



## **SCRUTINY COMMISSION – 12 APRIL 2023**

### **CORPORATE WAYS OF WORKING PROGRAMME - UPDATE**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **Purpose of report**

1. The purpose of this report is to provide an update on the delivery of the Council's Ways of Working programme following a request made by the Commission at its meeting in November 2022. The report sets out progress made against the recommendations of the informal scrutiny task and finish group which reported to the Commission in March 2022, and the impact of the programme on the Council's property assets.

#### **Background**

2. In October 2019, Chief Officers gave their support to a proposal for investment to progress with the "Workplace Programme". Its aims and objectives were to drive efficiency and productivity by promoting a culture of flexible/smarter working enabled by the rollout of new technology. This would also lead to a rationalisation of the Council's property estate resulting in a reduction in costs.
3. The programme was paused in March 2020 shortly before delivery was due to commence, as the Covid-19 pandemic hit, and focus was therefore diverted to the Council's response and recovery work.
4. As a result of the pandemic, there was a huge and very quick shift in both working patterns and organisational culture, with many being required to work from home for the first time due to the national and local lockdowns. This led to a wholesale rethink of how departments and teams needed to operate moving forward, retaining a higher degree of flexibility, and more remote working than previously thought possible. The Workplace Programme was subsequently reshaped into the "Ways of Working Programme" taking account of the changes made and the experience gained during this period and running with three key and interlinked workstreams – people, property and technology.
5. A revised business case was agreed, and much work has been undertaken not just to implement the new model, but to embed it and make it sustainable. Alongside the financial investment and financial benefits, there are many non-financial and indirect benefits from the programme, such as: lower sickness absence, better recruitment and retention, greater staff wellbeing, positive impact on our carbon footprint.

## Overview of Progress

6. The programme is at the 'implementation' stage, and in broad terms is progressing well, with the pilot of room 700 (Adults & Communities and Environment & Transport) now complete, and implementation of the space in room 600 for Children, Schools & Families colleagues well underway.
7. This is all underpinned by a great deal of organisational development activity, support and guidance for managers and staff, and a focus on communication and engagement.
8. The net cost of project implementation is projected to be £4m over 9 years. Over the same time frame the 'do nothing' option would have cost £10.9m. Implementation of the business case therefore represents a net saving of £6.9m over 9 years increasing to between £12.4m and £17.9m when savings associated with the reduction in business mileage are considered.
9. The programme is tracking financial returns against investment, and a summary is shown below:

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
		<b>MTFS/</b>	<b>MTFS/</b>	<b>MTFS/</b>	<b>MTFS/</b>
	<b>Forecast</b>	<b>Business</b>	<b>Business</b>	<b>Business</b>	<b>Business</b>
	<b>Cashable*</b>	<b>Case</b>	<b>Case</b>	<b>Case</b>	<b>Case</b>
	<b>000s</b>	<b>000s</b>	<b>000s</b>	<b>000s</b>	<b>000s</b>
Increased IT Infrastructure & Other Spend (Revenue)	£271	£271	£456	£346	£346
Reduced expenditure (Revenue)	-£319	-£486	-£561	-£561	-£561
Income (Revenue)	-£319	-£700	-£880	-£1,480	-£1,480
MTFS Savings (Revenue)	-£367	-£915	-£985	-£1,695	-£1,695
Staffing (Revenue)	£368	£171	£0	£0	£0
Net Cost/-Saving	£1	-£744	-£985	-£1,695	-£1,695

## Scrutiny Task and Finish Group Recommendations

10. The recommendations of the Scrutiny task and finish group which were presented to the Scrutiny Commission in March 2022 are detailed in the Appendix attached to this report. A column has now been added to show progress made against each recommended action. This clearly shows that over the last 12 months, the actions have been implemented and are either complete, or have been absorbed as a core part of the programme's activity.
11. In terms of further assurance for Members, there was also an All Member Briefing and tour of room 700 in late November 2022, the latter acting as a practical demonstration of plans moving into action. Further details regarding the outcome of the pilot are set out below.

## **Property Impacts**

12. The move to embedding smarter working within the Authority has unlocked the ability to make better use of our buildings both in terms of usage and financial spend. As part of the programme, a clear strategy and operating model for our future estate requirements has been developed and is in the process of being implemented. This includes:
- Progressing opportunities for rationalisation of our estate; seeing the Council exit from 2 sites that are surplus to requirements (Pennine and Parkside).
  - Identification of cost avoidance, income generation, and future commercial opportunities across all Council owned buildings, in particular the County Hall Campus (primarily through the rental of surplus space).
  - Implementation of a new office model for County Council staff that will drive improvements in collaboration and productivity, maximizing the ability for smarter working.

## **County Hall Campus – Usage**

13. We have recently been able to access door entry data (which includes our tenants), giving us a more accurate picture of the numbers of staff using the campus on a daily and weekly basis.
14. The figures include people who may come to the campus for part of a day (for meetings, between client or site visits etc). The trend is visibly upwards and is showing that we are in a much healthier position regarding use of available space.
15. Examples of average daily headcount (monthly) is:

January 2022	739
May 2022	944
September 2022	1143
November 2022	1271
January 2023	1168
February 2023	1270

16. Looking at daily averages over the 14-month period, the mid-week peaks in office-based activity are no different to any other local authority running a similar programme that we are aware of.

Monday	857
Tuesday	1065
Wednesday	1120
Thursday	1053
Friday	787

17. As we progress with the physical changes to the workplace, it is anticipated that these daily figures will continue to increase across the week. This data will continue to be monitored.

## County Hall Campus – Longer Term Plans

### **Pilot**

18. The joint pilot in room 700 of County Hall has been successful, seeing 2 large service departments (Adults & Communities (A&C) and Environment & Transport (E&T)) co-locate on the floor, freeing up room 600 for future use.
19. The main changes from the pilot were:
  - Implementation of physical changes to a workspace to enable culture change and movement away from the perception and use of office space as fixed allocated desks.
  - Ability to showcase a new environment within the workspace to coincide with the return, post pandemic restrictions, of larger numbers of colleagues on site.
  - Taking feedback and translating high-level requirements from departmental action plans into concepts which can be trialled.
  - Testing and refining an initial concept to inform the future office model for wider implementation.
  - Offering benefits to colleagues using the space including enhanced opportunities for collaboration and activity-based working within a new environment.
  - Maximising use of available space, aligning to our Future Estate Strategy and use of the County Hall campus. The pilot demonstrated that teams could work effectively in a smaller area.
20. Feedback from the leadership teams involved in the pilot were:

*“From A&C we have seen less absence as many people can work from home if not able to travel due to sickness. Also, business continuity regarding building issues are less of a problem. IT and kit have made mobile working much more possible, and this is contributing to a better work life balance.”*

*“For E&T while moving away from the traditional fixed desk model towards a hot desking culture was difficult for some, the reality is that nearly a year into this way of working, the benefits are considerable. The clear message of coming into the office for a specific reason only, such as to collaborate, has helped empower managers and team members to design their work patterns to be as efficient as possible. The collaboration spaces work well, to the extent that we are seeking to extend what we currently have, and the booths are proving popular for small meetings avoiding the need for meeting rooms.”*

*“For staff we are seeing far more flexibility so that people can carry out their job while helping balance out of work commitments such as the school run. In some instances this has enabled staff to maintain a full time role rather than reducing hours to part time, a major advantage for us when we are having difficulty in recruiting into many roles across the department. We have also attracted staff who live further away as they are not required to be in the office 5 days a week, so again supporting recruitment to the department in a very challenging market. There is less commuting to work delivering environmental benefits and reducing unproductive travel time with many people now working what would have*

*been their commute time. The flexibility that virtual meetings offer has helped us improve on some of our key stakeholder relationships and our responsiveness to them, such as with parish councils where we now have more frequent virtual meetings with greater attendance than the less frequent, in person meetings that took place before the pandemic.”*

21. A survey was launched to all staff who were part of the pilot to understand the impact on them, and also to gather feedback to support refinement of the model for the future. The key headlines from the survey are:
- Work life balance and wellbeing - 58% positive increase.
  - Productivity increased for 44% of staff, for 49% there was no reported change, 7% reported a negative impact. These figures are based on the experience of individual staff members.
  - Flexibility and focus on outputs rather than work location improved productivity.
  - Office spaces including new areas had a positive impact on collaboration - most frequently utilised items were standardised desk set ups (88%), meeting rooms (62%) and media booths (48%).
  - Technology was a key enabler, including laptops and docking stations. Flexibility of hybrid meetings increased attendance.
  - Supportive managers /culture of trust recognised by staff as a key factor in job satisfaction, wellbeing and productivity.
  - Some staff wanted more face-to-face interaction to meet and collaborate on work issues.
22. Based on the above, some refinements to the floor have been made, as well as continued culture support in key areas to ensure that the optimum model is in place for the future.

### **Next Phase**

23. The next phase of the programme is focused on the relocation and co-location of all County Hall based Children and Family Services (C&FS) teams into room 600, to be completed during April and May. This will be the first time all County Hall based C&FS teams will be in the same area, allowing for better collaboration and communication.
24. Some key changes being made to the room are:
- Tailored collaboration spaces that serve the needs of different specialist groups within the department.
  - Hybrid meeting room technology.
  - Wellbeing rooms (to support with the department’s vision of providing proper support for staff who have exposure to trauma as part of their roles).
25. The key aims of this change will provide the C&FS with a space for those based at County Hall to work flexibly and productively in how they deliver services for children and families across Leicestershire. The different spaces, equipment, hybrid meeting rooms and flexible working areas will create an environment that allows staff across the Department to work effectively, comfortably and in a way that meets both their needs and those of the service.

26. Once the move of C&FS is complete, focus can move to:

- Progressing rental of room 500 (currently fully occupied by C&FS).
- Implementation of new office model in the Penn Lloyd Building for Corporate Resources, Chief Executives and Public Health Departments.
- Further rental opportunities in the Penn Lloyd Building.

### **Leasing Space**

27. Several tenants have moved into the County Hall campus where space is known to exceed the Council's requirements. This has more than doubled the income that the Council is receiving from rental space, bringing the total to over £1m per annum with significant potential for this to increase further to c £1.8m as part of the programme rollout built into the Medium-Term Financial Strategy.

### **Wider Estate**

28. Outside of the County Hall campus, the programme has been focussing on

- Exit from buildings surplus to requirements due to new ways of working – Pennine House and Parkside - delivering savings of over £300k p.a. revenue.
- Implementation of future office model and desk setup at wider sites, locality offices and depots to support departments and staff based there in working smarter and increasing productivity.
- Ongoing review of space requirements for the future which will include review of buildings used by LCC, amount of space used at these sites, as well as potential opportunities for better use of existing assets e.g libraries and depots.
- Ongoing discussions with partners are regularly taking place to understand any possibilities for collaborative use of space – nothing is currently planned at the time of this report.

### **Productivity**

29. The Scrutiny Task and Finish Group sought assurance that in the move to a new model of working, there would be no drop in productivity. There are many ways to measure productivity – 1:1 meetings, team meetings, annual performance reviews, key performance indicators, benchmarking reports etc. From an organisational perspective, there is a clear expectation that every manager manages and monitors productivity, using tools appropriate to their service.

30. It is worth noting that as stated above, feedback from the room 700 pilot showed that productivity increased for 44% of staff, and decreased for only 7%. This data is helpful when making adjustments to working arrangements at a team and individual level.

31. Feedback from E&T arising from the pilot was that *“The department has a strong ethos of managing by output following the corporate position, and our new way of working has helped embed this approach across our services. Looking at benchmarking against comparator authorities our highways and transport services remain in the top few authorities while for environment and waste services we have*

*seen an improvement from 22<sup>nd</sup> position out of 32 authorities in 2020/21 to 19<sup>th</sup> position in 2021/22. While there will be many factors contributing to this, the hybrid working model has not proved detrimental to our performance.”*

32. Below is a summary of some key evidence and feedback received regarding productivity across a number of different teams:

<b>Ways of Working - Evidence of Improved Productivity</b>
<p>Example of Performance Indicators (in this case relating to street lighting work) show good or consistent performance although a number of variables would contribute to that performance not just WOW.</p> <ul style="list-style-type: none"> <li>• Street lighting BVPI which shows the time that we were made aware of the fault until the time it was fixed: <ul style="list-style-type: none"> <li>• 2019 - 1123 jobs average time to fix = 12.82 days</li> <li>• 2020 - 1167 jobs average time to fix = 18.93 days</li> <li>• 2021 - 1125 jobs average time to fix = 7.75 days</li> <li>• 2022 - 922 jobs average time to fix = 10.30 days</li> </ul> </li> <li>• Number of enquiries closed each month: - performance remains consistent - Jan 2019 75% took an average of 14 days to close and the position is looking the same in Jan 2023.</li> </ul>
<p>There is a very strong link to improved relationships with Parishes due to the ability to communicate more frequently via virtual face:face meetings. The Operational clerks meetings have moved to monthly and remotely, where as they used to be at County Hall and held quarterly. We get better attendance, they are more concise and relationships have improved.</p>
<p>Feedback of experience of one team (however points mirror those received from across the department):</p> <ul style="list-style-type: none"> <li>- One employee has increased hours from part time to full time as more homeworking has given greater flexibility for picking up children from school etc rather than having to leave early (for a 45 minute commute).</li> <li>- Another employee has been able to balance school / nursery pickups between work (rather than before and after), which has been beneficial. It is suspected this employee would have requested part time hours, if not for WoW and the flexibility this provides.</li> <li>- There has been less sick leave in the team, as staff are more inclined to carry on working from home, when not feeling 100% (as opposed to not coming in at all, just in case). However, I understand corporate and departmental sickness rates do not reflect this.</li> <li>- More productive time, as now working commute time (I'm a 45 min commute from County Hall)</li> <li>- Greater cohesion seen amongst the management team, as it is easy to meet regularly on MS Teams than it ever was in the office.</li> <li>- Travel expenses and travel time has been drastically reduced, with little to no need to travel and meet external stakeholders.</li> <li>- It's much easier and quicker to get meetings in calendars, when not trying to get everyone in the same place at the same time and find a room that can hold everyone.</li> <li>- Work life balance is great, still getting everything done that needs to be done.</li> <li>- Fixed desks makes it easy for us to discuss/share ideas without the hassle of booking desks.</li> </ul>

- Better work life balance and hugely reduced impact on environment.
- I like to spend part of the day using a normal desk and then sometimes I use one of the booths. It's great for working with a colleague on a joint project.
- Productivity is higher when you are able to work flexibly and utilise time better.

### **Recommendations**

33. The Commission is asked to note and comment on the progress made in relation to the delivery of the Council's Ways of Working Programme.

### **Equality and Human Rights Implications**

34. There are no direct equality or human rights implications arising from the recommendations in this report, although it should be noted that an updated Equality Impact Assessment has been completed to ensure that no groups are adversely affected through the implementation of the programme.

### **Circulation Under the Local Issues Alert Procedure**

35. None.

### **Background Papers**

Report to the Scrutiny Commission 9<sup>th</sup> March 2022 – Report of Scrutiny Task and Finish Group Ways on the Council's Corporate Working Programme

<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MIId=6868&Ver=4>

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### **Appendices**

Appendix – Progress against recommendations of the Scrutiny Task and Finish Group on the Council's Ways of Working Programme.