REPORT FOR: CABINET

Date of Meeting:	9 February 2012
Subject:	Transformation Programme Mobile & Flexible Working
Key Decision:	Yes [Cost, Impacts two or more wards]
Responsible Officer:	Andrew Trehern, Corporate Director Place Shaping
Portfolio Holder:	Councillor Bill Stephenson, Leader of Council and Portfolio Holder for Finance and Business Transformation

Councillor Graham Henson Portfolio Holder for Performance, Customer Services and Corporate Services |
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Equality Impact Assessment Appendix A - Financials

Section 1 – Summary and Recommendations

This report outlines the key case for the Council to proceed with the implementation of the Mobile & Flexible working project.

Recommendations:

Cabinet is requested to approve;

(i) The implementation of the Mobile & Flexible working project as set out in this report.

(ii) Authorise the Corporate Director Place Shaping, in consultation with the Leader and Portfolio Holder for Finance & Business Transformation and the Portfolio Holder Performance, Customer Services & Corporate Services, to take all actions necessary to implement the project.

Reason:
The implementation of the Mobile & Flexible Working project will build on the enabling investments which are being implemented as part of the Councils IT contract, transformation programme and the business process and cultural change elements of the Transformation Programme. The proposed investment is a key element of the Business Transformation Programme, which will totally transform the ability of the Council to deliver the right services, within budgets, at the time and place our residents demand. The project will significantly contribute to the modernising of the Council's ICT Infrastructure, business processes, data security, working practices and organisational culture, through adopting modern and proven ways of working, supported by best practice tools and techniques. This investment will, over the course of the next few years allow the Council to realise its vision of being a community hub for all residents services, collaborating and sharing with NHS, Police and partners alike, as well as facilitating a rationalisation of property assets.

Section 2 – Report

2.1 Introduction

The vision for Mobile & Flexible working is of a Council that works seamlessly across departments and directorates, together with Harrow's diverse local communities, residents and partners (Police, NHS, schools/ colleges, partners etc). The objectives of the Mobile and Flexible working project are to:

- Improve the Customer experience by the delivery of more efficient & cost effective services offering greater, more effective and focused customer contact.
- Improve the working life and performance of staff by:-
  - Increasing the opportunities for flexibility which will allow better life / work balance.

- o Replacing paper with electronic documents available to everyone, anywhere there is an internet.
- o Providing collaboration tools to better support team and cross council working, together with enhanced resource management
- Help deliver the place-shaping agenda by enabling space saving efficiencies and reducing the carbon footprint for buildings, whilst facilitating organisation co-location and property rationalisation over time.
- Deliver efficiency savings by reducing the need for travel, searching for files, printing and adopting a culture of performance and service management.

2.2 Proposed Approach

The recommended model and approach for implementing Mobile & Flexible Working in Harrow, has been reviewed internally and externally by a third party IT consultancy. The independent consultant confirmed, that what is proposed in terms of the model, approach and technology, represents current "best practice" for this type of implementation. Additionally the approach and associated costs were verified as representing Value for Money.

Discussions have taken place with a number of other Council's who are leaders in this area, clearly indicating that the proposition presented within this report reflects recognised good practise.

The model will be aligned with, and will maximise usage of, the technology solution being introduced by the Capita IT contract and will also ensure effective alignment of the Business Support project and the proposed PRISM project. The solution has four distinct elements these are; People, Paper, Place and Technology.

People – These are the elements of the solution that will seek to address the challenges around Cultural change, to ensure the successful adoption of the new flexible working practices. This will include;

- Development and delivery of a bottom up change management approach focussed on supporting managers and staff to successfully adopt the new ways of working.
- Cultural Change from a role, desk and time driven environment, to a service, output and satisfaction based environment
- Engagement and communications, focussing the individuals, teams and services to new ways of working to meet residents needs
- Training, development and support in the use of new systems, tools, approaches and practices
- Support for customer services and channel migration to enable access to services at a time and in a manner that is convenient to them.
- Flexibility and choice for staff and managers but most importantly our customers
- Packaging of the approach into a series of products and training of council staff for continued deployment and improvement of the approach.
- Implementation of new working arrangements

Paper – These are the elements of the solution that aim to remove the dependency on paper; allowing wide ranging access to the Council's information from anywhere; enable sharing of information across the business and with partners; ensuring efficient flexible working and to provide ongoing opportunities for efficiency improvements. This will include the following:

- Scanning of appropriate documents to allow teams to work without recourse to paper, archiving as required and also disposing of the unnecessary.
- Review of all files/documents to identify appropriateness for access, retrieval, disposal and sharing
- Developing a Classification Scheme for all documentation to allow simple searching, access retrieval and record.
- Ensuring and enhancing information and data security
- Providing appropriate systems to help manage these documents and to provide access to files and shared areas.
- Procurement and implementation of data cleansing and migration tool.
- Secure destruction of appropriate content
- Procurement, setup and implementation of scanners and ongoing warranties.

Place – The elements of the solution that define working space in terms of volume (desk numbers, meeting space, break out areas, etc) and the design of that space

- To work with the Project Lead for the Accommodation Strategy to develop the necessary policies needed to support flexible working
- To assist in the development of the design principles, space standards and detailed facilities design that will support successful flexible working
- To work with the Project Lead for the Accommodation Strategy to plan and schedule the property moves and refurbishments required to enable flexible working to agreed project timescales.
- Enabling the access to electronic documents to everyone whom is authorised, wherever there is an internet.

Technology – These are the elements of the solution that will enable flexible working, by building on the recent IT transformation and providing users with enhanced access to all their business tools, together with a set of enhanced communications tools. This will include the design, procurement and implementation of the infrastructure for the following:

MS Lync, essentially a telephony system which provides on-line presence information and assists in managing staff when there is no line of sight, through highlighting;
- When staff are on line and working
- Providing instant messaging in a secure environment
- Supports more outcome based engagements through target setting by outcomes visible to staff and managers. In simple terms managers can easily recognise what needs doing, when, where and by who.
- Allows archiving of messages in a secure environment, unlike MSN.

Becrypt, is a solution which allows authorised personnel to utilise their own PC's or other non-council owned devices to securely access the Council systems and ensures compliance with government security requirements.

Microsoft SharePoint, an electronic document management and collaboration environment, that allows for the storing, sharing and access to documents/files/correspondence.

SharePoint provides a single source of any document or file, thus improving data security, accuracy and reduction of cost of storage of multiple copies. Crucially it requires only a single source copy of each document or file and provides business wide access to electronic data. Put simply, for the first time it will allow relevant sharing and access to all documents across the entire business and with it's partners. Furthermore SharePoint will;

- Allow the Indexing of all documents enabling access across the Council and authorised external partners

- Allow multiply users to work on one version of report to improve productivity

- Supports and encourages compliance with the cultural shift required in the organisation

- Allows the information held by the Council to be open and available in a way never before possible, unless access restricted through recognised protocols

Summary

Over the past 10 to 15 years the improvements in ICT have resulted in an increasing number of public and private organisations adopting mobile and flexible styles of working. The solution proposed is considered to reflect best practise and has been tried and tested by other organisations including, Croydon, Newham, Hackney, Edinburgh, Hammersmith & Fulham, Salford and Swindon councils.

The Mobile and Flexible Working project will enable the flexible working model to become standard across the Council. The project will be delivered within the framework of the Better Deal for Residents Programme, the recently awarded IT contract and will be managed and delivered by a joint Council/Capita team.

2.3 The Benefits

The Council will derive the following benefits

- **Improved services to residents** - Increase choice in how services are delivered for the customer, staff and Council. Enhance the customer experience by enabling our staff to deliver excellent customer service where and when they need to, supported by improved management information, providing a consistent framework for managing by outcomes for both the delivery of services and the management of staff.

- **Enhanced Employee Satisfaction** – There is a wide body of evidence to suggest that the key benefit of introducing flexible working is an increase in staff satisfaction.

- **Increased productivity** - Indications are that significant productivity/efficiencies and organisational wide benefits can be achieved, in line with comparisons from other LA's (Average of 1 hour increased productivity anticipated per day for flexible workers from case studies)

- **Mitigation against growth pressures** – the flexibility provided by the sharing of data (subject to data protection principles) throughout the Council and with it's partners will provide opportunities to work in a more efficient manner across agencies.

- **Reduced cost of implementation of future projects** - Some projects that already form part of the MTFS include costs for implementation of some form of mobile working in order to realise the efficiency savings. The cost of implementation of these projects are likely to be reduced if M & F technology has been introduced through this project, therefore increasing their financial benefit and hence having a positive impact on the MTFS. (eg PRISM project in Community & Environment). Future projects depend upon M & F technology will also be easier and less expensive to implement, thus enabling increased efficiencies to be realised over time.

- **Retention of Experience** - older employers with particular experience may be happy to work beyond retirement age but not on a full-time basis.

- **Reduced Staff Turnover** - People can fit demands of home life within their working lives and are also noticeably more committed to staying with an employer who facilitates this.

- **Travel Claims** – There may be a reduction in costs associated with travel as the flexible working tools provided will reduce the number of journeys required.

- **Business Continuity (BC)** – Through the implementation of Mobile & Flexible Working, staff should be able to access ALL their resources from any location. Employees will be able to log on at any PC either from home, via their laptop or another Harrow Council property with available hot desk facilities. By digitizing all required documents, staff can access their back-office applications but also the files required to carry out their roles.

- **Reduced Sickness and Rates of Casual Absenteeism** – The better working practices being proposed are generally associated with an improvement (reduction) in the number of days lost to sickness and / or casual absenteeism such as taking time off for unplanned child care.

- **Reduced Workforce Stress** - Workers can accommodate either family commitments or other outside activities and therefore feel less stress as they are not so torn between conflicting demands.

- **Improved Timekeeping** – Where people can fit their working time around outside commitments such as the school run or rush hour traffic their ability to arrive "on time" may be enhanced and the authority will benefit from their presence, rather than having to manage absences/lateness.

The table below shows the key cultural changes that the project seeks to deliver

Traditional Ways of Working	New Ways of Working
Based in the Office	Work where and when needed
Performance based on "Time in Office"	Performance based on results achieved
Direct supervision	Mentoring and coaching
Team located in a single location	Virtual teams made up of mobile individuals
Space assigned to individuals and teams "in case required"	Space shared and used when required
Paper based distribution of mail and filing	Electronic based distribution of mail and filing
Meeting culture	Collaboration tools enabling teleconferencing, document sharing
Fixed phone tied to desk	Follow me telephony

The project proposed in this report enables the Council to provide value for money and high quality services, through the adoption of a new operating model based on mobility and flexibility, which will be fit for the increasingly complex demands of the 21st century. The proposal will enable the most efficient property portfolio strategy in order to realise savings.

2.4 Implications of the Recommendation

In agreeing to the proposed project the Council will be able to make significant progress towards meeting service and corporate priorities. It will enable both financial savings and improved customer service. Whilst there will be a need to manage significant cultural change within the Council and for it's customers, it will be building upon the new technology being delivered through the IT contract and recent projects such as HARP and Public Realm.

The technical solutions proposed will assist with the effective implementation of the Business Support project, as both depend upon new technology that builds upon that delivered by the recent IT contract.

2.5 Considerations

2.5.1 Resources

The management of the project will be based on a fixed price with rigorous change control processes. They include the cost of Capita (and their sub-contractors) and all Council resources. The Council will be providing dedicated

'Champions' from the service in addition to supporting quality assurance and testing processes. Capita will be the prime systems integrator and will be providing programme and project management.

2.5.2 Staffing/workforce

The project will provide new flexible ways in which services can be delivered, which will provide the opportunity for improved life/work balance for staff. Early engagement with the Unions took place during both the strategic and outline business case stages of the project. Although the Unions are generally supportive of the proposal in principle, they have raised some concerns around fairness of implementation; training; fair and equal treatment of remote workers; communication and engagement to be throughout the organisation. Considerable efforts have been made to ensure that these concerns are addressed by the proposed solution. The Unions are also concerned that any efficiency savings identified through improved productivity are not at the detriment of their members.

Early engagement with staff has shown broad support for the principle of the project, with the main concern being not wishing to work more than one or two days a week away from their colleagues, which is in line with the projects proposal.

There will be significant organisation, cultural and individual job design changes, which will be developed in full meaningful consultation with Trade unions and staff. Changes will be introduced using Harrow's HR guidelines for managing organisational change.

In addition, a full training needs analysis will drive an approach to training and development that will reflect the style and content that staff will find most effective. Risk assessments will be undertaken as necessary covering Health, safety and Welfare, together with business and commercial issues.

2.5.3 Legal comments

The project has been progressed under the auspices of the Business Transformation Partnership. Strategic, Outline and Full Business cases have been considered by the Corporate Strategy Board, in line with requirements of the Incremental Partnership Agreement with Capita. It is important that data security is ensured by the proposed solution, so that data protection breaches are avoided.

When making this decision, Cabinet should have due regard to the public sector equality duty. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited for the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

> *(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
>
> *(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
>
> *(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race,*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

2.5.4 Community safety

The project will enable staff to deal with Community safety issues in a more timely and effectively way, due to the availability of information remotely at the point of need.

2.5.5 Financial Implications

The financial implications are:

Total implementation and running costs: £7.3 million
Ongoing costs of circa £ 205 k per annum
Net benefit over 10 years: £ 2.8 million

Options have been considered in order to reduce the revenue cost of implementation and it is recommended that a phased implementation is adopted as indicated below:

- Phased implementation over 4 years with circa 300 staff in scope pa.

- First year to be of circa 300 staff/members which will be delivered by a Capita team with Council champions following normal BTP project process.

- The first year delivery will provide all the elements of the solution ie people, paper, place and technology and build internal capacity to delivery future phases with Capita support being provided solely around Technology.

After completion of the first phase the council will be provided with all the tools, required in order to roll out future phases at the pace it decides.

Summary of Finance

Financial Impact	2012/13 £000	2013/14 £000	2014/15 £000
Capital	2,344	532	555
Revenue			
Implementation	104	104	104
Ongoing Costs	78	174	198
Capital financing	23	306	346
Revenue Total	**205**	**584**	**648**
Revenue benefit		-303	-750
Net revenue Impact	**205**	**281**	**-102**

The capital requirements for 2012-13 to 2014-15 have been included in the provision for New Business Transformation projects within the proposed capital programme being considered elsewhere on the agenda.

The revenue costs and savings for 2012-13 to 2014-15 have been included in the revenue budget MTFS being considered elsewhere on the agenda.

The Council has full visibility of the Financial Model based on the open book principles of the original Partnership contract with Capita, including full visibility of third party supplier costs and the Capita margin and overhead.

Benefits will be tracked using the Better Deal for Residents established benefits management process, monitored by the Project Team and Service, and further reviewed by the Better Deal for Residents Programme Board (CSB).

Full financial summary over 10 year period is included in Appendix A.

2.5.6 Performance Issues

This project will impact across all data sets and performance indicators as it is rolled out across service areas within the Council. It will allow additional datasets to be available to monitor the service provided to residents.

A revised rollout approach has been developed following lessons learnt from other organisations during their implementation and the need to drive early cashable and non cashable efficiencies that are not property related. The standard approach will enable a more efficient and consistent rollout approach across the organization, phased over 4 years. In order to achieve this outcome the programme will:

- Develop the role of Directorate managers in leading the adoption of M & F working with staff and driving the change to embrace new ways of working from within Directorates.
- Ensure clear Directorate ownership for the realisation of the non-accommodation benefits.
- Work closely with and align M & F roll out with Civic 1 accommodation project and other transformation programmes wherever possible.

The approach is based on providing a M & F project team to support Directorates as the project is rolled out, in order to assist them in achieving their space reduction required as part of the Civic 1 accommodation project and achievement of MTFS targets for 2012/13 and beyond. Due to the timing of the projects services in the early phases of the accommodation project may not initially benefit from M & F ways of working.

Initial work has been carried out to identify service areas for first phase. This work will be further developed in discussion with the Directorates and relevant Directorate Charters agreed in order to realise required benefits. The Directorate Charters will identify the areas where cashable and non cashable benefits such as those in section 2.3 above, will be derived, thus ensuring efficiency benefits are achieved. The specific performance measures for individual service areas will be agreed and signed off prior to implementation, thus ensuring accountability for benefit delivery is clear and integral to the projects governance.

On completion of the first year implementation, there will be an assessment of the benefits delivered, together with potential scope to increase benefit realisation in the future. A report summarising the outcomes achieved during first phase and recommendations for next phase will be presented to CSB. The lessons learnt and information obtained from the first phase will inform future Directorate Charters in order to deliver improved benefits realisation.

2. 5. 7 Benefit realisation

Through the development and agreement of the Directorate Charters, the ownership of benefit delivery will be clearly defined. This could be a combination of various cashable or non cashable efficiencies and will be dependent on the objectives that each service area needs to achieve. The Project Management Office will monitor/ review and report on the achievement of each Charter to the

Transformation Board, in order to ensure that as a minimum the cashable efficiencies identified in the MTFS are delivered.

As the project is rolled out, Directorate Leads (Div/HoS Level) own and drive business changes and the realisation of benefits.

2.5.8 Environmental Impact

The impact will be very positive, based on:

- Reduction in staff carbon footprint due to reduced travelling to and from work and less journeys between office and customer for case workers.
- Facilitates rationalisation of Council's property estate and contributes to reduction in Council's carbon footprint
- Provides opportunities to consider different methods for providing services in order to minimise environmental impact
- Improved life/work balance opportunities for staff
- Improved effectiveness of staff dealing with environmental issues within the borough

2.5.9 Risk Management Implications

The risks will be included in the Directorate risk register. The project team will maintain a separate risk register to manage day to day issues.

ID	Title	Description	Mitigating Action
1	Capacity for Change	The level of change being proposed through the ITO, M&F, Business Support and various other projects may present problems for teams and individuals who may not have sufficient capacity to support or absorb the change.	Joined up change and training approach between ITO, M&F and other programmes.
2	Contracts	Historical contracts and terms and conditions may be difficult to change which may hinder adoption and limit benefits of flexible working.	Ensure continued engagement with staff and unions and formal consultation.
3	Benefit realisation	Services will need to embrace and embed new ways of working, in order to realise both cashable and non cashable benefits.	Directorate Charters (2.6.6 & 2.5.7 above) will ensure that the ownership of benefit delivery will be clearly defined.

ID	Title	Description	Mitigating Action
4	Policy	The Council may experience delays to developing the policies that are required to ensure successful adoption of Flexible Working.	Ensure continued engagement with staff and unions.
5	Managers	Ability of managers to adopt new ways of working and managing staff who may be working remotely.	The change approach seeks to support managers by providing a means for them and their teams to agree a clear set of business objectives for the team and individuals and defining the localised ways of working required to achieve these objectives.

2.5.10 Equalities implications

A full overarching Equalities Impact Assessment has been developed in consultation with unions and stakeholders and was presented to the Corporate Equalities Group on the 3rd Feb 2011. Individual service areas will undertake further Equalities Impact Assessments prior to the implementation of Mobile and Flexible working practises in their areas, in order to assess specific impacts and provide mitigation where required. The initial issues have been identified as:

- the need to ensure the increased use of technology does not adversely impact any particular group
- the need to ensure that training meets the requirements of all parts of the service
- the need for baseline equalities data to monitor later impact
- the need to ensure equal access to opportunity for increased flexible working

2.5.11 Corporate Priorities

The project will impact across the whole of the Council and will support the Corporate Priorities of Keeping neighbourhoods clean, green and safe: united and involved communities: a Council that listens and leads: Supporting and protecting people who are most in need: Supporting our Town Centre, our local shopping centres and businesses.

Section 3 - Statutory Officer Clearance

Name: Steve Tingle Date: 1 February 2012	x	on behalf of the Chief Financial Officer
Name: Jessica Farmer Date: 1 February 2012	x	on behalf of the Monitoring Officer

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap Date: 30 January 2012	x	Divisional Director Partnership, Development and Performance

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker Date: 27 January 2012	x	on behalf of the Divisional Director (Environmental Services)

Section 6 - Contact Details and Background Papers

Contact: Andy Parsons – Head of Business Management
0208 736 6106

Background Papers:

Equalities Impact Assessment

| Call-In Waived by the Chairman of Overview and Scrutiny Committee | NOT APPLICABLE

[Call-in applies] |