

Report of Head of Democratic Services

Report to Scrutiny Board (Strategy and Resources)

Date: 22 March 2021

Subject: Scrutiny Inquiry into Agile Working and Estate Realisation following the Covid-19 Pandemic – summary of evidence to-date.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 In November 2020 the Strategy and Resources Scrutiny Board received a report on agile working and estate realisation in light of the Covid-19 pandemic. The focus of this was on the likely long term changes that the pandemic will deliver in terms of new ways of working, service delivery and the potential for estate realisation and rationalisation linked to reduced usage of some buildings and the financial challenge faced by the Council as a result of the pandemic.
- 1.2 The Board has received two follow up reports in January and February 2021 exploring the issues further and in particular with a focus on the Council workforce and on how the estate will be used in the future to align with developing changes in how the council works and delivers services.
- 1.3 The Board's 22 March 2021 meeting will be the final meeting of municipal year 2020/21. How the Council responds to Covid-19 and the longer term implications of that is an evolving issue and with the pandemic still ongoing the Board will now take stock of the evidence received, consider possible recommendations and begin preparation for finalising the inquiry early in municipal year 2021/22 in order to provide pre-decision scrutiny involvement in this work stream.
- 1.4 This report therefore presents a summary of evidence received to date and looks at future areas of interest in terms of this developing work stream. Appropriate officers will be in attendance to deal with any member questions and comments.

2. Background information

- 2.1 The COVID-19 pandemic has accelerated a number of trends in how the Council functions 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 to reopen buildings, when that has been possible, to support a more flexible mix of office based and home working.
- 2.2 This rapid change has built on ongoing work delivered through the Changing the Workplace (CtW) programme that introduced an increasing trend towards staff working at home and a move away from more traditional desk based work. CtW established a target ratio of six desks for every ten members of staff and supplied equipment and resources to enable staff to work effectively in that environment. Provision of laptops, mobile devices and other remote working tools are good examples of this.
- 2.3 CtW established a clear focus on 'people process and place' with asset management leading on any estate rationalisation that followed new ways of working and the reduced requirement for desk space. This has focused on reducing the number of city centre buildings the Council occupies from 13 down to the 4 that are used currently. Locality buildings, to date have not been subject to the same approach and more traditional working methods have therefore been retained in these areas.
- 2.4 Covid-19 has, of course, been extremely challenging and the term 'unprecedented' is not out of place when considering the impact both on people's lives in the city but also in terms of how the Council reacts and restructures in its response to it. There are very few positives to be derived from living through such a tragic pandemic however what it has served to highlight is the potential for greater organisational change based around a more flexible model of working for staff that takes greater account of work life balance and mental health and well-being whilst also maintaining a strong focus on effective service delivery.
- 2.5 Scrutiny Board Strategy and Resources is therefore looking closely at this agenda and its implications focussed on three key service areas HR, Asset Management and Digital Information Services (DIS).

3. Main issues

- 3.1 Appendix 1 provides a summary of evidence received during the November, January and February meetings of the Board. As noted above this is a developing and evolving agenda and the Board will look to finalise this work early in the next municipal year, this is likely to feature attendance from Digital Information Services (DIS) in the first instance to gain an understanding of how that service can support new ways of working and new ways of delivering services but also as part of a wider work stream to get an idea of the vision of DIS in the short and medium term.
- 3.2 To date the three reports considered by the board have focussed on a general introduction, impact on staff and how staff will be affected moving forward, cost and use of equipment by staff working at home, information on staff well-being and satisfaction with home working arrangements, the ongoing impact of Covid-19 and the

need for social distancing measures in council buildings and the impact on usage of office buildings and how the estate could be both used differently and rationalised as home working becomes a permanent feature of staff routines.

- 3.3 A number of themes can be drawn out from consideration of these items by the Board. These are summarised below:

Staffing and Workforce Planning

- 3.4 Members have been keen to ensure that staff do not get left behind and that those who are more comfortable working in an office are not excluded from future workforce planning. Many staff members have expressed increased satisfaction working at home all the time but that is not true of all staff and a significant minority of between 11% and 20% (based on staff pulse surveys carried out in 2020) have expressed dissatisfaction. The three Wellbeing pulse surveys, carried out in May, June and October, have shown declining staff satisfaction with the working at home arrangements. Board members are therefore keen to ensure that those who are less happy or who have suffered issues with well-being during the enforced working at home measures are supported and given opportunities to work in the office more once restrictions are lifted.
- 3.5 Members were also keen to ensure that the satisfaction with working at home was not a 'honeymoon period' and that over the longer term a workforce model is developed that provides a suitable balance between home and office working and that sufficient flexibility is built in to workforce arrangements to enable all staff to work effectively once Covid restrictions are lifted. The October pulse survey highlighted that 51% of staff remain happy and, despite all the challenges faced, 74% are positive about the support they are receiving which serves to highlight that the majority of staff have adjusted to home working and are able to perform their roles effectively in a remote setting however, this does not reflect the views of all staff.
- 3.6 Ensuring that staff had the correct equipment to be able to work at home has also been an area of interest. Since the pandemic first emerged the council spent a total of £895K on the supply of new equipment (8472 items). Over a similar period, the council would normally spend an estimate of £379K. Therefore the specific, additional Covid related spend on equipment is estimated to be £516K. This additional expenditure would need to be balanced against cost savings that will be derived from estate realisation.
- 3.7 It is clear the Council has successfully adapted to remote working but members were also keen to find out what impact home working has had on productivity. Members therefore suggested that productivity metrics may be required to ensure that staff are as productive as they were prior to the pandemic and to also contribute to the ongoing debate around the balance between working at home and in the office. Ensuring effective service delivery is a key consideration of the Board and whilst working patterns may change effective and improved service delivery is considered to be paramount.
- 3.8 The Board recognised that more staff engagement and consultation will be required before arriving at any permanent future working arrangements. They emphasised the need for more consultation to take place particularly around issues such as what the new working day would like and ensuring that working at home does not become more like 'living at work' and to ensure that staff do not become overwhelmed by

workloads given that the recent ELI packages have reduced the council's workforce significantly.

Office Buildings and the Council's Estate

- 3.9 As has already been noted much of the CtW programme has focussed on the city centre and rationalising the number office buildings there. Board members, whilst accepting the need to deliver financial savings, were also keen to ensure that local centres are supported by continued use of council building in localities. Council hubs are often located close to, or as part of, parades of shops or smaller shopping centres. Members were keen, where possible, to factor in the impact of closing an office on a locality and the impact it may have on smaller business through reduced footfall. Having office buildings that are used both by staff as a hub or base and by communities to access services was one solution that Board members suggested as a means to ensure that local centres could continue to benefit from having a housing office or other hub located there.
- 3.10 A key area of focus on the estate has been around ensuring that buildings that have recently been invested in are, as far as possible, retained by the Council to ensure that money is not wasted and that any penalties contained within lease arrangements are factored into decision making and the release of buildings.
- 3.11 Given that there is still work to be done on this agenda there was some concern about expenditure of resources and that a degree of caution should be exercised until firmer arrangements had been agreed. A phased approach to expenditure was therefore suggested to ensure value for money and that any new working arrangements are resilient and will be effective over the longer term.
- 3.12 In terms of striking the right balance between working at home and in the office members were supportive of the approach being taken in terms of developing collaboration spaces for teams and focusing on the team as the destination as opposed to a building or office base.
- 3.13 Members have also considered staff travel to and from work and the wider benefits reduced travel could have on the Council's carbon footprint in addition to alternative methods of travel such as walking, where possible, and cycling.

Determining a suitable timeframe for the Board's inquiry work

- 3.14 The inquiry into agile working and estate realisation has developed organically with an introductory report that has then led to two further reports and with this agenda still developing further reports will be brought forward early in the next municipal year in order to obtain some input from DIS and move towards finalising the Board's work in this area early in the next municipal year.
- 3.15 Much will depend on the course the Covid-19 pandemic takes in the coming months but assuming the Government's road map proves to be deliverable staff will be able to return to office working in the late spring and early summer. Providing an inquiry report to coincide with more staff returning to the office would seem to be a sensible approach.
- 3.16 In view of this, this work item will feature on the Board's June and July agendas when the inquiry will move towards being finalised by the successor Board for 2021/22.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Appendix 1 provides a summary of the evidence gathering sessions held during November 2020 and January and February 2021. This has included the engagement of the Executive Board Member for Resources, the Director of Resources and Housing and other senior officers from HR and Asset Management.

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 on working from home is being developed.

4.2.2 An Equality, Diversity, Cohesion and Integration screening form has been completed in relation to estate rationalisation. Whilst there are no specific EDCI impacts resulting from the rationalisation approach as these will be considered by services, any building changes have the opportunity to enhance EDCI.

4.3 Council policies and the Best Council Plan

4.3.1 The Council's land and buildings facilitates a range of service delivery and therefore contributes to the objectives, outcomes and priorities set out in the Best Council Plan, Inclusive Growth Strategy and Health and Well Being Strategy. The rightsizing and remodelling of the Council's estate supports the Best Council ambition to be 'an efficient, enterprising and healthy organisation'.

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

Climate Emergency

4.3.3 One of the key drivers of the Council's 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 the climate agenda, the Council seeks to make efficient use of its buildings and reduce the size of its estate.

4.3.4 Reducing the amount of travel staff undertake to get to and from work and encouraging carbon neutral modes of transport, such as cycling and walking, will have a wider benefit in terms of reducing carbon emissions and easing congestion on the city's roads. As such any permanent switch to more home working will contribute to the Council's goals around reducing the city's carbon footprint and becoming carbon neutral by 2030.

4.4 Resources, procurement and value for money

- 4.4.1 Ensuring that the Council has an efficient, well utilised and affordable estate is a driver of the Estate Management Strategy. Through the estate rationalisation process which will be achieved through more flexible use of accommodation, the Council is seeking to reduce running costs associated with buildings as well as maintenance liabilities. Part of this approach will also include investment in retained buildings to make them fit for purpose, appropriately maintained and sustainable.
- 4.4.2 Financial considerations will continue to be one of the key factors in deciding longer term working arrangements.

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

- 4.5.1 This report has no specific legal implications.

4.6 Risk management

- 4.6.1 This report has no specific risk management implications.

5. Conclusions

- 5.1 This report sets out a position statement in terms of the ongoing inquiry into agile working and estate realisation as we approach the Board's final meeting of the municipal year 2020/21. Attached at Appendix 1 is a summary of evidence received to date and Board members are asked to comment on the inquiry and suggest any initial recommendations in advance of the successor Board taking up the work stream early in municipal year 2021/22.
- 5.2 The June meeting of the Board will look more closely at staff feedback following further consultation and engagement planned in the coming months.

6. Recommendations

- 6.1 That the Scrutiny Board:
 - (a) Notes the content of this report and the summary of evidence document at Appendix 1;
 - (b) That the Scrutiny Board considers information within the report and begins to consider initial recommendations that will form the basis of the inquiry report and can be carried over into the next municipal year.
 - (c) Agrees to handover this work stream into the new municipal year commencing at the June meeting of the Board.

7. Background documents¹

- 7.1 None.

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.