



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL (DCC)

CABINET

5 May 2022

Report of the Executive Director, Corporate Services and Transformation

Modern Ways of Working (MWoW): Phase 2 - Outline Business Case
(Corporate Services & Budget)

1. Divisions Affected

1.1 Countywide

2. Key Decision

2.1 This report is seeking approval to take forward Phase 2 of the Modern Ways of Working (MWoW) programme. It sets out the benefits and lessons learnt from Phase 1, the benefits to be realised from Phase 2 and the resources required to implement Phase 2.

3. Purpose

3.1 Following the implementation of Phase 1, MWoW now needs to develop and implement Phase 2. A further key outcome from Phase 2 will be to consider the continuation of the programme onto all other parts of the Council's buildings, therefore it will be necessary to prepare a Full Business Case for future phases of the Programme which will be brought back to Cabinet for consideration at a future date.

The implementation of Phase 2 will require one-off funding to recruit staff needed to deliver the culture change needed, enable further investment into ICT infrastructure across the Council's wider estate and review the future of County Hall. This funding is additional to that previously agreed for Phase 1. The funding

required just for Phase 2 is £710k for equipment and consultancy and, £430k for staff.

4. Information and Analysis

4.1 ***Business Need & Strategic Benefits***

As an Enterprising Council we want to provide the best value for money to enable the people and places in Derbyshire to thrive. We need think and do things differently, make the most of new opportunities and not shirk bold decisions. DCC wants to base its work and its relationship with the people of Derbyshire, on the quality of service rather than the desks being used or the buildings staff sit in. The long-term strategic vision is for an agile workforce that enhances the customer/resident experience and reduces Council costs.

4.2 ***Background to Phase 1***

MWoW Phase 1 - was approved at Cabinet on 17th June 2021 with a budget of £400,646 - focused primarily on the safe and effective return to offices after 2 years of almost non-stop home working. This meant introducing some new ways of working such as establishing hybrid meeting rooms and relocating staff to County as we reduced our estate (John Hadfield and Chatsworth).

The implementation of Phase 1 led to a good understanding of what does and doesn't work. The lessons learnt have informed the development and resourcing of Phase 2 (see Appendix 1 of the Outline Business Case). For example:

- The priority needed for Data Protection Impact Assessments (DPIA)
- The impact of surroundings on peoples' positive view of returning to the office and the need to address that in a timely way

4.3 ***Scope of Phase 2***

It is intended to take the approach and principals used in Phase 1, adjusted for lessons learnt, and apply them to 18 further buildings as part of Phase 2.

MWoW needs to focus on the longer term and delivering those Enterprising Council goals across the wider Council estate. Phase 2 aims to translate the gains and lessons from working in a very agile way during the pandemic, to a clear proposition about how we do things in future, and where we do them from:

- Culture** – Having a clear strategic narrative and developing and communicating the Council's Vision and Target Culture
- The Digital Strategy** – Putting the user at the centre of our service delivery is the focal point of our Digital Strategy
- Property rationalisation and reconfiguration** – including aligning with the One Public Estate initiative to think again about how and where we deliver our services

- iv. **Future of County Hall** - we are committed to the building and want to make the best possible use of it. We will look at a wide range of options, giving full consideration of the impact of the building on the wider town.

Each of the key activity areas above will be delivered through a detailed Project Plan and led by the MWOW Programme Manager, through a structured delivery programme.

At the end of Phase 2 there will be a review of achievements and analysis of how best to move the programme forward into Phase 3. This will require the development of a Full Business Case and Benefits Realisation strategy and plan for the next phase of the programme, both of which will be brought to a future Cabinet meeting for approval. Whilst the scope of Phase 3 will be informed by the forthcoming activity on Phase 2, the starting point is likely to be all non-school property assets not covered by either Phase 1 or 2. However, it is worth noting a considerable number of assets will probably be out of scope for a variety of reasons such as being part of the One Public Estate workstream or already being looked at as part of a separate review.

4.4 ***Benefits***

Modern Ways of Working practices have the potential for significant financial and non-financial benefits. These are set out in more detail in the OBC attached but include:

- Financial benefits of over a minimum of £8.5m over 5years (£1m pa revenue savings, over £3m in Capital receipts and £0.5m in printing & stationery and interest savings).
- Lower maintenance cost properties and assets
- Improved and flexible service delivery better meeting residents' needs
- A reduction in our carbon and operational footprint leading to reduced operating costs
- Improved productivity
- Opportunities to align service delivery across the public sector
- Becoming an employer of choice
- Strengthening the Council's resilience
- Opportunities for income generation

The Outline Business case for Phase 2 takes a prudent approach to assessing financial benefits, in particular around the achievement of Capital Receipts. We expect the development of the Phase 3 Full Business Case, over the course of implementing Phase 2, to identify significant further benefits not set out here. These benefits will contribute to the agreed savings target already identified by Corporate Property and to the achievement of further savings that have been identified in the later years of the current Medium Term Financial Plan.

5. **Consultation**

- 5.1 We will continue to engage and consult staff on what and how MWow will accomplish as this is crucial to the success of the Programme. This includes: staff updates via 'Our Derbyshire'; Employee Engagement sessions; Manager Briefings; email cascades; a cross-council Operational Liaison Group; an MWow feedback channel.

6. Alternative Options Considered

- 6.1 3 options were considered:

Do nothing – Not recommended

Cabinet was advised in June 2021, a medium to long-term strategy would be developed in parallel with delivering the current MWow Phase 1 activities. This Business Case sets out how this medium to long-term strategy will be achieved.

DCC has invested in the Microsoft Office 365 stack. A 'do nothing' option would mean DCC would not meet the commitment made to Cabinet in June 2021 or unleash the full potential of working collaboratively using O365.

Delivering the Programme using in-house resources exclusively – Not recommended

Derbyshire does not have the necessary expertise or resources needed to build the complex and sensitive Business Case required for Phase 3.

Delivering the Programme using a mix of external expertise and in-house resources – Recommended

DCC has a good mix of relevant and invaluable expertise – notably in Property and Finance. Working closely with an external consultancy will ensure a robust Business Case can be developed in time.

7. Implications

- 7.1 Appendix 1 sets out the relevant financial, legal, HR, IT and Equality implications considered in the preparation of the report.

8. Background Papers



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9. Appendices

- 9.1 Appendix 1 - Implications.

10. Recommendation(s)

That Cabinet:

- a) Approve Programme funding of £1.140m for MWow Phase 2.

11. Reasons for Recommendation(s)

- 11.1 Cabinet was advised in June 2021 that a strategy would be developed in parallel with delivering the MWow Phase 1 Programme. This report focuses on what the scope of MWow Phase 2 will involve and what is required to achieve it.

12. Is it necessary to waive the call in period?

- 12.1 No

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Implications

Financial

- 1.1 This Outline Business Case covers costs for Phase 2 only. A summary of those costs:

MWOW Phase 2 Programme Costs (May 2022 – February 2023)			
Role / Resource required	Other £k	Notes	salary £k
Culture Change			
HR & Communications Officers	-	2 staff	64
Communications Material	50		50
Digitally Enabled			
IT Assistants	-	2 staff	48
ICT Equipment			326
Property Strategy			
Property Project Staff		5 staff	181
Consultancy Team	92		92
Model Office	35		35
Estate Clearance	207		207
MWOW Programme Management			
MWOW Programme Team		4 staff	137
Phase 2 Staffing Cost			430,000
Phase 2 Non-staff costs			710,000
Total Phase 2 costs			1,140,000
Notes:			
<ul style="list-style-type: none"> Costs have been calculated at 9 months for each role from June 2022 to February 2023 – the anticipated end of Phase 2. Approving Phase 2 funding also means approving up to £146k of Staff costs that will fall into Phase 3. This represents the remaining 3 months of staff contracts. These costs are NOT included in this business case which is for Phase 2 only. 			

- 1.2 The financial benefits to the Council over a five-year period are anticipated to be at least £8.5m.

Legal

- 2.1 None at this stage. During Phase 2, the key areas identified will have legal implications that officers and potentially Cabinet may need to consider. For example: Strategic Decisions by CMT may have an impact on terms and

conditions of staff, the options proposed by the Property consultants are likely to have legal implications.

Human Resources

- 3.1 As identified in the report, there are significant interdependencies with the People Strategy specifically and HR policy generally. The Programme will work closely to manage these interdependencies during Phase 2, building on the success of close working in Phase 1.

Information Technology

- 4.1 ICT is critical to the success of MWOW. As identified in the report, there are significant interdependencies with the Digital Strategy and the Programme will work closely to manage these interdependencies during Phase 2.

Equalities Impact

- 5.1 Equalities Impact

An Equality Impact Assessment was carried out in December 2021 for Phase 1 of the programme and will remain constantly under review ensuring any plans are in place to address any issues in Phase 2.

Corporate Objectives and Priorities for Change

- 6.1 The MWOW Programme is a key driver to several corporate objectives including:
- The Enterprising Council Strategy
 - The People Strategy
 - The Digital Strategy

And links directly to Thriving Communities.

Other

- 7.1 Not applicable.