



**Summary Business Case for  
additional funding for**

**19-21 Broad Street Acquisition,  
Refurbishment & Property  
Occupation**

**Growth, Housing and Environment  
Department**

**Date 27<sup>th</sup> October 2018**

## 1. Overview of Growth Request

### ESSENTIAL:

#### Context

The acquisition and fit out of the Broad Street office is one of several temporary and interim moves to progress the benefits associated with the overall programme whilst the end state building is developed. This is in acknowledgement that the change to working practices needs to happen in the short to medium term, rather than be delayed whilst the end state property solution is finalised.

#### Project

The interim hub solution proposed for the accommodation at Broad Street will provide an office environment which is modern, effective and efficient. The c550 FTE who will relocate to Broad Street will include:

- most staff from Cyril Le Marquand House;
- corporate and administrative Health staff from Peter Crill House;
- corporate and administrative Education staff from Highlands;
- Environment staff from South Hill;
- teams from Maritime House;
- policy and strategy staff from across all departments; and
- a new Ministerial suite with a Ministerial Support Unit.

The site will operate for c5 years whilst the main hub building is being completed. As such, the design of the space needs to reflect the 'interim' nature of the site, whilst still ensuring that it provides a good quality of accommodation and modern operational functionality for all staff to enable the stepped change to working practices.

The development of the space at Broad Street therefore presents a key step in the transitioning process of departments and staff into a workplace which meets the environment set out in the OMP vision for modern ways of working.

In developing the design of the workplace, the project team have utilised the States Office Modernisation: Guidance for Office Accommodation Projects as the basis. However specific to this project, several further key statements have been identified as being central to its success. These are as follows:

- The standard of workplace will be 'common' across all areas of the building, presenting an equality of space, design, types of work settings and support spaces.
- The space will represent a modern office. The design of office workspace should predominantly be open plan, enabling the concepts of shared space, collaboration, equality of provision and new ways of working.
- It will promote the development of neighbourhoods for departments to maintain the levels of co-location of teams. However, it will also promote the concept that the workplace is 'ours to share' and not 'mine to own'. The workplace is a States of Jersey asset and not owned by the departments.
- Agile or Ratio working will be implemented and driven based on the future workstyles of teams, noting that very few staff are 'fixed' workers. This will be developed through engagement and observations, however the target average ratio across the whole building is 7.5:10 (desks: people).
- Space will be allocated according to business need and workstyle. There will be no automatic allocation of individual 'owned' workstations, with allocation based on job function and level of agility. Dedicated workstations will be allocated only where necessary due to a 'fixed' workstyle.

- The space will provide for a range of work settings. Not only desks provided at the above ratio, but also providing space to support the types of activities undertaken by the occupying departments, for example:
  - Flexible meeting spaces – small meeting rooms, breakout spaces and kitchen areas.
  - Space for quiet and concentrated working.
  - Spaces for confidential work and phone calls.
  - Touch-down spaces for people working on the move.
  - Team/project tables.
  - Resource areas.
  - Flexible multipurpose spaces.
- Support space, both specific and common, to occupying teams will be provided to meet the needs of the business with the addition of welfare facilities to support the States of Jersey Sustainable Transport Strategy.
- Offices for individuals will not normally be provided.
- Filing / storage space will be allocated at a maximum of 1 linear metres of storage per person. Exceptionally, additional on-floor storage may be provided to meet proven operational requirements.
- Where necessary additional types of ‘specialist’ requirements for alternative spaces or variations to the standards in this document will be captured however, they are to be the exception and subject to Project Board approval.

## 2. States Common Strategic Priorities and Department Business Plan Objectives

States of Jersey Proposed Common Strategic Policy 2018 – 2022 identifies that **‘We will create a sustainable, vibrant economy and skilled local workforce for the future’** by delivering an economic framework to improve productivity, by nurturing and strengthening our financial services industry, by enhancing our international profile and promoting our island identity, by delivering the best outcomes from Brexit, and by improving skills in the local workforce to reduce Jersey’s reliance on the inward migration.

The project outcome and final operational functionality of the ‘One Government’ initiative will deliver this strategic requirement and provide the island with a more structured public facing and deliverable organisation going forward.

The Chief Executive has outlined his future structure to achieve the services to the public through ‘One Government’ and the co-location of multiple departments is the starting point for the huge changes that meet the Strategic and Future Jersey requirements.

The Board Street Project forms part of the overall Office Modernisation Project (“OMP”), which will develop a ‘hub and spoke’ solution to the provision of space for office based and customer services.

The *States Strategic Plan 2015-2018* sets out as a desired outcome: *“Improved, more productive, and sustainable public services” (1.3)*; with a key focus of activity to achieve this outcome being to:

*“restructure Departments and **rationalise office accommodation.**”*

Part of the desired outcome of developing a: *“Shared vision of the Future of St Helier”*; includes a further key area of focus, to:

*“Enhance the value of the public-sector property portfolio, including improving Fort Regent, providing additional open space and public car parking as appropriate; examining the benefits and costs of extending*

*the Millennium Town Park using the hospital development to support St Helier, **and rationalise government office spaces.***”

Within the States of Jersey’s *Medium Term Financial Plan Addition: 2017-2019 (amended)*<sup>1</sup>, the States of Jersey Assembly agreed the following:

*“the Council of Ministers and the Minister for Treasury and Resources will bring a separate proposition and relevant legislation forward to the Assembly to enable the **Office Modernisation Project** to progress and the relevant funding to be allocated.”*

Ultimately the overall workplace solution to support the ‘One Government’ initiative will be delivered by the end state property solution, which is the subject of a further business case. This business case presents the Broad Street site as an interim solution to enable a timely transition towards the required change to working practices to support ‘One Government’. The main drivers behind the change in working practices that this business case addresses are included in Appendix B to this Business Case.

To enable the development and implementation of the new way of working, the project needs to deliver the project brief in the timescale agreed with the Chief Executive, and therefore requires this financial application to be approved and budget allocated.

### **3. Options that have been considered**

To establish the list of options available to the project team, an office accommodation review was undertaken across the existing SoJ property portfolio.

The aim of the review was to establish if any vacant properties are available that can accommodate the required head count of circa 550 FTE. The result of this review provided that no properties were available within the existing estate.

The JPH then undertook a review of available properties in the market place that could provide the solution for the ‘One Government’ interim requirements. This review established that there were potential properties out there and identified Broad Street as a suitable option.

Following these reviews, the options identified as available to develop an office solution to support the ‘One Government’ initiative were as follows:

- **Option 1: Do Nothing**

Under this option, SoJ departments would remain in current inadequate office locations, e.g. Cyril le Marquand House.

This option would not provide the new modernised way of working to ensure the implementation of the Chief Executive’s ‘One Government’ operational processes and procedures and would delay, or indeed prevent, the new way of working that will benefit staff, politicians and most importantly the general public service provision.

- **Option 2: Develop Interim Operational Services (2018 – 2022)**

An interim solution would be put in place to provide relevant organisational departments with an interim working environment and more efficient operational processes and procedures. The solution would allow short term advancements in staff operational functionality and the modernisation of working practices. In addition, it provides an opportunity to help fine tune the final operational solution and test what works and what doesn’t.

Whilst this option would incur more cost than option 1, it would allow SoJ to quickly realise the benefits and efficiencies of more modern working practices and allow closer alignment with the ‘One Government’ vision. The following objectives and principles will be delivered during the design and construction of the new interim office environment.

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<sup>1</sup> [http://www.statesassembly.gov.je/AssemblyPropositions/2016/P.68-2016%20MTFP%20Addition%20for%202017%20-%202019%20as%20adopted%20as%20amended%20\(1\).pdf](http://www.statesassembly.gov.je/AssemblyPropositions/2016/P.68-2016%20MTFP%20Addition%20for%202017%20-%202019%20as%20adopted%20as%20amended%20(1).pdf)

- *Effectiveness* - to enhance operational effectiveness and facilitate better team working, communication and support differing and flexible work styles.
- *Efficient use of space* - to occupy office space efficiently and at an acceptable and affordable level, whilst reducing the overall cost of the office estate.
- *Quality* - to provide quality office space which is comfortable and attractive, whilst providing essential functional facilities.
- *Sustainability* - to incorporate best practice in sustainable design.
- *Image* - to develop a house style across States of Jersey office buildings which builds on best practice elsewhere and provides a consistent States of Jersey 'brand' across its office buildings.
- *Culture* - to provide office accommodation which enables working together and encourages accessibility, communication and interaction through the open plan nature of floor layouts.
- *Flexibility* - to produce office environments which are easily adaptable to meet organisational change at minimum cost and timescale.

*Properties included in Option 2 Interim Operational Services:*

The relevant organisational departments to be included in an interim move have been identified as part of the Organisation Accommodation Strategy

Steps to realise the interim solution (and other properties which will be impacted) are as follows:

- Relocate Cyril Le Marquand functions to interim offices at Broad Street (majority of functions) and La Motte Street (Tax Operations).
- Co-locate other administration and policy functions in Broad Street and restructure the remaining estate.
- Dispose of Cyril Le Marquand House.
- Refurbish and upgrade Morier House.
- Review and upgrade 'Spoke' facilities at HD Farm; Bellozane; La Collette; Maritime House.
- Assess availability for use of other public facilities (States and Parish) as locations to produce an integrated agile working environment.

The interim property solution will remain in place until the end state solution can be realised.

*Selection of Broad Street*

Working with Jersey Property Holdings, [REDACTED] was contracted to engage with key Jersey based property agents, owners and occupiers, to identify potential decant options for Cyril Le Marquand House. Through the review, the Broad Street property was identified as one which could provide the SoJ with adequate office accommodation space to allow a first step towards a 'One Government' operational facility.

[REDACTED]

Article 33

The lease was approved by the Infrastructure Minister in July 2018.

- **Option 3: Proceed Straight to the End State Solution (2022 +)**

Under this option, no interim solution would be required. Instead, the property supporting the organisational structure of SoJ will remain as is until the end state position is delivered.

The SoJ end state solutions timeline will not be deliverable for a minimum of 5 years due to the final location options continuing in the business case analysis process.

A 2016 business case was produced. However, the States of Jersey financial status in 2015/16 onwards resulted in the budget allocation being declined and the project placed on hold.

Operational circumstances have changed due to the new Chief Executive and the financial status of the islands Finance Industry which has allowed the end state project to re-commence.

This will require a full review of the previous business case information, property options data analysis and modern ways of working inclusion for all States Departments to allow the reasoning to provide the final solution options meets the Chief Executives operational requirements going forward. The timeline for this to be complete and suitable property identified and obtained means that the end state is a longer-term solution.

The scope of the End State solution includes:

- establishing an approved location for the End State building and any further relocations if required
- developing a new central administration and customer centre 'hub'
- [REDACTED]
- exiting from various leasehold properties on expiration of leases: [REDACTED]  
[REDACTED] Article 35
- Exit from properties where we are about to incur significant costs in upgrading and renewing end of life systems or fabric or dealing with poor floorplates: ie Cyril Le Marquand, South Hill, [REDACTED]  
[REDACTED] Article 33 + 35

### Preferred option

Based on the above analysis, Option 2 (moving to an interim solution) has been identified as the preferred option. This solution allows short term realisation of the operational benefits of more modern working practices and supports the 'One Government' vision in an acceptable timeframe. A do-nothing option would not allow the transformational change being sought by SoJ, and moving straight to an end state solution would result in an unacceptable delay in realising the change.

Due to the strategic importance of the 'One Government' vision and the immediate availability of the Broad Street site, work has been undertaken to progress the preferred option as follows:

- A confidential negotiation was undertaken with Royal Bank of Canada (RBC) in connection with the property in Broad Street. RBC had partially vacated the property and had no immediate plans to vacate the remainder, but the proposal to take a lease of the whole site enabled RBC to transfer the remaining staff to an alternative location.
- A Ministerial Decision was approved by the Minister for Infrastructure in accordance with Standing Order 168 to ensure advancement of the lease agreement on the Broad Street site. The Chief Executive was and continues to be fully briefed as to the position of the negotiations and approved the building selection prior to completion of the Ministerial Decision and advancement of the project scope.
- Following the Ministerial Decision, negotiations were concluded, and contracts signed in August 2018 to secure the office space.
- On this basis, negotiations on annual rental etc. have been progressed to secure the property in line with the Chief Executives operational timeline.
- Design work has been undertaken to identify the optimal use of the Broad Street space:

- The building will be predominantly open plan, except where there is a need to provide secure space.
- There will be a Ministerial Suite that provides Ministers and the Ministerial Support Unit with space to work as a team and meet external visitors in an appropriate setting.
- All staff will be provided with the work settings and equipment that they need to do their job.
- Some staff will be more agile than others – proposals are working on a desk ratio of 7.5:10 on average. Higher for fixed workers and lower for mobile ones.
- There will be touchdown space for those staff working elsewhere.
- This building is not the customer service centre – parallel exercise to locate these services at La Motte Street.
- The layout will provide formal and informal (collaborative) meeting space to better enable team working.
- Staff will have breakout space away from their work setting for informal meetings, rest and refresh.

The preferred option is therefore well progressed, subject to the funding sought by this business case.

#### 4. Successful outcomes

The move to an interim solution will allow a timely realisation of operational and financial benefits, as set out below.

##### Operational benefits

It is important to consider the office space as a 'package' of facilities, which combine to deliver the operational benefits of a modern office. These include:

- Establishing shared clusters (or neighbourhoods) of open plan bench desks for teams/key groups of people.
- To move away from the provision of pedestals to a centralised locker provision to encourage a shared, flexible workplace solution
- Project tables as areas for people to collaborate for short periods.
- Desktop technology so that laptop users can use the desk with the same experience from which ever desk they use.
- Meeting rooms with standard audio visual for presentations and phones for quiet environment or conference calls.
- Providing video conferencing technology to enhance collaboration and remote working with teams.
- Providing network data switching and Wi-Fi access points to allow mobile/laptop users to work from project and breakout areas.
- Additional touch down points available for short periods of work for guests / visitors.
- Supporting facilities for alternative methods of withdrawal, including:
  - formal shared meeting rooms
  - bookable withdrawal rooms
  - informal areas (e.g. breakout space) for
  - ad-hoc conversations
- Quiet rooms / areas for study and quiet work
- The provision of welfare facilities, in particular:
  - kitchen/canteen area for eating/relaxation
  - personal storage (e.g. lockers) for personal effects and cycling clothes etc.
  - showers to support those who wish to cycle/walk/run to work
  - cycle racks
- Filing normally provided through low-level freestanding filing units.
- Providing centralised / shared support facilities (printers, copiers, stationery etc.) in designated areas.

The operational benefits realised by the interim solution will be measured against a set of detailed key performance indicators. These are included in Appendix C to this Business Case.



## Financial benefits

- There will be savings made on the rent paid on existing buildings as and when they are vacated. These savings will be used to fund the [REDACTED] annual rental on the Broad Street Office space.
- The annual maintenance revenue budget for the agreed property requirements at Broad Street will be significantly lower than the existing allocated budget for Cyril Le Marquand House. This maintenance budget is [REDACTED] but does fund numerous other property related activities, so the analytical breakdown is currently being reviewed and amended to ensure the available budget meets the annual user needs. Article 33
- The operational activities of the occupying departments will also be reviewed and amended to ensure no duplication across departments and that they fit with the new modern ways of working. The result of this review will increase team productivity and improve public services etc. The review will also identify where the removal of any duplication will result in cost savings, although it is currently in its early stages and these cannot be quantified with any certainty.

The completion of the staff migration from existing SoJ properties will allow the development of a strategic property plan which will include the disposal of various properties including Cyril le Marquand House and South Hill.

The decision to sell these properties will need the necessary corporate and political approval. The capital receipts will provide an income to partially offset the property expenditure and provide the SoJ with a more modern and operational functional office environment that advances operational delivery in multiple departments.

## 5. Financial Analysis

### One Off Costs:

The Project predicted one off expenditure in 2018 and 2019 is estimated at £3.5 million. This is split £1.0m in 2018 and 2.5m in 2019. As at 31 October 2018, £675k of work had been valued, and the Project was on programme, with forecast spend to 31 December 2018 remaining at £1.0m.

An elemental breakdown of the total amount is as follows:-

Construction Element	Budget Allocation
<i>Main contract works</i>	
Building works	
M&E works	
Contractor's contingency and variations	
Client variations	
<b>Works subtotal</b>	<b>£1,540,200</b>
<i>Fees</i>	
Surveys	
Project Management	
Architects	
Contract Administrator	
QS Cost Management	
M&E Cost Management	
Workplace Consultant	
Move Management Consultant	
Other Advisors	
<b>Fees subtotal</b>	<b>£347,700</b>
<i>Client works</i>	
FF&E	
IT new equipment and software	
Other client works costs	
<b>Client works subtotal</b>	<b>£1,025,359</b>
Contingency	£586,741
<b>Total</b>	<b>£3,500,000</b>

The overall budget of £3.5m is in line with the original budget. The contingency element of £586k is higher than that previously allocated, which initially indicated that there may be some possible savings available. However, latest costing information has shown that the contingency is needed for some unplanned items and additional IT hardware required.

## Ongoing Expenditure:

This business case is based on the position that the rental and other costs of occupation of the Broad Street building can be contained within existing revenue budgets across the States. To ensure these budgets are available to GH&E, Treasury will need to approve certain budget transfers.

As noted earlier in this business case, the annual rental for the Broad Street property is [REDACTED] (including car parking), which equates to [REDACTED] per sq ft, which represents good value for Jersey office space. The rental expense will be funded existing budgets – [REDACTED]. In addition, the vacation of the existing Cyril Le Marquand House property will result in savings as it is going into a period of high maintenance spend requirements.

Treasury have been notified and approved the budget reallocation to ensure the States does not enter into financial risk with the property owner once the lease agreement commences.

## 6. Staff Requirement

There are no additional FTE requirements, but the Project will require internal time from the individuals identified in section 12 of this business case to progress it through to completion.

## 7. Impact of NOT progressing the Growth request

If the project budget requirement of £3.5m is not approved. then the Project will cease progression and the agreed SoJ Dept. occupation timeframe will be delayed considerably and fail the 'One Government' way of working going forward.

The Chief Executive has communicated publically that the government organisation is implementing the 'One Government' undertaking and this property acquisition and occupation is the first visible progression of achieving this to the politicians, staff and public.

## 8. Related Projects

Article 33 + 35

[REDACTED]

Tax Department relocation to Philip Le Feuvre House, reallocation of one floor of Bermuda House for Team Jersey project office. A separate case will be prepared for these including the outline plan for the "One Government" estates solutions.

## 9. Other dependencies

The project team external providers are detailed below:-

On Island:

- Programme Manager: [REDACTED]
- Architects: [REDACTED]

Off Island

- Workplace Advisor: [REDACTED]
- Project Coordinator: Richard Bannister

## Project Procurement/contractual structure:

The following works contractors and advisors have been mandated:

*Project Management*

██████████ has been mandated to provide project management services. Their appointment is based upon the Future Hospital agreed schedule of rates, which were part of the formal consultant tender process. The scope of service is as required to meet the delivery brief given by the Project Board.

#### *Work Place Consultant*

██████████ are providing Workplace Design and Consultancy Services across the OMP programme. Their time is allocated to relevant Projects as and when work is completed. The time levied on the Broad Street project are monitored by the Programme Group.

#### *Building Fit Out Contractor*

██████████ is the appointed Principal Building contractor with ██████████ as their sub contractor for M&E services. ██████████

██████████, a QS was appointed to agree a schedule of rates for the Project. A negotiated JCT 2013 Contract with local amendments has been drafted and is in the final stages of agreement. Article 33

A separate design consultancy agreement between ██████████ and SoJ is to being put in place to cover design works now being undertaken by ██████████. This avoids a JCT 2013 contract with design supplement and provides for a direct contract with the SoJ for design responsibility.

#### *Interior Designer*

██████████ were appointed on a negotiated basis following the instruction to mobilise the Broad Street project urgently in July 2018. Fees are based upon an hourly rate taken from their schedule of rates agreed on the Future Hospital project, which follow a formal Consultants tender. They have been contracted on the RIBA Concise Conditions of Appointment for an Architect 2012

#### *Quantity Surveyor*

██████████ were appointed on a negotiated basis following the Project Board's instruction to progress the project urgently. They were selected on the basis that they are a small local firm who have a portfolio of similar small fit out projects and have a sound knowledge of current market rates for recent tenders. They will provide the check on rates being put forward by the fit out contractor. In addition, they confirm valuation of work completed as the project progresses.

#### *Engineering Consultancy*

██████████ are providing Engineering Consultancy Services on the Project. Their scope of services includes reviewing the tender submissions from ██████████, and providing a Cost Analysis Report. They were also asked to provide a written recommendation of acceptance (or otherwise) of the final tender submission from ██████████. In addition, they will also advice the Project Manager of any potential service issues.

██████████ have been appointed under the ACE form of appointment for advisory services.

#### *Furniture Supply & Install*

██████████ were appointed under the SoJ furniture procurement framework following a formal tender process. The process was approved and agreed with SoJ procurement.

#### *Surveys*

An asbestos survey has been undertaken by ██████████ who are the SoJ approved surveyors based upon a fixed price quotation.

██████████  
██████████  
██████████

[REDACTED]

Article 33 + 35

## 10. Identification of Key Risks

The key risks to the project are set out below. These are being constantly monitored by the project team.

The highest scoring risks are as follows:

Risk Description	Residual Score	Mitigation Action(s) Description(s)
Political or financial imperative for service integration is lost causing loss of stakeholder engagement.	16	Integration reviews by Client Department Services receiving interim offices & Political communications critical.
Poor management or flexibility of office assets results in increased property capital cost or reduced income.	12	Introduce Building Information Management and Office Asset Management systems.
Asset value under-stated due to poor asset management or investment in building maintenance.	12	Brief Political and Executive leadership on financial impact of low investment in office asset maintenance.
Support for collaboration initiatives is lost resulting in reduced improvement in service effectiveness.	9	Collaboration reviews by Client Department Services receiving modernised offices.
Insufficient willingness to embrace shared resources results in increased operational and capital cost.	9	Implement office modernisation principles in ways of working.

Other risks that have been considered, and continue to be monitored by the Programme Group, include:

- Project delay from late confirmation of departments being relocated.
- Project delay due to having no SoJ data network access from the building
- Unsuitable working environment if unable to print or having the right technology at the desktop
- Unable to run effective meetings with the meeting rooms are not configured with the right Audio-Visual technologies
- Delayed approval of the IT policy and scope causing a delay to the phased completion dates
- Delays to phased completion dates as a result of variations from specific user requirements
- Transformation programme misaligned with planned occupancy dates and phases
- SoJ project audit failure from non-adherence to financial directives
- Delay to the vacant possession date for the second, third and fourth floors by RBC
- Delay to the furniture delivery from restricted procurement periods
- Project delay from client changes from operational, occupational health and safety requirements and user group requirements
- Reduced headcount capacity resulting from additional user group filing requirement to that provided in the brief

## 11. Overall timescales and key milestone dates

Please see the 'Strategic Project & Construction Programme Broad St, St Helier V1.3' programme document (Appendix A)

## 12. Project Roles and Sign off

The Project has senior support from within SoJ. The Project Board consists of:

- Chief Executive: Charlie Parker (Chair)
- DG States Treasury & Exchequer: Richard Bell
- DG Customer and Local Services: Ian Burns
- DG Growth Housing and Environment: John Rogers
- Greffier of the States: Mark Egan
- Director of Communications: Stephen Hardwick
- Director People Services: Jacquie McGeachie
- Chief Information Officer: John Laverick

Other Attendees

- Project Director GH&E Richard Bannister

### Senior Responsible Officer (SRO).

John Rogers is to fulfil the role of SRO and is accountable for the delivery of this project and responsible for reporting on progress to the Project Board, making recommendations to be ratified by the Project Board, and providing guidance to the Programme Director. The Project Board may delegate some low-level decision-making authority to the SRO.

### Programme Group.

The Programme Group will monitor the activities of all the various work streams and provide guidance and decision making within its delegated authority.

- John Rogers/ Ray Foster: GH&E (chair)
- Tbc Treasury
- [REDACTED] Article 25 Communications
- Amanda Mays: HR/Culture Change
- Ray Dubras: Portfolio Office/IT
- [REDACTED]: GH&E, Property Dept.
- Richard Bannister: GH&E (Project Director)
- [REDACTED]: [REDACTED]
- [REDACTED]: [REDACTED]

In addition, the following individuals are involved in the Project and invited to the Programme Group as appropriate:

- Director General: John Roger
- Project Director: Ray Foster
- Project Manager: [REDACTED]
- Estates Manager: [REDACTED]
- ISD Portfolio Manager: Ray Dubras
- HR/ Culture Change: Amanda Mays
- Communications: [REDACTED]
- Treasury Finance: Alison Rogers



**Appendix A - Strategic Project & Construction Programme Broad St, St Helier V1.3**

Article 33 + 35 applied

## **Appendix B - Operational Drivers**

### **Organisation Overview and Adjacencies**

The States of Jersey is a complex organisation, delivering a diverse range of services. Currently, Departments generally operate independently of each other, focused on their individual customers and service operation. There is a recognition that there is opportunity for closer inter-Departmental working, and greater efficiency and effectiveness from agile working, shared facilities and digitised services. Portfolio location and organisation are key considerations and need to enable both customers and staff to access and deliver services.

The most critical adjacencies are currently within Departments or linked to core locations where service delivery or specialist activity takes place. A number of teams are remote from colleagues within their Department; and Departments expressed a strong desire to bring teams together to support more efficient delivery of their operations for their customers. Some Departments need to remain close to their main customer service operation or core buildings such as the States Building and Morier House.

The majority of adjacencies external to Departments are currently either virtual, infrequent or via organised events / meetings. Core current relationships identified across all service Departments, are with corporate teams within Chief Minister's and Treasury and Resources Departments. The link between Ministers and Chief Officers working closely together as part of the Council of Ministers and Corporate Management Board is also key. It is recognised that bringing Departments together offers clear opportunities for greater inter-Departmental working to the benefit of customers, standardisation of shared services and functions, and greater digitisation.

### **Organisational Requirements**

Workspace flexibility is needed to support routine changes in Departmental organisation, and also means that any future organisational change that may emerge as part of a service re-design could be accommodated.

Consolidation of dispersed teams, leading to fewer and better office accommodation, provided to a common standard (offering a solution to the current disparity) and meeting the requirements of staff well-being, is recognised as a key requirement.

Opportunity for 'operational' rationalisation is necessary. Increased digitisation resulting in a reduced volume of support functions is anticipated. Current duplication of service provision within buildings needs to be reduced, driven by the adoption of shared accommodation and facilities, moving away from the current territorial approach.

Acceptance and adoption of modern, flexible and mobile (smart and agile working) practices is considered essential to success. This would need to be supported by a structured approach to managing this transition, working closely with the Transformation Team and Department 'Champions' during the delivery phase. Leadership embedded across the organisation, in addition to support from corporate leadership will be essential.

### **Service Delivery**

Service change to reflect customer change is inevitable, therefore significant flexibility in office accommodation is required to provide for changes in Departmental staff numbers and roles.

All Office Modernisation Programme investments should deliver customer and service enhancement; and greater economy and efficiency; through a focus on outcomes, productivity and innovation; empowerment

through technology and digitisation; and through flexible, lean and collaborative working.

Department Executive and Senior Leadership Teams expressed a desire to remain with their service teams rather than being co-located.

Many teams within Departments already demonstrate a high degree of agility in their work roles. There is a growing culture across the organisation which seeks to enable staff to work more flexibly. There is, however, a fear of open-plan offices, flexible working and the modernised office, that will need to be managed. Some staff resistance to change regarding work-places is likely.

Opportunity for greater front-of-house and back-office consolidation exist, due to there being fewer buildings in future, with greater shared accommodation within each modernised office. There will also be opportunities for rationalisation of management support functions.

## **Office Spaces**

The current territorial approach to the management of space by Departments needs to change. Space provision should reflect customer and service need and agile working principles.

The current inequality of office space across the portfolio needs to be addressed, with common standards applied to all offices in the interests of efficiency, equity and economy.

The workplace should reflect the business activities undertaken, noting that a 'one size fits all' solution is not appropriate. Service specific requirements may drive specific needs and an evidence based spatial approach will be required.

The provision of cellular offices due to historical reasons, building configuration and status, is to be addressed. Generally, it is accepted that an open plan office environment will be provided for office services, as this is generally more efficient, effective and encourages smart and agile working.

## Appendix C – Key Performance Indicators

### Customer Service Objectives:

Improvement in *economy* and / or *efficiency* through the greater integration of services delivered in modernised Offices by Departments.

Increased *efficiency* and / or *effectiveness* through greater collaboration between co-located Departments delivering services in modernised Offices.

Increased *efficiency* and / or *effectiveness* through the enhancement of services delivered in modernised Offices by Departments.

Increased *economy* and / or *efficiency* through increased sharing of building resources by Departments in modernised Offices.

### Key Performance Indicator:

A reduction in service cost or increased throughput of integrated services operating in modernised Offices.

Increased throughput from implemented cross Departmental initiatives and / or enhanced Customer service measured by Customer Satisfaction Survey.

Increased throughput from enhanced service initiatives and / or enhanced Customer or Staff service measured by Satisfaction Survey.

A reduction in shared building resources achieved in implementing modernised offices.

### Staff Objectives:

Improved *efficiency* and / or *effectiveness* through the increased productivity and agility of Staff in modernised offices.

Improved *efficiency* and / or *effectiveness* through the increased attraction and retention of Staff.

Improved *efficiency* and *effectiveness* from increased health and well-being of staff in modernised offices with more agile ways of working.

### Key Performance Indicator:

Improvement in staff related business performance indicators or staff satisfaction.

Improvement in staff turnover and / or the proportion of successful recruitments.

Improvements in staff complaints, sickness, referrals and staff and customer satisfaction surveys.

### Property Objectives:

Improvement in *economy* and / or *efficiency* through reduced property operational costs.

Improvement in *economic* asset value and *efficiency* of office assets.

Improvement in the performance *efficiency* of States workers.

Improvement in the spatial *efficiency* of office property provision.

Improvement in office *effectiveness* through greater satisfaction of customers and staff with the office environment.

Improvement in *efficiency* and *effectiveness*

### Key Performance Indicator:

Reduced proportional cost and improved availability of managing, securing, maintaining and provisioning offices including ICT.

Reduced proportional cost of office asset provision and increased value of office assets.

Increased efficiency of key property metrics, including NIA / GFA, desk and room occupation.

Increased density and occupancy of office provision.

Increased satisfaction in the working environment of modernised offices.

Achievement of modern office environmental

through enhanced environmental performance and resilience of the office portfolio.

performance standards and business resilience through decreased downtime.

Improvement in *economic* regeneration or social *effectiveness* as a result of modernised office provision.

Increase in social or economic output or occupation of businesses and residences in location of modernised offices.

Improvement in *effectiveness* through an improved professional reputation of the States of Jersey from modernised offices.

Increase in customer satisfaction with the States of Jersey

