### 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



Fully decentralised

Non-mandatory guidelines plus monitoring

Compulsory standards and compulsory consultation

Central approval required of some or all decisions.

Agencies operate within standards

and decision frameworks

Centralisation of decisions and management for some functions (e.g. lease administration) or agencies (e.g. small agencies)

Largely centralised delivery
Centralised decision making and procurement,
with only large agencies retaining
some in-house specialists

### 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**

**Provided by Cabinet** 

### Functional Leadership Mandate

### National Property Strategy & Principles

Approved by State Sector Reform Ministerial Group

Government policy, mandatory for agencies

Portfolio

Portfolio principles prescribe the AoG planning approach and strategic integration of property

Workplace

Workplace principles provide the workplace design and implementation expectations Asset management

Asset management principles set quality and planning expectations focusing assets on best value for money

Lease & facilities management

Lease & facilities management principles set expectations of integration, management and service

Guidelines are provided to assist agencies with property-related Standards & Guidelines Guidelines are provided to assist agencies with information, links, tools and other resources.

Standards approved by Ministers

Guidelines published by Functional Leader for Property

Standards mandatory for agencies

Workplace

Workplace standards set the specifications of fitout and layout elements

Asset management

Asset management standards set the specifications of property-related assets

Lease & facilities management

Lease & asset management standards set the management and service level specifications

Operation

Processes, procedures and templates provide clarity of process and help manage administration for agencies.

Functional Leadership work plan

PMCoE Biennial work plan outlining key tasks, project goals, outputs and targets

Agency property plans

Agency-specific property plans reflecting functional leaders' goals and strategies

PMCoE service model

Service-level agreement outlining best practice PMCoE will apply to service delivery and agency interaction

Approved by Functional Leader for Property

## What we're doing



### Enduring common themes of the PMCoE mandate

Value for money

Effectiveness

Flexibility & adaptability

Quality

Safety

### National property strategy 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 workplac environme

### National property strategy principles

### Portfolio

Responsive to changing government

Align with agency Statements of Intent and Strategic Plans

All of government approach Co-location and sharing

Spaceless growth

### Open-plan working environment

Workplace

Shared collaborative and quiet spaces

Utilisation of technology Mobility and adaptability

Consistent design

Choice of workplace settings

Safe and secure environment

Spaceless growth

### Asset management

Value focus Agile infrastructure

Integrate property with management planning Adaptability and re-use

Centralise information an risk management

Lease & facilities

management

Cost efficiency

Service

### 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, tea/ 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 heri working environment.
- Bluring team boundaries across pods of desks will help manage expansion and contraction of staff numbers
- Everyone should have access to a work
- Storage at the work point should be minimised to encourage use of centrally located shared storage units
- Mutit-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.)



### 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 (3<sup>rd</sup> 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 crossgovernment initiatives
- Increasing move to shared services, impact on scope and organisational form of functional leads

## Challenges & Opportunities



- Senior manager (2<sup>nd</sup> and 3<sup>rd</sup> 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)