

Report



Cabinet Member for Organisational Transformation Cabinet Member for Infrastructure and Assets

Part 1

Date: 26 January 2023

Subject New Normal Update

Purpose To update on progress implementing the 'New Normal' operating model

Author Head of People Policy and Transformation

Ward All

Summary During the pandemic Newport City Council adapted and developed the way in which it operates in order to maintain services and protect the safety of residents and members and staff. Following the initial changes in response to the emergency arrangements, Cabinet agreed changes to the Council's operating model to create a 'New Normal' in line with our Strategic Recovery Aims.

This report outlines the progress made in the last year and considers opportunities to realise benefits associated with how we utilised our assets, how we support the climate-change agenda and how we support and enhance the well-being of our staff through the new model.

Proposal To note the progress implementing the changes and steps required to realise further benefits.

Action by Strategic Director – Transformation and Corporate Services
All Heads of Service

Timetable Ongoing

This report was prepared after consultation with:

- Corporate Management Team
- Recognised Trade Unions
- Head of Law and Regulation
- Head of Finance

Signed

Background

During the pandemic Newport City Council adapted and developed the way in which it operates in order to maintain services and protect the safety of residents and members and staff. Following the initial changes in response to the emergency arrangements, Scrutiny and subsequently Cabinet considered and agreed changes to the Council's operating model creating a 'New Normal' in line with our Strategic Recovery Aims.

The Covid health emergency posed a significant and unprecedented challenge to the way in which we deliver our services and to our way of life. From March 2020, the Council's focus was to minimise the spread of the virus and support our communities and the vulnerable. This was set out in our Strategic Recovery Aims. The impact of the pandemic brought about systemic change, pervading every aspect of society and at Newport City Council, material changes to where and how we work. A range of previously office-based staff quickly adapted to a remote and dispersed way of working using technology to work from home. Elected members also had to adapt, blending their work within their communities with the remote meeting arrangements that were put in place to ensure the on-going functioning of the democratic process.

Despite the challenges we also used the opportunity to consider the long-term changes to the way we work. In December 2021 Cabinet considered the next steps of moving to a new operating model in line with our Strategic Recovery Aims, focusing on increased workforce flexibility, the wellbeing of our staff and enabling new working practices, whilst being mindful of our environmental impact and our intention to be carbon neutral by 2030.

The Report identified four areas of focus, also considered within this report. They are: *1. Democratic Function 2. Technology 3. Employment policies 4. Building (Civic Centre) and Public*

This report outlines the progress made in the last year and considers opportunities to realise many benefits associated with how we utilised our assets, how we support the climate-change agenda and how we support and enhance the well-being of our staff through the new model. These outcomes and actions are also covered in service plans, the Digital Strategy themes, and Annual Digital Report and Corporate Plan annual report. The New Normal project will be closed and its ongoing workstreams will form part of a range of work outlined in service plans and in the Digital Strategy.

Progress

Democratic Function

As outlined in the proposals we trialled hybrid Cabinet and Committee meetings. All members have laptops and also benefit from the digital changes outlined below. Over 35 meetings have been held using hybrid facilities since May 2022, including full Council, Cabinet, Scrutiny, Planning, Licensing and other regulatory committees.

Initially, all democratic and governance meetings were held in the Council Chambers; in the six months since the inception of hybrid meetings, each of the committees have reviewed arrangements and made decisions on whether they wish to continue meeting in the Chambers or moved to the Committee Rooms instead. This flexible approach has supported committees to adapt their approach to suit the requirements of their members.

As well as being able to attend meetings in person if they choose to, Members are also able to access facilities at the Civic Centre.

Bookable meeting rooms are also available to support staff and members with hybrid meeting facilities.

The induction and ongoing training for Members following local elections in May 2022 was available through hybrid technology and has improved record-keeping for member development. A summary report on the full impact of hybrid facilities on member support, training and development will be shared with Democratic Services Committee in the new year.

The progress outlined above has ensured that the Council is meeting its responsibility under Part 3 of the Local Government and Elections Act; providing an electronic broadcast of Council meetings and making provision for remote access to those meetings complies with the duty to Promote Access to Local Government.

Workforce and Well-being

In January 22, our traditional way of managing absence changed and we launched our new Wellness at Work Policy following agreement with the senior team, Cabinet Member and our Trade Unions colleagues. The aim of this policy is to promote and support employee well-being to ensure a positive work environment that enables our employees to flourish and reach their full potential. This new approach aims to support employees to remain well and productive whilst at work or to assist an employee's return to work if they have been unable to attend due to sickness. This approach sits within the Council's well-being framework which embraces a wider range of policies and provisions aiming to support physical and mental well-being. During 22/23 we continue to review the policy impact.

Feeling connected and productive is one of the areas we have focused on during the pandemic, particularly with people working from home. As a result of feedback, additional training webinars were arranged to help those working remotely feel connected and productive. The rollout has been popular, and the sessions have been fully booked, reflecting the need from across all of our service areas. Additional funding from the training budget was allocated to delivering an increased number of these webinars due to the take-up. The results from these surveys have also been used to inform the long-term future of operational working and have featured in reports to Scrutiny and Cabinet on what the new operating model could consist of.

Policies

Following this we reviewed our workforce policies to consider the 'New Normal' operating model. Three policies were revised and a new Homeworking policy developed. Following discussion with staff, managers and unions through our Employee Partnership Forum (EPF), the Cabinet Member approved changes to the HR policies in August and these have since been implemented over the last few months.

In developing our policies the Council recognised that there are a range of benefits associated with home and more flexible working. These can include:-

- Increased productivity as output from employees working from home often improves due to fewer interruptions than in the office.
- Greater engagement and commitment from employees who value being able to work from home.
- Supports recruitment and retention with a wider travel to work area, and supports a diverse range of employee needs
- Support for the carbon and green agendas, by cutting down on commuting.

Ultimately alongside providing our current workforce with the opportunity to work flexibly this policy will also help us become an employer of choice, flexible in our approach, which can help attract and keep talented staff in a challenging recruitment environment.

The **Homeworking policy** is a new policy for the Council. The Council has a commitment to enable flexibility of working arrangements with the aim of meeting both organisational and individual needs, whilst also enabling a cultural shift. The Homeworking policy covers whether the employee's home or the Council's premises will be the main place of work and could include home as a main place of work, or flexible working.

A relatively small number of staff (31 to date, January '23) have received authorisation for permanent home working, with most continuing to work on the already established flexible basis and not feeling a need to formalise in policy.

The **Travel & Subsistence Policy** was amended in line with home working policy with the requirement to claim mileage from permanent work locations, and also to consider appropriate travel use and hybrid meetings reducing the need to travel.

The **Flexible Working Policy** is updated to include the option of employees requesting a change in work location, arrangements or homeworking, supported by the new Homeworking policy.

The reinstatement of and changes to the **Flexi Time scheme**, reducing the carry over allowance of flexitime, and removing bandwidths, with services defining their core operational bandwidths for flexi purposes. Just over 200 of our staff have opted to move back on to the flexi scheme. As part of our commitment to our Trade Unions around implementing this policy, we committed to reviewing its use after 6 months. Following commencement in October, a review of the use will be undertaken and discussed with our Trade Unions and Corporate Management Team.

Digital

It is clear as a result of the pandemic that digital technology has even greater importance than before, with much increased home and flexible working. This places even greater emphasis on the availability and performance of IT systems in this new environment. Technology has provided a key part in continued effective service delivery including Microsoft Teams meetings and hybrid council meetings facilitated by new audio visual equipment in the Council Chamber and meeting rooms.

The Annual Digital Report 2021/22 outlines a range of work completed to support the New Normal including:

- Hybrid meeting facilities in a range of rooms;
- the strategic move of systems to the cloud supporting work from any location and improved system availability;
- changes to the remote access to provide a more consistent user experience
- remote devices and equipment at home for previously office-based staff;
- information governance guidance to support the challenges of home working

Initial work was carried out to review the council's current telephony systems resulting in financial savings and this will continue into 22/23.

Asset Management

In adopting its Climate Change Plan 2022-2027 the Council has committed to becoming net zero carbon by 2030 and this is supported by the work outlined in this report to encourage flexible working through the use of technology. In the future this will change the way we use our existing buildings and how we design new buildings across the Council to ensure that they are more sustainable for long term use.

In 2021/22, Audit Wales undertook a review of our Asset Management as part of their Springing Forward COVID recovery reviews. The report found that Newport Council strategically plans and manages its property assets well and made two recommendations to develop longer term planning and to further develop partnership working.

The Council embarked on a programme of estate rationalisation looking to identify assets in its estate that could be more effectively and efficiently used to meet the needs of the Council and citizens of Newport. This will be a key part of our transformation programme in 22/23, however savings have already been made on support services.

Civic Centre

We know that the number of rooms used in the Civic have not changed significantly since the pandemic, and the desk occupancy rate has also not changed significantly. This was assessed pre pandemic as 385 and numbers attending the Civic Centre currently are between 250 and 350 daily. Other staff will be working from home each day, or out on site, at meetings or with clients. However more can be done to consolidate the space used, and ensure that we maximise efficiency, and savings will continue to be made, as we bring staff together into smaller areas.

The Council have considered several options on how to maximise its use of the Civic Centre. These options include complete alternative uses, consolidating the NCC presence into a smaller area and inviting partners and third sector organisations into the newly available space.

The next phase of work is to establish the extent of the works required to the Civic Centre. In doing so we will be able to better understand the investment required and subsequent viability of the options above.

Climate change and wider impacts

The Council's Climate Change plan was approved in March 2022 and an introductory annual progress report has been developed which sets out some of the progress made prior to, and in the year before the adoption of the plan.

The council's [Climate Change Plan 2022-2027](#) considers asset management, transport and mobility, digital technology and cultural changes as outlined in this report, including:

- Reduce commuting by implementing a new operating model including hybrid home working and use of local public sector hubs
- Review and update the Travel & Subsistence Policy to promote carbon reduction initiatives
- Develop and implement sustainable travel plans for key Council sites.
- Ensure sustainable transport options are available from the outset of Council new builds
- Develop a new digital strategy that fully considers the Council's climate change commitments and net zero aspirations
- Provide technology solutions that reduce the need for customer and staff travel
- Maximise the use of digital solutions to reduce paper usage including digitising paper records where possible.

Achievements in the first six months of the plan have included:

- Home and flexible working policies are now live. Eligible employees can apply for flexible working.
- Updated Travel & Subsistence Policy is now live. This encourages use of electric hire vehicles, public transport and to use other forms of communication to avoid travel and includes options to claim from home if a shorter journey.
- Digital Strategy themes presented to Scrutiny Management Committee, senior managers and Cabinet Member. Work is underway to finalise the strategy for Cabinet.
- Hybrid meeting was held for the Council AGM and is now being used regularly. Hybrid meeting facilities now available in all Committee Rooms and some meeting rooms.
- Implementation of Electronic Document Management System (EDMS) and other solutions are reducing paper usage/storage.
- Paper records previously stored in Magistrates Court area now past destruction date and destroyed. "Modern Records" now has more space than ever following destruction of previous paper records past destruction date.
- Initial savings in building costs – telephony, printing, cleaning supplies, water and in energy used due to lower building occupancy.

Next steps

As outlined in this report, majority of the workstreams have now been completed and the project will officially close. We will continue to monitor the impact which the project has had as the New Normal beds into business as usual. The project has also provided further opportunities and will be delivered as part of other programmes including:

- Telephony and Mobile Phones - the existing mobile phone contract will be reviewed based on new normal requirements (Digital Annual Report action), there are also savings to be made from telephony.
- Multi-Function Devices – review of existing Multi-Function Device contract and future plans in the light of "new normal" (Digital Report action)

- Asset rationalisation - rationalise, protect, and enhance our buildings and assets enabling co-productive working environments (Corporate Plan, will also be a project)
- Reducing travel - reducing commuting by single use car by implementing a new operating model for staff including hybrid home working and use of local public sector hubs (Climate change annual report)

We will also be considering further savings on building services, print and telephony as we rationalise further.

Financial Summary

The December 2021 report to Cabinet signalled steps towards a new way of working. As outlined in the initial phase, the focus was on creating an environment for a gradual return of staff to the building, without the need for significant building adaptations. In terms of the longer term solution, the potential cost implications will be driven by the chosen solutions in terms of office layout and required technology and facilities and this will need to be considered as part of our estate rationalisation work.

As outlined in the previous report this would include:

- one off costs associated with replacement furniture to enable maximum utilisation of the reduced footprint within the Civic Centre
- one off costs associated with any building adaptations required to accommodate the desired number of employees and ensure accessibility
- one off costs associated with any reconfiguration of facilities within the Civic Centre (such as power and network access)

It is likely that this will release revenue savings through reduced energy costs in unused areas, reduced infrastructure costs such as telephony. This will form part of the asset rationalisation work.

We will also continue to explore external sources of funding, as well as maximising the financial savings arising from the change in operating model. Examples of these are outlined below, and in the original Cabinet proposal:

- reduction in costs associated with other assets
- use of external grant funding
- capital receipts from the disposal of other assets
- income generated by third party use of our unused space

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Failure of IT infrastructure.	H	L	Business continuity arrangements.	Head of People, Policy and Transformation/ SRS.
Impact on service delivery.	L	L	Ensuring all services and managers are engaged so that customer needs are at the forefront.	Heads of Service
Staff well-being and retention	L	L	Feedback from staff is that flexible working is a positive, however ongoing support is needed to ensure well-being through management, staff check ins etc.	HR & OD Manager

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The New Normal work was developed under the Modernised Council theme of the previous Corporate Plan, and the Council's Strategic Recovery Aims.

Other council strategies and plans that link closely with this work are the Climate Change Strategy, since developed, delivery of the new Corporate Plan, particularly our aspiration to use assets more effectively.

Options Available and considered

1. To note the progress made in the move to the 'New Normal' across digital, democracy, assets and HR themes and support the development of asset rationalisation.
2. To note the progress made in the move to the 'New Normal' across digital, democracy, assets and HR themes and request more information.

Preferred Option and Why

To note the progress made in the move to the 'New Normal' across digital, democracy, assets and HR themes as this work is now part of 'business as usual and support the development of further asset rationalisation proposals.

Comments of Chief Financial Officer

There is the potential for significant costs associated with the New Normal proposals, in relation to assets, in particular as buildings are developed further. These costs are likely to be capital in nature and may need to be incurred at a time when capital resources are extremely limited. Therefore, careful consideration will need to be given as to which investments are the highest priority and an appropriate funding source(s) will need to be identified. Any investments that can be self-funded (eg. through proposed asset rationalisation) would be preferable.

Although additional costs may be incurred on the one hand, there is also the potential for revenue savings to occur. For example, reduced telephony costs, reduced travel costs and reduced energy costs. Additional income, generated via third parties' use of the building, may also occur. It is important that any savings or additional income are captured and, where cashable, they either contribute towards future Council revenue budget pressures, via the medium term financial planning process, or provide a direct offset against the additional costs that need to be incurred.

It will be important that both additional costs and potential savings are monitored closely and regularly using established budget monitoring processes.

Comments of Monitoring Officer

The new operating model previously agreed by Cabinet is consistent with the Council's Covid-19 strategic recovery aims, the Corporate Plan objectives relating to a modernised Council and workforce planning and also strategic sustainability objectives forming part of the Council's Climate Change Plan. The new working arrangements for staff have been implemented in accordance with the Council's statutory powers under section 112 of the Local Government Act 1972 to fix reasonable terms and conditions for the employment of staff. A number of discretionary working policies have been introduced or updated, including the Homeworking Policy and Wellness and Wellbeing Policy, the Travel and Subsistence Policy and the Flexible Working Policy following a process of meaningful consultation with staff and recognised trade unions, in accordance with Employment Rights legislation.

The re-use or re-purposing of Council premises is also consistent with asset rationalisation policies and the Council's general powers of property management under sections 122 and 123 of the 1972 Act. The Local Government & Elections (Wales) Act 2021 required the Council to hold "hybrid" meetings as from May 2022, as part of its democratic decision-making processes, and the steps taken to implement this requirement are in accordance with the provisions of the 2021 Act.

Comments of Head of People Policy and Transformation

As the report author my comments are included throughout this report, with significant positive implications for wellbeing and sustainable development set out in the document.

Comments of Non-Executive Members

Councillor Rhian Howells:

There is a reference to ongoing training for Members being provided in hybrid format. While this is very helpful, as a Member who also works part time and has a young child it would also be useful if that training were recorded and made available for members to catch up in their own time if needed.

Some training is currently recorded and put on Teams for review, but the vast majority is not. I'd like to request that all Member training is made available as recordings.

Response:

Member training is provided in a hybrid format wherever possible. Where possible this is recorded and the recordings and/or slides and learning aids shared. Due to their format, some training is not suitable for sharing in this way. Democratic Services will continue to look at how recorded training may be made available, and also update all members on how to access.

Scrutiny Committees

Scrutiny Committees have reviewed the relevant service plan progress against this work; Digital Annual Report and Strategy themes; and Corporate Plan annual report 21-22.

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

As outlined in the original proposals, the “New Normal” Programme will have long-term benefits to the health and well-being of staff and the wider community by contributing to the reduction of carbon emissions in the area.

New Normal policies supporting homeworking should help retain employees and attract new talent as the increased flexibility can help them meet childcare needs, reduce their commute, take exercise and enable them to fit their work around their personal life. Being allowed to work from home, staff will also feel increased levels of trust from the employer, which can contribute greatly to staff wellbeing, potentially reduce sickness absence and improve loyalty, contributing to the sustainability of the Council and making us an ‘employer of choice’.

These policies also support employment opportunities and processes for people with protected characteristics including those with disabilities. As a council recruitment of Welsh speakers can be challenging therefore with the option to work from home it widens our recruitment pool geographically.

The programme also supports the council’s new Corporate Plan well-being objectives, particularly:

- ✓ **Environment and Infrastructure** - A city that seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future.
- ✓ **An Inclusive, Fair and Sustainable Council** - Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core.

In addition, the council is working with partners in a collaborative way through the One Newport Public Services Board (PSB) and the implementation of the Local Well-being Plan Well-being Objectives. The PSB as a whole has pledged to “become champions of sustainable travel, leading by example and

reducing the public sector's contribution to air pollution". To support this work the council along with 22 other public and third sector organisations across Gwent has signed up to the Travel Charter.

The Charter commits to supporting and encouraging staff to reduce travel and travel in a sustainable way. Through 15 ambitious commitments, the charter promotes walking, cycling, agile working and the use of public transport and ultra-low emission vehicles.

The public sector in Gwent employs almost one in three working adults. By working together, public sector organisations across Gwent aim to increase sustainable journeys made to and from workplaces, reducing the impact on the environment, reducing congestion, and improving health in Gwent for current and future generations.

Consultation

Trade union comments and staff feedback were considered in the December 2021 report. Progress has also been discussed with staff and trade unions. Their feedback is outlined below:

Unison has had no negative comments from members relating to the new normal. Most staff who are able to access the ability to work from home flexibly have enjoyed continuing to do so. This is viewed as a level of maturity and trust between staff and management which may have been lacking at the beginning of lockdown.

Allowing staff to work from home alongside the option of coming into the office to work alongside other colleagues offers them the choice to have the opportunity to not work in isolation while juggling everyday work life pressures when working from home.

The staff proved during lockdown that they were more than capable of working from home and be able to complete their roles without direct oversight.

Unison continue to make the case that staff working from home should be appropriately compensated for making their home the office and saving NCC money on electric costs etc.

Unison have expressed that they look forward to seeing how the new normal continues and look forward to working with NCC so that staff members and NCC continue to evolve in partnership to find the best ways of working for staff well-being wise and continue to provide the excellent services to the public as they always have done under even the most difficult and pressured circumstances.

In response to the update GMB have outlined concerns regarding the reduction of flexi time "carry over" from 2 days to 1 day per calendar month relating particularly to carers and work life balance. These were also noted during the consultation on implementing a revised flexi scheme with a commitment to review the scheme after six months, scheduled for March 2023.

Secondly, GMB have also commented on workers who have elected to adopt the new ways of working by identifying their home as their primary workplace, and that this has affected their ability to claim travel expenses.

These issues will continue to be discussed at EPF.

Background Papers

Cabinet Report – The New Normal – Newport City Council Operating Model, December 2021

Scrutiny Report – The New Normal – Newport City Council Operating Model, June 2021

Scrutiny Report – Responding to the New Normal, February 2020

Cabinet Member and Scrutiny Reports - Annual Digital Report 2021/22

Cabinet Member Organisational Transformation, New Normal HR Policies Report, August 2022

Dated: 18 January 2023