Report of Director of Resources and Housing and Director of City Development

Report to Resources and Strategy Scrutiny Board

Date: 16th November 2020

Subject: Agile working approach and Estate Realisation

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No
Has consultation been carried out?	☒ Yes	☐ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4(3)	☐ Yes	☒ No

Summary
1. **Main issues**
   * The COVID-19 pandemic has accelerated a number of trends including changes to the way people work, the way services can be delivered and therefore the way we use our estate. During the initial COVID-19 lockdown period, over 8,000 Council staff moved to working from home overnight. This has broadly been a positive experience for staff and a range of support has been provided to help employees to work from home more effectively and as we could, reopen buildings to support a more flexible mix of office based and home working.

   * Through staff engagement surveys, it has become clear that the way that people wish to work in the future has changed and so with it the way in which people will use our buildings. Our working from home approach will continue to develop and support a greater level of home working. We will ensure our estate is of the right size and also change the spaces we have available to move towards a greater number of spaces to support collaboration. This is supported by wider approaches to changing work styles for both managers and wider groups of staff.

   * This will enable staff and teams to continue to deliver excellent services, but also help with the financial pressures that the Council is facing by reducing the size of our operational estate through a focused estate realisation programme.

2. **Best Council Plan Implications** (click here for the latest version of the Best Council Plan)

- Ensuring that staff can work effectively underpins the delivery of the Best Council Plan ambitions as does the provision, spread and flexibility of our buildings. In particular our organisational and agile work policies, as well as changes to our estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation'.

- Our People Strategy 2020-25 sets out our ambition to be the Best Place to Work with a clear focus on creating a great all round employee experience for all staff, with the support of their leaders and managers working in a positive organisational culture, driven by our council values.

3. Resource Implications

- The current and future budget pressures are key drivers along with service needs which has also necessitated the need to review our approach to agile working and estate requirements. Whilst a reduction in the size of our operational estate will deliver savings from running costs, responsive maintenance and backlog maintenance pressures, it must be recognised that this must be supported by adequate investment to ensure that staff have the right tools to work effectively, safely and inclusively and that our buildings meet the requirements of staff and services.

Recommendations

a) Resources and Strategy Scrutiny Board is asked to:
   I. Note the contents of this report
   II. Consider the approach set out to home and more agile ways of working during Covid and how the experience of staff is informing future plans.
   III. Reflect on our approach to rightsizing the estate and remodelling it to support the changing shape, size, ways of working and service delivery requirements.

1. Purpose of this report

1.1 This report sets out the changes that we have seen over the last 6 months in the way that our staff are working, the support which has been provided and our approach to home and agile working moving forwards. It also sets out the implications and opportunities this has for our estate and the work underway to rightsize and remodel it to ensure it meets the expectations of staff and supports agile and flexible working and changing service delivery requirements.

2. Background information

2.1 The long established Changing the Workplace (CTW) programme has provided, opportunities for staff to work differently, with those staff who have been through the programme moving away from individual desks to a more flexible approach and a target desk ratio of 6 desks for every 10 members of staff. This has been supported by a wider roll out of laptop and mobile devices to the majority of staff to support more flexible working with staff being able to work from home or other locations and access systems in the same way that they would in an LCC office. It has not only been about the physical space and equipment however, but there has been substantial support given to staff to embrace the changes which are substantial when compared to where we were as an organisation some 10 years ago.

2.2   The CTW programme has over recent years focused around three workstreams (people – led by HR; Process – led by DIS; and Place – led by Strategic Asset Management). This has primarily focused on our City Centre Estate as well as key locality buildings such as the Community Hubs, Albion House which is a new property within our estate at Yeadon, and Kernel House/ Killingbeck Court. Since 2010, the Council has made good progress in rationalising its estate and leveraging its assets to support the Council's priorities. This has to date focused on reducing the number of city centre buildings we occupy from 13 down to the 4 we have today. However, there are many locality buildings which have not seen this investment, and as such more traditional ways of working have continued. Even where the CTW programme has been delivered, opportunities still exist to embed further cultural change to get the full benefits of new ways of working.

2.3   The COVID-19 Pandemic and lockdown period has necessitated everyone to work differently and services to review their delivery models. The roll out of laptops and other mobile devices over recent years helped to ensure that we were able to continue to run as many services as possible with limited impact to customers. During this period over 8,000 staff took to working from home whereas pre COVID there would have been on average some 800.

3. Main issues

3.1   The Council's Work from Home approach during Covid

Our staff's experience of working from home

3.1.1 In June, a survey was undertaken and made available to all 8,000 staff who have been working from home during lockdown. This survey was carried out to explore how staff felt about working from home, how productive they felt they could be, what they needed in terms of equipment and support, and their attitudes towards working from home and returning to the office in future. It also explored the impact of working from home on wellbeing. Highlights from the results are shown in the table below.

68% of staff **felt happy** working from home, 14% were not, the remainder were neutral
76% of people felt that **they could work effectively and productively** at home
9 out of 10 say **the level of contact** with colleagues and manager was about right
Best use of software–was the biggest call for support in terms of more effective homeworking
64% of people rated their home environment positively, 17% said it was poor/very poor (comfort, health + safety).Those that didn't rate their equipment and workspace as good said the main issue was unsuitable furniture, followed by having limited space.
In general, **slightly more staff reported that their wellbeing had improved** (35%) compared to those that said it had worsened (29%). The primary area staff reported had worsened was their social wellbeing, with three in five saying that this had worsened. Although a quarter reported that their mental health had improved, over one in three said it had worsened. More people (54%) said that their financial wellbeing had improved than worsened (6%)
Looking forward, there was significant support from staff to keep working from home in the future. **52% of staff expressed a desire to remain working remotely for most or all of the time**, and over 80% wishing to work from home for more than half of their week.
In terms of the future office environment, **the tasks that staff would prioritise if they had limited time in the office in future** were: team meetings, collaboration with colleagues, training and development and personal social interaction.

3.1.2 We have a duty to provide staff with the right kit to ensure people remain safe and well at home. As we move forward, all staff will be required to undertake individual

online Display Screen Equipment assessment and training for their home working arrangements.

During lockdown, over 11,000 items of IT kit and furniture have been successfully distributed to help people to work safely and effectively at home. As part of this, a HR helpline has been used to capture and distribute kit to people with additional needs and reasonable adjustments. The vast majority of kit and furniture has been taken from closed buildings and, more recently, those with reduced capacity due to social distancing requirements. A limited amount has been newly bought, where we have been unable to supply from within existing stock.

3.1.3   Call backs have been undertaken with 300 people who sought additional help through the Work from Home survey and there is work ongoing with the 1 in 6 members of staff who say that their home working environment is poor/ very poor, and anyone experiencing discomfort. When lockdown began, people who found working from home too difficult were supported to remain in the workplace, with Covid secure arrangements in place, and this is further covered later in this report.

Staff wellbeing

3.1.4   In addition to our Working from Home Survey, we have also carried out 3 separate Wellbeing Pulse Surveys with all council staff during Covid restrictions (May, June and October). 4000-4500 employees have responded to each survey, people working from home as well as those continuing to work in front line roles. It has helped us to gauge how are staff have been feeling, and ensure they get the support they need. It is not homeworking specific, more an insight into general staff wellbeing.

3.1.5   The results from the October survey are being analysed at the time of writing, and a verbal update will be given at the Scrutiny meeting. The headline results from the second survey in June showed that almost two in three staff (64%) were feeling fairly or very happy, and 11% reported feeling unhappy.

3.1.6   High level analysis of the positive comments in June indicated an increased reference to improved work life balance, and that staff are getting used to this way of working. Key themes were repeated around the continued importance of contact, support and communication, with both manager and colleagues.

3.1.7   Detailed analysis of comments from staff that were unhappy identified a range of themes including: lack of social interaction, mental health, struggling with work/home situation, work level too high.

3.1.8   Four in five staff (82%) reported they were happy with the level of support they were receiving. Just one in twenty-five (4%) said they were not happy with their level of support. All managers are regularly reminded about the importance of maintaining communication and contact with all team members, and in addition to this, over 300 individual members of staff have been contacted directly via a dedicated HR team after asking after making a call back request.

3.1.9   The Council's Wellbeing Offer to staff has been refreshed recently, and the full range of support is now brought together in this [wellbeing offer booklet](#)

Looking ahead – our plans for working from home

3.1.10 The immediate need to support working from home remains, and likelihood of Covid restrictions affecting council services, workplaces and staff for the foreseeable future is clear. Working from home is something that many council staff will continue to do – and the appetite and ability for staff to do so has been proven over the last 6 months. This gives employees enhanced flexibility, better balance between work and home life and reduces both cost and time associated with travelling and commuting. Looking forward, we need to strike the most effective balance between working from home, and time in the office – for the organisation and its employees.

3.1.11 A wider range of areas are currently under review as part of plans to set out our longer term approach for working from home, and further consultation with staff and trade unions will take place:

- Our homeworking definition and eligibility
- Assessing roles suitable for homeworking
- Health and safety assessments and duty of care
- Home set ups – kit and equipment – who provides what
- Running costs and expenses
- Taxation and reporting
- Mortgage, lease and insurance
- Employee performance and setting clear expectations
- Team/manager contact
- Working hours and availability
- Security and data protection
- Expectations – attending main base – how often, what for
- Training and support – remote working
- Staff Wellbeing, inclusion and reasonable adjustments

3.1.12 It is important that we listen to those employees who enjoy it and can easily work from home versus those that don't like it and find it difficult. We have commenced an Equality Impact Assessment on working from home, to ensure that we fully consider the experiences of different staff groups, and create an approach that is fair and inclusive.

3.1.13 We will repeat our Working from Home and Wellbeing surveys when appropriate, as a way of checking progress and impact with staff, and will develop a range of measures to help us evaluate our working from home approach.

3.1.14 Organisationally, we will ensure we protect service delivery, so that working from home does not have a negative impact. We will acknowledge changing customer expectations in our planning, and look to maximise the productivity gains working from home can bring. Our digital strategy is key to our success, and the progressive digital agenda extends opportunities for change beyond the home working/office arena into all front line service delivery and locations.

3.1.15 An effective working from home approach can help us to recruit and select from a wider talent pool (where location acts as potential barrier), to better attract talent within, across and beyond Leeds.

3.2   Estate Response and Realisation Approach

3.2.1   The Council has over 700 operational properties of which c200 are core operational buildings such as offices, Children's Centres, Adult Day Centres, Leisure Centres, Museums, Libraries, Community Hubs, Community Centres and Homes for Older People. During the lockdown period, approximately 80 of these buildings were closed with office space in particular reduced to key buildings such as Merrion House and Kernel House in Seacroft. There was also a great deal of flexibility given to allow our open space to be utilised by partner organisations and in particular health partners such as Leeds Community Health.

3.2.2   As the 'COVID Secure' requirements emerged, Facilities Management and Health and Safety undertook work within the open office buildings initially to meet the standards. This has involved identifying pedestrian routes and in some cases one way systems around buildings, the removal of furniture or preventing use of desks to meet the 2 metre social distancing requirements and ensuring that there is a robust approach to managing the spaces including signing in/out, greater availability of hand sanitisation and more intensive cleaning of spaces.

3.2.3   Whilst the COVID Secure requirements have been amended over time, the requirements lead to only between 25-35% of total desks being usable. For some people, it has been important if not essential on well-being and health and safety grounds to come into office spaces. This was managed on a case by case basis initially with a great deal of work undertaken throughout June and July to allow staff who until this point had been working from home as their role did not require them to come into an office, to be allocated a desk within one of our open buildings, which may not have been the location where they had worked from prior to the pandemic.

3.2.4   At the same time, work was undertaken to open up more of the estate. This involved reopening some of our closed office buildings to provide accommodation for a greater number of staff, but also a number of front facing customer buildings such as Community Hubs as service delivery could start to resume, or be delivered in a way which was more reflective of pre pandemic working. However, over 60 buildings remain closed the vast majority of which are community centres.

3.2.5   Until the government reintroduced its 'work from home if you can' message in September, the availability of space was widely communicated amongst staff allowing those who wanted to work from an office to do so or meet within our buildings so long as the latest government guidance was adhered to. A desk booking system has been developed to support this which incorporates 'track and trace' requirements, but our findings were that the take up of space was low and is potentially down to a number of reasons including staff being able to work effectively at home; people still being uncomfortable travelling by public transport; and the way in which desks were allocated meant that staff were often placed with colleagues that they didn't know so there was no sense of a team.

3.2.6   The latter point was being addressed at the point that restrictions were once again increased, with team or directorate zones being introduced so that staff could be allocated or book space with colleagues from the same areas and there were some good examples of how this was been managed well in services such as planning and legal where a limited number of desks were being allocated/ used on a rota basis..

3.3   The future of the workplace

3.3.1   Whilst increased levels of home working will become embedded, the work from
        home survey and wider industry reports has identified that many staff will look to our
        workspace to support collaboration, face to face interactions and training and
        development. As such, our workspaces will need to be remodelled to respond to
        need and ensure that spaces are as flexible as possible with less formal desk
        space. We are therefore seeking to identify how new areas of collaboration space
        can be brought forward and the appropriate balance between different types of
        workspace environments or zones can be achieved:

        -   Collaboration/ huddle/ events
        -   Group work/ meeting space (formal and informal)
        -   Desk space
                o quiet working
                o touch down
        -   Confidential working/ telephone calls

3.3.2   Given the size and geographic spread of our estate we have an opportunity to
        transform it to support different service delivery models, culture and ways of
        working, providing a range of spaces to meet the requirements set out above.
        Ultimately, our spaces need to provide as much flexibility as possible in the ways
        they can be used but also allowing staff the opportunity to work more flexibly across
        all of our buildings which brings with it the potential for reduced travel demand/ cost,
        time savings, and more effective service delivery.

3.3.3   Whilst Merrion House is a modern building, the Council has re-engaged with
        internationally renowned architects, BDP, who were behind the refurbishment works
        to Merrion House to identify a series of principles around creating the right spaces
        within our estate. This will initially focus on Merrion House but will allow us to roll
        the approach out to other buildings across the city.

3.3.4   A trial collaboration space has already been delivered in Merrion House which has
        been well received. We are very mindful of keeping costs to a minimum as part of
        our remodel approach and we are therefore seeking in the first instance, to utilise
        furniture that we already have within our buildings, laying it out in different
        configurations. However, there will be a need to purchase new furniture to deliver
        the spaces we require to ensure efficient use of space and supporting effective and
        agile working. This is fundamental to the delivery of the estate realisation
        programme which is targeting a 50% reduction in the amount of office space we
        have. Noting that some of our buildings do not readily meet higher utilisation
        requirements. This will allow us to focus on fewer, good quality and well located
        buildings which provide greater flexibility for staff, with the overall intention being to
        improve the utilisation of our estate and effectiveness of staff and service delivery.
        As an additional benefit this approach also has the opportunity to contribute to the
        regeneration of local centres with staff utilising buildings in these locations and with
        it, supporting a range of local businesses.

3.3.5   The more flexibility we can create within our retained estate, the more opportunity
        for our buildings to not only support and facilitate the Council's activities but also
        support greater collaboration with partners. Equally, the use of our partners' estates

where requirements and decision making is aligned and efficiencies can be gained will be further explored and is already commonplace between the Council and health partners across the city.

3.3.6   In addition to the widespread remodelling proposals, specific work is also been progressed with the Children's and Families, and Adults and Health Social Work teams. Due to the specialist nature of their work the delivery of Changing the Workplace principles has proved difficult to date. However, the work now underway is exploring how the range of spaces outlined at 3.3.1 can be delivered to achieve the flexibility outlined in this paper whilst transforming and better supporting the way that these teams work. It should be noted that some spaces required are for family contact and more bespoke solutions may be required to ensure this can continue in a safe but inviting environment which helps to open up engagement with families with specific and complex situations. It is hoped that this work will collectively allow us to accelerate wider reconfiguration of the estate.

3.3.7   Work is progressing to deliver as much of the remodel opportunities within Merrion House by spring 2021, with a rapid phased roll out across our broader retained estate. This will allow us to progress in parallel, a phased vacant possession strategy from buildings that are no longer required and for these to be moved on for re-use or disposal in consultation with ward members. This has been demonstrated through the recent work to vacate and dispose of Shire View in Headingley which completed at the beginning of the month,

3.3.8   It is not just our office accommodation that is under review, with service reviews also exploring how services are delivered, which could ultimately impact upon property requirements. In parallel a review of buildings (both customer facing and back office) on a locality basis is being progressed to understand their usage in order to determine opportunities to bring different services/ uses together to make the most effective use of our estate and release buildings which are no longer appropriate or in poor condition. This could also lead to the need to change service delivery models and may involve additional digitisation of functions or use of new technologies which may have broader workforce and organisational design implications. This will continue to be managed through the previously established CTW workstreams; People; Process; and Place.

4   Corporate considerations

4.1.1 Consultation and engagement

4.1.1   In June, the Council has undertaken a survey of all 8,000 staff who were working from home. Over 5,000 responses were received. As set out in the main section of this report, further engagement is proposed with specific cohorts of staff and more targeted discussions are planned to ensure we get a more detailed view of the specific opportunities and challenges that people are facing and embracing.

4.1.2   The Executive Member for Resources has been consulted on the rationalisation and remodel approach. All Directorates within the Council have also been consulted and engaged with the broad rationalisation approach, with discussions now moving onto the implications of Service Plans and how this will be reflected in Directorate Asset Forward Plans.

4.1.3 The Council's work from home approach and estate remodel has been discussed with both Labour Budget Review Group and is a regular agenda item for CJCC.

4.2 Equality and diversity / cohesion and integration

4.2.1 Equality Diversity Cohesion and Integration is at the heart of considerations about the Council's working practices, and an Equality Impact Assessment around working from home has commenced.

4.3 Council policies and the Best Council Plan

4.3.1 Ensuring that staff can work effectively underpins the delivery of the Best Council Plan ambitions as does the provision, spread and flexibility of our buildings. In particular our organisational and agile work policies, as well as changes to our estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation'.

Climate Emergency

4.3.2 One of the key drivers of our estate management approach is to reduce the carbon footprint of the Council's buildings. Currently approximately 60% of the Council's carbon footprint is associated with its buildings and through the priorities set out in the Asset Management Plan, one of which is specifically focused on supporting the climate agenda, the Council seeks to make efficient use of its buildings and reduce the size of its estate. Through this work, we will ensure that services are appropriately located to minimise staff travel adding to further carbon reductions. In addition the flexibility of the estate will provide further opportunities to minimise travel demand.

4.3 Resources, procurement and value for money

4.3.1 Ensuring that the Council has an efficient, well utilised and affordable estate is a driver of the Estate Management Strategy and a number of the priorities set out in this paper contribute to this objective. Through the estate rationalisation process which will be achieved through more flexible use of our accommodation, we are seeking to reduce running costs associated with buildings as well as maintenance liabilities. However, it is important to note that it will be important to make investment into our retained estate to ensure that it is fit for purpose, appropriately maintained and sustainable.

4.4 Legal implications, access to information, and call-in

4.4.1 There are no legal implications related to this report.

4.5 Risk management

4.5.1 Delivering changes to and rightsizing the Council's estate is dependent upon wider policy changes and implementation to ensure that staff can effectively work from home or in more agile ways as set out above. In addition wider service delivery changes will be critical to maximising the extent of rationalisation possible.

4.5.2 Whilst the Council has a substantial estate, it is limited given the variety of competing needs, service requirements and priorities. This is a constant issue when reviewing the future use of land and buildings and new processes are being embedded to ensure that decisions are made in an appropriate and timely way.

4.5.3 Finally, there is the potential for local sensitivities regarding possible building changes, closures and disposals. Whilst the Council may not be able to utilise buildings, local attachment to buildings is understood and there is a commitment to early ward member engagement to understand these sensitivities and to help to identify solutions which can be supported locally.

5   Conclusions

5.1   Over 8,000 staff have been working from home during the COVID-19 pandemic and the majority of staff have indicated a willingness to continue to do so in the longer term.

5.2   To support this transition a great deal of work has been undertaken to support greater levels of home working and ensuring that staff are well and supported.

5.3   The changes to the way that we work provide an opportunity to rightsize our estate and transform it, to meet the changing requirements to the spaces we retain, with greater demand for collaboration space.

5.4   This work supports the wider estate realisation programme, brings with it the potential for wider regeneration benefits and opportunities for the council to reduce its carbon footprint through operating a small estate and reducing travel demand by staff.

6   Recommendations

6.1   Resources and Strategy Scrutiny Board is asked to:

  i.   Note the contents of this report

  ii.   Consider the approach set out to home and more agile ways of working during Covid and how the experience of staff is informing future plans.

  iii.   Reflect on our approach to rightsizing the estate and remodelling it to support the changing shape, size, ways of working and service delivery requirements.

7   Background documents[1]

7.1   None.

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[1] The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.