

CABINET

17 October 2007

PRINCIPAL SCRUTINY COMMITTEE

22 October 2007

PERSONNEL COMMITTEE

12 November 2007

CHANGING OUR WORKING PRACTICES: FLEXIBLE WORKING

REPORT OF THE CHIEF EXECUTIVE AND HEAD OF ORGANISATIONAL
DEVELOPMENT

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RECOMMENDATIONS:

To Cabinet

1. That Cabinet agree the approach adopted to promoting flexible working, endorse in principle all divisions adopting flexible working practices consistent with their business needs and agree the next phase of roll-out to the divisions listed at Appendix 1.

To Principal Scrutiny Committee:

2. That Members consider whether they wish to draw to Cabinet's attention any comments on the Council's approach to flexible working.

To Personnel Committee

3. That flexible working policies be approved as set out in Appendix 2.

CABINET - 17 OCTOBER 2007

PRINCIPAL SCRUTINY – 22 OCTOBER 2007

PERSONNEL COMMITTEE – 12 NOVEMBER 2007

CHANGING OUR WORKING PRACTICES - FLEXIBLE WORKING

REPORT OF THE CHIEF EXECUTIVE AND HEAD OF ORGANISATIONAL DEVELOPEMNT

DETAIL:

1 Introduction

- 1.1 The City Council's Corporate Strategy sets out, *inter alia*, our desire to offer excellent customer service and to be efficient. We have also acknowledged that, in an increasingly difficult climate for recruiting and retaining the high calibre staff we need to achieve these and other aspirations, we should be perceived as an employer of choice. Making progress against each of these aspirations requires us to think differently about staff working practices and how we use space.
- 1.2 The Council has begun to explore the wider changes in working practices which will facilitate improvements in customer service and serve to make us more efficient. 'Flexible Working' is a broad term, which includes:
- a) Mobile Working: staff working at locations outside the City Offices such as the developing parish-based local access points, or spending more time 'in the field' with customers or visiting field sites;
 - b) Home Working: staff based for part or all of their working hours at their homes, with remote IT access to City Council systems;
 - c) Flexible Employment Patterns: introducing a wider range of working hours and patterns, for example nine day fortnights or term-time working;
 - d) Hot Desking: moving away from the traditional notion of one desk per member of staff, acknowledging that individuals will be away from their desks for a significant proportion of the day (in part because of increased mobile or home-working, or flexible work patterns), and providing for more shared use of a smaller overall number of desks.
- 1.3 Taken together, these approaches to flexible working can enhance customer service by providing for more face-to-face contact with the public or a better presence in local communities. From the perspective of staff, allowing individuals flexibility in their working patterns lets them achieve a better fit between work and other commitments, thus helping make the Council a more attractive employer – which can in turn reduce costs associated with turn-over or sickness absence.
- 1.4 Flexible working also opens up the potential for significant efficiency savings – both financial savings through a reduced accommodation overhead cost, and improved value for money by increasing productive time. A programme of flexible working will allow us to reduce the number of operational buildings occupied, and may offer opportunities for gaining income from surplus space. Such savings are part of the business case for replacing the existing city offices, which in turn could unlock further savings in building operational costs and income opportunities.

- 1.5 However, the Council provides a wide variety of services, and the differing demands of each mean that there is no single flexible working solution for all our staff or services. Our aim is to ensure that all staff adopt different working practices, but that each adopt practices which take account of business and personal needs.
- 1.6 Effective flexible working will need investment in IT infrastructure, modifying building layout and providing more appropriate furniture, as well as in staff training. Before we can make a corporate commitment to adopting flexible working across the Council we need to understand how the different aspects of it can work in practice, the technological and management support we need to put them in place and the best way to realise accommodation and other efficiency savings. For that reason, several teams have been, or will shortly be, conducting 'Proofs of Concept' – trials designed to explore the implementation of flexible working.
- 1.7 The approach adopted for these trials, and that recommended here, has drawn from national research and best practice on flexible working, as well as local projects. Officers have discussed equipment with a number of suppliers who have demonstrated the technological solutions that assist with flexible working practices, and these have been evaluated and trialled. HR has conducted focus groups, issued questionnaires and sought input from staff and managers who had been working with flexible working practices and in the proof of concept. Overall, we have explored all aspects of flexible working, from HR policies and management practices to telephony, laptops and other IT equipment, software and accommodation requirements.
- 1.8 The following sections of this report set flexible working in the context of our wider change programme and go on to outline the key learning points from experience to date. Looking at IT, People and Accommodation they highlight key systems and policies being adopted, and identify issues which will need to be addressed if we are to adopt flexible working successfully. The report goes on to explore the outline business case for applying flexible working practices across the Council and proposes a programme for taking flexible working forward. It does not endeavour to set out a full business case, but illustrates how we can use existing resources in rolling out flexible working, and explores the opportunities for realising savings. Where additional spending may be necessary this is highlighted.

2 Flexible Working and the 2010 Programme

- 2.1 For some time now we have badged our corporate programme of change and improvement as the 2010 Programme, and this is now well recognised by staff and Members. 2010 encapsulates the sort of organisation we aim to be in the future, and its key themes are customer service and efficiency, supported by closer working with communities, well-trained, flexible staff and responsive IT systems.
- 2.2 There is a clear relationship between flexible working practices and the wider cultural change that we are seeking to achieve through the 2010 Programme. A key focus for senior managers - and particularly the Head of Organisational Development and Chief Executive, who are respectively project lead and project sponsor for both flexible working and 2010 - will be the effective co-ordination of the introduction of flexible working with other aspects of our change programme. Equally, there will be a strong focus on the more subtle changes in the behaviours and approaches to their work of both front-line staff and their managers necessary to achieve change.

2.3 Flexible working is, in particular, closely linked with our objective of working with local communities through so-called local access points based in our larger settlements – Cabinet has asked for detailed proposals to be brought forward following approval in principle of this policy in CAB 1481. These will provide a focus for a number of services, including access to advice and information, and surgeries. This requires officers to be present in the ‘hub’ offices, either on a full- or part-time basis. A hub office also provides a base for mobile staff, reducing the need to return to the office. Our approach to providing local access points is being developed alongside the flexible working programme, and provides a complementary driver for changes to IT, personnel practices and accommodation.

3. Key elements of our approach to Flexible Working

3.1 Experience to date is summarised under three themes: IT, People and Accommodation, and staff perceptions of the proofs of concept are briefly reviewed. These proofs are continuously evolving and lessons are constantly being learnt as technology and processes are refined. Our approach will build on these different aspects of how we work, recognising that there is no “one size fits all” solution.

3.2 ***IT and Telephony***

Key projects, programmes or changes include:

- Upgrading of broadband links between office and home, including provision of wireless links in offices to facilitate use of laptops;
- Provision of broadband links (via cable and wireless) to parish offices;
- Upgrading of hardware to allow greater use of laptops (as an alternative to PCs), with docking stations at desks, trialling of tablets and PDAs;
- Development of a standard IT and equipment package for home-working;
- Integration of systems to improve efficiency; for example integrating Lagan (customer response management software), CAPS (planning and environmental health) and Orchard (housing software), and purchase of NDL-Metascybe;
- Introducing IT solutions to facilitate mobile working by Building Control staff which is now being tested, and will be adopted by Neighbourhood Wardens later this month;
- Planned roll-out of Electronic Document & Record Management System to facilitate distance and mobile access to documents;
- Improvements to telephony to allow numbers to follow staff, and greater use of mobile telephones;
- Introduction of desk and room booking software.

Key issues are:

- Ensuring our IMT investment programme and priorities are aligned with the priority Members wish to attach to progressing flexible working;
- Managing additional telephony costs, ensuring that we achieve the right balance between the use of mobile telephones and land-lines. In due course, we may need to review our existing contract, and consider on what basis it should be re-tendered in 2010;
- Making a business case for improved broadband links to local access points in parishes. Until we do this, we will not be able to gain the full benefit of using them for both customer access and as docking stations for mobile staff;
- Making provision for additional support costs for home-workers under our contract with Digica (which will be necessary as numbers increase).

3.3 **People**

Key projects, programmes or changes include:

- Development of HR policies and procedures on flexible working, home-working, mobile working, hot-desking, IT security and lone working. These are attached at Appendix 2 for Members of Personnel Committee only;
- Training for staff adopting flexible working and their managers;

Key issues are:

- Agreeing that a home-working allowance be paid to staff working on a full time basis from home and that this be pro-rated for those working one or more days per week from home. This is to cover additional costs incurred by home workers, in particular for a broadband connection to enable remote access – it has proved to be more effective for staff to set up their own broadband connection, rather than the Council do so. It also serves to incentivise staff to make a change which some may find difficult. The level of such an allowance should be the subject of negotiation with Trades Union colleagues;
- The review of our use of lease and other vehicles – which will be underway shortly – will need to take full account of the introduction of flexible working;
- Our policies will need to be amended so that, for the purposes of car usage and travel claims, the City offices be identified as the base for home working;
- Personnel Committee need to be invited to agree the revised policies and procedures outlined above;
- Staff should be required to make full use of e-calendars and of voice mail;
- The Council will need to adopt a ‘clear desk’ policy to assist with flexible working;
- Provision will need to be made to carry out appropriate health and safety checks of home-working and other working environments.

3.4 **Accommodation**

Key learning points are:

- The proof of concept areas have demonstrated a reduction of 30% in the number of desks used (ie. for every ten staff there are now seven, rather than ten, desks). This provides a benchmark against which we can roll-out flexible working, although what may be achievable in individual teams will vary according to business needs.
- To complement a reduction in desk space, we need to provide areas for mobile staff to ‘touch down’ and work for a short period, along with ample formal and informal meeting space and quiet working areas. Teams will need to design layouts to meet their own needs.
- To ensure we make optimal use of office space, we also need to streamline storage space and reduce the amount of storage required, which will be facilitated by EDRMS.
- A “standard package” for furniture has been developed for both home working and hot desking. We can make full use of existing furniture stock, but not all is ideal, and some additional purchase may be necessary.
- Staff will need to adopt new behaviours, for example using smaller meeting rooms for informal conversations or long telephone calls.

Key issues are:

- Our developing programme for local access points will need to take into account the space needs of mobile workers.

3.4 **Staff Perceptions**

The Human Resources team have sought the views of staff participating in the proofs of concept. Overall, these report a fairly positive experience, although there are important messages about the need to prepare thoroughly for the transition to flexible working (in particular hot desking) and to provide technical support as the change is made. That survey also suggests a number of further small changes that can and should be made to improve the working environment. Whilst some staff may never adjust to new ways of working, the great majority seem to have embraced the change and adapted well.

4 Outline Business Case for Flexible Working

4.1 This report began by outlining the range of benefits which can accrue from flexible working. However, realising these will need investment in a number of areas, and it is important we therefore judge whether the costs are justified by those benefits. The Council is also seeking to secure financial savings from changes to working practices, and these must be quantified and realised. Whilst many benefits, and indeed a number of costs, may be intangible, it is nevertheless important that we establish an understanding of costs and potential benefits, and indeed how to realise the latter.

4.2 Taking first accommodation, the average cost of office space for the City Council is approximately £237.50/m². Each desk occupies 12m², and so carries an accommodation overhead of approximately £2,850/annum. Thus in principle, depending on the reductions we can achieve, and based solely on reduction in desk space (ie. before storage reductions are also made), the following indicative accommodation savings may be possible across the Council:

<u>Reduction in no. of desks</u>	<u>Potential accom. saving</u>
120 (30% reduction as per proof of concept)	£342k/annum
90	£257k/annum
60	£171k/annum

These figures are intended only to give an indication of the overall costs of space. In practice, the possible gains are determined by where changes are made, what space can be freed and how it can be utilised by Council staff or others.

4.3 Accommodation savings can only be realised if we can vacate and make alternative use of (or indeed dispose of) unoccupied areas. That would be possible if, for example, we could move all staff out of a building such as Abbey Mill, or if other occupants could be found for vacated areas of the City Offices. This search for alternatives will need to be part of our strategy for rationalising accommodation as a consequence of reducing space occupied. Ultimately, it is

only with a modern office building that we will be able to harvest maximum efficiencies from reducing office space, including by reducing energy and other costs.

- 4.4 The next phase of the roll-out of flexible working (appendix 1) will need to be planned to allow a usable proportion of space to be released. Once key steps have been completed, we will need to consolidate teams in a smaller area and so create a sufficient volume of space to allow other uses – thus allowing costs savings to be realised. A detailed timeline and ‘map’ of space changes will be drawn up to facilitate that consolidation.
- 4.5 There are other, non-accommodation benefits from changing our working practices, including in particular reduced turn-over as we can accommodate individual working patterns, improved service through ensuring staff are available at key times, better customer contact through mobile working and improved efficiency through reduced travel time. Even less quantifiable is the opportunity to bring together ad-hoc teams for short-term joint working. Further more, with flexible working patterns also being a prerequisite for the success of local access points, our changed practices will directly benefit customers.
- 4.6 So far as costs go, the following would be incurred in taking forward a programme of flexible working:
- Flexible working allowance for staff (if, for example, we assume a payment in line with the current £500 allowance for a full-time home-worker, a maximum cost of £60k/annum would result from a reduction of 30% in number of desks – although in practice it will inevitably be lower). There is no current provision for this, and it has to date been met from existing budgets.
 - There are clear costs in providing IT software and hardware to support flexible working. The Head of IMT advises that the existing budgets are sufficient to continue to roll-out the next phase, adopting the approach of the proofs of concept. The only potential additional cost identified is that of maintenance, outlined in 3.2 above.
 - On telephony, costs depend largely on the use made of mobile phones. There are also potential costs in upgrading the switchboard. For the present, no additional costs beyond existing budgets are anticipated.
 - Immediate accommodation costs will be met from existing budgets. The costs of consolidating space to allow savings to be realised (see 4.4 above) will need to be offset against the gains which will be made.
 - For the present we can make full use of existing furniture stocks.
 - Training costs will be met from the current corporate training budget.
 - The cost of health and safety inspections can be met from existing resources.
- 4.7 In summary, officers’ assessment is that the next phase of the roll-out of flexible working can be met from existing budgets. Moreover, we will be able to maintain the standards of equipment and support we have adopted for the proofs of concept. As we seek, in due course, to take these changes to our working practices yet further, then there will inevitably be costs, although we are only in a position to identify some and quantify fewer; the most notable being the cost of the provision of network infrastructure to support local access points. However, those possible future costs need not be a barrier to progressing with the next phase.
- 4.8 Overall, Members will want to consider whether the potential for cost savings (albeit that careful estate management will be needed to realise accommodation savings), combined with the less quantifiable service improvements and benefits for staff, justify continuing our programme of flexible working. Whilst for the present there are no direct additional financial

costs identified, there will inevitably be an opportunity cost as we seek to manage this complex change process.

5 Next Steps

- 5.1 Subject to Cabinet confirming they are content with the approach outlined here, the next step is to implement the next phase of the roll-out of flexible working across key areas of activity, as outlined in appendix 1. This will need to be tied with clear plans for reducing space occupied and with a full budget for IT and other spend to support that programme, all of which will need to come forward for approval in due course. From this programme, we will need to identify and plan to realise the opportunities for savings on accommodation costs. We should also agree qualitative measures of customer and staff satisfaction and service improvement to support these changes.
- 5.2 The proposed next phase of that roll-out is outlined in appendix 1. The services identified are those where there is significant potential for flexible working. Taking the benchmark of a 30% reduction in the number of desks used, the aim is to remove 47 desks.

OTHER CONSIDERATIONS:

15 CORPORATE STRATEGY (RELEVANCE TO):

- 15.1 Winchester City Council seeks to be 'an efficient and effective council'. Changes to our working practices will achieve outcomes sought by improving customer service and generating opportunities for efficiency savings.

16 RESOURCE IMPLICATIONS:

- 16.1 No new costs are forecast beyond existing budgets to implement the next phase. However, a budget provision will need to be approved by members in due course for consolidation office moves to release surplus space in due course. It is also likely that we will need to make further investment as we seek to develop flexible working beyond the stage we are currently, in particular for IT systems. Again, approval will be sought at the appropriate time.

17 BACKGROUND DOCUMENTS:

- 17.1 Key documents can be accessed through the Human Resources page on the Council's Intranet, or by contacting David Blakemore in Democratic Services Division. Project plans and details of the proofs of concept, including staff surveys, are available from the Head of Organisational Development.

18 APPENDIX:

Appendix 1 - Proposed next phase for rolling out flexible working.

Appendix 2 (attached for Personnel Committee only) – flexible working policies.

Other Members can access them via the HR page of the Intranet. Copies are also available in the Members' Library. Members of the public can obtain copies from David Blakemore (01962 848 217).

Appendix 1

Proposed roll-out plan for next phase of flexible working at WCC

Area	Flexible Working Options	Date for beginning project planning (2 – 3 month lead in time)
Building Control	Mobile working and hot-desking	October 2007
Neighbourhood Wardens	Mobile working	October 2007
Access and Infrastructure (save Parking)	Home-working and mobile working	October 2007
Planning	Home-working, mobile working and hot-desking	November 2007
Housing Repairs	Mobile working	December 2007
Housing Managers	Home-working, mobile working and hot-desking	January 2008
Environmental Health	Home-working, mobile working and hot-desking	March 2008