Management Scrutiny Committee
Policy Review 2010 – 2011

Smarter Working

Final Report

Contents

1   Foreword from the Chairman of the Committee

It gives me great pleasure to be able to introduce the Management Scrutiny Committee's policy review on Smarter Working. At a time when financial constraints in both the private and public sector are making the headlines, it is vital that organisations look to maximise efficiencies while maintaining and improving service delivery.

The Smarter Working Project is one such initiative that looks to make savings through reducing the number of buildings that the Council occupies. The project challenges service areas current working practices, and it is through this process that teams have developed their own new models of working, be that working more flexibly, working from home or the use of touchdown solutions. The outcome of this is a reduced office footprint, greater employee satisfaction and increased productivity.

Of course this is not to say that such a project does not come without risk and the importance of technology as a driver for change cannot be underestimated. The use of Blackberrys, laptops, tablets and Virtual Private Networks have paved the way for all of us to work more flexibly. However, technology moves at a rapid pace and it will be important to ensure that, through the Smarter Working Project, the Council looks to future proof technological solutions as best it can.

Throughout the course of this review Members of the Committee have looked to understand the meaning of Smarter Working, undertaken the workshop process that teams go through in challenging their own working practices and explored the data management issues associated with a reduction in office space. This has been done through a variety of mediums including, focus groups and workshops with key officers providing evidence to support the Committee in its review work.

Finally I would like to thank my colleagues on the Management Scrutiny Committee for their valuable input and contribution throughout the course of this piece of work. I hope that the review and its recommendations can help to add value and develop further the Smarter Working Project.

Councillor David Tate, Chair of the Management Scrutiny Committee

2   Introduction

2.1   The Annual Scrutiny Conference was held at the Marriott Hotel on 20th May 2010. During the Scrutiny Café sessions a number of viable policy reviews were formulated for discussion by Members of the Committee. At its meeting on 23rd June 2010, following discussions regarding the Work Programme, the Committee agreed to focus on the issue of Smarter Working.

3   Aim of the Review

3.1   The overall objective of the review is to investigate smarter working initiatives across the council and the impact of these measures on efficiency savings.

4   Terms of Reference

4.1   The title of the review was agreed as 'Smarter Working' and its terms of reference were agreed as:

(a)   To investigate what smarter working is and identify it's importance to Sunderland City Council in relation to service improvement and delivery;

(b)   To highlight the smarter working techniques that are currently being employed across the organisation;

(c)   To investigate the impact of smarter working measures on property rationalisation, service delivery, efficiency savings, the organisation and individuals;

(d)   To identify the barriers that exist in the organisation to smarter working practices and to look at how these barriers can be removed;

(e)   To look at examples of good practice from across the region and country in relation to the policy review.

5   Membership of the Committee

5.1   The membership of the Management Scrutiny Committee during the Municipal Year is outlined below:

Cllrs David Tate (Chair), Kath Rolph (Vice-Chair), Margaret Forbes, Bob Heron, Graeme Miller, Michael Mordey, Anthony Morrissey, Robert Oliver, Paul Stewart, Peter Walker and Susan Watson.

6   Methods of Investigation

6.1   The approach to this work included a range of research methods namely:

(a) Desktop research – review of relevant documentation including key government and council documents relating to smarter working practices.
(b) Interviews
(c) Focus groups
(d) Presentations to the committee.

6.2 Interviews with the following personnel were carried out:

    (a) Helen Townsend – Smarter Working Project Manager – Sunderland City Council
    (b) Colin Clark – Head of Land and Property – Sunderland City Council
    (c) Kevin Bond – Senior Risk Management Advisor – Sunderland City Council
    (d) Graeme Farnworth – Head of Regeneration Programmes – Sunderland City Council
    (e) Martin Duncan – ICT Programme Manager – Sunderland City Council

6.3 Members of the Management Scrutiny Committee also went through the Smarter Working workshop that all service teams considering smarter working complete. This enabled Members to see first hand the preparatory work done with teams prior to any commitments to work smarter. This workshop also provided an opportunity for members to discuss a number of issues around the smarter working project with the project manager. The workshop involves teams identifying where and how they currently work, and asks them to challenge why they carry out particular job roles where they do. The workshop also introduces staff to the new technology available to support new ways of working, and concludes with staff identifying how they could work differently in the future.

6.4 It should also be noted that many of the statements made are based on qualitative research i.e. interviews and focus groups. As many people as possible, where practicable, were interviewed in an attempt to gain a cross section of views, however it is inevitable from this type of research that some of the statements made may not be representative of everyone's views. All statements in this report are made based on information received from more than one source, unless it is clarified in the text that it is an individual view. Opinions held by a small number of people may or may not be representative of others' views but are worthy of consideration nevertheless.

7   Findings of the Review

Findings relate to the main themes raised during the committee's investigations and evidence gathering.

7.1   What is Smarter Working?

7.1.1   Smarter working at its core is the aim to deliver public services through more flexible and responsive methods of working. Smarter working can take a number of forms and during the past decade a whole range of smarter working arrangements have become increasingly common. The most widely adopted practices break down into three main types.

7.1.2   Flexible working allows an employee to structure their own working week within the parameters required of the business operating model. Flexible working allows for variations in start and finish times and enables employees to deal with family and other commitments without this impacting on their work. There are a number of different models within flexible working and the principal models are:

(a)   Flexi-time – allows an employee to choose how weekly or annual hours are worked;

(b)   Flexi-hours – an employee has the option to come in and leave earlier or later as required;

(c)   Flexi-Working – enables an employee to work overtime and then take that time off in lieu, and;

(d)   Condensed Hours – an employee works the week's hours in four days, leaving the fifth day as free.

(e)   Annualised Hours – a contract which states the agreed number of guaranteed hours the employee is contracted to work through a twelve month period.

7.1.3   Home working is becoming increasingly popular and can be very productive and efficient for many employees. A survey by networking firm Mitel in April 2007 stated that two-thirds of workers had stated that home working allows them to be more flexible, with 41% believing that it could boost productivity[1]. Even choosing to work from home one day a week could have a significant impact on work/life balance and productivity.

7.1.4   Remote working is the third approach to the reduction of time spent travelling. This practice allows an employee to work on the move and reduces the need to come into the office. This form of working could incorporate:

(a)   a satellite office where an employee is able to work in a remotely-located office environment;

(b)   hot desking whereby permanent workstations can be used on an ad-hoc basis by a number of employees as and when required, and;

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[1] Transport for London; Smarter Working guide. 2007

(c)   a touchdown solution where an office space or business centre is used and the costs are spread across the number of organisations involved.

7.1.5   Smarter working can bring a number of key benefits to the organisation, the individual and the environment, this can include:

(a)   Economic Benefits – increased overall efficiency and productivity by reduced absenteeism and increased staff retention, reduced property, heating, lighting and transport costs.

(b)   Environmental Benefits – reduced impacts and stresses through reduced transport congestion and vehicular pollution.

(c)   Social Benefits – for individuals, employers and society through a reduction in wasted travel time, increased availability for family, voluntary and leisure activities and increased corporate and individual social responsibility.

7.2   Smarter Working: Some Facts and Figures

7.2.1   The average UK worker spends 47 working days a year commuting, which was longer than anywhere else in Europe. The average distance travelled by workers was 8.5 miles, 17% further than a decade ago. Rail passenger traffic has also grown with around 1 billion rail journeys made each year, a 60% increase since privatisation in the 1990's.

7.2.2   More people than ever are working from home according to research conducted by the TUC. Nearly 3.5 million people already work from home in the UK, this equates to 12.2% or 1 in 8 of the population, an increase of some 600,000 since 1997. The highest proportion of home workers was in the South West with 15.7%, followed by Eastern England with 14.4%. The lowest was in the North East with 9.3%, followed by Scotland at 9.4%.

7.2.3   The Chartered Business Institute (CBI) argued that with many employers struggling to protect jobs the employment landscape had changed since the last recession. Flexible working practices have given organisations and their staff more freedom to adapt to changing demands and individual needs. Organisations across the UK and in all sectors were changing their employment practices to weather the current financial situation.

7.2.4   A number of local authorities across England have reaped the rewards of smarter working practices. Some of the examples will be explored in greater detail within the report, but even at this stage it is worth pointing out some of the successes achieved. These include Surrey County Council who were able to rationalise their buildings from 74 to 21 and cut capital costs by approximately £4 million. Salford City Council, also through smarter working, was able to reduce sickness absence levels from an average of 27 days to 7 days. Although it was recognised that there was no proof of the direct correlation between smarter working and a reduction in sickness absence it was acknowledged as a contributory factor. Finally Bracknell Forest Council developed remote working which reduced the overall office accommodation footprint by 20% resulting in savings of £300,000 per annum in accommodation overheads and running costs.

7.3   Smarter Working – The Local Perspective

7.3.1 The need for greater efficiencies and improved service delivery, enabled by technological solutions, is driving fundamental changes in both the private and public sectors in terms of the way office space is both used and managed. In February 2009 the Business Improvement Programme Board approved the Project Profile for Smarter Working and a Project Brief was approved in August 2009. A Project Initiation Document (PID) was then completed with input from KPMG in October 2010.

7.3.2 The Smarter Working Project at Sunderland City Council was tasked, through the Business Transformation Programme (BTP) with delivering efficiencies from operational property over a 4 year period. This would be largely through reducing the number of buildings currently occupied by the Council and reducing the operating costs on those that remain.

7.3.3 The Council identified that at any one time a number of staff are out of the office for a variety of reasons including work based activities, holidays and council business. Consequently there are a number of desks and office space which are not fully occupied across the working week. If more staff can share desks and office space then greater numbers could be supported by any one given building at any given time. This requires a significant cultural shift for staff as they will not necessarily 'own' a desk.

7.3.4 The Council has introduced a range of flexible working options for employees, and has approved a Smarter Working Toolkit to assist staff and managers in moving towards new ways of working. Home working, compressed hours, annualised hours and other flexible styles are all aimed at maximising building occupation without compromising service delivery standards. To assist with this and to ensure equality across the organisation a Space Utilisation and Desk Density Policy was approved by Executive Management Team (EMT) in October 2011.

7.3.5 The Smarter Working project has already completed work on the CAD (Computer Aided Design) of the Council's principal office buildings. This data has provided accurate information on the net space available in each of the authority's retained buildings. Work continues to translate the potential capacity, identified through this exercise, into useable office accommodation.

7.4 Smarter Working – The Project

7.4.1 The review identified that after staffing costs the biggest single overhead within the council was that of accommodation and office buildings. Following an analysis of all council accommodation it was identified that there was an inequity in space utilisation. This has led to the introduction of new space utilisation and desk density standards which are in line with Office of Commerce and Government (OCG) standards. In applying these new spatial standards and desk density ratios it has been identified that the council ultimately will only need 4 principal office buildings to continue the business of the organisation. It should be noted that this does not include SureStart, Customer Contact Centres, libraries or other buildings from which services are delivered which fall out of the remit of this project.

7.4.2 Any building closure would carefully consider the wider regeneration and economic impact for the city. The committee saw the importance of informing, consulting with and taking ward councillors on this journey, and it was noted that regular updates would be required to facilitate this. In disposing of property assets Members

highlighted the importance of ensuring assets realised maximum potential in the marketplace. It was noted that meetings were taking place with the Capital Strategy Group around the disposal of properties and it may be that to ensure good market value some sites are land banked until such time as the market demand is healthier. The scope of this project did not include the disposal of those council owned properties which were already empty or derelict.

7.4.3 Through the Smarter Working Project 4 types of workers within the organisation had been identified:

(a) **Office Worker** an office worker is a member of staff whose job role means that they are required in the office to deliver services to customers either internal or external on a daily basis, which requires a physical presence in the office and which cannot be delivered using available technology. They will be allocated a desk within Council office accommodation, within the Councils space utilisation standards.

(b) **Home Worker** a home worker is a member of staff not engaged in the delivery of front-line services who has the ability to deliver the majority of their duties from home using a range of technology to support them in their role. Their main office base would be their home, with them coming into Council premises only for one-to-ones, team meetings or other meetings/training, as and when required. They would not have a designated desk space within Council office accommodation but would be equipped to work from home.

(c) **Remote Worker** a remote worker is someone engaged in the delivery of front-line services to customers who is primarily based out in localities, clients/customer homes or partner agency premises. They may operate from a particular office, but will not have a designated desk space within Council accommodation; they may also require access to 'Touchdown' space within localities to carry out the duties and responsibilities of their job role.

(d) **Agile Worker** an agile worker is a member of staff who spends some of their time in an office; some of their time out of the office in either internal or external meetings, and some of their working week from home. They will have a desk within Council office accommodation, but depending on how much time they are out of the office this is unlikely to be a dedicated desk, more likely they will share desks (as per the Council's desk density ratio) with colleagues.

7.4.4 A smarter working workshop has so far been delivered to a number of service teams interested in becoming agile workers. The workshop was aimed to consider each staff role and analyse how their time was currently spent. It was acknowledged by the Smarter Working Project Lead that all teams involved in looking at smarter working practices had identified and developed their own solutions to agile working. It was further noted that all staff were given a trial period of six months which allowed them to decide the best solutions for home working.

7.4.5 Smarter working is not for everyone and it was highlighted during the course of the review that for some staff members the social element of work was an integral reason for coming to work. Agile working may not be the solution for everyone within the organisation and it was expressed as certainly not mandatory but was to

be encouraged where possible. An organisation the size of a local authority has a vast mix of people who will all have varying social circumstances and those who have difficult or challenging home circumstances required different solutions that could include the use of a touch down zone rather than an office. It was important that individual circumstances were explored thoroughly and sensitively to ensure the right outcomes for the organisation, service and individual. Appendix 1 shows the Operational Readiness Assessment which was undertaken as part of the relocation process for service teams.

7.4.6 The Management Scrutiny Committee through its investigations questioned how home working would improve the city's carbon footprint. Concerns were raised that there would be more homes using gas and electricity than before, leading to concerns around fuel poverty issues and the likely increase to the carbon footprint. Members also commented that agile working could encourage employees to live further away from their place of work. It was reported that carbon footprint reductions were based on a variety of elements including decreasing car journeys, as road transport accounted for around 22% of the UK's total Carbon Dioxide emissions[2], made by staff commuting to work.

7.4.7 Perhaps one of the most interesting aspects of the smarter working project was around the civic centre's occupancy rates. Members were informed that as part of the project, a review was carried out to determine levels, frequency and occupancy of office space within the civic centre. A number of spot checks were carried out at various times and it was found that at its peak the civic centre was occupied to a 40% capacity, dropping to around 28% on Fridays. There are a number of factors that influence these occupancy rates including officers being out on site, working at other locations, on training courses and holidays. However, even with this all taken into account the survey does illustrate that the civic centre, as an office space, is not used to its full potential. These figures are consistent with other councils and public sector organisations.

7.4.8 Integral to the Smarter Working Project are the technology solutions that enable staff to move and work away from the traditional fixed office desk. These include using the Virtual Private Network (VPN), on tablets, laptops or handheld devices. It identified that currently a big skills gap in terms of technology existed within the Council, which is currently being addressed through the Learning Styles Initiative, and it was planned that all council buildings would be fitted to enable more wireless networking. An EMT report which will focus on making all retained office accommodation wireless is currently being developed. The use of further new cutting edge technologies would also be considered and introduced incrementally across the organisation.

7.4.9 The Smarter Working project aims to make £7 million in savings with the closure of buildings making further savings due to office upkeep and maintenance costs running at around £3.5m per annum.

7.5 **Smarter Working – The Process**

7.5.1 The Smarter Working workshop is aimed at empowering staff to work smarter and allows them to develop their own solutions and processes. Members of the

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[2] Environmental Protection UK

Management Scrutiny Committee were provided with the opportunity to experience first hand the process that a number of service teams have and continue to be taken through, as part of the move to smarter working within the Council.

7.5.2   The sessions begin with an exercise asking the question 'Where on average do you spend your working week?' The reason for this was to get teams to think about not only how they work but where they work. In the majority of cases teams will spend their working week in a variety of places and it was a very rare occurrence to find a team that spends 100% of their time in the office. Also as part of the workshop process teams were asked to identify the facilities and resources available to them to do their job, and what would be required for them to work smarter. This could include access to IT, photocopiers, printers, laptops, tablets, blackberrys and telephony.

7.5.3   In undertaking the workshop Members highlighted the variety of methods used by the public to contact their local councillor and it was fair to say that the ward surgery was one of the most popular methods. However over time electronic media, including email, and the telephone have taken over as the most used methods. It was also highlighted that a councillor was required to be available 24/7 to deal with their constituents queries, issues and concerns. In many ways local councillors were using several of the smarter working practices already through necessity and in ensuring a level of service to those local people that they served.

7.5.4   Through the workshop concerns were raised around the statistics of Friday occupation within the Civic Centre and the working from home (WFH) initiative. The Smarter Working Project Manager highlighted that the 28% occupancy rate was not untypical on a Friday for both public and private sector organisations. It was argued that attendance in the office was no guarantee of performance, and that many jobs undertaken within the council did not require being desk and/or office based. There was also a big emphasis on the issue of trust and the empowerment of staff.

7.5.5   Members recognised the need to develop working from home (WFH) practices but stressed the importance of having officers that were contactable as if they were in the office. It was important that standards and performance of officers was maintained.

7.5.6   In working smarter the aim was to reduce the number of buildings that the council currently occupies. However members were keen to stress that the communication between councillors and officers should not suffer as a result. The flexible working approach should not compromise the working relationship between members and officers. It was important that the loss of the ability to talk face to face did not result in a decline in the rapport that has been developed between Members and officers.

7.5.7   The whole aim of the workshops was to challenge the whys and hows of working smarter for a team and ultimately for the council as a whole to occupy less building space. Members suggested that if the direction of travel was to a more flexible, smarter working workforce then was there the possibility of eventually moving the emphasis from the traditional 9am-5pm working day to a more flexible arrangement including weekends, e.g. Monday-Saturday 7am-7pm. Elected Members of the Council already operated in a 24/7 role and any potential move could further enhance the organisations flexibility within the city.

7.5.8   The Smarter Working project was identified as not being a mandatory scheme for staff and that consideration always needed to be given to the individual

circumstances of employees. Sessions had also been conducted with those staff who were in customer facing roles and would not able to work from home. It was noted that the process for smarter working always commenced from the principle that the quality of customer services must in no way be compromised by flexible working.

7.5.9 Other councils had undertaken a similar approach to flexible working including the local authorities of Cambridge, Salford and Tower Hamlets who have started similar flexible working practices. Also a number of the Council's local partners were starting to consider flexible working within their organisations as the pursuit of greater efficiencies and budgetary pressures increased.

7.5.10 The main issue, ultimately, would be around the savings such a programme can bring to the local authority. The Project Manager reported that the closure of buildings would make huge savings, through the termination of leases and the selling of buildings/land. Car mileage savings, only from journeys incurred during work time, would also be taken into account, as the Council currently spends approximately £2 million per year on car mileage, and ways to reduce the level of expenditure in this area were being explored.

7.5.11 It was clarified during the review investigation that only council offices would be considered for closure, customer service centres would not be affected. It was also acknowledged that those staff working in buildings earmarked for closure would need to work 20% more flexibly than before.

7.5.12 It was also interesting to learn that the trades union had taken part in the workshop with an aim of helping them to improve their own understanding of the process. Members were also informed that the Project Manager had recently conducted a workshop with Unison & moved GMB staff (2 in total) as part of the closure of John Street.

7.6 Data and Records Management

7.6.1 Another issue associated with the reduction in office space is the increasingly problematic issue of storage of paper based files and records and improving the management of records and data across the Council, in line with the existing Information Management Strategy. The Smarter Working Project has highlighted the problems of paper based storage facilities as services have come out of buildings and into new premises with stricter workspace standards.

7.6.2 Any business requires well organised electronic storage arrangements and Sunderland City Council is no exception. These needs can be summarised as:

(a) being able to support and facilitate the Sunderland Way of Working especially with the need to rationalise accommodation, reorganise service delivery and processes, thus allowing the work force to operate more smartly and in a more agile way;

(b) the management of Council records is a legal requirement under more than one statute;

(c) better management, storage and disposal of paper based information;

(d)   enable better monitoring of performance regarding management of data, namely its security, destruction and Freedom of Information requirements;

(e)   assists in promoting cultural change requirements, i.e. challenge to "out of sight out of mind" and " we have always done it this way" attitudes;

(f)   a greater recognition of cost and value of the information that the Council holds;

(g)   help to facilitate a more rapid move towards an integrated electronic records system (i.e. structured paper records that are easier to translate into structured e-records), giving an impetus to having a corporate approach to archiving records. It could also assist customers through operating a 'tell us once' process and their data is available to all council departments.

(h)   could lead to a greater customer confidence and improved reputation for the Council, if done well; and

(i)   will enable the organisation to store, access and protect its information more effectively.

7.6.3   The Council currently has an Information Management Strategy and an Information Governance Programme with a robust framework in place for records management including retention and disposal schedules. However there is not currently a common corporate records creation standard and, with the exception of Children's Services and Health, Housing and Adult Services there is limited dedicated resource or capacity for effective records management. There is also a very mixed picture across the rest of the Council: with files held in boxes, in cupboards, on desks and on floors. Some are stored off site in locations such as Parsons or South Hylton House, while others are held by the Tyne and Wear Archive Service and by private contractors. As a result, the total cost of data storage and management across the Council is unknown.

7.6.4   A number of storage options were outlined by the Head of Regeneration Programmes including the potential to revamp the council's storage facilities, scan and digitise documents, develop a corporate solution/framework and consider the benefits of storing in-house or externally. Files generally are categorised as either being active, live, archived or for disposal. It was important to note that a cataloguing process would need to be developed to enable the tracking of files and to help identify those files that had been disposed of.

7.6.5   The Head of Regeneration Programmes also stated that a review of existing paper storage processes was an important first step in preparing for any move towards electronic solutions. It was generally acknowledged that an integrated electronic storage system could improve decision making by departments whilst also contributing to an improved working environment through the reduction of filing cabinets in offices.

7.6.6   Specialist private sector providers can catalogue back scan, store and provide a retrieval and destruction service for approximately £22,000 - £25,000 for 500,000 document sheets. The review also recognised the vital importance of the future proofing of proposals for both an electronic management system and options for paper storage. There needed to be the recognition to the potential for changes in the future including operational and working practices as well as technological

advancements. It was noted that the Council's ICT department would be fully involved in the procurement process to find the appropriate storage solutions.

7.6.7 There are currently 13,000 linear metres of storage space within the Council and through the improvement of storage and development of storage solutions it was expected that there was an opportunity to make significant savings. Although it was still to be decided how much space would be required in the future and this would need to be done in consultation with the various Council departments. The Smarter Working Project will continue to drive the need for more efficient storage solutions and, as such, the benefits will be taken account of as part of the project.

7.7 Risk management Issues

7.7.1 Identifying and mitigating the risks of any project is fundamental to its success and the Smarter Working Project is no different. As part of the review process Members discussed key issues of the Council's Risk Management methodology which outlined the roles and responsibilities in terms of accountabilities and supporting functions.

7.7.2 It was identified that Smarter Working is a project within the Business Transformation Programme (BTP), the project is monitored as part of the risk management process, each risk is graded and mitigations are put in place. The main risks associated with the smarter working project related to non-delivery. Some market forces can impact on risks that are out of the council's control therefore it is important to fully understand and carefully manage those risks.

7.7.3 The project is managed using Prince 2 methodology as determined by the overall programme governance arrangements. There is a Project Board which meets regularly and a Project Initiation Document (PID) which incorporates the Business Plan. There is also a detailed project plan which is used to manage delivery. The Prince 2 methodology is used by project managers to help highlight risks at a programme level. A project risk register is also in place and it was noted that the Project Manager had regular meetings with the Senior Risk Management Advisor.

7.7.4 A key risk that was identified was the ability of council departments to be in a position to move to new premises. One delay had the potential to cause further knock-on delays to the entire process. There were a number and variety of dependencies on other parts of the programme running smoothly, these included delivery within the prescribed timescales, budgetary considerations, standards, achieving the right outcomes, vacating properties and storage. Any new risks were identified through the BTP Project Board.

7.7.5 Members were concerned that risks may be graded too low and it would be more realistic to grade them at a higher level providing the correct mitigations were in place to manage them. It was explained by the Senior Risk Management Advisor that typically, once a solution was identified and procedures put in place a risk is more likely to be considered under control and as a result the risk likelihood rating, and ultimately the overall rating, was reduced.

7.7.6 Through the review it was highlighted that there was a pool of laptops available to the smarter working project to avoid departments having to wait through long delivery times for equipment, which could cause delays to the programme. It was felt that as part of the programme, managers could look pragmatically at cost

effectiveness, sometimes it may be cheaper to purchase new equipment to avoid paying more in the long term for something that is older and is outdated that much quicker.

7.7.7 As had already been mentioned a number of other organisations in the city were undergoing property rationalisation, e.g. Police, NHS. The Head of Land and Property has regular meetings with these organisations to ensure there was clarity and a coordinated approach to property requirements of organisations throughout the city. There was also a partnership risk register which highlighted the risks associated with key partners of the LSP.

7.7.8 The important issue of equalities was raised during the investigation and the impact of the smarter working project equalities, and specifically the Disability Discrimination Act (DDA). The project manager explained that all managers completed assessments before moving to new accommodation and included in this were special requirements to identify specialist equipment for staff that may require it. The project manager also works closely with managers to ensure the right arrangements are in place for departments and service teams moving into new accommodation.

7.7.9 As part of property rationalisation, it was confirmed that assessments would be carried out to ensure all remaining buildings were DDA compliant. Members felt that currently the civic centre was only at a very basic level of compliancy and that there was room for improvement from an accessibility point of view. It was noted that the costs to improve accessibility to council buildings were expensive. Funding for accessibility issues was limited but through the property rationalisation process fewer buildings would remain and costs would be reduced.

7.7.10 It was also noted that a questionnaire had been developed to measure the feedback from service teams on the effects of smarter working on their performance, work/life balance and other issues associated with a change in working practices. This would prove useful for the organisation in understanding how working smarter influences work, staff and attitudes and could also help to improve or develop the smarter working process as well as having the potential to uncover previously unidentified issues.

7.8 Smarter Working – Good Practice

7.8.1 There are a number of good practice examples from across the country that illustrate how working differently can have a major impact on both the efficiencies and the productivity of an organisation. While some of these local authorities differ to Sunderland City Council in size, geographical location and socio-economic factors the examples do highlight that by changing the way things are done can have significant benefits to the organisation, the services provided and hopefully the public that they serve. It was noted by Members that the majority of best practice examples were not developed and implemented during times of austerity and in such short timescales as required by the Council's own BTP. It was acknowledged that these factors would bring their own unique challenges to the project and its success. Appendix 2 provides a more detailed breakdown of these best practice examples.

Surrey County Council
7.8.2 Surrey County Council has undertaken two major initiatives to transform to flexible working. The first, the 'Surrey Workstyle' programme, was adopted in

spring 1998 and focussed on restructuring the offices and working patterns of 3,500 staff, making "better use of time, space and technology". Surrey followed Workstyle with the 'People First' strategy, adopted in April 2002, to restructure the way that services are delivered. "People First" also restructured the organisation. Under 'People First' there are no separate departments – the Council is a single organisation providing different services to achieve its goals.

7.8.3   Some of the innovations used by Surrey County Council include the use of landing pad facilities with workstations available on a drop-in or pre-booked basis, using BT to help build a flexible IT infrastructure and the use of co-location with partners in their premises. These initiatives have helped to rationalise buildings from 74 to 21 and allowed 3,700 of the 23,000 staff to work flexibly from home and in shared offices cutting capital costs by £4 million and overall savings to the organisation of approximately £23 million.

London Borough of Tower Hamlets

7.8.4   A key objective for Tower Hamlets was to identify a 15% reduction in office space through re-planning. A review of workspace accommodation, a study of workspace occupancy and a workspace storage survey were undertaken as part of this process.

7.8.5   As a result of the review undertaken Tower Hamlets were able to reduce on-floor filing by 70% to 2 metres per person, new space efficient, cable managed wave desks introduced, the introduction of break out rooms, flexible meeting rooms and touchdown bars and a reduction in total floor space requirements of 30%. All of which resulted in capital realisation of £36 million and revenue savings on accommodation overheads of £4.27 million.

Islington Council

7.8.6   Islington Council has been under pressure to increase efficiency over a number of years – delivering better services, that are more sustainable, and with fewer resources.

7.8.7   The Smart Working programme began there in 2005, and has ramped up from departmental initiatives to have an integrated framework that guides Smart Working throughout the Council. 2,400 staff are now set up to work more flexibly, working on a desk-sharing basis.

7.8.8   Starting from a portfolio of around 40 office buildings, the Council has now released 12 of them, and refurbished 13 as Smarter Working environments, where the focus is on collaboration rather than working at fixed desks. This has led to a 10% reduction in accommodation running costs.

8   Conclusions

The Committee made the following overall conclusions:-

8.1   Working flexibly, hot-desking and working from home are techniques that are being encouraged in organisations countrywide, both in the private and public sectors, as a way of improving productivity, retaining staff and making efficiency savings through reductions in the office footprint. Sunderland City Council has

recognised the importance of reducing the office space while at the same time maximising the full potential of the buildings that will remain.

8.2   Smarter working can have a number of benefits for both the employer and employee including reducing sickness levels, improving work/life balance, increasing productivity and lowering CO_2 emissions. However it is important to note that working from home will not suit every employee and a fine balance needs to be taken to meet, wherever possible, the needs of staff and their own individual circumstances. Also in undertaking such smarter working practices it is important that the impacts of these initiatives are carefully measured to ensure that the organisation and the workforce have benefited from such processes. In-depth analysis may also highlight areas of weakness within the process or allow for the continued development of smarter working and provide a vehicle for staff input that could prove invaluable.

8.3   As smarter working gathers pace within the organisation it will be important for a time of reflection to ensure that the project is 'doing what it said on the tin'. Also it will be important to review and develop the project to ensure that it is current and meets the demands of the business, the service users and staff of the council.

8.4   There are numerous risks associated with such an ambitious project, many around the ability to deliver the project on time, and much of this will be driven by technology. The Smarter Working ICT infrastructure relies on portable equipment purchased using the Council's procurement processes. This will hopefully provide some assurances around future proofing of the project, however it will be important to understand the impact that new technologies will have on the project and that these are being used to their full potential.

8.5   As the office footprint shrinks and the facility to store documents rises to a premium, there will be less shelf space and fewer places to store important documentation. In looking at data storage issues it seems that much of the practicalities, risks and options have been considered and the smarter working project is fully aware of the implications of office rationalisation on the organisations ability to store. The Council will as well as working smarter have to look at smarter storage of documents and data, as well as developing organisational resilience to ensure data is recoverable after any potential problem or disaster.

8.6   As financial constraints tighten on many public sector organisations, and through this review, it is apparent that developing partnership links to working smarter will become ever more important. The Smarter Working project has an opportunity to develop partnership working further by exploring the sharing of buildings, common work spaces and staff. It will be crucial for this reason that technologies and practices are shared across all partners to allow for that interconnectivity in relation to this project.

8.7   Issues around equality and diversity are also important and in a project such as Smarter Working are vital both from an employment and customer perspective. In the drive to working smarter the council will need to understand the equality impacts of availability, flexibility and service provision on employees, employers, customers and service users.

8.8   The disposal of buildings and the inevitable question marks raised about their potential future use will no doubt be an issue for many local people in Sunderland. It will be an important aspect of the project to keep ward councillors informed of any

developments in relation to public buildings to ensure they can field questions from local people. Also discussing such issues with local members will provide the project with that local knowledge that could help in developing future plans or strategies for these buildings.

9 Draft Recommendations

9.1 Management Scrutiny Committee has taken evidence from a variety of sources to assist in the formulation of a balanced range of recommendations. The Committee's key recommendations to the Cabinet are as outlined below:-

(a) That a robust evaluation process is developed and implemented on an ongoing basis to capture both the qualitative and quantitative data, that provides a measure of the impact of smarter working on the organisation and its staff;

(b) That the smarter working project conducts a further review to ensure that the project has achieved its targets, that they are sufficiently stretching and that the review looks at where the organisation goes next;

(c) That as part of the Business Transformation Programme consideration is given to further investigation of service area delivery models operating away from the traditional working week with the development of more flexible and responsive working hours;

(d) That an impact analysis of technology be undertaken to assess where we are now and ensure that the technology is being used in the most efficient way and allows the organisation to work in the smartest way;

(e) That Sunderland City Council as part of the smarter working project looks to maximise the work with partner agencies and organisations in order to future proof technology and working practices in the most practicable way possible;

(f) That an Equality Impact Assessment is conducted in relation to the Council's drive to Smarter Working looking at the impact from an employment and customer perspective;

(g) That Elected Members are kept informed of redundant properties within their wards and the future options for such properties, and;

(h) That the Management Scrutiny Committee receives regular updates and progress reports on the Smarter Working Project and that these are added to the Committee's work programme for 2011/12.

10. Acknowledgements

10.1 The Committee is grateful to all those who have presented evidence during the course of our review. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

    (a)   Helen Townsend – Smarter Working Project Manager – Sunderland City Council

    (b)   Colin Clark – Head of Land and Property – Sunderland City Council

(c)   Graeme Farnworth – Head of Regeneration Programmes – Sunderland City Council

(d)   Kevin Bond – Senior Risk Management Advisor – Sunderland City Council

(e)   Martin Duncan – ICT Programme Manager – Sunderland City Council

11.   Background Papers

11.1   The following background papers were consulted or referred to in the preparation of this report:

(a)   Transport for London, 2007. Smarter Working Guide.

(b)   Tees Valley Business Investment Team, 2008. Home & Flexible Working Research: National, Regional & Local Statistics on Home-Working.

(c)   Bristol City Council, 2009. Smarter Working Policy.

(d)   WorkWise UK, 2008. Creating a Smarter Working Britain.

(e)   Internal Audit, 2010/11. Project Management – Smarter Working Project.

(f)   Sunderland City Council, 2009. Project Profile – Smarter Working.

APPENDIX 1

Smarter Working

Office Relocation - Operational Readiness Assessment

The Operational Readiness Assessment confirms that the service(s) involved in an office relocation are ready to do so.

Aim of the Operational Readiness Assessment is to confirm that:

1.   The service(s) has/have the resources to manage the relocation.

2. There are necessary controls in place to manage the relocation to re-establish effective operations.
3. All stakeholders have been engaged and agree the relocation plans.
4. All contractual arrangements have been addressed to the satisfaction of all stakeholders.
5. All testing is completed (including business integration and user assurance testing) to the client's satisfaction.
6. Acceptable contingency and reversion arrangements are in place.
7. Any outstanding risks and issues are being managed so as not to threaten relocation.

STAKEHOLDER REVIEW
Stakeholders review the project, agreed documentation and outputs, and provide assurances to those decision makers. Stakeholders will have been involved in the development and approval of all necessary documentation.

COMPLETION OF THE ASSESSMENT GRADING DOCUMENT
The project (or relocation) is assessed against an agreed set of criteria. Each criterion will be assessed based on a Red, Amber, Green or Neutral rating. Stakeholders will consider available evidence and challenge, question; agree/disagree with the project. The aim will be to come to an agreed rating. Where Red or Amber assessments are made, action and timescales should be agreed.

GRADING PRINCIPLES

Green   Criteria addressed or plan in place and on target.
Amber   No plans in place, or there is some slippage or deviation from the plan.
Red   Showstopper which is so severe it is not possible to develop a viable action/recovery plan.
Neutral   Project and stakeholder agree that this is not applicable (an explanatory note would be useful).

OUTCOMES OF THE REVIEW
The number of RAG&N should be calculated and further assessed by stakeholders to confirm:

1. Readiness to relocate, or not and to make recommendation accordingly.
2. All actions have been agreed, recorded and complete to their satisfaction.
3. All appropriate areas have been addressed.
4. The assessment process has been effectively conducted.

APPENDIX 2
SMARTER WORKING: CASE STUDIES

CASE 1: SURREY COUNTY COUNCIL

Surrey County Council has undertaken two major initiatives to transform to flexible working. The first, the 'Surrey Workstyle' programme, was adopted in spring 1998 and focussed on restructuring the offices and working patterns of 3,500 staff, making "better use of time, space and technology".

The council says that its aims in encouraging flexible working hours were:

"to offer a better service to our customers
to make Surrey County Council a better place to work
to reflect what is happening in our society
to make better use of the resources available to us
to support the aims of the Company Transport Plan"

Workstyle planned to replace the 74 workplaces of 3,500 staff and develop a network of smaller, multifunctional area offices – now expected to be less than 30 in total. Local offices are co-located with other public bodies and agencies – district councils or health authorities. Teams from trading standards, social services, education personnel and community services occupy the local offices. Teachers and fire-fighters are not part of Workstyle.

One barrier that had to be overcome was the heritage value of the buildings in which the new offices were located. As a listed building, County Hall, built in 1893 and occupied by the Council since then, needed permission from English Heritage to make internal changes. The plan to move from cellular office accommodation to open-plan space was discussed but the architectural heritage challenges, together with the fact that Kingston, where county hall is located, is actually outside the county council's area of jurisdiction, led to county hall eventually being put up for sale. Surrey explained the decision to move rather than refit county hall by saying:

"It no longer provides the type of space we need to operate an effective, modern council and is inefficient for us to run. We want to move back into Surrey to Woking, to the people we serve. This move, and the wider relocation of our satellite offices, is about delivering better services at better value to the people of Surrey and becoming a leading example of modern and efficient local government in the 21st century."

The property changes are only one aspect of the Workstyle programme. Workstyle also aims to achieve savings and greater efficiency through more flexible use by employees of their time and a range of flexible working options, including contractually-based homeworking and occasional homeworking. The intent is partly to reduce travel and commuting pressures on the county's roads system.

Workstyle needed to pull together transformations in property management (and locations of offices), ICT, finance and communications, all supported by the necessary training and development. An overall ratio of four workstations to five staff is planned. Staff have their own filing drawer, and can access the files and information they need from any PC. Surrey worked in collaboration with BT to present these ideas to its staff. Surrey, like other large local authorities, faced the task of pulling back together a wide variety of independent LANs set up and operated departmentally. Capital expenditure on IT and property was of the order of £25M, higher than originally planned, although savings also grew with rising costs so the net benefit remained reasonably constant.

Surrey followed Workstyle with the 'People First' strategy, adopted in April 2002, to restructure the way that services are delivered. "People First" also restructured the organisation. Under 'People First' there are no separate departments – the Council is a single organisation providing different services to achieve its goals.

Surrey 'Workstyle' is not a quick win. The County Council has been moving at a steady pace towards its goals and has had to be flexible enough to allow for the evolution of Surrey 'Workstyle' without losing sight of those aims or disruption to services delivery to its customers.

The County Council says that support, guidance and good communication with all stakeholders is vital to the success of their initiatives. Some departments have responded more enthusiastically to the idea than others. Social services has been particularly responsive, with social services teams encouraged to produce their own 'team flexible working plans'. Trading standards is already ahead, having cut back from the four offices previously used to one central office in the mid 1990s.

The property rationalisation for 'Workstyle' is a lengthy process, and it will be some time before all the changes are implemented. Surrey expects to reduce the space needed for each member of staff from 330 sq ft to 120 sq ft.

Surrey's experience also shows that 19th and 20th century infrastructure was not designed for the rapid changing environment and demands of the 21st century. IT and buildings, as well as transport systems, need to be fundamentally rethought with the needs of the customer in mind.

CASE 2: LONDON BOROUGH OF TOWER HAMLETS

In 2002, the Council began to recognise that several of its properties were in a poor state of repair and were nearing the end of their functional life. With a number of forthcoming property junctures, including lease expiries, the Council took the opportunity to address its accommodation and staff working issues.

In 2004 the strategy was formulated and 2005 saw the development of the key policy framework, infrastructure design and procurement processes. In 2006, a project board was appointed to steer the Council towards its new strategy, which revolved around the rationalisation of the Council's office accommodation.

In 2006, the Council saw the first of its services move to Anchorage House with the remainder of the programme completed by June 2007, including the rationalisation of buildings from 14 to just 5.

Key aims of the project were as follows:
- Rationalise office based services to occupy five core sites
- For all managers to promote greater flexible working through initiatives such as hot-desking, shared meeting rooms and break out areas
- Greater and more efficient use of ICT in order to support staff working and customer service
- Improved customer access
- Reduction in overall accommodation running costs through the disposing of obsolete buildings

A number of key challenges and issues were also identified through the course of the project as follows:

- Inertia - resistance from employees to cultural and work style changes
- Adoption of new technology
- Managing the needs of each individual staff
- The collation of critical information in order to facilitate change
- Implementation of Electronic Records Management
- Establishing key baseline figures for future benchmarking

Tower Hamlets also identified a series of key benefits and successes that emerged from the project and these are listed below:

- Flexible working and hot-desking, providing an overall 27% work station reduction (target 25%)
- Expansion and relocation of the Council's 24-hour Contact Centre to new and improved premises
- The relocation of approximately 4,000 staff to five core sites
- The vacation of all inefficient and sub-standard buildings
- £30 million capital savings
- A view to achieving a further £2 million revenue savings for investment in front line services
- All public buildings now fully DDA-compliant
- Cost efficiencies achieved through the provision of high capacity, secure printing
- 24% increase in staff productivity and a noticeable reduction in absenteeism
- Overwhelming positive response to completed staff satisfaction surveys

Tower Hamlets also acknowledged a number of lessons that they had learned from undertaking this major project:

- Over time, the project evolved from being an office accommodation strategy, to focusing on the organisations work style in order to align how the Council works with the services that it provides
- The need to appreciate the interdependency between property and working practices, and the importance of attributing equal weight to each
- Continuous two way communication with staff and reinforcing benefits whilst addressing individual concerns
- Interim solutions during temporary staff 'movements' are as equally important to the staff involved as the final project resolution
- The transformation of one service area can highlight the requirement for change in another

CASE 3: ISLINGTON COUNCIL

To achieve the full range of benefits means working across several disciplines – HR, Property, Facilities , IT and environmental policy. It means developing a strategy, setting up a project team, and project managing an implementation that may incorporate audits of current working practices, consultations, developing the business case, moving or refurbishing property, workplace design, deploying new technologies, training, culture change and developing new policies and protocols.

That can be challenging. But partial approaches can be costly without delivering the benefits. For example, an implementation that introduces flexible working time options but not flexible place options may have work-life benefits, but not deliver cost savings or environmental benefits. Introducing home working and desk-sharing without addressing workplace culture would probably be a disaster.

Islington has been under pressure to increase efficiency over a number of years – delivering better services, more sustainably, and with fewer resources. The Smart Working programme began there in 2005, and has ramped up from departmental initiatives to have an integrated framework that guides Smart Working throughout the Council. 2,400 staff are now set up to work more flexibly, working on a desk-sharing basis.

Starting from a portfolio of around 40 office buildings, the Council has now released 12 of them, and refurbished 13 as Smart Working environments, where the focus is on collaboration rather than working at fixed desks. This has led to a 10% reduction in accommodation running costs.

According to Paul Savage, Smart Programme Manager at Islington,

"It's been an interesting journey and we've learned a lot along the way. In an organisation like a Council, there is no one-size-fits-all solution. So, while building up an integrated framework for delivery, the roll-out of Smart Working in each service has to take account of the particular needs of that service, and where they are starting from."

Paul feels that Smart Working is more relevant than ever in the current economic climate.

"After salaries, property and facilities are the biggest costs to councils. We need the people much more than we need desks, and the more we can cut our overheads, the better we can maintain our services."