



Craffu - Ymgysylltu heddiw, Llunio yfory - Scrutiny - Engaging today, Shaping tomorrow

An inquiry report of the:
Policy Review & Performance Scrutiny Committee

Home & Agile working

March 2022



Cardiff Council

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FOREWORD

It is undoubtedly the case that the pandemic has changed the way we live and work. One of its few positive impacts has been that organisations have been forced to try new ways of working when normal office life was virtually stopped for a lengthy period of time.

When we were all asked to work from home some organisations feared a drop in performance and staff wellbeing. The evidence is now suggesting that many staff benefitted from this arrangement but also that their work performance was usually positive too. A national, even international consensus is now building that working life may never return to pre-pandemic patterns. That will not only change the nature of employment but also how countries operate. Large scale commuting and ever enlarging office blocks may now become a thing of the past, something most of us would welcome.

Here in Cardiff Council, the impact has been substantial but, as the infection risks reduce and the threat recedes, we are recognising that the authority's future is likely to be very different from that anticipated and planned for in 2019.

The Council's Senior Management Team has responded promptly to the opportunities described and has started shaping the authority's post pandemic future. It is a huge undertaking and one which the Policy Review and Performance Scrutiny Committee felt it could contribute to. Not to scope out an alternative strategy but to seek to add value and undertake research which could offer perspectives the present and future administrations would find helpful.

My sincere thanks to my task group colleagues Cllrs Henshaw and Mackie for contributing to this Inquiry. Finally, I would like to express my appreciation of the excellent work of Principal Scrutiny Officer Nicola Newton who played a major role in shaping the report and getting it published against a very tight deadline.

We therefore offer this report in the expectation that its findings and recommendations will enhance the work already in train. We commend it to the Cabinet and to the newly elected Council in May 2022.



A handwritten signature in black ink that reads "David Walker". The signature is fluid and cursive.

**Councillor David Walker, Chair,
Policy Review & Performance
Scrutiny Committee**

TERMS OF REFERENCE

1. The Policy Review & Performance Scrutiny Committee agreed following its re-start in September 2020 that its work programme would include a task and finish inquiry into the Council's approach to capturing the benefits of homeworking developed as an emergency response to the pandemic. The Terms of Reference for the inquiry were agreed as follows:

To examine how the experience of managing remotely during the pandemic can inform future policy on autonomy at work, operating within a culture of care and trust; with a specific focus on the management/leadership challenges of supporting home & agile working.

2. The expected output/outcome from this investigation was:
To produce a report that uses the evidence gathered to make recommendations to the Cabinet to inform future policy on autonomy at work within a culture of care and trust.
3. The Committee agreed that the Membership of the task & finish group would comprise:
 - Councillor Jane Henshaw
 - Councillor Norma Mackie
 - Councillor David Walker (Chair)

KEY FINDINGS

Organisational Strategy and Culture

KF1 Where an organisation has large numbers of home/hybrid working staff there must be a trust-based model of service delivery that starts with clear corporate values from the leadership. The model should be understood and upheld by all employees, creating the culture for success. It will need to include checks and balances to ensure staff compliance when placed in a position of trust.

KF2 Organisations with a successful home/hybrid working culture have revisited and updated organisational values and developed a consistent leadership approach. The same management behaviours will be evident across all services and bases/locations, delivering a consistent culture, based on these values.

KF3 A move to home/hybrid working requires cultural change led from the top of the organisation and, in the Council, this has started to happen. Council senior managers interviewed considered that the organisational culture had started to change during the pandemic, but that further work was required to ensure that such change is consistently understood and applied by leaders in all directorates. The Chief Executive and Senior Management Team have started setting the tone and expectations for a new model of working and are now at the stage of ensuring that the tone and expectations cascade down consistently.

KF4 The Council's HR policy framework needs updating to reflect home & agile working, particularly policies affecting such areas as terms and conditions, personal performance and development review, organisation structure, job roles and responsibilities, as well as sickness absence and well-being policies.

KF5 As things change and home/hybrid working becomes established, equality between home and office-based workers is becoming the accepted norm. Senior managers consider this was not previously the case when office-based staff enjoyed some advantages.

KF6 Effective home/hybrid working requires effective corporate communication, to ensure staff feel involved and not isolated. The importance of engaging all staff in the development of new home/hybrid working proposals cannot be overstated.

KF7 It is important that home/hybrid workers establish clear boundaries between life and work and ensure a clear separation of the two.

KF8 Evidence from a spread of Cardiff senior managers revealed that every service area has its own culture. There does not appear to be a methodology for identifying what 'works well' and can be replicated. Sharing experiences and best practice in managing home/hybrid workers would secure greater uniformity of approach, which in turn would ensure the experience of home working for the Council is consistent across the organisation.

KF9 Compiling and making use of some excellent existing cultural norms which are being employed by one, or a few, Council directorates offers the opportunity for useful organisation learning and potential change.

Leadership and Management Behaviour

Performance management – role of managers

KF10 Managers have a major responsibility and will need to exercise a key role in making the home/hybrid working option a success and in helping their teams to support the creation of a successful homeworking environment.

KF11 A move to greater levels of home/hybrid working has a strategic impact on the role of the middle manager in an organisation. Senior

managers will become more dependent on middle managers fulfilling their potential as team leaders.

KF12 Homeworking throughout the pandemic has highlighted management style strengths, weaknesses and variation in the abilities of managers to adapt to new role expectations. Some middle managers are finding it difficult to embrace the increased responsibility.

KF13 The support needs of employees are picked up earlier in an office environment than a homeworking/virtual environment. The literature review confirms that managing homeworkers can be more challenging than managing office-based staff. Managers must adopt new ways of leading, motivating and monitoring their staff. They will also need skills in identifying and addressing wellbeing issues and concerns.

KF14 Managers who are unwilling or lack the capacity to change their management and control styles are likely to experience a deterioration in the depth and vitality of their connection with their homeworking direct reports, whose work performance may also suffer.

KF15 Managers must stay in close contact with home/hybrid workers, emphasising information-sharing and deliverables rather than close monitoring of work processes. In having this approach managers should be able to support staff in achieving work-life balance, better job performance and positive levels of collaboration with their co-workers.

KF16 Organisations that were early adopters of homeworking consider managing people online can be more challenging, particularly when more difficult conversations are required. Seeing people regularly at work enables managers to spot signs of stress. For home/hybrid workers the emphasis needs to be on regular and focussed on-line conversations and occasional face to face meetings with their manager.

KF17 Managers need to have a better understanding of what each direct report is working on and be prepared to challenge when a member of the team is underperforming. Monitoring work performance can only be successful when managers are prepared to speak openly with their staff about issues of concern including workloads.

KF18 A key success factor is that performance management is outcome based and measures an employee's effectiveness in undertaking their role as opposed to the hours worked. Trust will be central to a new outcome-based approach. Managers will need to adjust their strategies for monitoring employees, moving from behaviour-based to output-based controls in effectively managing home/hybrid working staff.

KF19 The Council's Personal Performance and Development Review framework of 6 monthly objectives setting and review is the formal mechanism for performance management. The framework would benefit from the inclusion of strategic informal checks between the 6-month reviews to manage staff performance. Manager and home/hybrid worker will also need to agree a *check-in check-out* system to maintain effective contact.

Performance managing the team- the role of managers

KF20 Senior managers in Cardiff are clear that the first question for all managers is '*can we deliver the service in the new working environment?*'.

KF21 Managing the hours worked by a team is monitored via the staff flexitime system DigiGov. Managers are encouraged to review staff flexitime records to identify any pattern of an employee continually working additional hours. Managers should encourage staff to take their leave entitlement.

KF22 Monmouthshire Council uses a trust-based time-keeping approach. Staff are employed on a fully flexible basis, there is no clocking in or out. Core hours have been removed altogether.

KF23 It is important that a hybrid policy clarifies that any service manager has the power to insist on physical attendance at a workplace where levels of service delivery, or output, would be compromised by homeworking, or where homeworking for the individual is not producing the outcomes agreed.

KF24 Hybrid working requires agreement between staff and management to ensure business/office hours are covered. Homeworking can elongate working hours from 7.30am-9pm, leading to responses to e-mails being delayed. This is particularly an issue for frontline services where staff need to deal with calls or emails during specific periods of the working day.

KF25 Whole team contact levels vary widely across the Council. Some service areas have weekly business improvement meetings that might be worthy of experimentation by other directorates or rolled out more widely and become a feature throughout the Council. Whatever model a service area adopts should allow regular work team contact

KF26 There is a perception that team working has recently suffered in some areas. This is more likely to be the case where managers/supervisors leading frontline workers are themselves based at their home. It will be important, in such cases, for onsite or in-hub team meetings to be held from time to time so that personal contact is maintained, not only with the manager but between colleagues.

KF27 It is important that managers listen to individual employees and take their needs on board as well as the needs of the whole team in delivering the service. A key success factor in introducing a home/hybrid working model will be the need to review arrangements regularly and maintain open two-way communication with staff.

KF28 The relationship between manager and direct report should be a balanced one, using a management style that builds trust and empowers the employee. If an individual employee is struggling, they should be more closely monitored and supported.

KF29 Arrangements for new starters needs consolidation across the Council. One service reported that, where a team has a new starter, they are encouraged to work in County Hall for the first few weeks alongside a rotating number of staff, to kick start their induction. It is important that managers ensure new starters integrate well into their new team, creating opportunities for teams to meet up, including on screen socialising, and more connection and communication between staff generally. The Council offers a half day online induction course that may require review. Other successful homeworking organisations typically spend two days on induction training.

KF30 Management tools such as *mentoring* and *coaching* are used in organisations that report successful homeworking arrangements at all levels. Some Cardiff services report a mentoring approach, including one of 'buddying up' low and higher-grade staff within the service. All managers would benefit from training in the skills of coaching and mentoring.

KF31 We heard from Cardiff senior managers that '*Management roles have changed and a whole new layer of complexity exists*'; '*Line managers have adapted fast.... and we must take this golden opportunity*'; and '*Middle managers now take clearer responsibility for their teams and for the welfare of their direct reports*'. Present management structures may be inappropriate to address the challenges of hybrid working. Similarly, the management competencies required will be different and there will be a wide range of new skills required. A major

review and diagnosis of both structure and skills in each directorate would seem to be an essential starting point

Productivity

KF32 The positive impact of homeworking on productivity is well documented by academic and practitioner research¹. Most employees engaging in homeworking prior to the pandemic were doing so by choice and self-reported an increase in their productivity, possibly motivated to suggest that homeworking is not detrimental to productivity. There are also manager reports of increased or 'no change' productivity with most of their homeworking staff.

KF33 The suggested reasons for improved homeworker productivity are attributed to an increase in work hours. This is usually made possible by reduced commuting times, removal of office-related distractions, work intensification, more discretionary effort, taking fewer breaks and, in some cases, working longer hours. Homeworkers are often motivated to prove that this alternative working arrangement, which suits their work/life balance needs, is successful.

KF34 The literature review found that an employee survey undertaken by the Chartered Institute of Personnel Development in 2020, and calculations made by Felstead in 2020 using Understanding Covid Society data revealed similar results. More than a third stated that homeworking had no effect on productivity. A lower proportion indicated that homeworking had either increased or decreased productivity. The main reasons cited for a decrease in productivity included having less work to do, having to provide care or home schooling, a lack of motivation/focus/concentration, limited access to workplace resources, less frequent interaction with colleagues, and changes to how work was carried out.

¹ Appendix 1 A review of Research Evidence on the Impact of Homeworking, January 2022

KF35 The review found evidence that team productivity can be adversely affected by homeworking in cases where work involves a high degree of task interdependence. However, when homeworkers make themselves proactively available on-line to their colleagues in such circumstances, team performance can be enhanced.

KF36 Cardiff senior managers' perception is that staff are predominantly more productive homeworking and use their calendars more. Microsoft Teams has improved meeting capability, frequency and therefore productivity, whilst having the benefit of ensuring that everyone's input is sought.

KF37 A key factor found to affect team productivity is organisational attitude to homeworking. Research found that team performance tends not to suffer in organisations where homeworking is regarded as normal practice.

KF38 Whilst most Council services produced no metrics on productivity pre-pandemic, for those departments that are profession/policy based the perception is that productivity is higher operating in the virtual world than in the office.

Implications for staff

Work-life balance & Well-being

KF39 Work-life balance & well-being are inextricably linked. In Cardiff senior managers report that working flexibly has benefitted employees' work-life balance and therefore, generally, staff are happy with the prospect of hybrid working. There will, however, be members of staff whose wellbeing is best served by being based at an office, or other

Council facility. There will also be a proportion of employees whose roles or home circumstances will not allow homeworking.

KF40 Flexibility of working style can have a positive impact on work-life balance, particularly due to the elimination of commuting time, however research confirms there are gender related implications, particularly the potential for increased stress and home demands on time where there are caring responsibilities. These need to be picked up during manager one to ones and addressed.

KF41 Homeworking can lead to lower levels of work-related stress than those experienced by office-based staff due to the perception of having greater control over one's work environment and schedule. Research suggests that work-family role conflict is sometimes a source of pressure for the homeworker and has been correlated with negative experiences of emotional and physical ill health. This again will be a challenge for managers to help resolve.

KF42 In Cardiff there has been some staff resistance to homeworking, particularly where home issues and distractions can cause difficulties. Some staff have asked to return to the office, having missed the benefit of social interaction with work colleagues. Going forward the Council may need to review the impact of reduced social interaction on staff well-being.

KF43 The review of homeworking literature revealed social isolation as one of the challenges of working from home. Partial homeworkers are less likely to experience social isolation or miss the emotional support from co-workers and informal interaction with others compared with full time homeworkers. An organisation introducing homeworking should consider an individual's suitability for dealing with the social isolation associated with full time homeworking.

KF44 Research found that homeworking is unlikely to exert a negative effect on relationships with colleagues for individuals who partially work at home. (ACAS 2013). For those who are exclusively homeworking there may be links to decreased quality of co-worker relationships. The study found that it is the quality rather than the quantity of communication with others that is important to homeworkers

KF45 The homeworking employee needs an environment adequately set up for work, confidentiality, personal rules and self-discipline, which will differ from those employed at an office base.

Personal job satisfaction

KF46 A key success factor in homeworking is developing effective self-management skills. Ensuring that staff practice good diary management, that calendars are automatically updated, voicemails and out of office messages are routinely used to enable business continuity.

KF47 The individual homeworking employee has a heightened responsibility to feedback ideas and issues of concern to their manager effectively. Homeworking employees will need to develop the skills to achieve this, but it is most likely to work when the manager is able to encourage two way open and effective dialogue.

KF48 There is variable evidence of the impact of homeworking on job satisfaction. Research suggests that job satisfaction tails off as homeworking approaches 3 days per week. Where there is higher autonomy, leading to higher job satisfaction, this can often be attributed to higher personal commitment and loyalty to the employer.

KF49 Homeworkers can have concerns about the impact of professional isolation on their career prospects, however there is insufficient research evidence to establish whether homeworking contributes to lower levels of career ambition or whether employees with pre-existing low levels of

career ambition have deliberately chosen homeworking arrangements. Visibility in the workplace, if only for part of the week, may reassure staff that their capabilities are noticed by managers.

KF50 In Cardiff Council, where there has been recent structural movement in directorates, there is some evidence of career progression whilst homeworking was in place.

Practical Issues

Space/accommodation

KF51 A benefit of staff being home based for part or all of the working week is the cost reduction in overheads associated with maintaining large buildings. To utilise its asset base efficiently Monmouthshire's new HQ depersonalised office space with bookable meeting rooms for face-to-face meetings. Services are allocated office zones, but not personal desks. Monmouthshire's move to flexible working has evolved in two phases. Following the first phase move to *flexible* working the Council adopted a 50% desk: employee ratio. However, the second phase move to *hybrid* working is likely to see a 20% desk: employee ratio. The Chief Executive is located alongside his senior team and Cabinet Members share one large office.

KF52 NRW has recently reviewed its estate across Wales and established 3 hybrid working sites. A central motivating factor is Carbon reduction. Early calculations suggest that 50% less office space will be needed than previous working arrangements. The status associated with personal offices has been removed. All space has been stripped of personal belongings and set up for hot desking, providing a range of working options, with sound pods, breakout areas, sofas and team meeting areas. Visiting the office is to meet, not to work alone. NRW recognise the importance of exciting staff about their environment and have sought staff views on place-based decision making. As with Monmouthshire there will

be less use of desk-based telephones and a room and desk booking system is in place.

KF53 It will be important that Cardiff Council maintains a longer-term vision for office needs and builds flexibility into its plans for office accommodation where staff will be hybrid working and ensures a generous supply of bookable meeting rooms.

KF54 Staff in Cardiff are currently expected to be in the office on a *need only* basis, wellbeing need, physical need or where the home working environment is unsuitable. Looking ahead managers expect most staff to be home based 3.5 to 4 days and office based 1 to 1.5 days. This will considerably reduce the office footprint

KF55 Not all staff will have the option of home/hybrid working. Technical staff will have to be at base, and some services, such as Waste Management, need middle managers and supervisors to communicate on-site with frontline staff. To avoid those staff who are wholly frontline being excluded from all home/hybrid working opportunities the Council may wish to examine the opportunities for job redesign or job share.

Technology

KF56 Technology plays a key part in successful homeworking. Homeworkers require enhanced access to technology and support compared to office-based workers as they are more affected when technological issues arise in their own environment without the immediate support of colleagues or alternative technology to rely on. This can potentially result in further social and professional isolation and stress from not being connected with colleagues.

KF57 The key to successful home/hybrid working is becoming paperless and fully electronic. Training staff and members in the technology to work virtually and providing high quality equipment will underpin this.

KF58 A hybrid working policy will require further developing and embracing of technology. To date the Council has a good record in the provision of technical support and managers are confident that the IT service, with correct funding, will be able to support homeworking effectively.

KF59 Frontline services such as Waste Management require investment in new fully integrated mobile software that allows frontline staff to work directly from home without first reporting to a core office. It requires a business case for investment in software systems,

Recruitment

KF60 Home/hybrid working is a new way of working that has become a recruitment benefit for most Council services. Staff retention is normally better with homeworking and a package offering work-life balance can be attractive. However, going forward, the Council will need to review the trends/profile of future recruits and whether this has been impacted by the offer of hybrid working.

Training and Development

KF61 Managers will require new management skills to support homeworking and would benefit from formal training in skills such as coaching/mentoring as part of a formal hybrid working roll out. Personal Performance and Development Reviews will need to address professional and career development.

KF62 Whilst the majority of staff training takes place online, some mandatory classroom-based training for the manual workforce has fallen behind during the pandemic and needs to be reinstated.

KF63 Management training and support on health and safety guidance is effective. However, a number of areas require training and development courses to maximise the effectiveness of homeworking, many of which could be offered by Cardiff Academy: They include IT skills to ensure staff are effective at online working from home; Management skills in performance management, staff development, coaching and mentoring, and improving one to one communication and listening skills. Also, how best to induct new starters whilst hybrid-working.

DRAFT

RECOMMENDATIONS

The Task group recommends that, in order to lock in the changing culture emerging from working arrangements during the pandemic, and to ensure a successful home & agile hybrid working model, in the medium-longer term, Cabinet:

R1 Develops, publishes and communicates to all staff a refreshed set of Council values setting out its vision of how hybrid working will be introduced and embedded. Such values will need to be widely communicated and receive constant reinforcement by leaders at all levels.
Supported by KF1,3

R2 Refreshes and updates the Council's HR policy framework to reflect new working styles, particularly policies affecting such areas as terms and conditions, organisation structure, job roles and responsibilities, PPDRs as well as sickness absence and well-being policies.
Supported by KF4,7,39,41,55

R3 Undertakes a full review of the leadership expectations and capabilities of managers at all levels. This review should provide managers with:

- An updated role definition;
- A full understanding of their responsibility for disseminating the Council's vision and upholding its culture;
- The people management skills and personal guidance they require to successfully deliver a hybrid model; and
- A clear definition and understanding of what the Council means by 'management by results.' This should include defining expected people and performance management capabilities, leading to a review of the knowledge and skills required to develop all managers to meet this key requirement.

Supported by KF2,10,11,12,13,14,17,18,31

R4 Clearly sets out its expectations on the levels of communication and consultation between managers and their hybrid/office-based and homeworking staff. Central to the system should be regular whole team meetings which encourage staff feedback to managers on how the effectiveness of working styles could be improved. An important element of the framework must be staff well-being needs.

Supported by KF6,15,16,19,25,26,43,44

R5 Locks in the emerging Council culture by introducing a framework for the continual sharing of service area hybrid working processes, experiences, and best practice, to benchmark and ensure consistency of culture, management, and staff experience across the Council. Capturing some excellent existing cultural norms which are being employed by one, or a few, Council Directorates offers the opportunity for useful organisation learning and potential change.

Supported by KF8,9

R6 Recognises the value in exploring the experiences of other Councils, for example Monmouthshire, which successfully introduced new ways of working well before the pandemic. Monmouthshire's experience of homeworking is summarised in this report and offers a number of learning opportunities for Cardiff Council, particularly their two-phase approach to hybrid working that further reduces staff: desk ratios and office space requirements.

We recommend contact at Chief Executive level to establish potential learning followed by exchanges at director and senior manager level.

Supported by KF22,51,53,54

R7 Invests in training to support the successful introduction of a new style of working in the delivery of Council services. Three key areas of focus and development for Cardiff Academy stood out in our research:

- *Management skills* – in coaching and mentoring; managing home/hybrid worker performance and identifying and dealing with staff wellbeing needs.

- *Induction* – enhanced induction for home/hybrid working new starters.
- *IT self-sufficiency* – all staff would benefit from *IT skills* training that ensures confident self-sufficiency whilst homeworking and successful communication with their line manager.

Supported by KF29,30,46,47,56,57,58,61,63

R8 Requires each Directorate to develop and implement an action plan setting out what it expects in terms of people management and preferred leadership styles. These plans should be consistent across the Council reflecting the refreshed vision and values.

Supported by KF20,21,28

R9 Requires the Senior Management Team to undertake regular reviews, at least annually, of the quality and consistency of hybrid working, its effectiveness in the delivery of council services and the embedding of the agreed and implemented recommendations in this report.

Supported by KF27,42,60

CONTEXT

Cardiff Council - Overview of current homeworking position

4. Prior to the pandemic very few Cardiff Council employees worked from home and some senior managers reported a level of scepticism as to whether this was the best arrangement to deliver council business. However, the pandemic emergency of 2020 demonstrated that homeworking works well for most people and the present perceived management view is that homeworking offers benefits to both employer and employee. For the past 2 years staff have taken the opportunity of more flexible working styles, adapted quickly and many are reluctant to give up homeworking. There is an added stated environmental benefit that less commuting may reduce carbon emissions, although heating and lighting the home workplace may counterbalance that potential advantage. There have also been challenges in Cardiff, and, whilst there is a general resistance to change in some Council service areas, the prevailing management view is that the pandemic has led to more flexibility and innovation. Managers' report that solutions that facilitate homeworking are emerging all the time². So how did the Council arrive at this point?
5. The Council transitioned to a 'work from home' model for staff not working in critical front-line services in response to Covid-19 in March 2020. It has not reverted to pre-pandemic working practices, instead it is proposing a Hybrid Working Model (HWM) that seeks to maintain the benefits seen over the past two years, whilst mitigating the risks identified. (*Recovery and Renewal Cabinet Report, May 2021*).
6. For the immediate future, the expectation is that many staff will continue to work from home where possible. The Council's Recovery Programme is being delivered in 2 phases – 'during' (phase 1) and 'post' pandemic (phase 2). The HWM is currently under development, with staff and stakeholder engagement well underway. Work is in progress addressing complexities such as culture change, meeting protocols, and locality

² Senior Management Fieldwork by Homeworking Task Group, November 2021

working. The Programme will have key linkages with other Council strategies such as One Planet and Economic Recovery. A future Organisational Recovery report will set out a recommended service model. A business case analysis will be needed alongside development of the model that establishes the transformational impact, illustrating the importance of productivity gains. The current phase 1 is key as the organisation becomes clearer on how it will operate services post pandemic.

7. To support its work on a HWM the Council carried out an *Employee Survey* between July and September 2021. The headlines from the survey indicated that staff working from home during the pandemic valued no commuting (87%); flexibility (74%); and improved work/life balance (68%); however, missed colleagues / social interactions (54%); found it harder to differentiate home and work (32%); and had IT problems (31%). Looking back 70% considered themselves to be more productive (a little or a lot); 63% have an increased workload (slightly or much increased); 66% have an improved sense of wellbeing (slightly or much improved); 57% feel slightly or a lot less stressed. Looking forward, 26% of staff felt working from home would best suit their role; 15.9% would prefer to be home-based/mobile; 50.7% felt hybrid working would best suit their role; and just 7.4% felt working full time on-site/office based would best suit the role. The top benefits of hybrid working were seen as less commuting (89%) flexibility (83%) and reducing my carbon footprint (73%); whilst top disadvantages were considered hot-desking (42%) and IT problems (34%).
8. The employee survey also sought managers views on the experience of managing staff working from home. Over 80% of managers felt they had had sufficient contact with staff during the pandemic, whilst 88% considered they had been able to support their staff. Managers felt it had been easier to set up meetings (68%), use technology (64%) and productivity had increased (44%). The key disadvantages highlighted were concerns over staff well-being (49%), IT problems (46%) and increased workloads (29%). 35% of managers consider hybrid working is already

successfully in place; 20% consider further IT support is required and 19% would be seeking different equipment.

9. The Council plans to base its HWM on 3 key principles:

- Work is what we do not where we do it;
- Hybrid Working will be embedded in the way we work, and this will be the norm, not the exception;
- Management by results

10. As the Council develops its HWM managers will be encouraged to:

- Empower employees to have the autonomy to choose where, when and how work is carried out whilst meeting the needs of the business.
- Adapt their styles to ensure effective outputs and continuous improvement.
- Be proactive in maintaining effective communication and working relationships.
- Be fair and consistent in considering individual circumstances & workstyles.

11. Within a Hybrid working environment employees will be encouraged to:

- Take greater responsibility when choosing where, when and how work is completed in order to achieve the required outputs.
- Make the best use of technologies and their working environment to improve productivity and customer focus.
- Utilise the 3 Hybrid Working principles to meet the needs of the business whilst promoting their own wellbeing & work/life balance.
- Take responsibility for their own working practices and ensure effective communication & working relationships are maintained.

12. The Council believes working spaces are shaped by activities, not allocated to individuals. A *Digital First* approach will deliver modernisation of desktop telephony & audio/visual solutions, giving employees the software to carry out their work at any location. A desk booking system will give the employee the option of selecting location and preferred desk for a half or full day.

13. *Activity Based Working* will need to accommodate the following 4 tasks:

- Focus - an environment that allows concentration and minimal interruption.
- Collaboration - an environment that enables creativity and innovation working with others, either in person or via technology.
- Socialise/Network - sharing information and ideas across teams, services, and the organisation to promote a move away from silo working.
- Learn - formal and informal training courses, peer to peer contact, supervision and mentoring.

KEY EVIDENCE

14. Members of the task group first commissioned a review of published research evidence on the impact of pre-pandemic homeworking, to identify the issues that should form the basis of their evidence gathering from internal and external witnesses. This review is attached to the report at **Appendix 1** and the key messages from its executive summary have been incorporated in the key evidence within this report. The review provided a platform for the task groups work and those who require more detail as to the sources of evidence are encouraged to follow the link.
15. To supplement the review and the evidence gathering the task group interviewed a cross section of senior managers from a variety of Cardiff's services on their experiences of managing homeworking staff. Their views and experiences have been consolidated, analysed and headline findings captured in the key evidence section.
16. Two comparable public sector organisations were chosen as reference points, due to their move into homeworking well before the pandemic, Monmouthshire County Council and Natural Resources Wales (NRW). We were interested to learn how they have made it work and what they will be refining as they look ahead and consolidate the position post pandemic. The background to each journey, in their own words, is captured in the boxes below, and their evidence and pointers to key success factors are incorporated in the key evidence section of this report.
17. The evidence gathered has been collated and analysed thematically. The themes emerging that merit consideration for the medium-long term development of future working styles are Organisational Strategy & Culture; Leadership & Management behaviours; Implications for Staff; Practical Issues and Training & Development.

Monmouthshire County Council

Monmouthshire Council has been working flexibly for many years. The arrival of a new Chief Executive in 2009, who saw little evidence of agile working, sought to change office culture, beginning by creating an open plan office for himself and the team directly supporting him.

New headquarters, located 12 miles from the former site, were at the planning stage and would seek to address future needs, technological requirements, travel patterns, sustainable heating, and parking provision. The needs of the workforce at the time, including those commuting, were central to the plans. However, cost was a key driver, and the new HQ was constructed on the basis that 50% of the workforce would be homeworking at any one time and therefore the building could be much smaller in scale than its predecessors. That decision was made before the arrival of the pandemic.

Staff were asked to empty desks, clear bookcases, and scan documents needing to be retained, enabling the council to become paperless. For some this was difficult, however many embraced it. At the same time, the council abandoned its 'core' working hours (10am-12pm and 2pm- 4pm) and introduced completely flexible working hours. Online 'Agile Working Flexi Sheets' were introduced, placing the responsibility on the employee to be honest about the hours they were working. This required managers to trust their employees and manage performance in terms of their effectiveness in performing their role as opposed to the hours sat at a desk. All employees were required to maintain an up-to-date online calendar including meetings, working location and private appointments, so that managers were clear where staff were at all times. The Council's corporate values of Fairness, Flexibility, Openness and Teamwork were understood, and the culture became a 'trust based' model, which would assist the council throughout the turmoil of not having a HQ for an extended time.

The two years needed to build a new HQ provided a testbed for Agile Working and enabled officers and members to find alternative spaces for working and holding meetings. Monmouthshire had small satellite offices and officers took advantage of working at those and places such as community hubs and leisure centres but mostly, both staff and members attempted agile working. Formal meetings such as committees were held in the Shire Hall, a council owned historic building. Very informal meetings such as Scrutiny Chairs Group were held in a local café/pub at zero cost.

Throughout the construction period a business case for Agile Working ensured that the technology to enable staff and members to continue working effectively was put in place. All staff and members were given a laptop with video capability. Note the key difference between home-working and 'agile working' is that employees are not expected to work from a single location or from their homes, the location could be a leisure centre, a community hub, a coffee shop, or campervan!

Future arrangements, both organisational needs and accommodation capacity are under review. Pre-pandemic some staff were home-working 1 day per week whereas this is likely to become the more permanent pattern for many, with staff attending HQ 1-2 days each week.

Natural Resources Wales

Natural Resources Wales (NRW) is a Welsh Government sponsored body that became operational from 1 April 2013, formed by the merger of the Countryside Council for Wales, the Environment Agency Wales, and the Forestry Commission Wales. It is responsible for environmental protection and regulation and the maintenance of natural resources throughout Wales.

Pre-Covid NRW were already working flexibly, with few roles tied to specific locations. Working from home was by informal arrangement at the discretion of the line manager. Almost all staff already had laptops, so when Covid hit the ICT was already in place. NRW's geographical spread means its experience is a little different to Cardiff Council, though the principles of successfully delivering homeworking are the same.

NRW underwent organisational re-design a few years ago, creating more consistent teams, fewer managers and more supervisors who are closer to their actual teams. The organisational structure created uses a matrix style of management, six Executive Team Directors manage all staff across Wales.

NRW are currently reviewing their Homeworking Strategy and Space Strategy. A staff survey in July 2021 revealed that staff appreciate the flexibility of homeworking and 78% wanted to either work from home or work flexibly.

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18. Monmouthshire Council's values are Open, Fair and Flexible. Clear corporate values from the leadership that are understood and upheld by all, seek to create the culture for success. The trust-based model is endorsed by the Chief Executive hosting a whole organisation Teams meeting every Friday, referencing organisational expectations. The CEO is quoted as saying "*We employ adults, not children and you are trusted until you prove otherwise*".

A key success factor for Monmouthshire in embracing homeworking has been effective corporate communication, to ensure staff don't feel isolated. Monmouthshire's Corporate Communications team has therefore stepped up.

Monmouthshire stresses the importance of staff engagement, of involving staff in new proposals, understanding their needs, not underestimating the sensitivity of working arrangements and recognising that many will be against it.

Monmouthshire admit there were difficult moments in the course of getting to their current position. Overcoming teething problems requires selling the flexibility of new arrangements. It is important that no member of staff is told they must work from home, it is very much up to the individual. Some Monmouthshire officers are still in the office more than they are at home.

A further success factor Monmouthshire Council has identified is that all managers and staff must consider the boundaries between life and work and ensure a clear separation. The Council intend to trial hybrid working and aims to introduce a hybrid policy by Christmas 2021.

19. Natural Resources Wales report it has taken awhile for the cultures of three previously separate organisations to merge into one, suggesting there had been a few issues along the way. A lot of work has been done on values and what leadership looks like. NRW's aim now is that when you walk into an NRW office across Wales the same behaviours will be evident; a consistent culture based on the organisation's values.

20. Cardiff Council's approach to post pandemic organisational recovery is set out in 4 strands of a Recovery Programme:

People – what people need to operate efficiently and effectively, including: policies & working arrangements e.g., core hours; management / staff guides/staff training e.g. on managing outcomes; performance management; health and wellbeing support.

Accommodation - workspace needs, including spatial assessments, safe layouts, storage and document retention; Hybrid meeting arrangements; touch down requirements – core buildings and community based; workflow arrangements; smart building technology

Technology needs, including desktop solutions / standardisation; hybrid technology / meetings (staff and Members to consider); connectivity solutions

Customer's needs, including: A need to refresh any customer / resident engagement – post pandemic have expectations changed? Automation and increased digitalisation; use of data; customer contact points including those not able to use digital channels.

21. Senior manager fieldwork revealed there is clear direction from the Chief Executive and Senior Management Team that the manager's role is to focus on staff welfare and celebrate success, setting the tone and expectations. That tone all senior managers must aim to cascade down. Senior managers consider that organisational culture has changed, there is now more equality between home and office-based workers.

Managers recognise the organisation can benefit from homeworking and the vast majority of staff, even those that were sceptical, think there is a place for it. The Council has good Terms and Conditions and whilst happier staff makes for a better workplace, senior managers feel the Council shouldn't be taken advantage of.

Senior managers recognise that a move to homeworking requires cultural change, which remains the Council's greatest challenge. A hybrid working policy will require further developing and embracing of technology. It will also need to include checks and balances to ensure staff compliance when

placed in a position of trust. The Council's HR policy framework needs updating to reflect online working, particularly policies such as sickness absence and well-being policies. There is clearly the environmental impact assessment of homeworking to factor into new ways of working, but this inquiry has not looked closely at these.

Leadership and Management Behaviour

Performance management – role of managers

22. The literature review found that managers play a key role in making homeworking a success and in creating a successful homeworking environment. Research shows that a substantial proportion of managers (40%) confirmed that managing homeworkers is more difficult than managing office-based staff. Managers might have to change their strategies for monitoring employees from behaviour-based to output-based controls to effectively manage homeworking.

Managers who are unwilling or who lack the training to change their management and control styles, are likely to experience a deterioration in the depth and vitality of their connection with their homeworking direct reports. Research suggests Managers should be willing to relinquish the traditional notions of how best to manage performance – usually based on direct supervision – and adopt new ways of motivating and monitoring their staff. For managers who prefer to have their employees in sight, supervision of their staff, managing homeworkers, poses a challenge. They may be concerned about a loss of direct control over homeworkers, unable to detect whether an employee is experiencing difficulties, is working too much, or is not working enough. Managers must find new ways of motivating. Trust will be central to a new output-based approach. The adoption of output-based controls will involve assessing performance based on output, products, or other deliverables of the work rather than on the process or behaviours used to generate the output. The more

common practice of behaviour-based controls refers to assessment of employee performance based on employees' observable actions. Managers must stay in close contact with homeworkers, emphasising information-sharing rather than close monitoring of work processes. In having this approach managers are able to support staff in achieving lower work-to-life conflict, better performance, and higher rates of helping their co-workers.

23. Performance management is outcome based at Monmouthshire Council.

The performance framework has changed, becoming less formal.

Quarterly goal setting has become 6 monthly. A *check-in check-out* system is in place to have conversations around what matters.

One-to-one meetings are held regularly to ensure that employees know what is expected of them and to ensure they deliver accordingly.

Performance management is 'outcome based' as opposed to 'time quantifiable'. Managing by output and delivery requires a lot more trust in employees. Managers need to have a better understanding of what each member of the team is working on and must be prepared to challenge when a member of the team is underperforming.

Monmouthshire consider managing online is harder, more difficult conversations are required. Members highlighted that seeing people regularly at work enabled managers to spot signs of stress and poor mental health. Monmouthshire counteract this with regular online 1-to-1's between employee and manager and consider that catch up conversations are more frequent and focussed.

A key success factor at Monmouthshire is that performance management is 'outcome based' as opposed to 'time quantified' i.e., measuring an employee's effectiveness in undertaking of their role as opposed to the hours worked.

24. NRW's considered view is that Covid-19 facilitated a huge shift in mindset.

NRW consider they are getting more from their staff. Employee performance objectives are based on the high-level objectives set out in

the Corporate Plan. Performance Reviews take place twice yearly and there is an expectation that between reviews managers will carry out regular strategic rather than daily checks to manage staff performance.

25. Senior managers highlighted that the Council has a formal Personal Performance & Development Review policy and framework which continues to be applied and works well virtually. The framework ensures 6 monthly 1-to-1's with all direct reports. However, 1-to-1's are generally a more regular feature for new starters, staff who are struggling, or those undertaking new roles/ extra activities.

The support for employee needs is picked up earlier in an office environment than a homeworking/virtual environment. The individual homeworking employee has a heightened responsibility to report back to their manager effectively, recognising that they are a part of an effective solution and will need to develop the skills to achieve this.

Senior managers report that the move to homeworking has forced a change of mindset with respect to managing staff and use of their time. Generally, managers have responded well, line managers have adapted fast and managing online is functioning well. All managers are more aware of HR policies. However, homeworking has highlighted management style strengths and weaknesses, the ability to adapt and management competencies.

With homeworking management roles have changed, middle managers have become a vital organisational communication tool. Some managers are finding it difficult to embrace the increased responsibility. Virtual management removes senior manager real-time assessment of body language and behaviour in the office, making them more dependent on middle managers, but this is where the supervisory responsibility should lie. Where there are trust issues, some managers are perceived to struggle and would benefit from formal coaching/mentoring/support and training as part of a formal hybrid working roll out.

Performance managing the team- role of managers

26. Senior managers are clear that the first question for all managers is 'can we deliver the service?' Managing the *hours worked* by a team is monitored via the staff flexitime system, DigiGov. Managers are encouraged to review staff flexitime records. Monitoring *workloads* starts with sound and regular communication between manager and direct report.

Whole team contact levels vary widely across the Council. In some services operational managers are encouraged to have contact with their whole team a minimum of once every three weeks, with most teams meeting on a fortnightly basis. In others whole team meetings are held once a month, team leaders meet weekly, and every individual has a 1-to-1 once per month. In others direct reports have weekly meetings with managers, there will be e-mail chats and more informal check-ups. Some report that team members speak over Microsoft Teams 2-3 times a day,

One service reported that where a team has a new starter, they are encouraged to work in County Hall for the first few weeks alongside a rotating number of staff to kick start their networking. Another service reported a mentoring approach of buddying up low and high-grade staff.

Senior managers report that whilst culture is changing and workloads are increasing, the management of performance has not changed significantly, it remains mostly output and trust based. Microsoft Teams has improved meeting capability and productivity is considered to have improved.

Managers agreed the pandemic has led to innovation in some areas.

'At the start of the pandemic, I held a daily 30-minute Teams meeting with my direct reports...we developed an action plan for each functional area. I also had a 1-2-1 weekly meeting with each direct report – now fortnightly.'

There is a perception that team working has suffered in some areas.

Cardiff senior managers considered that the manager's role is to lead by example by effectively separating work from home life, simply saying '*I'm logging off now*' when not working. Managers can review flexitime records

to identify a pattern of continually working additional hours and some need to encourage staff to take their leave. Where homeworking managers/supervisors are leading frontline workers, it is important to maintain a strong physical interface to avoid distancing between manager and employee. Where the organisation issues a directive that all staff who are able should work from home, it is important that a hybrid policy clarifies that any manager has the power to insist on physical attendance where levels of service would be compromised by homeworking.

27. Monmouthshire recognises that homeworking teams are more effective because of better communication and mutual co-operation. It has chosen to focus on delivering outcomes that matter to citizens, rather than counting time. To maintain momentum teams often create alternative methods of contact, e.g., outdoor meetings.

Monmouthshire cites that a key benefit of homeworking is more effective leadership and improved workforce flexibility. Managers listen to employees and take their needs on board as well as the needs of the service, understanding that the team is not made up of 'robots'. A key success factor for that authority is that managers will need to review homeworking arrangements regularly and maintain open two-way communication with their staff.

28. At NRW 19% of the current workforce started working for the organisation during Covid. To ensure new starters and teams work well together opportunities for teams to meet up include on screen socialising, a commitment to social meetings, and more connection and communication with staff generally. New starters are expected to spend two days induction training. Senior staff are also making more effort to meet online than historically.

NRW encourages a strong leadership approach, recognising that if Managers take a caring and supportive approach NRW reaps the benefit. Microsoft Teams phone/video calls make it easier to get to know and to praise an employee. Notably staff retention is good. A distinction is made between mentoring someone and coaching them, and a range of management

training courses are ongoing. The most senior managers are encouraged to establish relationships with professional mentors.

At NRW the relationship between managers and staff is characterised by using a balanced management style to build trust. Staff are empowered, trust is considered to be an organisational norm. If an individual employee is struggling, they are more closely supported and monitored.

Productivity

29. The literature review revealed the positive impact of homeworking on productivity is well documented by academic and practitioner research from the late 1990s and early 2000. Most employees engaging in homeworking prior to the pandemic were doing so by choice and self-reported an increase in their productivity, possibly motivated to prove that homeworking is not detrimental to productivity. More recent and rigorous evidence (after 2010) using self-reported data plus supervisor rated assessment supported that view. A quantitative assessment found that productivity sometimes increased significantly.

Various reasons were cited in different literature on the reasons for increased productivity. Generally, this is attributed to an increase in work hours made possible by reduced commuting times. The productivity gains can also arise from the lack of office-related distractions present in the home setting e.g. frequent phone calls or impromptu conversations with colleagues can be avoided. Another reason cited is work intensification. Individuals increase effort while working, putting in more discretionary effort taking fewer breaks and, in some cases, working longer hours when homeworking. One suggestion is that staff are often grateful for the opportunity to work from home, and so exert greater effort, or are motivated to prove that this alternative working arrangement is successful.

There is limited information on the effect that the widespread growth of enforced homeworking has had on productivity levels during the lockdown

and recent research findings have differing results. Research conducted in the Netherlands reported that productivity has slightly decreased, however Canadian research reported the opposite.

The employee survey undertaken by CIPD in 2020 and calculations made by Felstead 2020 using Understanding Covid Society data found similar results. More than a third stated that homeworking had no effect on productivity. A smaller proportion stated that this had either increased or decreased productivity. The main reasons cited for the decrease in productivity include the following: having less work to do, having to provide care or home schooling, a lack of motivation/focus/concentration, limited access to workplace resources, less frequent interaction with colleagues, and changes to how work was carried out.

There is some evidence that team productivity can be affected to some degree by homeworking in cases where work involves a high degree of task interdependence. This can be true in cases where there are limited avenues for communication and coordination between team members. However, evidence suggests that when homeworkers themselves are proactively available to their colleagues, team performance can be enhanced.

Perceptions that homeworking can threaten knowledge transfer between homeworkers and office-based staff and potentially affect the quality of relationships among workers is quite well documented in research. However, research evidence demonstrates that homeworking does not significantly affect the quality of information exchange between homeworkers and other organisational members. Instead, it was found that a key factor that affects team productivity is organisational attitude to homeworking. Team performance does not suffer in organisations where homeworking is regarded as a normative practice. The development of new processes, communication routines, schedules to accommodate homeworkers help maximise the benefits that can be derived from homeworking and the work of the team.

30. Senior Cardiff Council managers' report that where a service is profession/policy based the perception is that productivity is higher in the virtual world than in the office. The opportunity for 100% focus at home can be more productive. Removing commuting times, which benefits those that travel furthest, has the potential to gain a minimum of 1-hour extra productivity each day without additional stress. Whilst most services report no metrics on productivity, senior management perception is that people are more productive and are using their calendars more. Microsoft Teams has improved meeting capability and productivity and has the benefit of ensuring that everyone's input is sought.

Implications for Staff

Work-life balance

31. The literature review established that homeworking has a positive impact on work-life balance, particularly the elimination of commuting time, however there are gender related implications, particularly the potential for increased stress where there are caring responsibilities. Boundaries can become blurred, and one needs to adopt boundary management tactics, personal rules and self-discipline. It is critical that the home environment is adequately set up for work and the individual is sheltered from non-work interruptions.
32. Senior Council managers' report that, in general staff are happy with the prospect of hybrid working, homeworking and working flexibly with many reporting having benefitted in terms of their work-life balance. However, working arrangements need to reach a consolidated position. Work-life balance can be achieved when homeworking, usually leading to happier, more productive staff, and this therefore benefits the employer. Some managers hold weekly meetings to check on staff well-being and ensure no-one feels disconnected from the team. Staff find it less stressful not having to commute.

33. The Council has many employees with caring responsibilities for whom greater flexibility of work style has added benefits. An employee can provide a level of support for elderly relatives whilst homeworking, particularly where the work base is a long way from home and a stressful commute has been removed. Such employees found that short caring breaks did not reduce their work capacity or hours which could stretch to compensate.

34. Monmouthshire Council supports the ethos that Work-Life Balance is an opportunity for all employees, not just those with family/caring responsibilities. The Council recognises that personal fulfilment is important and may not always be connected to the workplace.

Job satisfaction

35. The literature review revealed variable evidence of the impact of homeworking on job satisfaction. Those homeworking three days or more per week reported higher levels of job satisfaction than office-based staff. For those homeworking for up to 12 hours per week a positive relationship emerges between homeworking and job satisfaction. Interestingly satisfaction tails off as homeworking approaches 20 hours (3 days) per week. Higher job autonomy equates to higher job satisfaction from homeworking. Autonomy and freedom to manage their own time and schedule the hours worked to meet both work and family commitments reduces work-family conflict. Where there is higher autonomy and job satisfaction there is higher organisational commitment and greater loyalty to the employer. This results in attracting and keeping the best talent. Note that one study revealed for those employees who worked exclusively at home, their levels of commitment were no different to those of office-based staff.

36. Monmouthshire considers a key success factor in homeworking is flexibility. They do not designate employees as a 'homeworker' but travelling to work in the office is encouraged on a 'needs basis' only,

acknowledging that some services, such as Children's Services, the team needs to work closely together. They also recognise that for some staff, such as carers and those in frontline operational public services, homeworking is impossible.

A further key success factor in Monmouthshire's view is effective self-management skills. Ensuring staff practice good diary management, calendars are automatically updated, voicemails and out of offices are switched on, will enable business continuity.

Monmouthshire firmly believes that people feel greater loyalty and motivation because they have more control over their working life.

Managers understand that if you give employees flexibility, they will be more likely to work harder when it is really needed.

Well-being

37. The literature review established that homeworking is associated with significantly lower levels of work-related stress than those experienced by office-based staff. A reduction in stress is associated with the perception of having control over one's work environment and schedule. Partial/hybrid homeworkers (three days a week) report less stress generated by frequent meetings and interruptions by colleagues and perceive less exposure to office-based politics. A general perception is that homeworkers are less available and provide less support in challenging situations. Colleagues are often an outlet for discussing work and non-work matters. There is also evidence of people feeling a sense of reciprocity – the need to increase effort in exchange for homeworking privilege. Presenteeism - homeworkers may feel compelled to work even when sick to avoid employer's doubts regarding their productivity or to maintain the 'privilege' of homeworking. Impact on Absenteeism – it is notable that amongst homeworkers there is a drop in absenteeism, including frequent or habitual absence, from work. The homeworker may, for example, take a morning off when ill rather than a full day, return to work when not fully recovered—or take no time off at all

The review found limited information and evidence on the impact of homeworking on the mental health of employees. An early detailed research exercise in this area by Mann et al. (2000) found that homeworking has a significant emotional impact on employees. This study reported a range of negative emotions such as loneliness, irritation, worry and guilt were more apparent compared to office-based workers.

A statistical analysis of a quantitative study by Mann and Holdsworth found that female home workers are likely to experience higher levels of mental and physical ill health than male homeworkers. The balancing of work-family role conflict has been noted as a source of stress for the homeworker and has been correlated with negative experiences of emotional and physical ill health. Female homeworkers usually retain responsibility for the majority of the domestic chores, which can lead to feelings of frustration, inadequacy and stress in balancing the demands of family life and work (Mann and Lynn Holdsworth 2000). Studies suggest that mental and physical ill health in male office-workers could also be related to a loss of status. Overall, mental health deteriorated across the population during lockdown. However, the fall in mental health at the beginning of the lockdown was more pronounced amongst those who always, often or sometimes worked at home compared to those who never worked at home.

38. Monmouthshire Council reported a strong commitment to protecting the health and well-being of its workforce

39. NRW stated that the health & well-being of all employees is important. They pointed to the risk of overwhelming IT traffic and caution of the need to be mindful of the risk of over-inviting to Teams meetings because of its ease.

40. Senior Council managers' report some staff resistance to homeworking, particularly where home issues and distractions can cause difficulties. Some staff have asked to return to the office often to improve mental health, some miss the benefit of social interaction with work colleagues. They found that formal meetings are more intense virtually, get straight to the point with a lack of social 'chit chat.' Going forward the Council may need to review the impact of reducing social interaction on staff well-being. Senior managers also pointed to the importance of staff understanding that homeworking is subject to the exigencies of the service and arrangements will always need to be business driven. Staff well-being will become the domain of soft contact by middle managers on whom senior managers will depend.

Career progression

41. Research suggests that homeworkers are more likely to feel out of the loop, significantly impacting on longer term career prospects in the organisation. There is a risk of homeworkers becoming 'politically disadvantaged' and a suggestion that visibility, at a central location is critical for soundly based performance evaluations. Some homeworkers have concerns about the impact of professional isolation on their career prospects, fearing that they are not only 'out of sight', but also 'out of mind. Homeworkers have fewer behavioural opportunities to demonstrate high performance in a face-to-face, highly salient context. Fear that others view them as less committed and less loyal to the organisation and prioritising personal life over professional. Homeworkers are less likely to report having the ambition to advance in their careers, less likely to agree that having a career is important to their sense of identity. Insufficient evidence to establish whether over time homeworking contributes to lower levels of career ambition or whether employees with pre-existing low levels of career ambition have deliberately chosen homeworking arrangements. However, there is insufficient evidence to establish whether participation in full time homeworking contributes over time to lower levels of career

ambition or whether employees with pre-existing low levels of career ambition choose to work at home when that is on offer.

Research on the views of homeworkers on how professional isolation affects their career prospects shows they do not believe they miss out on activities and opportunities that could enhance their career and opportunities to be mentored. Most partial (60%) and full time (67%) homeworkers believe that working from home has no impact on their opportunity to advance in their careers. A much smaller proportion felt that their working arrangement had a negative impact on their career advancement opportunities. It was noted from qualitative evidence that homeworking employees proactively avoid any potential damaging effects of professional isolation. Additionally, managers can also set up various arrangements that can help mitigate professional isolation among homeworking staff.

42. NRW considers career progression is not a negative issue for hybrid/homeworking staff and, in fact, flexible working is more likely to be beneficial as performance assessment is based on outcomes.

43. Some Council senior managers report evidence of career progression whilst homeworking, in other work areas, such as technical/cleaning, there has been very little opportunity for structural movement.

Co-worker relationships

44. The literature review found research highlighting concerns that homeworking can have a detrimental on the quality of relationships amongst work colleagues. The spatial distance between homeworkers could translate into psychological distance. However more recent research evidence indicates that homeworking is unlikely to exert any negative effect on relationships with colleagues for individuals who partially

work at home ACAS (2013). For those who are exclusively homeworking there may be links to decreased quality of co-worker relationships.

Employees who work mostly from home have less frequent communications with their co-workers. The research found there was no negative impact on frequency of communication between partial homeworkers, these are best connected to their colleagues even with office-based staff. Research evidence however suggests that there are no links between type and amount of communication with isolation or job satisfaction experienced by homeworkers. As the number of communications increases, perceptions of job control, positive well-being and work-life facilitation decline, and work-to-life interference increases. The study found that the quality rather than the quantity of communication with others what is important to homeworkers.

The view that organisational culture will be weakened as homeworking becomes more prevalent has been refuted by research. This is largely dependent on the culture of the organisation. The evidence suggests that organisational cultures can easily be kept alive and well, even when there is reduced communication among employees. This is particularly true in jobs that have some degree of autonomy, where interdependence is very low and frequent communications with work colleagues may not be essential.

Social isolation

45. Social isolation was identified by full time homeworkers and partial homeworkers as one of the challenges of working from home. This is defined as the sense that one is out of touch with others in the workplace, both physically and in terms of communication Research evidence confirms that social isolation is experienced by employees who spend a minimum of 20% of their working time at home. However only a very small percentage of homeworkers reported that they frequently or very

frequently feel socially isolated. Furthermore, partial homeworkers appear to be the group less likely to experience social isolation compared to fulltime homeworkers.

The degree of social isolation experienced by homeworkers also varies. Partial homeworkers are less likely to miss the emotional support from co-workers and informal interaction with others compared with full time homeworkers. In terms informal interaction with others regarding work, fulltime (72%) homeworkers are more likely to report occasionally missing this type of informal interaction with others. In comparison a significantly lower proportion (40%) of partial homeworkers feel the same way. The evidence suggests that partial homeworkers appear be the homeworking category that experience lower levels of social isolation. Their working arrangement split their working time between home and office and allows them to communicate face-to-face more frequently with office-based colleagues and home-based colleagues.

To avoid feeling socially isolated, some full-time homeworkers and partial homeworkers take proactive measures to stay in contact with their work colleagues. Managers can also support and put arrangements in place to reduce social isolation amongst home workers and encourage social interaction amongst colleagues. The organisation should also consider the suitability of a given individual and their capacity for dealing with the social isolation associated with full time homeworking.

Practical Issues

Space/accommodation

46. Monmouthshire's Cabinet consider utilisation of the Council's asset base is important. The Chief Executive is located alongside all other senior team members. There is one Cabinet office that all Cabinet Members share.

This has been in place for the past 20 months and was a very smooth shift that has had no reported pitfalls.

The transition whilst there was no Monmouthshire HQ was particularly difficult for elected members, as they found they weren't seeing each other regularly, unless for formal meetings. The view was that networking opportunities were lost, and they missed informal conversations with colleagues in the member's lounge or with officers in person, as would have taken place in the previous office environment.

The new HQ provides depersonalised office space and has bookable meeting rooms for face-to-face meetings. Service areas are allocated office zones, but not personal desks. At first the clear desk policy was challenging for officers, who have now adapted to the change.

In 2013 the new office was gradually opened. Desks were allocated numbers and anyone planning to work at HQ was required to book a desk.

Monmouthshire's move to flexible working has therefore evolved in two phases, Medium and Longer Term. Following the initial move to *flexible* working the Council adopted a 50% desk: employee ratio. However, the current move to *hybrid* working is more likely to see a 20% desk: employee ratio. Monmouthshire has 2,300 employees (excluding schools) and is moving to 350-400 desks to accommodate approximately 20% of staff.

As Monmouthshire moves towards hybrid working the previous zones for service areas are being removed and the booking system for desks in work areas zoned by 'type' of work will be retained. Further work is underway to create more flexible workspaces, such as more space for informal conversations and meetings.

Monmouthshire's experience has led them to provide a generous supply of meeting rooms. It is also important to build flexibility into the office accommodation plans. Monmouthshire has considered the possibility that some Council accommodation may need to be lettable in the longer term.

In short, Monmouthshire report a key benefit of homeworking is the cost reduction in overheads associated with maintaining large and expensive buildings.

47. The NRW Space/accommodation Strategy entails a review of all NRW property/estate across Wales. A central motivating factor is carbon reduction. When the review is completed, decisions will be made about lease renewals, improvements, and refurbishment. Early calculations suggest that 50% less office space will be needed than previous working arrangements.

NRW has recently established 3 hybrid working sites across Wales. The offices have been stripped of personal belongings and set up for hot desking. Offices provide a range of working options, with sound pods, breakout areas, sofas, and team meeting areas. Visiting the office is to meet not to work alone. The status associated with office ownership has been removed. The only personal office is that of the Chief Executive. There is, however, a perception that Legal and HR services may find this approach to office space more challenging and may request rooms for confidential meetings. The nature of NRW services means operational teams often use outdoor hubs rather than offices.

New baselines have been established for office accommodation. Staff views have been sought on place-based decision making and NRW recognises the importance of staff acceptance and comfort within their environment. The ultimate question is does the homeworking arrangement work for NRW? Do systems hold up, for example arrangements for the security of technology and data.

NRW are encouraging less use of desk-based telephones, employees are trialling 'bring your own device'. The view is that desk phones are on the way out, all work calls are now made on the Microsoft Teams App and the 3 new trial NRW buildings across Wales will have no provision for desk phones. Desk phones are also seen as a Covid risk. A room and desk booking system is in place.

48. Senior Council managers' report that staff will be expected to be in the office on a *need only* basis, work need, mental need, physical need or if

the home working environment is unsuitable. Managers expect most staff to be home based 3.5/4 days and office based 1.5/1 day. This will reduce the office footprint, but its extent is yet to be measured.

Not all staff will have the option of homeworking. Some technical staff will have to be at base, and some services, such as Waste Management, need middle managers and supervisors to communicate with frontline staff who have no access to IT technology. This will require that they still come into the office and work on site.

Where employees have a challenging home environment it will be important that they have the option of office accommodation. If they opt to work from home, then the capability of holding virtual meetings is critical.

Trust

49. The literature review found various early research highlighting the potential for homeworking to damage the quality of the manager and subordinate relationship. Some managers fear reduced control over their subordinates, while employees fear isolation and information impoverishment. Research recommends that managers might have to change their strategies for monitoring employees from behaviour-based to output-based controls to effectively manage homeworking.

50. Monmouthshire's trust-based time-keeping approach has removed core hours altogether, staff are employed on a fully flexible basis, there is no clocking in or out.

51. Senior Council managers recognise that homeworking is trust -based. However, the Council still operates a system called DigiGov to monitor the hours worked by homeworking staff.

Managers' report that with home working the hours of work can elongate from 8.30am-9pm, and responses to e-mails can be delayed. This is particularly an issue for frontline services. As previously stated, hybrid working will need agreement between staff and management, to ensure business/office hours are covered.

Technology

52. The literature review confirmed the central role technology plays in ensuring successful homeworking. Technological issues experienced whilst homeworking have been associated with significantly higher levels of feeling isolated and reduced feelings of well-being. Homeworkers are significantly more affected when technological issues arise in their own environment without the immediate support of colleagues or alternative technology to rely on. The speed and reliability of internet and network connection, as well as readily accessible information and support on common technological issues are some of the most common problems encountered. Homeworking literature highlights the need for enhanced access to technology and support for homeworkers compared to office-based workers. Overall, research evidence has shown that homeworkers who receive adequate technological support are more satisfied with their working arrangements than those receiving insufficient levels of support.

53. Pre-pandemic all Monmouthshire Councillors had already embraced paperless meetings, which reduced printing and postage costs significantly. Some Councillors elected in 2017 were already proficient with technology. For staff the ability to work flexibly has improved as technology has improved. The council was therefore fully electronic pre-pandemic, staff and members having been given the best technological equipment to enable video meetings.

Monmouthshire stressed that the key to successful homeworking is becoming paperless, fully electronic, training everyone on the technology to work in a virtual workplace and providing high quality equipment to underpin this.

54. Senior Council managers' report that Cardiff Council has mainly done well in the provision of technical support, with most staff very quickly supported with IT hardware and breakdown assistance. Several managers reported

there had been no problems, they were impressed with the service and all the signs were good that the Council could support homeworking effectively.

There was however a request for investment in new fully integrated mobile software that allows frontline staff to work directly from home without first reporting to a core office. It requires a business case for investment in software systems, which has proved to be difficult to demonstrate. For some services improvements to IT software would increase the percentage of staff given the option of homeworking.

Environmental Benefits

55. We heard from Monmouthshire there is a compelling environmental argument for the hybrid/homeworking approach. Staff feel they are reducing their carbon footprint through reduced travel. There is also a no printing /paperless approach which homeworking supports.

Recruitment

56. Monmouthshire reported fewer recruiting difficulties to homeworking posts, lower staff turnover and lower sickness levels. *“Flexible working is a real enabler, it offers a way of life, connecting autonomy with purpose”*.

Experienced people are retained ~ work-life balance practices are evidenced to improve employee engagement; positively impacting upon sickness absence levels and borderline sickness and improving recruitment and retention. Time and money spend on recruitment and training is reduced.

57. Senior Council managers’ report that homeworking is a new way of working that has become a recruitment benefit for most services. For some whereas pre-Covid there were no difficulties with recruitment, post-Covid, demand for cleaning and other on-site staff has increased, particularly in

schools. In services such as these managers consider vacancies, particularly temporary vacancies, are hard to recruit and the potential for flexible working has not helped with recruitment.

Other desk-based professional services have recruited 10-15 new people during the pandemic. Managers' report that staff retention is notably better with homeworking and a package offering work-life balance is attractive. Previously many Council staff were lost to organisations with a more flexible approach. Whilst the Council's financial benefits are not the highest, it is now considered a flexible employer. This view is consolidated by attendance at virtual recruitment fayres suggesting there is an appetite for hybrid working amongst job seekers.

Going forward, the Council will need to review the trends/profile of future recruits and whether its attractiveness as an employer has been impacted by hybrid working.

Training and Development

58. In Monmouthshire managers were trained in new management skills. In 2010/11 a development programme was rolled out, providing coaching training. Managers who still struggle continue to receive 1-to-1 support.

59. Currently the majority of Cardiff's staff training takes place online. Senior managers view is that HR circulates a lot of staff information and training opportunities online. Notably management training and support on health and safety guidance is exceptional. Some mandatory classroom-based training for the manual workforce has fallen behind. Managers highlighted that when a new member of the team is recruited the exchange of information is tough and needs to be planned for.

Senior managers highlighted several areas that require training and development courses, many of which could be offered by Cardiff Academy: IT skills to ensure staff are effective at online working from home; Management skills in performance management, staff development, coaching and mentoring training, improving the softer skills; How best to

induct new starters whilst hybrid-working. Such training is not presently mandatory but could become so if a culture change is seen as a priority that requires consistent application.

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INQUIRY METHODOLOGY

60. The Policy Review and Performance Scrutiny Committee Home & Agile Working task group was charged by the full committee with researching the key issues for consideration and delivering a report for its consideration. This report uses the evidence gathered by the task group to make key findings and recommendations to the Cabinet of the Council in respect of Home & Agile Working. Evidence presented to the full committee in October 2021 update on the Council's Recovery and Renewal Programme has also informed the task groups work. The Committee's Principal Scrutiny Officer has worked closely with the Scrutiny Research function, identified appropriate witnesses, and taken a steer from members of the task group. The task group therefore received evidence from the following witnesses:

Internal Witnesses

Councillor Chris Weaver, Cabinet Member, Finance Modernisation & Performance

Chris Lee, Director of Resources

Gareth Newell, Head of Performance & Partnerships

Donna Jones, Assistant Director, Estates

Senior Management fieldwork contributors

External Witnesses

Councillor Paul Pavia, Cabinet Member Education, Monmouthshire Council

Matthew Gatehouse, Head of Policy, Engagement & Improvement, Monmouthshire Council

Hazel Illet, Senior Scrutiny Officer Monmouthshire Council

Victoria Rose-Piper, Head of Renewal, Natural Resources Wales

61. To commence its inquiry the task group commissioned desk-based research from the Principal Scrutiny Researcher, Gladys Hingco, and a fully referenced research report is attached at **Appendix 1** to this report to

inform policy development further. The Executive Summary findings of the report have been integrated into the evidence section of the final report.

62. Key messages from the research have been drawn to Member's attention, and informed questioning during evidence gathering of both internal and external witnesses. The key findings and recommendations are the unanimous view of the task group.

63. Details of all evidence considered by the task group and used in the preparation of this report are contained within a record of evidence that is available for inspection upon request.

LEGAL IMPLICATIONS

64. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. Any report with recommendations for decision that goes to Executive/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

FINANCIAL IMPLICATIONS

65. There are no direct financial implications arising from this report. However, financial implications may arise if and when the matters under review are implemented with or without any modifications.

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POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE



Councillor David Walker
Chair



Councillor Rodney Berman



Councillor Bernie Bowen Thomson



Councillor Joe Boyle



Councillor Jane Henshaw



Councillor Ali Ahmed



Councillor Norma Mackie



Councillor Jayne Cowan



... Councillor Joel Williams

COMMITTEE TERMS OF REFERENCE

To scrutinise, monitor and review the overall operation of the Cardiff Programme for Improvement and the effectiveness of the general implementation of the Council's policies, aims and objectives, including:

To scrutinise, monitor and review the effectiveness of the Council's systems of financial control and administration and use of human resources.

To assess the impact of partnerships with and resources and services provided by external organisations including the Welsh Government, joint local government services, Welsh Government Sponsored Public Bodies and quasi-departmental non-governmental bodies on the effectiveness of Council service delivery.

To report to an appropriate Cabinet or Council meeting on its findings and to make recommendations on measures which may enhance Council performance and service delivery in this area.

APPENDIX 1:

A Review of Research Evidence on the Impact of Homeworking

January 2022

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Scrutiny Services, Cardiff County Council
County Hall, Atlantic Wharf, Cardiff CF10 4UW
Email: scrutinyviewpoints@cardiff.gov.uk