Memo

To: Executive Leadership Team
From: Morag Woodley, DCE Shared Services
Security Classification: In-confidence
Date of ELT meeting: 23 September 2014
Subject: Workplace Project

Purpose of the Memo
1. To provide ELT with an update on the development of the Workplace Project and to seek ELT endorsement for the guiding principles and approach for further development.

Recommendations
2. It is recommended that ELT:
   - note the governance arrangements
   - note scope of the Workplace Project
   - endorse the guiding principles
   - note the branches' feedback on special and common requirements
   - note the high-level plan including timing for business case funding
   - endorse the high-level communication and engagement approach and discuss how you wish engagement with ELT to occur

Background
3. A Property Strategy was developed in 2012 to guide decision making on property assets. The strategy proposed rationalisation of Wellington offices, continuation of co-location in regional sites and outlined the need to work on what's required for Auckland.

4. ELT agreed at the 18 March meeting that the ICT Strategy, Property Strategy, Information Management strategy be refreshed in line with the 4YP and Focus Areas.

5. On 15 July the key components of an updated Property Strategy were presented to ELT. This presentation also repositioned the Property Strategy as part of a wider piece of work on our Workplace of the Future. This is being called The Workplace Project and is one of the key initiatives under Focus Area Four – DIA is fit for purpose that you received an update on recently.
6. The Workplace Project is also closely linked to the work programme of the Property Management Centre of Excellence (PMCoE). The PMCoE is concerned with improving value for money for the Crown. This is achieved by obtaining efficiencies, greater operational effectiveness and reducing costs. They do this by taking “a portfolio approach” to such matters as co-location; functional clustering; staging of lease expires; and decanting for any necessary building works.

7. PMCoE initiated a second Wellington focused cross-agency procurement and business case process for office accommodation in late 2013. The project is known as the Wellington Office Accommodation Project - Tranche 2 (WAP2).

8. WAP2’s scope includes those agencies (23 in total) with office leases expiring over the 2016 to 2019 period of which DIA is one. (The lease for the main Wellington building expires in 2017.) The key dates for the WAP2 have been included into the Workplace Project timeline attached as Appendix 3.

9. PMoCE is also initiating work in the Auckland market and further details of this are expected over the coming months.

10. The Workplace Project is currently in the Project Initiation phase. Activity is focussed on getting the scope clear, putting in place appropriate governance, getting the high level project structure sorted and sourcing appropriate capability to resource the various workstreams.

11. The approach outlined in discussion with FLT as part of this initiation phase was to:

   (a) Lift and connect workforce planning, cultural and behaviour change, technology, and asset and business planning to take the opportunity the Head office move provides.

   (b) To set up a project structure to manage the move and the organisational change aspects. (The Workplace Project will be one of the key Focus Area Four projects, along with ECMS, over the next few years.)

   (c) Agree a set of principles to guide the establishment of the scope of the project and the development of the workstreams.

   (d) Get an understanding from branches of what their special requirements may be to assist in the scoping of the project and how they see engagement with staff occurring.

   (e) Get clarity on the requirements of the Property Management Centre of Excellence (PMoCE) and what will be the constraints on decision making.

   (f) Leverage off the experience of other agencies and the PMoCE in the establishment of the project.
Project Structure
12. The Workplace Project is within the Corporate Foundation Programme and will be governed by a project board. Members of the project board are:

- Morag Woodley Deputy Chief Executive – SSB (Chair)
- [Redacted] – Corporate Foundations Programme (CFP) Manager, S&G
- Andrea Cooke – Director Human Resources Development, SSB
- Morag Ingram – Director Communications, SSB
- [Redacted] – Manager Architecture Services, TSS SST
- Philip Green – General Manager Operations, SSB
- Garry Manley – General Manager Customer Services, SBO
- Marilyn Little – Chief Archivist/General Manager, KKS
- Maria Robertson – Deputy Chief Executive, SBO
- [Redacted] – External Representative from Property Management Centre of Excellence (PMCoE) MSD

Potential Project Workstreams
13. It is proposed that the Project will have a number of workstreams. These are:

(a) Business change potentially comprising
   (i) Workspace pilots - definition, implementation and review
   (ii) Communication and engagement
(b) Wellington 2017 - from business case to completion
(c) Storage - corporate & materials
(d) Technology to support the workplace
(e) Developing the post 2017 Workplace phase roadmap (programme level)

Scope of the Workplace Project
14. The following scope has been developed as a “working scope” and will be further refined in the next phase.
In scope

(a) Creating a DIA workplace in Wellington in 2017
(b) Assessing & initiating any interim (pre 2017) solutions as necessary
(c) Assessing the impact of this workplace for DIA as a whole and potentially applying the concepts elsewhere, where appropriate
(d) Monitoring and guiding planning for the next DIA workplace activity (i.e. post 2017)
(e) Providing major input to the Property Management Centre of Expertise (PMCoE) Business Cases for the workplace
(f) Assessing & initiating any interim (pre 2017) non-Wellington workplace solutions as necessary (e.g. )
(g) Assessing the implications of any storage solutions developed (both corporate and archive/national library material) for a DIA workplace in Wellington in 2017
(h) Assessing & initiating any options for Mulgrave St as an input for a DIA workplace in Wellington in 2017

Out of scope

(i) Identifying and sourcing potential office accommodation space
(j) Writing the PMCoE Business Cases
(k) Outputs from related workstreams (as detailed above) which are NOT related to workplace
(l) Assessing & initiating physical storage solutions, both corporate and archive/national library material
(m) Upgrading business unit’s business processes or systems
(n) Office accommodation maintenance programs within existing footprint
(o) Office accommodation upgrade programs within existing footprint (with the exception of the pilot workspace)

Guiding Principles

A set of guiding principles were discussed with each branch leadership team. These principles are set out in Appendix 1. The principles were generally supported by branches. Principles 2, 3, 6 and 9 generated the most discussion. Suggestions were also made for additions and changes.

15. As a result of the discussions the Workplace Principles have been redrafted. These following principles are to guide workplace design, implementation and management:
1. Support for customer service delivery channels by having appropriate facilities in the right locations but acknowledging the proposed shift to digital delivery

2. A configuration of buildings and workspace that is flexible to support changes to business activities and group relationships over time

3. Consolidation of buildings to allow efficient interaction of staff and collaboration across groups

4. Providing value for money by leveraging off existing property investment (especially owned buildings), reducing duplication and inefficient use of space and using technology as an enabler for more effective ways of working

5. A workplace that supports DIA work principles, staff belonging and engagement and expected behaviours

6. A fit for purpose workspace that will support DIA's range of functions and preferred staff workstyles, balancing staff collaboration and interaction with quiet work

7. A workspace that supports DIA leaders need to be accessible and visible along with their need to do strategic work alongside their peers

8. A configuration of workspace and facilities that supports DIA's bicultural identity and taonga

16. These principles are consistent with the PMCoE principles for crown property which are contained in their High Level Framework for Developing Government Workplaces outlined in Appendix 2.

**Branches special and common requirements**

17. The special requirements that branch leadership teams raised during consultation are outlined in Appendix 3. These will be further explored as the detailed plan is developed and the engagement process rolls out.

18. While some of these requirements are unique to the needs and work of the branch common themes also emerged from these initial consultation sessions which reinforce the selection of the Principles above. These include the need to:

   (a) segment staff and provide space that meets their different needs

   (b) have space that is flexible and can accommodate project/temporary teams with members from within and outside the organisation

   (c) have different “work zones” related to degree of concentration required that people can move easily between
(d) have areas that facilitate collaborative work including with people from other organisations

(e) different levels of security around spaces based on the sensitivity of the work requirements

(f) have tools and technology that facilitates mobility and flexibility

(g) locate groups in proximity to their clients and those they work with frequently including people from other organisations

High level timeline
19. Attached as Appendix 4 is a draft high level timeline for the Workplace Project. This will be further developed with the appointment of the Project Manager.

Communication and Engagement approach
20. The development of a communication and engagement approach and plan will occur as part of the next phase of work however consultation with leadership teams has confirmed there is consensus for an engagement approach that comprises:

(a) continued engagement with branch leadership teams

(b) a working group of staff and managers that involves piloting of potential “workplace concepts”

(c) regular communication targeted at DIA as a whole and those impacted

(d) engagement plan broken into phases

(e) incorporates learnings from other organisations

21. It is also proposed that the Workplace project provides regular updates to ELT. This will be around key milestones and on a two monthly basis.

Key decisions required for WAP2 in advance of detailed planning
22. To meet PMCoE’s schedule for WAP2 decisions are required on a few issues which will help to determine the size and location of the Wellington main building we are allocated. The issues are:

(a) Overall head count assumption for size of new building for Wellington

(b) Location of counter services for Wellington

(c) Location of SDO processing
23. Consultation and feedback with DCEs resulted in the following decisions:

(a) Wellington based staff numbers in 2017 will be similar to current i.e. 1700

(b) the ideal arrangement is for Wellington based staff is to be in two-three buildings in close proximity, leveraging off our existing owned buildings in Mulgrave and Molesworth St

(c) counter services for Wellington within the “main building” and this will help reduce confusion for the customers

(d) ideally locate SDO processing in a separate site in Wellington not in the main building but within close proximity to the main building (Archive Building could have potential)

(e) Regulatory Services needs to be in the “main building”

(f) Censorship also within the “main building”

24. These decisions have been passed to PMCoE.

25. During the consultation process it was also identified that more clarity on the options for Mulgrave St is required and how these connect in with PMCoE. This is being progressed.

Next steps

26. The tasks for the further development of the Workplace Project include:

(a) Appointment of a Project Manager

(b) Finalising the Project structure and Project scope

(c) Appointment of workstream leads

(d) Development of a Project Plan

(e) Development of a high-level communication and engagement plan for the project and plan for the first phase

(f) Input into the PMCoE business case process

27. The Property Strategy will also be completed. (The Property Strategy informs the Workplace Project and is an input to the 4 Year Plan and Capital Plan)
Appendix 1 - Guiding principles that were consulted on

The DIA workplace that we are working towards in 2017 will:

1. enable the right service delivery channels to ensure customers can access services as they need
2. provide maximum flexibility for the DIA workplace (in view of the dynamic nature of its business)
3. focus on creating uniquely DIA, activity based solutions within the context of all of government and value for money
4. be able to be tailored to suit the needs of the business (not one size fits all)
5. support collaboration and belonging and enable the way we want to work at DIA in line with our principles
6. position all Wellington based staff in the area close to the Mulgrave and Molesworth Street
7. foster management engagement and visibility (i.e. open plan is the norm)
8. provide for a workforce based on the assumptions in the Four Year Plan with a range to account for error and/or change
9. challenge status quo assumptions including:
   - groupings of staff by branch v function
   - location of all staff in CBD
   - desk bound working
   - storage and paper based working
   - everyone has a permanent desk
Appendix 2 – Property Management Centre of Expertise –
A high level framework for developing government workplaces

Vision for the Crown property portfolio
A government property portfolio that is responsive, affordable, sustainable and safe; leveraging property as a tool to support organisational culture and assist in the delivery of services.


Strategic objectives
The overall objective of the GNPS is to provide a robust foundation for the PMCoE and agencies to deliver value for money effectively from the Crown property portfolio. The GNPS has five strategic objectives:

- Drive efficiencies through property
- Enhance the capability to adapt to change
- Enable access to people, information and amenities
- Achieve consistency of workplace quality
- Safe and secure working environments

Principles
To achieve the vision and strategic objectives of the GNPS, the following eight principles guide workplace design, implementation and management.

Open-plan working environment
The open-plan working environment provides communal activity areas adjacent to team neighbourhoods. There are large collaboration ‘hubs’ to encourage group communication and unplanned interaction across the whole floor. The environment also provides a range of options for high-concentration work.

The open-plan environment will help reduce the chance of a particular group becoming isolated unintentionally by the physical separation that multiple enclosed offices and walls can introduce.

Shared collaborative and quiet spaces
Creating various communal and collaborative ‘hub’ spaces that can be used for multiple purposes is the basis of modern working environment design. Groups (teams within a single organisation or staff from multiple organisations working in a co-location scenario) no longer ‘own’ particular facilities because such facilities are now situated in a communal space to be shared by multiple teams or organisations. Teams blend together with no physical separation, such as screens or walls. Instead,
particular work requirements dictate the delineation of space, so there are specific spaces for high-concentration work and obvious collaborative ‘hub’ spaces where staff can interact and socialise with ease.

**Utilisation of technology**

Staff need the right tools in order to do their jobs effectively. The use of new technologies should be encouraged wherever practical and achievable. This may include training staff in the effective use of new technologies, and organisations will need to provide budget and time for staff to be adequately trained in the use of any appropriate new technologies.

**Mobility and adaptability**

The desk is no longer considered the only viable work setting. Dynamic working environments embrace a wide range of technologies, spaces and settings that encourage areas for high concentration work, discussions and collaboration to achieve the best delivery of service – the organisational culture is focused on deliverables and not simply staff being present at their desks.

**Consistent design**

Staff move while the furniture stays in place. A fixed, generic layout will be designed to maximise the efficiency of the floor plate. Teams should be formed and reformed around the requirements of projects and activities, not pods of desks. A consistent, generic workplace design enables staff to adjust and move to a different space more quickly and reduces the cost and time involved in the shift.

**Choice of workplace settings**

The design of the open-plan working environment should be dynamic enough to enable staff to choose from a range of work settings. Staff should be encouraged to use mobility-enabling technologies to give them the flexibility to use the whole building or the ‘rest of the world’ as their work point. The organisational culture should be based on deliverables and not simply on staff being present at their desks.

**Safe and secure environment**

The government is committed to providing safe and secure work environments for all employees and visitors, including clients and contractors; considering the needs of people with disabilities in the design and fit-out of the working environment. Once security access has been granted, the open-plan working environment provides easy access to most areas within the premises. Spaceless growth in any expansion, organisations should first maximise their current space before acquiring additional area. Some roles within an organisation may be able to work in a more flexible manner and may not need an assigned traditional desk for use throughout the day. If this type of new behaviour is supported by management, the current area could allow for staff growth without the need to lease additional space.
Appendix 3 - Branches Feedback on Special requirements *(This is not complete)*

**SST**

They expressed their need for having space that:

- Maximum flexibility
- facilitates lots of collaboration
- for project teams to easily co-locate
- for project teams to be set-up and disbanded easily
- for temporary task forces to be able to co-locate for 4-5 months at a time
- to have different zones for work e.g. heavy collaboration, "regular work" and focussed work/quiet zone work
- Covers a range of security options from "fully public" to secure authorised personnel only having confidential conversations on sensitive information
- Caters for the different needs of their diverse workforce i.e. AOG knowledge workers vs staff in TSS
- Facilitates mobility to do roles wherever required
- Their needs would be met be a principle that positions DIA Head office close to other agencies they have frequent dealings with given their AOG work plus SDO and GIS and their supplier community.
- From TSS perspective they want allocation close to SSB particularly HR and Finance.

**IKS**

**Principle 4** *be able to be tailored to suit the needs of the business (not one size fits all)*

- segmentation by function was important but were concerned about the equity across groups of this in practice. They thought that business requirements were the key or what does a role need to be fit for purpose.

They identified 3 segments in their workforce:

- Customer facing
- Advisory
- Specialist
They expressed their need for having space that:

- Maximum flexibility
- facilitates lots of collaboration
- for project teams to easily co-locate
- for project teams to be set-up and disbanded easily
- for temporary task forces involving other agencies to be able to co-locate
- Facilitates mobility to do roles wherever required
- Secure space for confidential work including project work

Big floor plate, secure and strengthened for machines for processing
- processing has specific needs like security that difficult to accommodate within main building
- Have one site that customers identify with not many buildings and have this at a site that easy to access for customers
- Have processing at separate site
- Minimise travel time between different sites

In close proximity to its clients
- Provide for a training space
### Appendix 4 - Draft Key Milestone Dates

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Comms Points</th>
<th>By</th>
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<tbody>
<tr>
<td>Select DIA board and project executive</td>
<td>May 14</td>
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<tr>
<td>DRAFT Scope &amp; Principles</td>
<td>Jul 2014</td>
<td>ü</td>
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<td>Initial ELT review</td>
<td>Jul 2014</td>
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<tr>
<td>SLT discussions</td>
<td>Aug 2014</td>
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<tr>
<td>Review/Update Scope &amp; Principles</td>
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<td>Data required by PMCOE</td>
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<td>2nd ELT review</td>
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<td>Sep 2014</td>
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<td>Appoint Project Manager &amp; Business Change Manager</td>
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<td>Wellington Building identified</td>
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<td>DRAFT PMCOE Business Case</td>
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<td>FINAL PMCOE Business Case</td>
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<tr>
<td>Ministerial approval of Business Case</td>
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<td>Nov 2014</td>
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<tr>
<td>Technology principles defined</td>
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<td>Nov 2014</td>
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<tr>
<td>1st detailed schedule drafted including property, technology, engagement &amp; communications</td>
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<tr>
<td>Cabinet approval of PMCOE Business Case</td>
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<td>Review storage requirements and options (inc holdings etc)</td>
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<td>Selection of possible pilot/model office sites</td>
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<td>Revise detailed schedule</td>
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<td>Wellington Lease Negotiations</td>
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<td>Evaluate technology provision (eg TaaS, F2F, OpaaS)</td>
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<tr>
<td>Complete Business Case for non-PMCOE items including pilot sites</td>
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<td>Ramp up communications/engagement process</td>
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<td>Detailed design &amp; build for pilot sites</td>
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<td>Pilot sites implementation</td>
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<td>Wellington Workspace review based on pilot to date</td>
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<td>Detailed plan for full Wellington moves including early changes to existing workplace to ease transition</td>
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<tr>
<td>Wellington office migrations complete</td>
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