



Cabinet

15 JULY 2010

LEADER

Councillor Stephen Greenhalgh

FUNDING DRAWDOWN FOR CORPORATE ROLLOUT OF SMARTWORKING

**Wards:
All**

This report provides an update on the SmartWorking programme, presents a business case and requests funds for the next stage (Stage C).

CONTRIBUTORS

DENV
DFCS
Programme Manager
AD H&F Direct
ADLDS

HAS A PEIA BEEN COMPLETED? YES

Recommendations:

- 1. That progress of the programme to date is noted.**
- 2. That approval is given for Stage C, the corporate rollout of SmartWorking, at a total cost of £2,120,846.**
- 3. That approval is given to draw down an initial sum of £1,454,512 from the Invest to Save fund, specifically to pay for two key projects within the programme, namely Barclay House and Environment, as well as the required IT and telephony for Stage C.**
- 4. That a report is submitted to Cabinet after the delivery of the Barclay House and Environment projects detailing progress made and outcomes achieved, and requesting a draw down of £666,334 for the remaining rollout of Stage C.**
- 5. That it is noted that funding required for the removal costs associated with Stage C is requested when needed during the course of the programme.**

- 6. That settlement of the dilapidations claim relating to the termination of the Barclay House lease is delegated to the Director of Environment and Director of Finance and Corporate Services.**

1. INTRODUCTION

1.1 This report presents the business case for the corporate rollout of SmartWorking and identifies the need to draw down an initial sum of £1,454,512 from the Invest to Save fund to deliver the required IT infrastructure and telephony for Stage C, as well as resources to deliver the first phase of projects, namely Barclay House project and Environment.

1.2 A report will be brought back to Cabinet after the completion of the first phase of projects describing the progress made and outcomes achieved, and requesting a further £666,334 to deliver the second phase of Stage C rollout projects. The total cost of the Stage C corporate rollout of SmartWorking is £2,120,846, delivering net cashable savings for the whole programme of £3.3m per annum from 2012/13.

1.3 Cashable savings (realised and proposed) include:

- The disposal of Riverview House saving £1.35m following the completion of Stage B of SmartWorking in February 2010.
- The disposal of Barclay House saving £675k per annum, including the SmartWorking of all impacted staff groups and the associated office moves.
- The SmartWorking of all staff (currently 2081) based in the main Council buildings to enable the organisation to exploit all opportunities to generate further potential savings of £679k per annum from a further reduced accommodation footprint (for example by sharing accommodation with the PCT or other partner organisations, for example assigning our lease in Cambridge House to a third party).
- Increased productivity for home and mobile workers, equating to a cashable saving of £780k per annum from 2012/13.
- A reduced number of desktop computers due to fewer desks across fewer main buildings leading to a saving of £125k per annum from 2011/12.

1.4 The business case does not include the costs and benefits of SmartWorking H&F Homes or the PCT.

2. BACKGROUND

2.1 SmartWorking is the Council's programme to manage the implementation of new ways of flexible working and to enable significant savings through the improved utilisation of Council office space. The programme is already delivering £1.35m in cashable savings per year following the exercise of the break clause to end the lease of Riverview House in February 2010. As well as accommodation benefits, the programme will also deliver substantial benefits in staff

motivation, productivity and service delivery, as well as contributing to attracting and retaining the best people at H&F.

- 2.2 The total projected spend for the programme was £3.944m over five years, enabling a projected saving of £8.9m over the same period.
- 2.3 Cabinet approved funding of £1.529m on 14 July 2008 for Stage A, to implement the required mobile IT infrastructure, the policies and procedures to support a SmartWorking organisation and to verify the business case assumptions about accommodation and productivity through pilots. Cabinet requested a report at the end of Stage A summarising the outcomes achieved and making the business case for funding the remaining programme of work.
- 2.4 In November 2009, Cabinet approved further funding of £673k for Stage B (from the £3.944 set aside), to SmartWork teams in Environment to enable the vacation of Riverview House to implement the break clause in February 2010. Following completion of Stages A and B, £1.7m remains of the original programme budget of £3.944.
- 2.5 This paper requests funding for Stage C, to rollout the required IT, telephony and programme resources to manage the SmartWorking of all staff located in the main Council buildings, to deliver annual net cashable benefits of £3.3m by 2012/13.

3. PROGRESS TO DATE (STAGES A & B)

- 3.1 Stage A - Enabling phase: To put in place the IT solutions needed to support SmartWorking and to test these with three pilot teams with different workstyle characteristics. Data from the pilot teams, which confirm the assumptions about productivity and accommodation, have formed an important input to developing the Stage C business case.
- 3.2 Stage A started in September 2008 and has achieved the following:
 - Implemented the SmartSpace to trial the 'office of the future'.
 - Implemented the IT infrastructure required for remote and flexible working including Lynx, NAC LAN and Openscape telephony.
 - Tested the solution with three pilot teams (CSD Occupational Therapy, FCS Corporate Anti Fraud and CSD Procurement) to evaluate the technology and confirm the business case assumptions.
 - Agreed SmartWorking HR & IT guidance and principles for SmartWorking.
 - Production of a business case for the corporate rollout of SmartWorking based on re-validation of workstyles for all managers and staff based in the main civic accommodation.

- 3.3 Stage B: SmartWorking 'Lite' - Environment & H&F Homes. This enabled a move out of Riverview House in time to take advantage of a lease break on 8th February 2010 with an estimated annual cashable saving of £1.35m. The restacking of Environment staff in the Town Hall Extension, from 4 floors to 3 and the move of H&F Homes into a single floor was achieved through a basic level of SmartWorking. This was achieved without any significant increase in mobile and home working. In addition to the hard cashable saving the following was achieved:
- The removal of managers' cellular offices.
 - The introduction of flexible desk sharing and some home working.
 - A new communication and collaboration system - Openscape, was trialled.
 - Physical storage was reduced by 50% and the number of workstations by 30%.
 - The seeds have been sown for the development of new ways of working.
- 3.4 Funds were managed to ensure that Stages A and B have both been delivered within the planned budgets of £1,528,805 and £673,332 respectively.

4. OUTCOMES FROM THE SMARTWORKING PILOTS

- 4.1 Pilots were delivered within CSD Occupational Therapy, FCS Corporate Anti Fraud Service (CAFS) and CSD Procurement to trial the mobile technology, evaluate the costs and benefits of SmartWorking and gather lessons learnt to inform the rollout approach to the rest of the organisation.
- 4.2 The teams were selected as they represented a cross section of the different workstyles. The pilots comprised the following numbers of people:
- CSD Occupational Therapy (21 people)
 - FCS Corporate Anti-Fraud (CAFS) (16 people)
 - CSD Procurement (24 people)
- 4.3 In summary, the pilots achieved the following benefits:
- Productivity:
 - Occupational Therapy experienced an increase in caseload handling of 20% year on year, attributable to mobile working.
 - CAFS achieved a like-for-like increase in investigations closed compared to the same period last year of 24% and agreed that a minimum of 5% of that increase could be attributed to SmartWorking.
 - It was not possible to measure an increase in productivity within Procurement, but it is recognised that plans to complete Care Home assessments on-site will deliver

increased productivity. In addition Procurement management acknowledges that working from home does convert travel time to work time thereby increasing efficient working time & overall productivity.

- Space reduction:
 - The number of desks across all pilot areas was reduced by 36% (equal to 24 workstations). Applying an average cost per workstation of £2,435, this equates to a potential saving of £58,440 per annum if the organisation was able to cash the saving through subletting.
 - Storage and filing was reduced by an average of 40%.
- Other benefits:
 - New office space allows a confidential working environment (CAFS).
 - Home working is good for work-life balance (CAFS).
 - Being able to work without paper means less travel time for visiting officers (CAFS).
 - Less cluttered, cleaner work environment (Procurement).
 - Home working good for thinking time and creativity (Procurement).

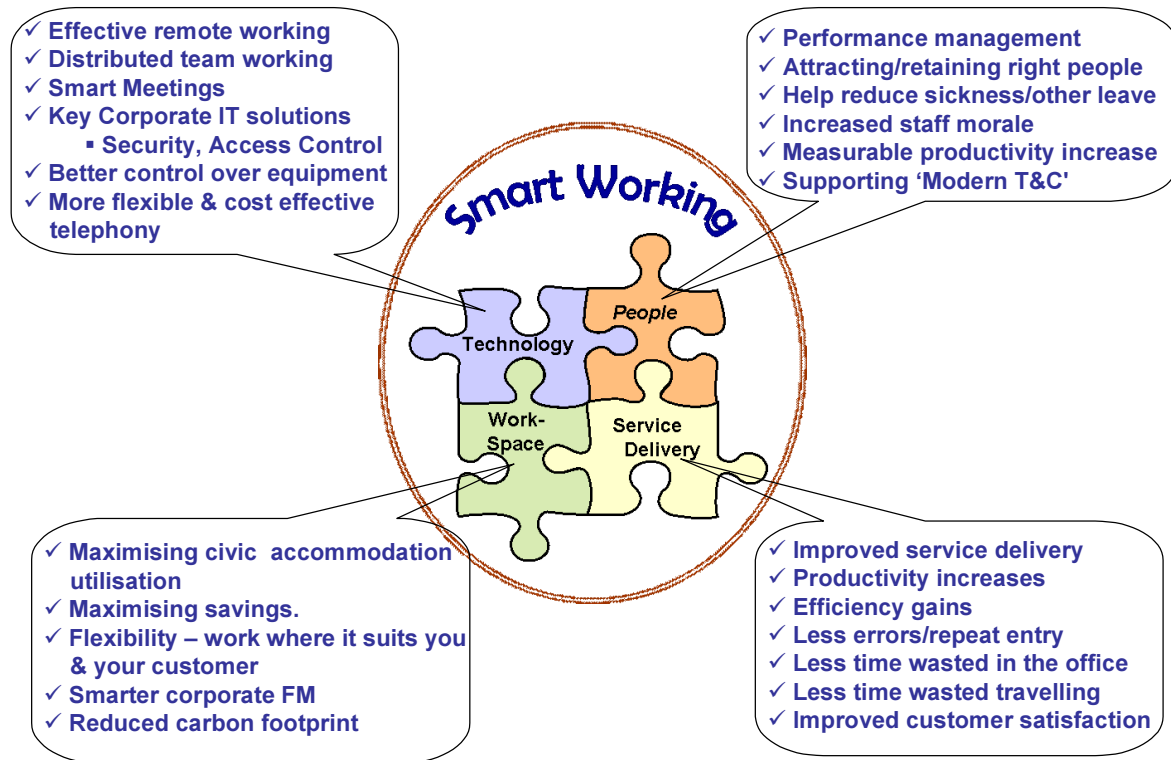
4.4 Due to there being only a small number of frequent home workers and no home or mobile workers in Procurement, it was felt that there were limited benefits for many members of the team. With respect to Occupational Therapy, feedback has been positive and it is felt that most staff see clear benefits for themselves and for clients. The Occupational Therapy team have enjoyed the pilot and want to continue.

5. STAGE C: CORPORATE ROLLOUT OF SMARTWORKING

5.1 The outcome from this next stage will be that new, smarter ways of working will be rolled out across 2081 staff based in the main Council buildings. The resulting contraction in office space requirements will enable the disposal of Barclay House in the near term saving £675k per annum. It will also prepare the organisation to be able to fully exploit every identified accommodation opportunity to generate savings, for example the possible disposal of Cambridge House and accommodating the PCT.

5.2 The full range of potential benefits from SmartWorking are shown in the diagram below, including cashable productivity savings of £780k per annum from 2012/13. It is recognised that all four elements of SmartWorking, including people, technology, service delivery and workspace/accommodation, must be considered together if the full range of benefits are to be delivered.

SmartWorking – Outcomes Across the Council



5.3 A revised rollout approach, programme organisation structure and toolkit have been developed and agreed following lessons learnt during Stage B. The standard approach will enable a more efficient and consistent rollout approach across the organisation. In order to achieve this the programme will:

- Develop the role of departmental managers in leading the adoption of SmartWorking with staff and driving the change to embrace new ways of working from within divisions.
- Ensure clear departmental ownership for the realisation of the non-accommodation benefits of SmartWorking.
- Project manage the SmartWorking of all staff impacted by the disposal of Barclay House by September 2011 and associated moves.
- Work closely with and align SmartWorking with other transformation programmes.

5.4 The approach to Stage C is based on providing SmartWorking support to all departments to enable them to achieve their space reduction targets for 2010/11. It is also based on aligning SmartWorking to the Accommodation Programme, to enable H&F to take advantage of leases for civic accommodation coming to an end resulting in hard cashable savings.

5.5 Stage C will involve two main streams of activity as described in the table below. In all projects, Department Leads (e.g. AD level) own and drive business changes and the realisation of benefits.

Projects	Description
Department-led SmartWorking projects (FCS, CSD, FCS, RSD, ENV) (All staff groups not impacted by Barclay House disposal and associated moves)	<ul style="list-style-type: none"> • A Department-based project manager coordinates delivery of each project with SmartWorking programme support including an Organisational Development Lead, HFBP Lead, B&PM. • A Department Lead champions SmartWorking, driving business changes with support from a locally appointed SmartWorking Implementation Team • SmartWorking programme provides SmartWorking approach, guidance and toolkit.
SmartWorking Team led project (for Barclay House lease expiry & associated moves)	<ul style="list-style-type: none"> • A SmartWorking project manager coordinates the project across all impacted staff groups with support from an HFBP Lead, OD Lead, B&PM. • Department Leads champion SmartWorking and drive the business changes with support from locally appointed SmartWorking Implementation Teams. • SmartWorking programme provides SmartWorking approach, guidance and toolkit.

5.6 On completion of the department-led and Barclay House projects, there will be an assessment of the potential and scope to implement further SmartWorking. A report summarising the outcomes achieved during Stage C and a business case to introduce further SmartWorking will be presented to Cabinet in March 2012.

5.7 The workstreams required to SmartWork the full scope of 2081 staff in Stage C are listed below. Ongoing annual support costs for new IT after the completion of Stage C total £281k.

#	Workstreams	Outcomes	Cost (£'000s)
1	Programme management, change and benefits management, programme officer	<ul style="list-style-type: none"> • Effective coordination of programme dependencies across external and internal suppliers • SmartWorking change engagement and communications delivered centrally saving departmental effort • All benefits (including productivity) tracked and reported to Programme Board • Assessment of further SmartWorking after the completion of Stage C 	£420
2	SmartWork Barclay House and all impacted staff groups	<ul style="list-style-type: none"> • Barclay House lease ends delivering £675k saving per annum. • Further opportunity arises when the lease ends on Cambridge House delivering a further £615k saving per annum. • Staff impacted by Barclay House move have ability to access IT and telephony from any building and from home. • Impacted managers able to work with dispersed teams 	£187
3	Department-led SmartWorking projects (ENV, CSD, RSD and FCS)	<ul style="list-style-type: none"> • Environment department moves from 3 to 2 floors in Town Hall Extension. • SmartWorking of staff groups not impacted by Barclay House move • Staff have ability to access IT and telephony from any building (& from home where appropriate). • Managers able to work with dispersed teams. 	£399
4	Project management for new SmartWorking IT infrastructure	<ul style="list-style-type: none"> • Project management for all infrastructure projects 	£17.5
5	New SmartWorking IT for Stage C	<ul style="list-style-type: none"> • IT & Openscape telephony to enable & support SmartWorking across the organisation. 	£1.098m
Total Stage C cost (2010/11 & 2011/12)			£2.121m

5.8 A further £50,109 will be required to meet the cost of network switch upgrades. Alongside the IT Strategy, a paper entitled "Getting the basics right" will seek this funding alongside funding for a number of other infrastructure projects.

6. FUNDING REQUEST: COSTS & BUSINESS CASE

- 6.1 Programme costs for Stage C are £2.121m over two years, comprising a total IT cost of £1.098m and programme resource costs of £1.023m. Following the end of Stage C the annual ongoing cost to departments will be £281k, largely made up of TCO costs of £243k and annual IT support costs of £40k.
- 6.2 The business case has been calculated based on the full cost of the programme, including Stages A, B, C and ongoing TCO and support costs to departments. This total cost comes to £5.167m, which delivers £10.7m cumulative net cashable benefit by 2014/15.
- 6.3 Cashable benefits have been identified as follows:
- Property cost savings through exercising the break clause in the lease for Riverview House, Barclay House and Cambridge House – Annual cashable savings of £2m from 2012/13, increasing to £2.38m in 2014/15. The SmartWorking programme has already delivered a £1.35m annual saving to H&F from exercising the break clause on Riverview House.
 - IT savings due to a reduced number of workstations achievable through SmartWorking equating to £125k per annum.
 - Further accommodation savings due to reduced office space requirements – By reducing departmental space requirements by at least 30%, SmartWorking will create an opportunity for the Accommodation Programme to release an annual cashable saving equal to £675k (from 2011/12) beyond those realised through the releasing of buildings due to leases expiring.
 - Increased productivity due to home and mobile working – Assuming only 30% of the productivity gain will be cashed this contributes an annual cashable saving of £780k from 2012/13. The remaining 70% is attributed to non-cashed productivity, equating to an annual non-cashable benefit of £1.8m from 2012/13.
- 6.4 The table below shows the expected best case return on investment for the programme (including Stages A, B and C). This therefore includes the cashable benefit from the disposal of Riverview House as well as the sunk cost of £2.2m for Stages A and B.

Return on investment (£'000s)

End of Stage C

		08-10	10/11	11/12	12/13	13/14	14/15	Total
Hard saving	Property costs saved from Riverview House	112.5	1,350	1,350	1,350	1,350	1,350	6,863
	Property costs savings from Barclay & Cambridge Houses	0	0	338	675	675	1,039	2,727
	IT savings due to reduced number of workstations	0	0	125	125	125	125	500
Requires realisation mgt	Further accommodation savings due to reduced office space requirement	0	0	679	679	679	679	2,718
	Cashable element of increased productivity (home & mobile working)	0	116	586	780	780	780	3,041
	Total cashable saving	112.5	1,466	3,078	3,609	3,609	3,973	15,849
	Total cost for Stages A & B	2,202						2,202
	SmartWorking programme Stage C costs		1,644	477				2,121
	Ongoing IT costs to departments (new due to SmartWorking)				39	39	39	117
	Ongoing IT costs to departments (TCO)				243	243	243	729
	Total cost to organisation	2,202	1,644	477	281	281	281	5,167
	Annual net cashable benefit	-2,090	-178	2,601	3,328	3,328	3,692	10,682
	Cumulative net cashable bens.	-2,090	-2,268	334	3,662	6,989	10,682	

6.4 A total of £2,120,846 is required to fund the SmartWorking programme during 2010/11 and 2011/12. This amount comprises the following. A full breakdown of costs is included in the appendix.

- £419,870 for programme management, central team delivery of change and communications, coordination of benefits tracking and delivery of an assessment for further SmartWorking following completion of Stage C.
- £186,567 to SmartWork all staff impacted by the move from Barclay House to enable its disposal and associated cashable benefit of £675k per annum.
- £81,901 to fully SmartWork Environment teams in the Town Hall Extension and enable them to move from 3 to 2 floors, freeing-up a floor to sub-let to another service or organisation.
- £105,601 to SmartWork Finance and Corporate Services to support senior managers achieve their space reduction targets for 2010/11.
- £105,601 to SmartWork Community Services Direct to support senior managers achieve their space reduction targets for 2010/11.
- £105,601 to SmartWork Resident Services Direct to support senior managers achieve their space reduction targets for 2010/11.
- £1,098,204 to pay for new IT and telephony required for this stage.
- £17,500 for IT infrastructure project management.
- Funding for removal and infrastructure costs relating to required moves for Stage C will be requested as needed during 2010/11 and 2011/12

7. RISK MANAGEMENT

- 7.1. Risks are identified and recorded on the programme risk register with mitigating actions and ownership assigned to named individuals to ensure the project is delivering expected financial, efficiency and operational service benefits. This register is managed by the programme manager and reviewed on a regular basis by the programme team. Where risks require escalation they are reviewed at programme board or where appropriate escalated through PMO to EMT and appropriate mitigating action taken where prudent to do so.
- 7.2 SmartWorking Stage C risk log is at Appendix C:

8. COMMENTS OF THE ASSISTANT DIRECTOR (BUILDING AND PROPERTY MANAGEMENT)

- 8.1 The Landlord will almost certainly serve a Schedule of Dilapidations (Barclay House) on the Council. This will set out the works required to put the building into good repair as required by the lease. The Council can either carry out the works itself or agree a financial sum to cover the costs of the works. The Council will instruct a specialist firm of Building Surveyors to undertake these negotiations on our behalf. It should however be noted that financial provision will need to be made to meet these costs which are likely to be substantial. A similar situation will occur when the lease comes to an end for Cambridge House.

9. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 9.1 This paper requests a draw down of £2.121 million from the Invest to Save fund in order to deliver the remainder of the original SmartWorking business case. This compares with an expected draw down for Stage C of £1.7m. The drawdown will be in two stages, for £1,454,512 and £666,334, with the second stage subject to further approval by Cabinet after the delivery of the Barclay House and Environment projects.
- 9.2 The additional Invest to Save draw down of £421k will enable full implementation of SmartWorking across the Council and will have an additional expected net benefit of £1.5m by 2014/15 compared with the original business case. These benefits will be closely monitored and progress regularly reported. Currently the Invest to Save fund has an uncommitted balance of approximately £1.5million and the additional draw down outlined above would reduce this to £1.079 million.

9.3 As outlined in paragraph 6.5 the SmartWorking business case makes certain assumptions regarding office space reductions and increased productivity. It should be noted that these savings will only be realised if office accommodation is sublet or properties are disposed of and managers make difficult decisions to reduce staff numbers as productivity increases. These need to be highlighted as risks and benefit realisation closely monitored in order to achieve the return on investment within the business case.

10. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

10.1 There are no direct legal implications for the purposes of this report.

11. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT

11.1 There are no procurement implications for the purposes of this report.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet paper – Funding Request for the SmartWorking Programme. 14 th July 2008	Andrew Richards, SmartWorking Programme Manager, Ext 5989	SmartSpace / HTH
2.	Business Case for SmartWorking at H&F	Andrew Richards, SmartWorking Programme Manager, Ext 5989	SmartSpace / HTH
3.	Cabinet paper – Funding drawdown for the SmartWorking programme and removal expenses related to the decant of Riverview House	Andrew Richards, SmartWorking Programme Manager, Ext 5989	SmartSpace / HTH
4.	Business case for SmartWorking Stage C	Andrew Richards, SmartWorking Programme Manager, Ext 5989	SmartSpace / HTH
CONTACT OFFICERS:		NAME: John Collins EXT. 1544	
		NAME: Andrew Richards EXT. 5989	
		NAME: Graeme Trott EXT. 5050	

APPENDIX A

Stage C programme costs

One-off costs - Per user	10/11	11/12	Total	Assumptions
Openscape Team Licence	£144,161	£0	£144,161	All Open Office Workers: 444 * £77.05 = £34,210 All Flexible Ops Workers: 1001 * £77.05 = £77,127 All Frequent Hm Workers: 161 * £77.05 = £12,405 All Mobile Workers: 244 * £77.05 = £18,800 None for Field Workers All Home Workers: 21 * £77.05 = £1,618 Total = £144,161
Openscape Mobility (Licence)	£6,488	£0	£6,488	All Frequent Hm Workers: 161 * £16.02 = £2,579 All Mobile Workers: 244 * £16.02 = £3,909 Total = £6,488
Openscape Outlook Plug In	£21,049	£0	£21,049	All Open Office Workers: 444 * £11.25 = £4,995 All Flexible Ops Workers: 1001 * £11.25 = £11,261 All Frequent Hm Workers: 161 * £11.25 = £1,811 All Mobile Workers: 244 * £11.25 = £2,745 None for Field Workers All Home Workers: 21 * £11.25 = £236 Total = £21,049
Openscape Training	£19,734	£0	£19,734	All Home Workers: 21 * £66 = £1,386 All Frequent Home Workers: 161 * £66 = £10,626 Departmental super-user training: 50 * £66 = £3,300 E-learning course development = £4,422 Total = £19,734
SmartWorking of laptops (NAC LAN / WIFI)	£65,520	£0	£65,520	All Mobile Worker existing laptops to be WiFi & NAC LAN enabled Mobile Worker existing laptops: 122 * £210 = £25,620 + circa 50% of existing laptops: 190 * £210 = £39,900 Total = £65,520
Total	£256,951	£0	£256,951	

One-off costs - Infrastructure

Roll Out of NAC LAN Servers for 300+ laptops	£7,500	£0	£7,500	Microsoft NAP Server infrastructure was implemented as part of Stage B to support up to 300 concurrent laptop connections. For Stage C, it is anticipated that the number of laptops connecting concurrently to the network will be more than 300 so two additional NAP servers will be required.
Appsense One-off cost & proof of concept	£185,209	£0	£185,209	A robust solution is required that will allow people to move between Power and Standard PCs, and laptops and keep the look and feel of their desktop customisation. All staff in-scope: 2081 = £144,488 3rd party implementation cost = £4,440 HFBP implementation days = £5,000 Server costs (VM & SQL VM) = £26,375 Reconfig logon scripts, group policies = £10,000 Subtract existing licences in TCO = £32,000 Cost of Appsense = £158,303 Proof of concept = £26,907 Total = £185,209
Connection Manager product investigation and software cost	£18,625	£0	£18,625	Connection Manager is a set of software applications which are installed on laptops or tablet PCs to enable users to select from options to connect to particular networks. This cost funds a pilot across 100 users. If the pilot is successful, Connection Manager will form part of standard SmartWorked laptop build.
WiFi one-off cost for sites and access points	£41,505	£0	£41,505	WiFi installation in main buildings as follows. Stages A & B included WiFi installations in Smart Space and THX (3rd, 4th, 5th & 6th floors) - Cambridge House = 2 Floors equipped with 2 Aps per floor - 145 King Street = 4th Floor only equipped with 2 Aps per floor - 77 Glenthorne Road = 2 Floors equipped with 2 Aps per floor. - HTHX 2nd Floor = 2 Aps on Floor 2
Manual Y one-off cost	£33,434	£0	£33,434	Create new WiFi service compliant with Manual Y (Government Connect compliance). Create new laptop image and recall 40 existing SmartWorked laptops for reconfiguration. Produce required documentation including user guide (security aspects, best practice and restrictions)
VNC Pilot	£3,600	0	£3,600	Product investigation & implementation to 100 permanent and frequent home workers. VNC will allow the service desk to remotely access a user's device over the internet without requiring the device to be connected to the corporate network. This will help the service desk with faster diagnosis and enable remote resolution to minimise disruption to home workers.
Total	£289,873	£0	£289,873	

Annual ongoing costs - Per user

10/11 11/12

Total

Assumptions

	10/11	11/12	Total
Openscape support	£20,806	£20,806	£41,611
Lynx	£82,940	£82,940	£165,880
SmartWorking Lightweight Laptop	£91,012	£91,012	£182,024
3G	£29,280	£29,280	£58,560
Broadband at home	£9,000	£9,000	£18,000
Home PC	£14,850	£14,850	£29,700
TCO change of an existing laptop which has been SmartWorked	£4,336	£4,336	£8,672
Total	£252,223	£252,223	£504,447

All Open Office Workers: 444 * £11.12 = £4,937 All Flexible Ops Workers: 1001 * £11.12 = £11,131 All Frequent Hm Workers: 161 * £11.12 = £1,790 All Mobile Workers: 244 * £11.12 = £2,713 None for Field Workers All Home Workers: 21 * £11.12 = £234 Total = £20,806 per annum
Programme contributes following to dept. workstyle Lynx costs: 25% of Flexible Ops Workers: 255 * £220 = £56,100 25% of Frequent Hm Workers: 40 * £220 = £8,800 25% of Mobile Workers: 61 * £220 = £13,420 100% of Home Workers: 21 * £220 = £4,620 Total = £82,940
Programme contributes following to dept. Mobile Worker costs: 50% of Mobile Workers: 122 * £746 = £91,012
Programme contributes following to dept. Mobile Worker costs: 50% of Mobile Workers: 122 * £746 = £91,012
In line with H&F policy, Programme contributes following to dept. Home Worker costs: 120% of Home Workers: 25 * £360 = £9,000
In line with H&F policy, Programme contributes following to dept. Home Worker costs: 120% of Home Workers: 25 * £594 = £14,850
Budget for increase in TCO for existing (122) Mobile Worker laptops that will be SmartWorked (ie. NAC LAN and WiFi enabled)

Annual ongoing costs - Infrastructure

Appsense Annual ongoing cost		£0	£7,018
Connection Manager Annual Costs		£625	£625
WiFi annual ongoing costs		£8,446	£12,669
Cisco network switches for sites annual ongoing cost		£4,175	£4,175
Roll Out of NAC LAN Servers for 300+ laptops		£4,600	£4,600
Total		£17,846	£29,087

£7,018
£1,250
£21,115
£8,350
£9,200
£46,933

Annual support for Appsense (i.e. PC roaming)
Annual support for Connection Manager
Annual support for WiFi across main buildings (see one-off cost assumptions for WiFi)
Annual support for upgraded Cisco switches required across main buildings. Capital expenditure for these switch upgrades will be met by the Network Refresh programme ("Getting the basics right" paper). H&F require the following to ensure sites are ready for SmartWorking (NAC LAN & WiFi): <ul style="list-style-type: none"> - Cambridge House: 3 Cisco 3560 PoE Switches - 145 King Street: 4 Cisco 3560 PoE Switches - 77 Glenthorne Rd: 4 Cisco 3560 PoE Switches - Old Town Hall: 5 Cisco 3560 PoE Switches (one per wiring closet in Rooms 39, 48, 101, 120 & 316A) - Town Hall Extension 2nd floor: 1 Cisco 3560 PoE Switch
Annual support for 2 additional Microsoft NAP servers (servers required to support increase in laptops beyond 300)

Programme team costs

10/11 11/12

Total

Assumptions

Programme Manager	£121,500	£72,662	
Change and Benefits Manager	£72,000	£90,200	
Programme Support Officer	£37,728	£25,781	
HFBP Infrastructure Project Management	£17,500	£0	
Total			
Barclay House project (SmartWorking-led)			
Project manager	£75,000	£0	
OD Lead	£33,750	£0	
Property / FM lead	£19,817	£0	
HFBP lead	£25,000	£0	
HFBP analyst	£33,000	£0	
Total			
Environment project (Department-led)			
Project manager	£22,800	£0	
OD Lead	£13,500	£0	
Property / FM lead	£9,908	£1,693	
HFBP lead	£15,000	£0	
HFBP analyst	£19,000	£0	
Total			
FCS project (Department-led)			
Project manager	£30,000	£0	
OD Lead	£18,000	£0	
Property / FM lead	£9,908	£1,693	
HFBP lead	£20,000	£0	
HFBP analyst	£26,000	£0	
Total			
CSD project (Department-led)			
Project manager	£30,000	£0	
OD Lead	£18,000	£0	
Property / FM lead	£9,908	£1,693	
HFBP lead	£20,000	£0	
HFBP analyst	£26,000	£0	
Total			

£194,162
£162,200
£63,509
£17,500
£437,370
£75,000
£33,750
£19,817
£25,000
£33,000
£186,567
£22,800
£13,500
£11,601
£15,000
£19,000
£81,901
£30,000
£18,000
£11,601
£20,000
£26,000
£105,601
£30,000
£18,000
£11,601
£20,000
£26,000
£105,601

Full time Programme Manager: 2010/11: 180 days @ £675 = £121,500 2011/12: 220 days @ £330.28 = £72,662
80% FTE Managing Transformation Consultant: 2010/11: 144 days @ £500 = £72,000 2011/12: 176 days @ £512.50 = £90,200
Full time Programme Support Officer for 18 months. 2010/11: 180 days @ £209.60 = £37,728 2011/12: 120 days @ £214.84 = £25,781
35 PM days for Stage C infrastructure projects 35 days @ £500 = £17,500
project 125 days @ £600 = £75,000
60% FTE Senior Transformation Consultant for 25 week project 1 B&PM FTE full time for 1 year (cross projects) 60 days @ £330.28 = £19,817
40% HFBP PM for 25 week project 50 days @ £500 = £25,000
50% HFBP Technical Analyst for 25 week project 66 days @ £500 = £33,000
50% FTE Dept. PM for 15 week project 38 days @ £600 = £22,800
40% FTE Senior Transformation Consultant for 15 week project 1 B&PM FTE full time for 1 year (cross projects) 2010/11 30 days @ £330.28 = £9,908 2011/12 5 days @ £338.54 = £1,693
40% HFBP PM for 15 week project 30 days @ £500 = £15,000
HFBP Technical Analyst for 15 week project 38 days @ £500 = £19,000
50% FTE Dept. PM for 20 week project 50 days @ £600 = £30,000
40% FTE Senior Transformation Consultant for 20 week project 1 B&PM FTE full time for 1 year (cross projects) 2010/11 30 days @ £330.28 = £9,908 2011/12 5 days @ £338.54 = £1,693
40% HFBP PM for 20 week project 40 days @ £500 = £20,000
HFBP Technical Analyst for 20 week project 52 days @ £500 = £26,000
50% FTE Dept. PM for 20 week project 50 days @ £600 = £30,000
40% FTE Senior Transformation Consultant for 20 week project 1 B&PM FTE full time for 1 year (cross projects) 2010/11 30 days @ £330.28 = £9,908 2011/12 5 days @ £338.54 = £1,693
40% HFBP PM for 20 week project 40 days @ £500 = £20,000
HFBP Technical Analyst for 20 week project 52 days @ £500 = £26,000

RSD project (Department-led)					
Project manager		£30,000	£0	£30,000	50% FTE Dept. PM for 20 week project 50 days @ £600 = £30,000
OD Lead		£18,000	£0	£18,000	40% FTE Senior Transformation Consultant for 20 week project
Property / FM lead		£9,908	£1,693	£11,601	1 B&PM FTE full time for 1 year (cross projects) 2010/11 30 days @ £330.28 = £9,908 2011/12 5 days @ £338.54 = £1,693
HFBP lead		£20,000	£0	£20,000	40% HFBP PM for 20 week project 40 days @ £500 = £20,000
HFBP analyst		£26,000	£0	£26,000	HFBP Technical Analyst for 20 week project 52 days @ £500 = £26,000
Total				£105,601	
Total		£827,228	£195,413	£1,022,642	

NOTE: All project costs have been included in 2010/11 but will fall over the two year life of Stage C in line with accommodation programme moves.

Cost summary

Total IT & Telephony one-off costs		£546,824	£0	£546,824
Total IT & Telephony annual ongoing costs		£270,069	£281,310	£551,380
Total Programme team costs		£827,228	£195,413	£1,022,642
Total Stage C IT & Programme team costs		£1,644,122	£476,724	£2,120,846

APPENDIX B

Summary of projected costs

Resource	Programme cost	% of total
H&F Officers	£315,191	15%
H&F Business Transformation	£263,450	12%
H&F total	£578,641	27%
HFBP staff	£247,500	11%
IT & Telephony equipment	£1,098,204	52%
HFBP total	£1,345,704	63%
External programme & project mgt support	£196,500	9%
SmartWorking Stage C cost	£2,120,846	

APPENDIX C

Stage C Business Case assumptions

No	Description
1	There is a requirement from departments to commit appropriate and timely implementation team resources for Barclay House and Department led projects
2	All proposed solutions will be assessed and approved by Health & Safety
3	In scope accommodation is main Civic Accommodation only (FM Category 1 list)
4	All accommodation costs are based on 2009/10 SLA cost estimates
5	The costs / benefits of any new Civic Centre are outside of the programme timescales and are therefore excluded from this business case
6	Benefits are shown as hard benefits through lease expiries or average costs per head across main civic accommodation
7	Hard cashable property savings, i.e. disposals, are shown as they are forecast to be achieved, i.e. Barclay House 09/11 & Cambridge House 08/14
8	Notional cashable savings have been modelled to reflect a lag in their realisation, i.e. 1st Year 0%, 2nd 100% and all subsequent years 100%
9	No costs are included for any dilapidation payments or early terminations of leases
10	Expected target productivity rate by workstyle as follows: Home based 20%; Mobile 20%; Field 0%; FHW 10%; FOW 0%; OOW 0%. (Based on internal / external case studies)
11	All productivity increase estimates are worked as 30% cashable / 70% non cashable. Non-cashable element attributed to improved customer experience
12	Productivity savings have been modelled to reflect a build up in their realisation, i.e. 1st Year 15%; 2nd Year 75%; 3rd Year 100% and subsequent years 100%
13	It is the department's responsibility to deliver the cashable productivity saving
14	It is the Accommodation Programme's responsibility to deliver the cashable property benefit
15	Capital funding for the upgrade of any network switches to enable SmartWorking has not been included in the Stage C business case. This work will be funded by the infrastructure programme and will be included in the paper "Getting the basics right", which will go to Cabinet Briefing on 21 st June 2010.
16	This business case excludes funding for Electronic Data Management, which will form an enabler for full SmartWorking within some service areas. SmartWorking will interface with the EDMS programme to ensure service requirements inform the EDMS programme roadmap
17	HFBP IT support processes form an important dependency for the programme to ensure users are supported effectively in a home and flexible working environment
18	Requirements for application publishing to Citrix are currently unknown. It is assumed that any costs for publishing applications to Citrix will not be met by the programme
19	The IT budget for Stage C to investigate Connection Manager tools covers the research and pilot with 100 users of a commercial product. Further costs to rollout Connection Manager will be met through TCO.
20	IT costs relating to moves will be funded separately.
21	IT costs relating to analysing, installing and publishing applications will be funded

	separately.
22	Sites in scope for NAC LAN for Stage C include Cambridge House (2 floors), 145 King Street (1 floor – 4 th), 77 Glenthorn Road (2 floors) and Town Hall (3 floors)
23	Sites in scope for WiFi for Stage C include Cambridge House (2 floors), 145 King Street (1 floor – 4 th), 77 Glenthorn Road (2 floors) and the Town Hall Extension (1 floor – 2 nd)