as to work in the office.

Working Hours Policy & Procedure

14.5 Employees who use the Flextime scheme should refer to the Scheme for details on the rules for accruing and taking flextime and for recording absences.

Working Time Regulations

14.6 The Working Time Regulations 1998 provide that:

- employees are entitled to a daily rest period of 11 consecutive hours in each 24-hour period during which they work for their employer;
- employees are limited to a maximum working week of 48 hours calculated over a 17-week reference period, unless they opt out voluntarily and in writing;
- employees are entitled to a rest break of 20 minutes during each shift of more than six hours; and
- employees are entitled to an uninterrupted weekly rest period of 24 hours in each seven-day period that they work for their employer.

The conditions above are the minimum requirements specified by the Regulations. Employees must, however, comply with the Council's Working Hours Policy and Procedure. For example the flextime scheme requires that a minimum break of 30 minutes must be taken by employees working for more than 6 hours.

15   MONITORING AND REVIEW

15.1 This policy will be kept under regular review to ensure it continues to be effective and up to date.

HOME WORKING AGREEMENT

1.1   This agreement between Oxford City Council and [name of employee] is made on [insert date] on the additional terms and conditions below that will apply to the employee as a home worker. Existing terms and conditions are contained in the employee's written statement of particulars and the various employment policies and procedures which may be amended from time to time. In all cases this agreement is set in the context of the Home Working Policy & Procedure

1.2   The proposal for home working may come from the manager or the employee. Home working may be a regular set pattern, or variable, depending on the needs of the service and agreement between manager and employee.

1.3   The manager will arrange a meeting with the employee to discuss the feasibility of home working.

1.4   It is the Council's policy to maximise homeworking and wherever possible and practicable, arrangements will be agreed.

2   Reporting relationship

2.1   While working at home, the employee will report to [name of line manager].

3   Pay

3.1   While working at home, the employee will be paid normal salary. No overtime will be paid

4   Hours of work

4.1   The employee will work their normal contracted hours each week in accordance with the flextime Scheme (if applicable) as set out in the Working Hours Policy & Procedure, with suitable amendments as set out in the Home Working Policy & Procedure.

4.2   Subject to the needs of the service and line manager's approval they may however vary their start and finish times providing these are clearly communicated to and approved by the line manager. However, where a manager requires a home worker to be available during certain times (e.g. to respond to customers and colleagues) then this will prevail. In all cases the needs of the service come first and home working should not be conducted in such a way that it places additional burdens on colleagues or the service.

4.3   The employee will be required to contact their manager at least once per day and as regularly as is necessary when working at home.

4.4   The employee must ensure that they take adequate rest breaks as required by the Working Time Regulations 1998. They must:

take a break during each working day (after 6 hours of consecutive work) of at least 20 minutes, during which they must stop work;

4.5   ensure that they have a daily rest break of at least 11 continuous hours, i.e. the time period between stopping work one day and beginning work the next day must not be less than 11 hours; and

4.6   have at least one complete day each week when no work is done.

5   Job duties

5.1   The job duties that the employee is required to carry out at home are as agreed by the manager and set out in the job description, performance targets or any other documentation or arrangement as required.

5.2   While working at home, the employee must develop a strategy to cope with the potentially conflicting demands of work and family, and work in an organised and disciplined manner.

6   Performance management

6.1   The employee's line manager will conduct a formal performance assessment with the employee every six months in accordance with the Council's Appraisal Scheme. The assessment will include a discussion of the specific issues associated with homeworking and any problems or issues that the employee has experienced or that the manager believes have arisen.

6.2   More regular informal meetings will be arranged (at least once per month) as described in section 8 of this agreement.

7   Sickness

7.1   The employee will abide by the Council's normal Attendance Management Policy & Procedure. To highlight the reporting requirements, if the employee is sick and unable to work, he/she must telephone his/her line manager as soon as possible, indicating the nature of the illness and how long the absence is expected to last.

8   Visits to the Council's premises

8.1   Employees are required on request to attend the workplace for purposes such as training, performance assessment and team briefings*. This will typically be at least once per month and the dates and times of such visits will be agreed in advance. The employee will be paid normal for time spent at the workplace on such visits. Travel to work costs and time spent travelling will not be met by the Council.

7.2   If the needs of the service require it, or there is a reasonable management request, home workers will be expected to attend the office to work.

* For those employees working a mix of home and office working, this will be normal office activity.

8 Visits to the employee's home

8.1 It is a condition of this agreement that the employee agrees to accept visits from management in his/her home in the circumstances more fully set out in paragraphs 8.1 and 9.3 of the Home Working Policy & Procedure. Such visits will be for the purposes of:

- delivering and collecting work (if required)
- providing a channel for reporting
- performance monitoring and feedback
- general discussions about work-related matters
- ensuring health, safety and security; or
- any other work-related purposes that the Council considers appropriate.

9 Equipment and materials

9.1 The employee agrees to ensure that proper care and security is taken of any equipment and materials provided by the Council.

9.2 Any equipment provided will be separately signed for by the employee on receipt.

9.3 On termination of the employee's employment for any reason, the Council will have the right to visit the employee's home at an agreed time and retrieve all equipment and documents belonging to the Council.

10 Security, rules and regulations

10.1 Employees confirm they understand and comply with the requirements of the ICT security policy, use of internet and email policy and the data protection policy.

10.2 Employees agree to keep all documents and information associated with the Council's business secure at all times and in particular keep documents secure and restrict access and ensure safe transit to and from the workplace.

10.3 The employee agrees not allow members of his/her family or third parties who are not employed by the Council to access or use the Council's equipment.

10.4 The employee agrees to only use the computer [and other equipment] provided by the Council for work-related purposes.

Expenses

11.1 Where an employee working from home more than 2 days per week every week, the Council will pay an allowance of £15 per month (taxable) to assist in the potential increased expenditure of being at home during the day (e.g. heating, lighting, insurance). No other

allowances are payable. The employee will be paid this allowance automatically on confirmation from the manager that they are a working from home more than 2 days per week every week.

11.2 Normally the Council will not make a contribution to broadband set up costs and billing, unless there are exceptional circumstances and a business case.

12   Health, safety and well-being

12.1 The employee acknowledges and understands their health and safety responsibilities and agrees to work from home in a safe manner; and that they follow the Council's health and safety policies and procedures and also any instructions issued by the Council from time to time.

12.2 All employees who work from home must follow safe working practices and must not arrange meetings in their home with customer, nor give customers their home address and telephone number.

13   Insurance

13.1 The employee has checked all home and contents insurance policies and these provide adequate cover for home working.

Statement by employee

I agree to undertake the responsibilities and requirements set out in this agreement and the Council's Home Working Policy & Procedure.

I understand this agreement may be withdrawn at any time subject to any reasonable notice period which will be no more than 4 weeks. This notice period does not preclude the requirement for me to attend the offices to work at short notice, if required. I have checked with my home & contents insurers and I confirm I have the appropriate cover to allow home working.

Name of employee _____Date_____

Statement by manager

I agree to undertake the responsibilities and requirements in relation to the management of the above named employee as a home worker, in accordance with all relevant Council policies and procedures and best practice.

I confirm that the above named employee is / is not (delete) a home worker working more than 2 days every week at home*

Name of manager:_____Date_____

* home workers working more than 2 days at home every week will be entitled to a £15 allowance paid on a monthly basis

Manager - once complete, please send this form to your HR Business Partner to record on file and make payment if applicable

Appendix 3 – Programme Management

1.   Programme Management

1.1   The OFTF programme is being managed under the City Council's Programme Management Approach. This formalises the governance arrangements in terms of programme management, budget control, programme planning, project stream oversight, management of risks and issues, change management process and delivery of objectives. At this stage the programme is being managed under a gateway approach, that being CEB approval.

1.2   The programme has complex interdependencies and these must be managed and resources at project level with strategic oversight at programme level. Each project relies on progress in other areas so it is imperative each strand keeps pace with the others. This requires careful planning and resourcing.

1.3   The Programme Board is as follows:

Role	Officer	Name
Programme Sponsor	Head of People & Equalities	Simon Howick
Programme Manager	Strategic Projects Manager	Karen Ravenhill
Finance	Head of Finance	Penny Gardner
Procurement	Head of Procurement	Jane Lubbock
Office Rationalisation Team & Senior Supplier representative	Head of Corporate Assets	Steve Sprason
Customer Service Outlet Team	Head of Customer Services	Helen Bishop
Senior User representative	Head of Community Housing & Community Regeneration	Graham Stratford
Executive Director link	Executive Director City Regeneration	Mel Barrett
Programme Assurance	To be confirmed	

2. Key Documentation Outputs

2.1 The programme will deliver the following implementation support tools
- ✓ Home working policy
- ✓ Modern workstyles guidance for managers
- ✓ ICT standards
- ✓ Workplace standards
- ✓ Communication & Consultation strategy
- ✓ Cultural Change Plan
- ✓ Decant Strategy
- ✓ Physical Storage Strategy

3. Programme Scope & Exclusions

3.1 In scope are:
- The costs of redesigning & building of a new customer services outlet at St Aldate's Chambers
- The costs of all changes to St Aldate's, new ICT, equipment & furniture
- The costs of any necessary refurbishment of Ramsay House & Blue Boar Street
- City Centre & Horspath-based posts (& initially prioritised to the 3 key buildings) for Modern Workstyles
- The costs of provision of Voice Over Internet Protocol (VoIP – using internet for voice communication rather than traditional phone lines) & softphone (software for making telephone calls over the internet using a computer, usually used with a headset) are in scope but note last bullet below.
- The costs of physical solutions to storage demand
- The costs of all internal & external staff managing the programme & projects
- Included within the report and within scope are costs for providing additional telephony to support the proposed flexible working environment in St Aldates Chambers. Initial estimates are based on feedback from the current supplier on upgrading existing equipment and licensing fees.

3.2 Out of scope are:
- The costs associated with electronic document management have not yet been fully identified – this work is being undertaken under the ICT Strategy. The costs of back-scanning are currently being evaluated but is not available at the time of writing this report.
- The Council's telephony switch is in need of upgrading as it is in risk of becoming unsupported by suppliers and is incapable of providing modern facilities. This element of work is considered out of scope for this programme, being a corporate issue, but acknowledged as a critical dependency

4.   Programme constraints/assumptions/interdependencies

4.1   There will be a need to decant some staff when refurbishments begin. The 3rd floor of St Aldate's is currently mostly empty so some moves may be just small and temporary location moves but at this stage this cannot be guaranteed. A decant strategy is being prepared as part of the Programme preparations.

4.2   Cultural change management will be required to deliver successful implementation, i.e. the way we use the new environment, managing staff remotely , changing behaviours, etc.

4.3   ICT changes for office based staff and the supportive arrangements (hardware/software etc) for home-working will be a critical dependency and a strategic programme needs to match demand arising from new occupation of St Aldates Chambers.

4.4   HR policy change will need to be fully adopted through consultation with the Trade Unions.

4.5   Additional staff capacity to implement the project will be needed i.e. Project Management, expert consultants and support resources4.6 The information/data management project will be a critical dependency.

4.7   The funding strategy will be a critical dependency

4.8   The Customer Contact Strategy & Customers First Programme will be critical dependencies. The decant strategy may be influenced by   the CRM implementation programme. Likewise, certain support/duty officers from Ramsay House will also have to be co-located with the front of house once the Planning and Environmental Development services are being delivered from St Aldates

4.9   Managing people remotely will require support from People & Equalities (e.g. performance management, communication.

4.10   An integrated Facilities Management function is likely to be required in order to ensure the portfolio workspace is supported seamlessly

4.11   Details and options regarding the method of delivery of a replacement or upgraded switch will be outlined in the Telephone Strategy to be agreed by CMT. The solution must provide the technology required to support the programme within the timescales and not exceed the estimated budget of £90k

5.   Benefits Realisation

5.1   The following table shows how each benefit within this programme will be delivered and tracked

Benefit	How is it realised	How Council will know it is realised
Improved customer satisfaction & customer experience	Significant number of customer enquiries resolved at first point of contact Consistent and right first time provision of information Ability to handle multiple enquiries for one customer that could include appropriate signposting to complementary organisations	Customer satisfaction survey (target & baseline to be confirmed)
Improved staff satisfaction & work/life balance	Delivery of OFTF programme	Staff satisfaction increase measured via survey Improved retention Reduced sickness Less staff travel More staff able to work from home
Improved service delivery		Increased productivity – less staff achieving more
Improved Facilities Management service	Redesign of service provided to accommodate the rationalised buildings	Facilities Management Survey
Office floor space reduction	Exit from properties	Reduced property footprint
Portfolio operating cost reduction	Exit from properties	Reduced operating costs
Reduced maintenance backlog	Exit from properties	Reduced forecast maintenance backlog
Improved & generic workspace	Deliver office rationalisation project	New space delivered & occupied. Staff satisfaction. Cost / impact / ease of future office moves Reduction in storage requirements
Reduced storage needed	Storage Strategy Implemented	Reduced floorspace occupied by storage
Carbon savings	See section 14	See section 14

OFTF Procurement Model

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                                                    │   Project Board  │
                                                    └──────────────────┘
                                                             │
                          ┌──────────────────┐    ┌──────────────────┐
                          │ Richard Hawkes    │    │ Karen Ravenhill  │
                          │ Corporate AM &    │    │ Programme Manager│
                          │ Real Estate Lead  │    │                  │
                          └──────────────────┘    └──────────────────┘
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Project Board

Richard Hawkes
Corporate AM &
Real Estate Lead

Karen Ravenhill
Programme Manager

Ian Gordon
Construction
Inteligent Client

ICT

Modern
Workstyles

Data Information
Management

External
Construction
Project Manager

CDM/
Planning
Supervisor

M&E/Structural
Specialist
consultants

Lead designer

Cost consultant

Main contractor

Subcontractors
/Work packages

Appendix 4 – Risk Register

RED RISK

CLOSED RISK

Risk ID	Risk						Corporate Objective	Gross Risk		Residual Risk		Current Risk		Owner	Date Risk Reviewed	Proximity of Risk (Projects/ Contracts Only)
Category-000-Service Area Code	Risk Title	Opportunity/ Threat	Risk Description	Risk Cause	Consequence	Date raised	1 to 6	I	P	I	P	I	P			
PRR-001-OFTF	Financial	T	Programme has not identified the best funding option	Flawed funding options appraisal / strategy / savings	Impact to budget proposition. Insufficient funding secured to deliver programme benefits, benefits not realised in full	1-May-10	6	4	3			4	2	Simon Howick	01-Jun-10	
PRR-002-OFTF	Asset Management	T	Disposal of 2 buildings not achieved or delayed affecting capital gain	No market to buy buildings or anticipated value not realised	Impact to Business Case rationale. Impact to budget proposition	1-May-10	6	4	4			4	2	Steve Sprason	01-Jun-10	
PRR-003-OFTF	Asset Management	T	Delays in building work starting due to tender & contract process	Failure to properly assess & plan for the EU public procurement & public law requirements	Impact to programme timetable. Impact to budget	1-May-10	6	3	3			3	2	Steve Sprason	01-Jun-10	
PRR-004-OFTF	Asset Management	T	Unexpected additional build costs	Further building problems not exposed or obvious at current time	Impact to programme timetable. Impact to budget	1-May-10	6	3	3			3	3	Steve Sprason	01-Jun-10	
PRR-005-OFTF	Customer Service	T	Delayed opening of new CSO as business integration not fully achieved by services	CRM not accelerated sufficiently to enable all service areas to deliver face-to-face contact from day 1	Impact to programme timetable. Impact to realisation of associated programme benefits	1-May-10	6	3	3			3	2	Helen Bishop	01-Jun-10	
PRR-006-OFTF	Modern Workstyles	T	Staff & management resistance to new "modern workstyles"	Lack of communication & consultation with affected staff	Impact to Office Rationalisation plan. Impact to project benefits	1-May-10	6	3	3			3	2	Karen Ravenhill	01-Jun-10	
PRR-007-OFTF	Corporate Dependencies	T	Other dependant projects not delivering to same timetable as OFTF may inhibit programme benefits	Lack of analysis across corporate programmes to identify key interdependencies	Impact to programme timetable. Impact to realisation of associated programme benefits	1-Apr-10	6	3	3			3	2	Simon Howick	01-Jun-10	
PRR-008-OFTF	Customer Service	T	Disturbed customer access to services during refurbishment of St Aldates reception	Customer access to services will need to be denied for certain periods during the build	Impact to customer service delivery and to Council reputation.	1-May-10	6	3	3			3	3	Helen Bishop	01-Jun-10	
PRR-009-OFTF	Office Space	T	May have insufficient storage space to meet business requirements	Cultural constraints to adapting change in managing office space	Impact to Storage Project timetable. Impact to project benefits	1-Jun-10	6	3	3			3	3	Tina Hollis	01-Jun-10	
PRR-010-OFTF	Office Space	T	Quality of storage requirements detailed by Service Areas	Business requirements do not satisfy the expected output required to enable office space to be managed efficiently	Impact to Storage Project timetable. Impact to project benefits	1-Jun-10	6	3	3			3	3	Tina Hollis	01-Jun-10	
PRR-011-OFTF	Office Space	T	Completion of delivering storage requirements not given sufficient priority by individual Service Areas	Business operates without fully effective storage facilities.	Impact to Storage Project timetable. Impact to project benefits. Service Areas incurr additional costs	1-Jun-10	6	3	3			3	3	Tina Hollis	01-Jun-10	

Appendix 4 (continued) – Managing the risk

Risk ID	Risk Title	Action Owner	Accept, Contingency, Transfer, Reduce or Avoid	Details of Action	Key Milestones	Milestone Delivery Date	%Action Complete	Date Reviewed
PRR-001-OFTF	Financial	Simon Howick	R	Robust financial modelling.	CEB Approval	1-Jul-10		01-Aug-10
			R	Use of capital receipts to front-fund	CEB Approval			
			R	Reviewed by CMT	CMT Approval	7-Jun-10	100%	
PRR-002-OFTF	Asset Management	Steve Sprason	T	Corporate Asset team sought external advice for reassurance that a market is in place	Quarterly assessment of housing market	1-Aug-10		01-Sep-10
				Quarterly assessment of housing market to be undertaken				
PRR-003-OFTF	Asset Management	Steve Sprason	R	Council has carefully complied with directives & a procurement plan is in place	Office Rationalisation Project Plan on track with milestones delivered to agreed timescales	1-Jul-10	50%	01-Aug-10
				External contract law advice will be sought where needed				
PRR-004-OFTF	Asset Management	Steve Sprason	T	Engagement of professional consultants & surveyors to anticipate all possible problems	Office Rationalisation Project Plan on track with milestones delivered to agreed timescales	1-Jul-10		01-Aug-10
				Contingency budget in place			100%	
PRR-005-OFTF	Customer Service	Helen Bishop	R	Access the impact/cost of acceleration compared to impact of a service area not being integrated by opening date	Customer Service Outlet Project Plan on track with milestones delivered to agreed timescales	1-Jul-10		01-Aug-10
				Reviewed by CMT				
PRR-006-OFTF	Modern Workstyles	Karen Ravenhill	R	Communication & Consultation Strategy in place	Successful roll out of Modern Workstyles across Service Areas	1-Jul-10	50%	01-Aug-10
				Service Forums in place			50%	
				Training to be arranged for line managers			20%	
PRR-007-OFTF	Corporate Dependencies	Simon Howick	R	Detailed cross-service planning & project management to be monitored through CMT	Programme Plan on track with milestones delivered to agreed timescales	1-Jul-10	20%	01-Aug-10
				Meet with other programme sponsors to brainstorm critical dependant areas				
PRR-008-OFTF	Customer Service	Helen Bishop	R	Alternative reception areas to be temporarily utilised i.e Ramsay House	Changes to Programme Plan realigned with critical milestones and delivered to agreed timescales	1-Jul-10		01-Aug-10
				Communicate "closure" clearly through press in advance				
PRR-009-OFTF	Office Space	Tina Hollis	R	Meetings held with Service Heads and teams	Project Plan on track with milestones delivered to agreed timescales	1-Jul-10	10%	01-Aug-10
				Communication & Consultation strategy in place			50%	
				Visual Management				
PRR-010-OFTF	Office Space	Tina Hollis	R	Project supports Service Heads and teams to detail business requirements	Project Plan on track with milestones delivered to agreed timescales	1-Jul-10		01-Aug-10
PRR-011-OFTF	Office Space	Tina Hollis	R	Identified owners within Service Areas work with Project Manager to achieve deliverables	Project Plan on track with milestones delivered to agreed timescales	1-Jul-10		01-Aug-10

Initial Equalities Impact Assessment

Service Area: P&E	Section: P&E	Key person responsible for the assessment: Simon Howick	Date of Assessment: June 2010

Is this assessment in the Corporate Equality Impact assessment Timetable for 2008-11?		No	

Name of the Programme to be assessed: Offices for the Future programme / CEB report		Is this a new or existing policy	New

1. Briefly describe the aims, objectives and purpose of the programme	The broads aims of the Offices for the Future programme are:- To deliver financial, carbon, customer and staff benefits through 1. Refurbishing St Aldates Chambers and dispose of Ramsay House & Blue Boar Street Offices, decanting staff from the latter two buildings to SAC – and provide a de-risked solution to financing this programme 2. Developing a Customer Services Outlet Strategy i.e. the redesign of a new reception area for St Aldates that will support both the current & future use. 3. Delivering a modern workstyles approach which will enable maximum use of flexible working (e.g. home), thereby reducing need for office accommodation, improve productivity, give more flexibility to employees, etc. 4. Introducing appropriate ICT solutions to support modern workstyles and also paper and electronic document management which can support the more intensive use of desk space

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2. Are there any associated objectives of the programme, please explain	1) To have a committed workforce who are able to work to the best of their ability, increasing productivity and discretionary effort 2) To contribute to the Council's carbon reduction objectives. 3) To improve recruitment and retention by providing flexible working opportunities wherever practical.
3. Who is intended to benefit from the programme and in what way	The Council through cost & carbon savings and increased productivity. The workforce from increased flexibility, less commuting, improved morale Customers will benefit from both a more effective workforce, improved service through the new CSO

4. What outcomes are wanted from this programme?

See section (1) above

5. What factors/forces could contribute/detract from the outcomes?	This is a major change in the way the employees are managed and how they work. The benefits are significant but there is a need to ensure effective communication & consultation to ensure buy-in and successful outcomes.

6. Who are the key people in relation to the programme	Employees	**7. Who implements the programme and who is responsible?**	OFTF Programme Team & Board, Managers, Employees, P&E representatives. Overall responsibility with Head of P&E as OFTF Sponsor

8. Could the programme have a differential impact on racial groups?	Y	N	No

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What existing evidence (either presumed or otherwise) do you have for this?	More flexible working has the potential to benefit all staff where their duties enable it. Employees are invited to comment on proposals detailed in a communications plan.		
9. Could the programme have a differential impact due to gender?	Y	N	Yes - positive
What existing evidence (either presumed or otherwise) do you have for this?	There is no monitoring data to substantiate this; however, generally more women than men tend to seek flexible working arrangements to accommodate caring responsibilities. These policies should therefore have a positive impact on carers, potentially with a majority of those being women.		
10. Could the programme have a differential impact due disability?	Y	N	Yes
What existing evidence (either presumed or otherwise) do you have for this?	There is no monitoring data to substantiate this; however, home and flexible working opportunities may be advantageous to people with disabilities as it may provide working opportunities that may not previously have been available due to the nature of the disability, access issues, etc. Accessibility in Council buildings will be improved through the build project itself and also reducing the Council's portfolio		
11. Could the programme have a differential impact on people due to sexual orientation?	Y	N	No
What existing evidence (either presumed or otherwise) do you have for this?	N/A		
12. Could the programme have a differential impact on people due to their age?	Y	N	No
What existing evidence (either presumed or otherwise) do you have for this?	N/A		

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13. Could the programme have a differential impact on people due to their religious belief?	Y	N	Yes
What existing evidence (either presumed or otherwise) do you have for this?			There is no monitoring data to substantiate this; however provision of a Prayer Room at SAC will provide practical facilities for people of faith (or anyone) to use and also demonstrate the Council's commitment to celebrating diversity
14. Could the negative impact identified in 8-13 create the potential for the policy to discriminate against certain groups?		N	**Please explain** A negative impact has not been identified. It is anticipated that this programme will provide a much improved working environment, on-site facilities which will benefit people from minority groups, greater flexibility generally and help employees to achieve a better work life balance.
15. Can this negative impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason	Y	N	N/A

16. Should the policy proceed to a partial impact assessment		N	If Yes, is there enough evidence to proceed to a full EIA		N/A
			Date on which Partial or Full impact assessment to be completed by		

17. Are there implications for the Service Plans?	YES		18. Date the Service Plan will be updated	Autumn 2010	19. Date copy sent to Equalities Officer in P&E	07/06/10
20. Date reported to Equalities Board:	N/A		Date to Scrutiny and CEB	30/06/2010	21. Date published	

Signed (completing officer)_____   Signed (Lead Officer) _____

Please list the team members and service areas that were involved in this process:

P&E, Law & Governance, Corporate Management Team.

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