Report to the Performance and Finance Scrutiny Committee

10 March 2023

Smarter Working – Progress Report

Report by Director of Place of Services as Chair of the Smarter Working Programme Board

Summary

This report provides an update on the implementation of the Smarter Working programme which has been in place since late 2021 as part of the preparations for the way the Council would operate once the Covid 19 lockdown restrictions were lifted.

Focus for Scrutiny

The Key lines of enquiry for the committee include the following:

- That the aims and objectives of the proposals are clear and that they meet the needs of the Council Plan to ensure the priorities and targets of the County Council can be met and that there are no unintended consequences in relation to the services offered to clients/customers
- That the proposals are flexible enough to meet the changing needs and work practices of the County Council
- Service providers and officers have been involved and consulted on the proposals being recommended
- The cost, financial benefit and/or savings implications of the proposal, how it represents good value and whether sufficient resources are available to support implementation have been assessed
- That any significant risks to service provision have been identified and assurance sought on the effectiveness of actions planned to manage these
- The proposals include a plan or commitment to meet the Council's commitment to climate change and the reduction of the carbon footprint of the Council
- Plans are in place to monitor the implementation and impact of the proposal and identify how scrutiny could add value to this process in the future

Proposal

1   Background and context

1.1   The Smarter Working programme has been in operation since late 2021 and was set up to prepare the Council for the way office-based staff would work once the Covid 19 lock down restrictions were lifted. To guide the work programme an outline vision statement for how the Council would operate going forward was agreed as follows:

Smarter Working practices and tools enable our people to work in the most effective location for their job requirements, preferences and personal situation, choosing to work remotely or to make best use of a range of inspiring, flexible and modern council workspaces.

The council provides services from a reduced number of cost-effective workspaces and with a significantly reduced carbon footprint, located and sized to meet the needs of our smarter working practices, members, our staff, our services and our customers.

1.2   The Smarter Working programme is expected to deliver the following key outcomes:

- The Council will maintain the highest standards and quality of service provision whilst adapting to the new ways of working by significantly reducing the workspace provided for our staff and members.
- Council staff can operate in a flexible manner with regards to working location that better suits their work and personal lives with no negative impact on their well-being or productivity.
- The opportunity to increase the availability of services due to smarter working practices and more flexible hours of operation.
- Elected Members and the democratic processes to support them are enabled to work flexibly in accordance with Member expectations and needs.
- The ability to better meet the needs of our customers.
- Increased flexibility in how we best use workspaces, including provision of the most appropriate equipment to do the job.
- An effective property portfolio that matches, but does not exceed the Council's requirements, including Member meetings.
- The ability to be more agile and flexible to respond to external changes.
- An improved working environment for our staff.
- Reduced requirement for staff and Members to travel.
- Reduced requirements for workspace.
- To reduce the carbon footprint of the Council's operations.

1.3   The national Covid 19 pandemic response compelled the Council to rapidly implement new ways of working to deliver its services. In particular, the vast majority of office-based staff were required to work from home relying on IT to provide council services. This demonstrated that the Council could successfully maintain most services without staff being in offices yielding a lower carbon footprint. As the pandemic restrictions were lifted the opportunity has been seized to consider how the Council might best operate in the future: to assess how teams could work smarter, to understand the IT implications and the office accommodation requirements to meet Smarter Working.

1.4   From the initial lockdown in March 2020, office-based staff have experienced significant changes to their working practices. From the lifting of the lockdown restrictions in 2022, these staff entered a new phase of hybrid working. In particular, since April 2022 staff have worked in a hybrid way; they are expected to be in the office for those tasks that are better done face to face e.g. team meetings, and have the flexibility to work remotely based on service need and individual and team preference. It also enables the continued benefits of reduced staff travel. Although teams have developed their smarter

working plans it should be acknowledged that this is an evolving set of arrangements as we continue to learn what works best.

1.5   To support managers and staff to achieve the greatest benefits from new ways of working, a programme was initiated that reviewed the smarter working opportunities to define future accommodation requirements, additional IT needs and the necessary cultural change that is required.

1.6   Whilst from a cultural perspective, progress is being made, as with any large-scale organisational change programme, this is taking time to embed and is constantly evolving. Overall, feedback received from a number of staff webinars on the opportunities afforded to staff who are able to work in a hybrid way has been very positive. The main challenges to date have been largely pragmatic, relating to issues such as access to office and IT equipment, criteria for required presence in the office and car parking.

1.7   As Smarter Working moves to the next phase, and approaches to service delivery continue to develop, it will be important to ensure the associated accommodation, digital and cultural enablers are re-aligned to support these as appropriate. In particular, the proposed accommodation changes referred to in this paper will provide a helpful stimulus for culture change and will assist managers in further developing different ways of working both within the office environment and also remotely. To support this, it will be important to maintain a flexible approach to Smarter Working, recognising that what might work well for one service will not be appropriate for another. It is anticipated that managers and teams will need additional support to ensure accommodation changes have the necessary corporate and staff buy-in and this may require further capacity within the Human Resources & Organisational Development (HR&OD) team.

2   The approach to Smarter Working – Findings from Phase 1 Analysis

2.1   The approach to Smarter Working is driven by the Council Plan priorities so this is a business and service led initiative with Directorates and their teams having developed Smarter Working plans. The Smarter Working programme team has assessed these and then followed up with a series of over 100 in depth discussions with teams across all directorates and services to ensure they have understood the identified needs for workspace according to their plans for Smarter Working. This activity has also included an assessment of the work requirements for Members and the democratic process.

2.2   The webinars run by the Organisational Development Team within HR&OD have also provided a bottom-up insight into what managers and staff require to make Smarter Working effective. Over the last year, HR&OD has also produced a range of resources to assist managers and teams in the transition to hybrid working. This has included a toolkit and online Smarter Working Webinars. The webinars were well attended and attracted a wide audience from across all services and have also informed the design of Smarter Working.

2.3   The Smarter Working programme team consulted the Council's Corporate Performance and Planning team to consider whether remote working had any identifiable impact on Council Key Performance Indicators (KPIs) or performance. The finding is that there is no discernible impact. In addition,

HR&OD confirmed that remote working had not increased the number of staff calendar days lost to sickness, although it was difficult to be conclusive during a pandemic.

2.4   Importantly, following Covid 19, many more organisations are offering employees flexibility of where they work with many offering hybrid or fully remote working. The Council is struggling to recruit and retain staff in many areas, and it needs a strong offer to retain and compete for talent and this will need to include similar benefits offering flexible working. For the Council, smarter working has the added benefit that it will be able to attract talent from a broader geographic pool and retain staff who move away from the county and would previously have left the Council's employment.

2.5   In terms of accommodation, most office-based staff are located in four sites - the Chichester campus (comprising primarily County Hall main building, Northleigh and The Grange); Parkside, Horsham; Durban House, Bognor Regis; and Durrington Bridge House. The first two of these sites have been the focus of the accommodation assessment of converting service requirements into the need for desks and meeting rooms etc. In doing this the programme team has built in a margin of error allowing for 70% occupancy of buildings. This is not an exact science and acknowledges that Smarter Working is evolving, that there will not be an even occupancy across the working week and that we would not want to take out too much accommodation as it is more expensive to recommission property.

2.6   The key accommodation findings from the study are that there are more than sufficient desk and meeting room spaces in the main County Hall building (751 desk spaces) to meet the service requirements (625 desk spaces) of teams located on the whole Chichester campus. The total desk spaces on the campus is 1,477. This means that it would be practical to decommission Northleigh and The Grange. Similarly, in Parkside, Horsham there are 576 desk spaces (excluding those used by other organisations) and a smarter working need for 241 so a smaller replacement building should be explored.

2.7   From a service perspective, the findings are that these locations are in generally the right place. In particular, Adults' and Children's Services both require an office base in the north of the county and on the coast in the Worthing area. From an operational service perspective there is less of a requirement for a base at Chichester. Many of the support services or Place Services functions located in Chichester could equally be based elsewhere in the county and the Chichester location seems to be largely historic. County Hall has also been built to accommodate the meeting rooms linked to the Council's democratic functions. It is also clear that services require office spaces to be reconfigured very differently e.g. zoning for directorates/certain teams, more meeting rooms, informal collaboration spaces, quiet areas and private areas; and with less space a requirement for a booking system has been identified.

2.8   While there has been a focus on office accommodation the programme team has also sought to explore how the wider estate can assist smarter working (e.g. to use some appropriate fire stations for Children Young People & Learning accommodation for meetings).

3   Current Activity and Plans – Phase 2 Implementation

3.1   The key elements of the phase 2 implementation programme are summarised below and are due to be completed in 2023:

- Faithful and Gould has been engaged to support the programme team to develop and implement a programme of accommodation changes (directorate zoning, new workspaces, properly equipped workstations etc) within the existing main County Hall building on the Chichester campus and Parkside, Horsham to support the smarter working needs of teams identified through the analysis and to verify those requirements through monitoring space utilisation.
- Decommission The Grange and Northleigh on the Chichester campus. There have been initial discussions with Chichester District Council on whether it would like to move onto the County Council campus.
- Identify right size, low carbon office accommodation in the Horsham/Crawley area to replace Parkside, Horsham and develop options for consideration. Early discussions have taken place with Horsham District Council on whether it would like to join the County Council in exploring a shared alternative site. Based on the study findings of service requirements a replacement building would be around 42% of the existing County Council space in Parkside, Horsham. An initial benefit from Smarter Working is that part of the fourth floor has been released and let commercially to the Royal Society for the Prevention of Cruelty to Animals.
- Include alternative accommodation for Adults' and Children's Services in the feasibility work for the Centenary House site, Durrington as a potential replacement for Durrington Bridge House where the lease will expire in around 4 years.
- Explore the extent to which staff located at Durban House, Bognor Regis need to remain in that location and whether there is an opportunity to decommission that building
- Consider and develop with Members any plans for future working arrangements for Members.
- A desk booking system is being procured as this is likely to be required as the amount of available office space is reduced.

4   Consultation, Engagement and Advice

4.1   The Smarter Working Programme Board is an officer board that reports to the Executive Leadership Team (ELT) and is chaired by the Director of Place Services. It includes senior officers, at Department Leadership Team level, from all departments to ensure that Smarter Working meets business and service needs.

4.2   Managers and staff have been engaged via webinars which have been helpful in sharing experiences and learning from across the Council. A service stakeholder group has been established for the Chichester campus to ensure that there is systematic engagement with teams that will be affected by the consolidation of office accommodation in the main County Hall building. Unison has also been briefed on the Smarter Working Programme.

4.3   The programme team has also sought to learn from other similar organisations via the County Council network and has engaged professional experts in modern office design.

4.4   Smarter Working has been identified as a major corporate change project and an internal audit review is being undertaken to provide Members and ELT with assurance about the programme.

5   Finance

5.1   Phase 1 of the project has centred on gathering data on the smarter working plans that services have developed as the organisation moves to a new way of hybrid working. The conclusions from that evidence gathering has then been used to develop the scope and methodology for phase 2 of the programme.

5.2   The links between this project and the de-carbonisation work also being scoped will require additional resource primarily within the Property and Assets team and the exact size and cost of that team will be influenced by the extent and scope of both projects. The costs shown below assume resources to deliver both programmes concurrently.

5.3   Phase 2 will include the reconfiguration of accommodation within County Hall and the move from The Grange and Northleigh. The plan below sets out an estimate of costs based on the experience in the move from Centenary House in Durrington to Bridge House in Durrington. The exact scope of the works required will become clearer as requirements are firmed up and there is potential that some of these costs may be suitable for capitalisation.

5.4   The mothballing of The Grange and Northleigh will generate savings in respect of utilities and operational costs. Depending on their future use it may remove the need to de-carbonise these buildings.

5.5   Smarter Working will require further phases of work and it is envisaged that these will release additional savings but will also require investment. These will be subject to further reports based on the feasibility studies undertaken as part of phase 2.

5.6   The budget to deliver the programme is funded from the Service Transformation Reserve, although alternative funding sources will be explored as the detailed programme becomes clearer. The table below sets out the detail.

Table 1 - Funding requirements of the programme

Programme Activity		Total
	£'000s	£'000s
Phase 1 expenditure out turn	275	
Phase 2 Budget		
Property Team – additional temporary staffing		285
Booking System for meeting rooms and desks - set up costs and first year		144
Programme Management Team (2 staff) for phase 2		310
Feasibility Studies for alternative accommodation		60
Implementation of accommodation changes for Chichester and Parkside, Horsham		531
Contingency (20%)		266
Total Phase 2 Costs		1,596

6 Risk implications and mitigations

Table 2 - Risk Implications and Mitigations

Risk	Mitigating Action (in place or planned)
Costs to update County Hall exceed planned budget	The costs will be identified by our partners, Faithful & Gould, in March. This will be reviewed against the agreed budget. If it exceeds the budget then the Programme Board will develop options on how best to proceed, which may include reducing the planned work or reducing the scope of other elements of the programme.
The space in County Hall, once updated, is insufficient.	A significant amount of effort has been put into sizing County Hall. Daily occupancy checks have revealed that the requirements used for planning will provide a 25% contingency over the maximum observed occupation. Mothballing the Grange and/or Northleigh in the short term allow contingency if there is a significant increase in office space requirements.
The space in County Hall, once updated, is not fully utilised.	The first phase of this programme will pilot the provision of spaces that better suit hybrid working, it is expected that as the space is used we will review our planning figures and refine for other office hubs. We have taken a cautious approach and planned a level of contingency in the accommodation to ensure we do not impact service delivery.

Staff resist the changes, delaying the programme and not taking advantage of the updated office space.	We have set up a stakeholder group with representatives from all teams that reside in the Chichester campus. We keep them informed and listen to their teams' concerns and seek to provide reassurance. We are planning staff engagement activities once the plans are known and will work closely with all teams to manage their move to the updated office space in County Hall.

7   Policy alignment and compliance

7.1   The Smarter Working Programme supports the Council Plan by seeking to implement the most effective and efficient ways of working and in so doing to also reduce the Council's carbon footprint. Smarter Working also seeks to maximise the use of our assets, reconfigure them in the most effective way and to secure the disposal of surplus assets.

7.2   The Council Plan includes a KPI with a target reduction in operational property space. The decommissioning of The Grange and Northleigh will release 6,038m2 of office space, representing around 3.7% of the operational estate of 161,625m2 as at March 2022. The proposed reduction will help achieve the KPI target of 140,600m2 in 2023/24.

7.3   Climate change presents an important challenge and Smarter Working is a clear opportunity. While the Chichester campus and Parkside, Horsham can be reconfigured to support Smarter Working the buildings are very poorly performing from a carbon footprint perspective and retrofitting will only bring limited gains. Decommissioning two buildings on the Chichester campus will help as combined they produce 36% of the total Chichester campus CO2 emissions. It is planned to explore some alternative site options initially for Horsham Parkside. Given the capacity of the organisation and the amount of change being proposed it is suggested that consideration of an alternative site for County Hall, Chichester is deferred for consideration in a future phase should that be indicated.

7.4   The Council's Human Resources (HR) policies are being reviewed and some may need adjustment to ensure they support Smarter Working and that the Council complies with its legal requirements as an employer and in respect of health and safety law. In particular, all staff will continue to have an office base in their employment contract. HR prepared a Smarter Working toolkit to assist managers and staff in developing their smarter working arrangements. Smarter Working will assist the Council in retaining and recruiting office-based staff as hybrid working arrangements will be available. The Council's IT offer, and its resilience have developed and have been able to support remote and office-based working. In particular, the implementation of Microsoft Teams was a significant step forward. A key issue for staff has been the availability of suitable IT kit to support both remote and office-based working and this will be addressed. Key issues are wider availability of IT kit in meeting rooms to support hybrid meetings and the kitting out of workstations. The programme team consulted with IT to confirm that the current IT service offer and the IT strategy both align with Smarter Working objectives.

7.5 The implementation of smarter working and the flexibility that it offers is expected to improve staff wellbeing. It was the case during the pandemic and continues to be the case that staff who need to work in the office for wellbeing reasons will be able to continue to do so.

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Appendices

None

Background papers

None