

➤ PMCoE

- Recap on role and scope
- Quick overview on workplan
- What's working?
- Challenges and opportunities
- Theme going forward



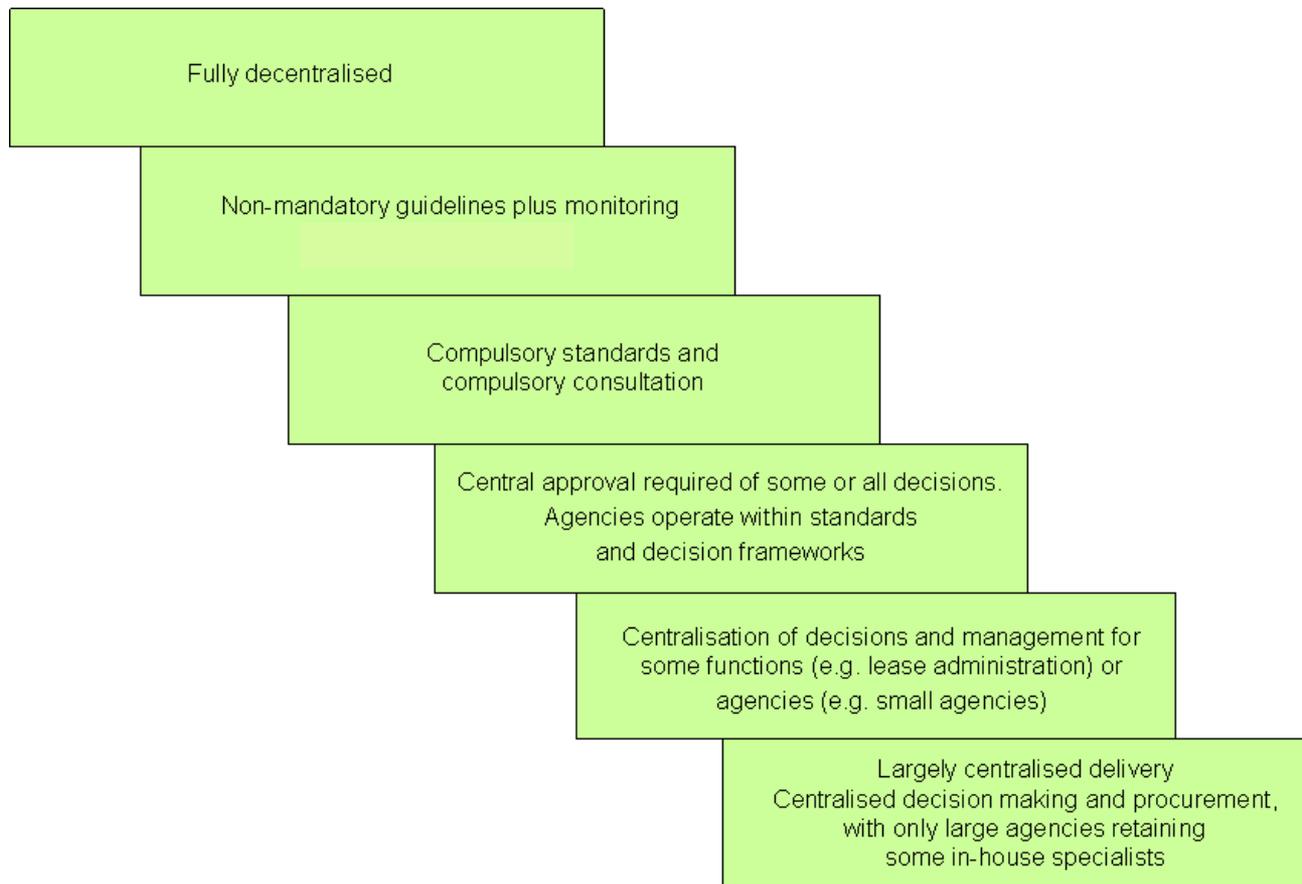
Recap on role



- Prior to State Sector Reform, Government was centralised, cash accounted, and expenditure focussed.
- 1987 decentralisation (GOAB to GPS and private sector provision)
- 1991 - 1993 partial centralisation (GOAT) then back to decentralised
- 2009: The opportunity to improve the effectiveness and efficiency of office property expenditure was identified as a 'quick win' in the BASS project
- 2010: Following the BASS findings, Treasury circulated a working paper entitled "*Right Space, Right Price, Right Place*", proposing a Centre of expertise that would support improvements in property management without changing accountability for property decision making
- April 2011: Property Management Centre of Expertise (PMCoE) established
- October 2012: Functional leadership, including property



Recap on role





Recap on role

- Departments and Crown Agents only (60 agencies)
- From April 2011, a CoE role only
- October 2012 functional leadership role:
 - Mandatory Property Principles and Standards
 - Mandatory all-of-government procurement
 - Signoff by functional leader on tenure decisions
 - Signoff by functional leader of biennial property plans
 - Compulsory adoption of a common information system
- Agencies can further opt-in to contestable services



Why have a Property Functional Leader

- The more centralised approach is expected to increase the quality, and to advance the realisation, of property-related savings, due to:
 - Co-ordination between ICT and property decisions to provide integrated workplace solutions
 - Ensure that decisions on co-location and other sharing of resources will have an all-of-government perspective, rather than individual agency preferences
 - Enable standardisation to reduce the cost of implementation and allow for economies of scale and flexibility
 - Enable better quality decisions and performance monitoring via centrally held information
 - Savings of up to \$110 m per annum over time.



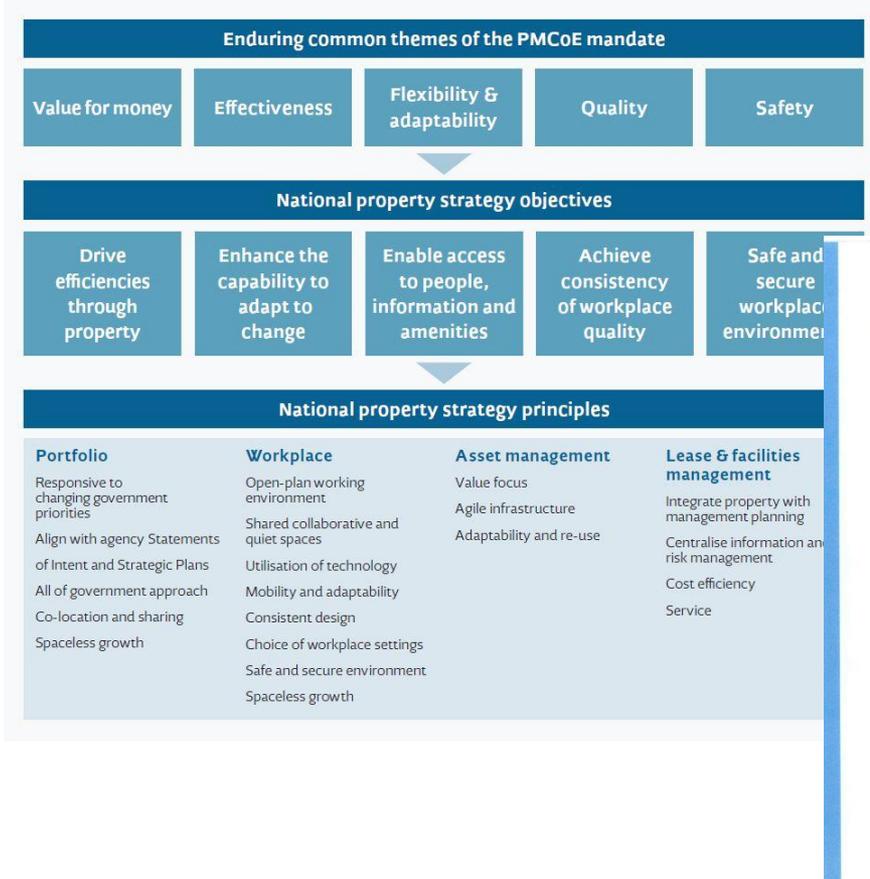
What we're doing

Delivery framework





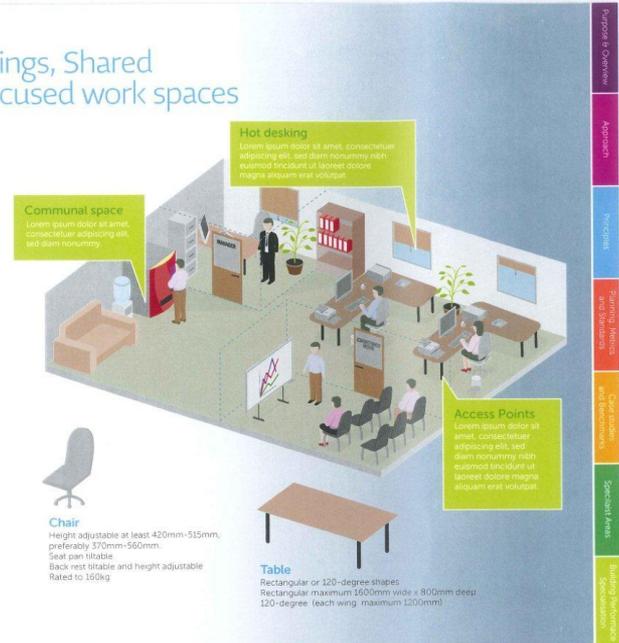
What we're doing



Choice of Work Settings, Shared collaboration and focused work spaces

Give staff a choice of where to work; formal, enclosed meeting rooms and informal, open plan furniture settings.

- Communal activity zones should be Wi-Fi enabled, non-bookable and flexible enough to serve and support multiple functions and purposes, touch down areas for individual and team work, telephone calls, meetings, presentations, utility, high-density filing, leaf coffee, etc.
- A balance must be struck between minimising space and providing the right amount to work productively. Staff can not be expected to be productive in a 'battery hen' working environment.
- Blurring team boundaries across pods of desks will help manage expansion and contraction of staff numbers
- Everyone should have access to a work point with suitable equipment that supports their role
- Storage at the work point should be minimised to encourage use of centrally located shared storage units.
- Multi-floor tenancies should change the type of amenity offered on each floor to encourage movement throughout the whole building (e.g. wellness area and training facilities on one floor, project hubs on another floor, reference libraries and staff re-heat kitchens on yet another, etc.)



Project Overview
 Approach
 Principles
 Strategic Vision and Structure
 Core Values
 Strategic Pillars
 Building Performance



Workplan update

- Final Wellington Tranche 1 negotiations (MoE and MoH)
 - MoH announcement late April
 - MoE going to joint ministers early May
- CIGA project to joint ministers mid May 2014
 - Significant ministerial announcement
 - Innovation in workplace and agency collaboration
- Wellington Tranche 2 Procurement and business case
 - 26 agencies, 148,000 sqm ,36 sites, 8,200 FTEs
 - RfP closing end April, evaluation and options development underway
 - Savings potential of 42,000 sqm and \$12 m per annum
 - Some options are high impact
- Crown Estate Report



Workplan update

- Procurement
 - Furniture (mid 2014)
 - Property consultancy (3rd quarter 2014)
- Standards and guidelines
 - Workplace (release June 2014)
 - Asset management (June 2014)
 - Facilities management (December 2014)
 - Standard legal templates (e.g. Leases and Development Agreement)
- Strategy, Metrics and Opportunities
 - Property resilience and business continuity strategy (cross govt)
 - Accommodation projects pipeline (8 provincial centres plus Auckland)
 - Workplace environment survey (efficiency and effectiveness metrics)
- Agency engagement, educational seminars

➤ Emerging Issues

- Governance for projects, where non-property aspects are included
- Implementation of WoGD for Crown Entities
- Funding, cost recovery and fee generation
- Provision of services to agencies, potential demand for a full service model
- Ownership and management of shared facilities
- Increasing emphasis on internal and external communications and change management
- Engagement with central agencies and other functional leaders

➤ What's working?

- Good engagement with functional level agency teams
- Results are tangible, proven savings within agencies
- Better information now available
- Increased awareness of the need to be joined up and share
- Clearly articulated shared vision
- Benefit realisation mapping clearly articulates priorities
- Defining and articulating what good practice is
- Enabled better practices within and between agencies

➤ Challenges & Opportunities

- Increased emphasis on benefit realisation, quick wins and demonstrable progress
- Change management (particularly with occupiers but also decision makers)
- Private sector engagement
- Funding model, service culture and demonstrating value add
- Co-ordination between functional leaders and emerging cross-government initiatives
- Increasing move to shared services, impact on scope and organisational form of functional leads

7 Challenges & Opportunities

- Senior manager (2nd and 3rd tier) information gap
- Form follows function (some functions still under development)
- Impacting versus aligning
- Effectiveness harder to measure than efficiency
- Practicality of administering shared provision (costs and risks)
Mechanisms for co-operating still under development
- Functional or organisational overlap / demarcation
- Joined up decision making still in the formative stages

➤ Themes going forward

- One portfolio, reflecting the wider expectation of joined-up govt approach
- Increasingly joined-up government, cross-government initiatives
- Increased emphasis on benefit realisation, quick wins and demonstrable progress
- Change management (particularly with occupiers but also decision makers)
- Private sector engagement
- Co-ordination between functional areas (especially ICT and property)
- Future state (PMCoE and portfolio)