

Health and Safety Executive Board		Paper No: MISC/09/03	
Meeting Date:	28 January 2009	FOI Status:	Fully Open
Type of paper:	Below the Line	Exemptions:	None
Trim reference:			
CREATING A SUSTAINABLE ORGANISATION – A PROGRESS REPORT ON THE HOW AND WHERE WE WORK PROGRAMME			

Purpose of the paper

1. To provide a progress update on the How and Where We Work Programme and the move to a single unified HQ for HSE based in Redgrave Court, Bootle.

Background

2. The How & Where We Work (HWWW) programme was established in 2006 to look at how to foster more collaborative ways of working, provide greater flexibility, improve career structures, improve the working environment and reduce estate costs.

3. The HWWW Programme aims & objectives are:

a) Business

- Improving our ability to deliver our business
- Give maximum flexibility to respond to a changing world
- Improve collaboration across all aspects of HSE's business

b) People

- Support staff development
- maintain a high quality of working life

c) Financial

- Reduce the cost of HSE's estate as a percentage of available resource
- Enable HSE to achieve stretching targets on sustainability
- Utilise the space in Redgrave Court.

4. On 4 July 2007 the HWWW Programme Team presented proposals to the (pre merger) HSE Board who decided to:

- a) Over a 2 year period move to a single HQ based in Redgrave Court Bootle;
- b) Retain a small non-operational presence in London for work which requires essential and face-to-face contact with key London stakeholders;
- c) Create a new Divisional office for the London field force; and
- d) Review the field estate with a view to rationalising the network of office leases.

5. This proposal was endorsed by the Health & Safety Commission in November 2007.

Argument

6. Since the decision and endorsement by the HSC we have successfully completed the design phase and are now progressively working through our implementation plan. It is timely to update you on the progress against the aims and objectives of the Programme to date.

The Business Case

7. We have completed a major review of the business case. The overall result is that the present approach – implement the single HQ in 2 years and reform the field by taking advantage of lease events – is still the best way forward compared to other possible approaches. Although our analysis now shows a slightly lower net gain (£55.7m compared to £56.6m¹) the change amounts to less than 1.5%, with some two thirds of the gains coming from the single HQ project and the rest from the field. The case is still extremely robust; costs would need to increase by 51% and benefits decrease by 51% to move the investment into the red.

8. The revision of the Business Case also provides a clearer picture of the risks to the programme. The risk profile has changed considerably since the production of the Outline Business Case. For the most part, this is the natural consequence of progress; we have done more research and now have more experience about the efficacy of some of the risk reducing measures we have put in place.

9. We also have a better appreciation of the risk consequences of different approaches to delivering the outcomes required of the programme. Broadly, fast tracking the reform process provides early access to benefits, but is likely to increase the costs of reducing our presence in Rose Court, overstretch HSE's capacity to manage the change successfully and could well impair HSE's ability to maintain outputs. At the opposite end of the spectrum, a long implementation period (four years or so) would help to mitigate these risks but would delay benefits, prolong the disruptive effects of change and make it difficult to build the necessary momentum to convince managers and staff that the change is real.

Securing the financial benefits

10. The London Estate

- a) We will retain our London operational presence in Rose Court until at least 2013 when there is a lease break. The main source of financial benefit is sub-letting spare space that we create in the building. We have had several expressions of interest from organisations wanting space in Rose Court. Chief amongst them, and our favoured option, is another public sector organisation who would like us to release up to 5 floors (by September 2009) and is prepared to take over the management of the lease as the major occupier.
- b) We have secured flexible office space in the Department for Children, Schools & Families (DCSF's) Sanctuary Buildings in Whitehall and expect to house the London Policy Unit there from spring/summer 2009 (see paragraph 12, below);

11. The Field Estate

- a) HSE is reviewing its field estate on an office-by-office basis, as and when lease opportunities arise. By the end of 2013, we will have reviewed 21 of the 27 leases HSE currently holds – in space terms, more than two thirds of the field estate. This covers offices with an annual cost of about £6.5m. Our aim

¹ The preferred way forward sees implementation of the single HQ in 2 years and an approach to the reform of the field based on taking advantage of lease events. The figures quoted are the net gains discounted to take account of the reducing value of money over the 10 year appraisal period.

is to achieve the best overall footprint for the efficient and effective delivery of HSE's business and to create a new generation of offices that make better use of space, meet more stringent environmental standards (and specifically consume less energy) and aid productivity.

- b) The Northampton and Glasgow offices represent the first examples of this new generation and work is underway on a third, at Carmarthen. Northampton and Glasgow operate from new and smaller locations than the sites they replace. This reduction in space has been achieved through a combination of open plan design and reducing the provision of workstations from one per member of staff to an approximate ratio of 3 for every 4 members of staff. The rest of the office is given over to facilities that support team working. The offices use the latest technologies for lighting and heating and have other environmentally friendly features. Feedback on the new working arrangements has been positive.
- c) Existing offices at Plymouth and Basingstoke have also been completely refurbished. While these share many of the design characteristics of Northampton and Glasgow, these do not have the element of workstation sharing or hot desking. Hot desking was not included in the refurbishment because this did not help to reduce running costs. The review process has also started at Leeds and Sheffield, where there are lease break opportunities in 2011.

Securing the business benefits

12. The Chief Executive and senior management team are now based in Redgrave Court along with the majority of teams covering strategy, policy, operational planning and management and corporate support. In addition, nine staff have made the move from Rose Court to Redgrave Court.

13. We are continuing to build our capability in Bootle. We have successfully recruited economists, litigation staff and some 34 policy staff (at various grades) and further recruitment is underway. Policy recruits are being recruited into HSE HQ and as such are expected to work in a range of non-operational posts across HSE.

14. We are already starting to see the benefits of collaborative working. For example, the new "Team Enforcement" initiative brings together the previous 3 sections dealing with enforcement policy into one team based in Redgrave Court, located close to the enforcement lawyers.

15. We have established 20 posts that will remain in London and comprise the London Policy Unit (LPU). This unit will provide essential and face-to-face contact with Whitehall and key stakeholders based in London. Many of the LPU posts remain essentially the same as now, and incumbents will have the opportunity to stay in these jobs initially. We expect post holders in the LPU to remain in post for approximately 4 years before transferring to either another part of HSE or another government department and creating opportunities for others from within HSE or from other departments.

People

16. Staff in the Bootle will benefit from a wider range of job interest and career development arising from bringing the strategy, policy, operational planning and management and corporate support together in a single building.

17. Staff in London have received support from SCS, HR and line management, and from Penna Career Transition Consultants (professional HR consultants who have a wide experience across Government), Connell's (relocation experts), the Mersey Partnership, and pensions experts, to facilitate their move out of HSE. Many staff have already moved to other government departments to continue their civil service careers, some of them on promotion.

18. A culture workstream has been developed to foster the collaborative working to capitalise on having a single HQ.

Risks and Mitigation

19. The risk profile of the Programme has changed since we produced the Outline Business Case. This is a natural consequence of progress: we have done more research and analysis and have more real experience to rely on. The key risks to the Programme around business continuity, loss of experience and benefit realisation are being managed using a combination of transition plans for each Division to manage the move, establishing the LPU and the testing of the labour market in the NW which has found a reasonable supply of people with the broad range of skills and experience we require. The main significant risk remaining is the failure to sub let Rose Court and realise the costs of the lease and we have contingency plans for seeking alternative tenants for Rose Court in the unlikely event that current negotiations with the present prospective tenants fail.

Conclusion

20. The Programme is progressing according to plan. We anticipate vacating Rose Court in September 2009 and finalising the move to a single HQ in March 2010. We predict that we will be within the cost envelope as set out in the Outline Business Case. The financial case for the move is exceedingly robust and we will realise the predicted net savings of between £47m and £61m over a ten year investment appraisal period.

21. Under the HWWW Programme we have created the foundation for a single HQ that is better at sharing understanding, establishing common purpose and solving problems and thriving on team working and collaboration.

Action

22. For the HSE Board to note the action taken

Paper clearance

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