



# General Assembly

Distr.: General  
6 December 2017

Original: English

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Seventy-second session

Agenda item 136

Proposed programme budget for the biennium 2018–2019

## Progress report on the implementation of a flexible workplace at United Nations Headquarters

### Thirtieth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019

#### I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the progress report on the implementation of a flexible workplace at United Nations Headquarters ([A/72/379](#)). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 6 December 2017.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution [71/272 A](#), in which the Assembly requested the Secretary-General to report on a number of issues at the main part of the seventy-second session in the context of the next progress report, including on the lessons learned from the pilot programme, the impact of the flexible workplace pilot on productivity and a detailed and realistic implementation plan for the full scope of the project.

#### II. Project status and lessons learned

3. The report provides an update on phases 1 to 4 of the project. Phase 1 involved the renovation of floors 13, 18 and 19 and was completed in June 2016. Phase 2 entailed the reconfiguration of floor 12 and the return of staff in July 2017. Upon enquiry, the Advisory Committee was informed that phase 3 had been completed, with the renovation of floors 20 and 21 and the return of staff in October and November 2017. Lastly, the report indicates that phase 4 involves the renovation of floors 14, 30 and 31, with staff expected to return to the renovated floors in February 2018 (see [A/72/379](#), paras. 8–11).



4. Regarding lessons learned, the report indicates that, following a survey completed in September 2016, an evaluation of how the flexible workplace was functioning on the renovated floors was conducted in May 2017. The overall findings were that staff were successfully performing their functions, with the overall Workplace Performance Index rating for the flexible workplace floors at 54 out of 100, an improvement compared with the baseline assessment of 48 out of 100. While staff gave increased scores for natural light, design look and feel, and availability of common areas, there were complaints about privacy, storage and noise, and staff felt less productive in terms of their ability to focus and find colleagues or team members. The report also indicates that senior management reported seeing a rise in the productivity of their teams, while junior managers had not observed this (see A/72/379, paras. 15–20). **The Advisory Committee stresses that the outcomes of the pilot programmes should be analysed in greater detail to derive lessons learned that are crucial to apply while moving forward with this project (see also the Committee’s previous report, A/70/7/Add.45, para. 6).**

5. The report indicates that the floors were considerably under-subscribed at the time, with about 0.86 staff per unassigned workstation as compared with the expected ratio of 1.25. The report also indicates that the project plan for floor occupancy has been adjusted upwards, within the maximum of 140 staff per floor, in line with General Assembly resolution 71/272 A (see A/72/379, para. 21). Upon enquiry, the Advisory Committee was provided with the table below showing the changes in capacity by floor and department following the implementation of the project.

Table  
Secretariat Building occupancy by floor and department pre- and post-project, as at 3 November 2017<sup>a</sup>

Floor	Occupying department(s)		Reconfiguration		What has changed since pre-project
	Pre-project	Post-project	Start	End	
37					
36	Office of Legal Affairs	Office of Legal Affairs	2019	2019	
35	Department of Peacekeeping Operations/Department of Field Support/Department of Political Affairs	Department of Peacekeeping Operations/Department of Field Support/Department of Political Affairs	2019	2019	
34	Department of Peacekeeping Operations/Department of Field Support/Department of Political Affairs	Department of Peacekeeping Operations/Department of Field Support/Department of Political Affairs	2019	2019	
33	Office for the Coordination of Humanitarian Affairs	Office for the Coordination of Humanitarian Affairs	2018	2018	
32	Department of Management, Office of the Under-Secretary-General, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Office of the Special Adviser on Africa	Department of Management, Office of the Under-Secretary-General, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, Office of the Special Adviser on Africa	September 2018	November 2018	

Floor	Occupying department(s)		Reconfiguration		What has changed since pre-project
	Pre-project	Post-project	Start	End	
31	Office of Disarmament Affairs, Office of the Special Representative of the Secretary-General for Children and Armed Conflict, Office of the Special Representative of the Secretary-General for Sexual Violence in Conflict	Office of the Special Representative of the Secretary-General for Children and Armed Conflict, Office of the Special Representative of the Secretary-General for Sexual Violence in Conflict, Office of the Special Representative of the Secretary-General for the Prevention of Genocide, Office of the United Nations High Commissioner for Human Rights (OHCHR)	15 December 2017	15 March 2018	
30	Department for General Assembly and Conference Management, Peacebuilding Support Office	Department for General Assembly and Conference Management and Office of Disarmament Affairs	24 November 2017	23 February 2018	
29	Department of Economic and Social Affairs	Department of Economic and Social Affairs	2019	2019	
28	Mechanical				
27	Meeting rooms				
26	Department of Economic and Social Affairs	Department of Economic and Social Affairs	2019	2019	
25	Department of Economic and Social Affairs	Department of Economic and Social Affairs	2019	2019	
24	Department of Political Affairs	Department of Political Affairs	2019	2019	
23	Department of Peacekeeping Operations	Department of Peacekeeping Operations	23 February 2018	25 May 2018	
22	Department of Peacekeeping Operations	Department of Peacekeeping Operations	October 2018	January 2019	
21	Department of Management (Office of Programme Planning, Budget and Accounts)	Department of Management (Office of Programme Planning, Budget and Accounts)	Completed	Completed	New capacity: 140 (increase of 51)
20	Department of Management (Office of Central Support Services, Office of Programme Planning, Budget and Accounts)	Department of Management (Office of Central Support Services, Executive Office)	Completed	Completed	New capacity: 140 (increase of 61)
19	Department of Management (Office of Human Resources Management)	Department of Management (Office of Human Resources Management)	Completed	Completed	New capacity: 138 (increase of 49)
18	Department of Management (Office of Human Resources Management)	Department of Management (Office of Human Resources Management)	Completed	Completed	New capacity: 137 (increase of 50)
17	Department of Field Support	Department of Field Support	9 February 2018	11 May 2018	
16	Mechanical				
15	Meeting rooms				
14	Department of Field Support	Department of Field Support	3 November 2017	9 February 2018	
13	Department of Management (Office of Information and Communication Technology), OHCHR	Department of Management (Office of Information and Communication Technology)	Completed	Completed	New capacity: 130 (increase of 56)

Floor	Occupying department(s)		Reconfiguration		What has changed since pre-project
	Pre-project	Post-project	Start	End	
12	Department for General Assembly and Conference Management	Department for General Assembly and Conference Management	Completed	Completed	New capacity: 135 (increase of 68)
11	Department of Public Information	Department of Public Information	16 March 2018	15 June 2018	
10	Department of Public Information	Department of Public Information	11 May 2018	10 August 2018	
9	Department of Public Information	Department of Public Information	25 May 2018	24 August 2018	
8	Department of Safety and Security	Department of Safety and Security	2018	2018	

<sup>a</sup> The table reflects the status of implementation as at 3 November 2017. The implementation plan is subject to adjustment.

**The Advisory Committee is of the view that more information should be provided in the next progress report as to rates of actual occupancy on every floor, in addition to the capacity, following implementation of the project.**

### III. Impact on productivity and flexible work arrangements

6. With regard to the impact on productivity, the report indicates that the variety and complexity of the work of United Nations staff make productivity difficult to measure through a definitive methodology that would be applicable across different offices, functions and levels; it was thus considered reasonable to use workplace satisfaction as a proxy for productivity. In addition, analysis on the possible impact on sick leave for the staff who participated in the flexible workplace pilot was examined as a proxy measure of staff well-being, and the conclusion was that no significant impact on staff well-being was found. The report further indicates that an analysis was conducted comparing the performance appraisals of staff in a flexible workplace as compared with previous periods as another means of investigating possible impact on productivity. The analysis indicated that, as a whole, a flexible workplace does not seem to impact performance evaluations (see [A/72/379](#), paras. 24–29).

7. **The Advisory Committee notes again that an assessment of the impact of a flexible workplace on productivity has not been made and is of the view that methodologies could be developed that would be applicable to different offices, functions and levels. The Committee reiterates the request of the General Assembly in resolution 71/272 A in this regard, and expects that the required assessment will be completed, and that the results, along with the benefit indicators and other relevant factors, will be reflected in the next report of the Secretary-General (see also [A/70/7/Add.45](#), para. 16).**

8. The report indicates that, in order to examine the impact on flexible work arrangements, the use of flexible working arrangements by staff members in a control group who did not work in a flexible workplace was compared with the data from a pilot group that worked in a flexible workplace over the period 2013–2016. According to the data, both groups exhibited an increase in the use of telecommuting, with the pilot group's use increasing by 14.8 per cent, while the control group's use increased by 4.6 per cent. The report further indicates that the increase in telecommuting in 2016 for the pilot group was related, at least in part, to the introduction of a flexible workplace. It is stated that, for these reasons, the Secretary-General is promulgating a revised policy on flexible working

arrangements, which, among other things, would increase the flexibility for manager and staff to use telecommuting arrangements most suitable to their work context (see [A/72/379](#), paras. 30–34).

9. Upon enquiry, the Advisory Committee was informed that, for the purposes of the pilot, the maximum of two days per week of telecommuting as set out in the relevant policy ([ST/SGB/2003/4](#)) had been temporarily expanded to four days per week. The Committee was also informed that, at present, staff absences due to telecommuting are not being recorded, although the Secretariat will capture this data in Umoja from 2018 onwards. The Committee was further informed that significant numbers of staff telecommuting during the work week would translate into lower utilization of space, resulting in potential reductions in the overall space portfolio. **While the Advisory Committee recognizes that some staff functions cannot be performed through telecommuting, it is of the view that future reports of the Secretary-General should include data regarding the actual numbers of staff telecommuting, as well as a detailed analysis of the impact of a flexible workplace on flexible work arrangements.**

#### IV. Project implementation plan and costs

10. Section IX of the report sets out the project implementation plan from 2018 onwards. Upon enquiry, the Advisory Committee was informed that there was an error in the figure in paragraph 37 of the report of the Secretary-General, which was subsequently corrected in a technical reissuance of the report on 25 October 2017. Subject to the approval of the General Assembly, the Secretariat intends to proceed with the remaining phases, 5 and 6, of the implementation, entailing the renovation and reoccupation of the 9th, 10th, 11th, 17th and 23rd floors of the Secretariat Building. The report indicates that the completion of these phases would allow the space leased in the Innovation Building to be vacated in September 2018. In addition, the United Nations Federal Credit Union Building in Long Island City will be vacated at the end of the present lease in April 2018. The report indicates that the total capacity that the project would deliver from implementing a flexible workplace on 26 floors in the Secretariat building as planned is 1,154 (see [A/72/379](#), paras. 39–44).

11. **The Advisory Committee notes that the current implementation plan includes information on the remaining phases of the project, as previously indicated by the Committee in its report [A/70/7/Add.45](#). However, the Committee is of the view that more details should be provided as to the implementation of each phase and therefore reiterates its recommendation that the General Assembly request the Secretary-General to provide in his next progress report a more detailed implementation plan for the full scope of the project, including the impact on leases in non-United Nations owned property (see also [A/70/7/Add.45](#), para. 11).**

12. With respect to project costs, the report indicates that these have been revised using the new costs derived from the recent competitive bidding exercises for a tailored construction contract, as well as a tailored systems furniture contract, which have resulted in unit cost reductions to the project. The total cost of the revised project plan would be \$54,981,400, out of which an amount of \$21,648,500 has been incurred during the period 2015–2017. The remaining amount of \$33,332,900 for 2018 to 2020 comprises the amount of \$25,401,200 for the biennium 2018–2019 and the amount of \$7,931,700 for 2020. It is stated that the revised project plan represents a decrease of \$10,728,000 compared with the amount of \$65,709,400 presented in the previous report ([A/70/708](#)) (see [A/72/379](#), paras. 35, 45–47 and 57 and table 5).

13. Table 5 of the report shows that the amount of \$86,900 is included for swing space requirements in both 2018 and 2019, while no such requirements are reflected for 2016 and 2017. Upon enquiry, the Advisory Committee was informed that swing space costs were absorbed within existing resources in both 2016 and 2017 but that, for the subsequent project period from 2018 to 2020, the costs for maintenance of swing space are included because swing space will be required and will need to be maintained.

14. Upon enquiry as to the self-financing of the project, the Advisory Committee was informed that, while the project is self-financed within the overall project period, with the financial break-even point being reached in 2021, actual savings would occur only when the leased buildings are vacated, whereas project costs are incurred throughout the period. According to the Secretary-General, the total project costs would be covered by reductions in lease costs by 2020 and there would be recurrent annual lease savings to Member States of approximately \$16 million thereafter (see [A/72/379](#), para. 4).

**15. While the Advisory Committee notes the decrease in the current revised project costs, it considers that more efforts should be made to further revise the cost estimates. The Committee therefore reiterates its recommendation that the General Assembly request the Secretary-General to revisit his cost estimates for the project's implementation and to review the methodology and underlying assumptions to arrive at a reliable cost estimate for the project and to provide updated information in this regard in his next report (see also [A/70/7/Add.45](#), paras. 29 and 33). The Committee further recommends that the General Assembly request the Secretary-General to explore options for the self-financing of the project.**

16. The Secretary-General proposes to use the anticipated reductions in rental costs from the vacating of the two leases for the United Nations Federal Credit Union and Innovation Buildings in 2018, estimated at \$18,814,600 for the biennium 2018–2019, to cover part of the requirements for implementing a flexible workspace in 2018–2019, and therefore requests appropriation of the balance of the requirements, in the amount of \$6,586,600 (see [A/72/379](#), paras. 55–56). Table 6 of the report shows the expected project cost and reduction in rental cost by biennium, including savings in rental costs of \$1,613,700 in 2016–2017 and \$18,814,600 in 2018–2019. Table 8 provides a comparison of project cost and rental costs, including cumulative savings in rental costs of \$1,613,700 in 2016–2017 and \$23,655,700 in 2018–2019.

17. Paragraph 44 of the report indicates that any planned adjustments to the office space lease portfolio would be presented in the next progress report in the main part of the seventy-third session of the General Assembly, taking into account decisions of the General Assembly on reform proposals of the Secretary-General presented during the seventy-second session, including with respect to the proposed global service delivery model.

**18. The Advisory Committee notes that the next progress report may reflect adjustments arising from decisions of the General Assembly on the reform proposals and the proposed global service delivery model. Taking this into account, together with its views on the need to review the revised cost estimates and on self-financing, the Committee recommends that the General Assembly authorize the Secretary-General to enter into commitments up to the amount of \$12,700,600 in respect of the project costs for 2018. The Committee expects the next progress report to reflect a review of the project costs and the impact of relevant decisions of the General Assembly in the formulation of the estimated project costs for 2019 onwards.**

## V. Conclusion

19. The proposed actions to be taken by the General Assembly are set out in paragraph 65 of the report. **Subject to its recommendations and observations above, the Advisory Committee recommends that the General Assembly:**

(a) **Approve the implementation of further phases of the project as indicated in the schedule shown in the figure in the report of the Secretary-General;**

(b) **Approve the continuation of three temporary positions (1 P-5, 1 P-4 and 1 General Service (Other level)) for the project team;**

(c) **Authorize the Secretary-General to enter into commitments up to the amount of \$12,700,600 in respect of the project costs in 2018;**

(d) **Request the Secretary-General to submit the next report to the General Assembly at the main part of its seventy-third session.**

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