

Agenda Item: 7

Report Title: Agile and Flexible: Causeway House Refresh Project		
Report to: Cabinet		
Date: 4 th March 2024	For: Decision	
Key Decision: YesDecision Planner Ref No: DP/2023/75		
Report Presented by: Councillor Tom Cunningham, Cabinet Member for		
Transformation, the Environment and Customer		
Services		
Enquiries to: Suzanne Bennett, Corporate Director, Support Services		
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1. Purpose of the Report

1.1 The purpose of this report is to present the Causeway House Refresh Project (the Project) to Cabinet for consideration. The Project is part of Braintree District Council's (the Council) wider Agile and Flex programme that has been instigated to ensure that the Council is continuing to work effectively and efficiently as ways of working change across the sector.

2. Recommendations

- 2.1 It is recommended that Cabinet:
- 2.1.1 Approve the Project as set out in Appendix A,
- 2.1.2 Approve the Project spend of up to £1,200,000 which will be funded from allocated general capital reserves; and
- 2.1.3 To delegate authority to the Corporate Director of Support Services for the award of contracts related to the delivery of the Project, provided these are within the agreed Project Budget set out in paragraph 2.1.1.

3. Summary of Issues

- 3.1 Causeway House was purpose built in the 1980s for the use of the Council. The building consists of three floors of office type accomodation. The use of the building has changed over the years as the needs of the Council have changed and in more recent times, parts of the building have been shared with partner organisations and let to third parties on a commercial basis. The last refresh of the office space was more than a decade ago.
- 3.2 Since that last refresh the pace of change in how the Council uses technology to interact with service users, partners and residents has increased. The way that we work now have changed fundamentally and this has an impact on how we need to use the space and how much space is needed.

- 3.3 These changes present a number of opportunities to the organisation, these include:
 - Most efficient use of the Council's capital by ensuring operational asset costs are minimised and the use of those assets that remain is maximised
 - Improved working efficiencies in the Council's operational assets through appropriate technology and equipment. This will enable new ways of service delivery to be identified as part of the Fit for the Future programme
 - Improved recruitment and retention offer for current and future employees
- 3.4 Reviewing the rationale for why we hold the assets we do and how we can ensure the best use of those assets we continue to own is a key part of our Fit for the Future programme and this applies equally to our operational assets as to other property assets. Any reduction in operational assets has the potential to release capital that can be invested into the delivery of other priorities of the Council.
- 3.5 The office space in Causeway House is not currently fully utilised which is effectively creating an opportunity cost to the organisation but without a reconfiguration it is not possible to take advantage of that potential opportunity. By consolidating into a smaller footprint within the building, the currently underutilised space can be repurposed. The current BDC footprint within the building is approximately 324 square metres (sqm) and it is estimated that this could be reduced to 243 sqm, a reduction of 25%.
- 3.6 This space could be offered to the market as office accommodation or be utilised in another way to deliver the priorities of the organisation. An assessment of the best use for this space will form part of the review of operational assets that is being undertaken as part of Fit for the Future. The rationalisation of the Council's requirement for office space will allow for different options to come forward that should have a positive impact on the costs of providing operational assets in future as well.
- 3.7 To enable that rationalisation it will be necessary to implement a new working model for the Council employees who use the building. As a response to the public health restrictions put into place in response to the Covid19 pandemic, the Council moved a large proportion of its office based activities to a working from home model. As restrictions eased it was clear that there were opportunities to review the model on a long term basis, with a view to achieving the following objectives:
 - Efficient and responsive service delivery across the organisation utilising the technology now available;
 - Effective working with our partner organisations who have adopted hybrid working;
 - A sustainable work/life balance for our employees; and

- A working model that would attract high quality candidates into the organisation and maximised candidate pool.
- 3.8 Employees were consulted on their experiences during the pandemic and following their return to the office, an assessment of the impact of hybrid working on service standards; alongside research of different office working models across partner organisations, the sector and more widely.
- 3.9 The direct impact of hybrid working on performance is difficult to evidence as there have been many other exceptional pressures during this period. The relaxing of covid restrictions has meant pent up demand has been impacted, alongside a requirement to address any backlogs that necessarily grew through lockdown periods for those services that have to make physical visits to sites and premises.
- 3.10 There have been increasing issues with the labour market which were beginning to impact the Council before the pandemic but have since escalated. Some of these are generic to the UK labour market, some are common across the local government sector and some are specific to certain roles. These put together with an aging workforce and increasing number of retirements has meant that a number of teams have been running with long term vacant roles. This has resulted in interim and agency staff being engaged which has a significant impact on teams, as well as financial implications.
- 3.11 Additionally, the impact of the pandemic and the cost of living crisis has meant that service users are often presenting to the Council with more complex needs, creating additional pressure across a number of services.
- 3.12 The majority of the Council's office based employees have stated a preference for hybrid working, with limited appetite for either full office based or home working models. This is in line with the majority of workforce surveys, conducted nationally both within the public and private sectors and some studies suggest that employees would be willing to move employers if flexible/hybrid working wasn't offered.
- 3.13 As stated above, there have been a number of roles that have been difficult to recruit to over the last three years. Local Authorities have often relied on an offer of flexibility to attract new employees as not all employers previously provided such an offer. Since the pandemic there has been a large scale move to hybrid working across all sectors. To reduce flexibility now would be likely to further impact on the Council's ability to appoint to vacancies going forward.
- 3.14 Hybrid working allows the Council to recruit from a wider geographical area as many candidates are willing to make longer home to work journeys when the journey is not required on five days a week basis. Having an extended group of candidates generally results in better quality of appointments, regardless of the geographical location of the successful candidate.

- 3.15 As a result of these considerations the Chief Executive Officer, as Head of Paid Service, agreed that a hybrid model, where staff spend some time in the office and some time working from home where business need allowed, would deliver best against the stated outcomes.
- 3.16 Business need will continue to be the paramount factor when managers agree working patterns with employees and business need encompasses the requirement to be in-person to train and support colleagues. Alongside business need, consideration needs to be given to those who are unable to work from home and there will be no requirement for employees to work from home if they do not wish to do so. The Council offices will remain open and operational through the core business hours, and officers will be able to utilise the buildings unrestricted during those periods.
- 3.17 While considering the working model it became clear that there are other elements of how the Council work as an organisation that should be considered to enable the delivery of the outcomes set out above. As a result, the Agile and Flex project was devised. This project consists of the following workstreams:
 - Causeway House Refresh
 - Policy and procedure review
 - Enabling agile working for non-office workers
 - Staff development
 - Communications and staff engagement
- 3.18 Following the easing of Covid restrictions, a hybrid working model was put into place as an interim measure. The introduction of Microsoft Teams across the organisation and partner organisations meant that this has become the normal method for virtual collaboration.
- 3.19 In order to embed hybrid working in the most effective way, employees were consulted on their views of the interim hybrid model, and it was clear that the current configuration of Causeway House was no longer fit for purpose. The current configuration was based on a 9am-5pm, 5 day a week model for all office workers, regardless of role. Even before the pandemic, many working patterns had changed as the number of part time employees increased and employees' requests for flexible working were agreed, as provided within employment law.
- 3.20 The management elements of hybrid working have been addressed through the development of a new HR policy which has now been adopted. However, it was clear that Causeway House requires reconfiguration to maximise the opportunities of hybrid working and virtual collaboration.
- 3.21 Specialist advice was procured in 2022 from a workplace consultancy Company (Claremont) to assist the Council in understanding the requirements of the organisation and resulting design of the space. Following their initial work it was recommended that the Council consolidate into a smaller footprint

within Causeway House which would give the Council an opportunity to further sublet space within the building as well as bringing the workforce closer together to create a more collaborative environment. This consolidation will be achieved by moving to a hot-desking model with a ratio of 6 desks to every 10 employees using the building. The consolidation will reduce the requirements of the Council for office space by 25%.

- 3.22 Claremont have run a number of workshops with both staff and Members to understand the requirements of the users of the building. Claremont have used the feedback obtained through those workshops to develop plans for each of the floors of Causeway House, an assessment of furniture and equipment requirements and a costing for the implementation of the plans.
- 3.23 Part of the review included an audit of the current furniture and equipment. This was necessary to ensure that new purchases made as part of the proposed Project were limited to necessities and disposals were reduced as far as possible. Currently, there is very little prospect for the Council to offer excess furniture to other organisations as many, across both the public and private sectors, are also seeking to reduce their office space and consequently their furniture requirements. However, this will be explored as much as possible, as the Councils requirements are finalised.
- 3.24 Alongside the work undertaken by Claremont, assessments were made by the Councils ICT team, of the equipment that would be needed in meeting rooms and in the refreshed space to allow for hot-desking to be undertaken with minimal distribution to officers daily start up when they arrive in the office.
- 3.25 It was recognised as part of the budget setting process that the refresh would require capital investment. Accordingly, a capital budget provision of £1,200,000 was included in the capital programme for 2024/25 and approved at Full Council on 19 February 2024.
- 3.26 Following planning and input from Claremont, the Council has finalised the proposal and details of this can be found at Appendix A.
- 3.27 The benefits of the Project are set out below:
 - Enable the organisation to embed an efficient hybrid working model for those roles where it is appropriate;
 - Ensure continued ability to attract and retain high quality candidates to work for the organisation from a wider employment pool;
 - An efficient hybrid model reduces travel time, contributing to wider climate targets and reducing cost pressures on employees, particularly in this period of increasing fuel/travel costs;
 - Improved work/life balance and related staff wellbeing reducing absenteeism and related costs;
 - A hybrid model is part of robust continuity arrangements as staff are
 effectively scattered across a high number of work locations and much
 reducing the risk related to a single site of operation;

- Increased productivity and quality of service through a less interrupted work environment and facilities to encourage and facilitate collaboration;
- Cost effective use of the office space and reduction in running costs; and
- Increased lettable space to enable opportunities to create more revenue.
- 3.28 The recommendations set out in this report will help the Council to deliver the following Corporate Objectives:
 - A high performing organisation that delivers excellent and value for money services
 - Delivering better outcomes for residents and businesses and reducing costs for taxpayers
- 3.29 The purpose of the Project is to ensure that the office environment is fit for purpose for a hybrid model of working and enables agile working.

4. Consultation

- 4.1 Claremont Consultancy undertook consultation through a number of workshops in the summer of 2023 with the following groups:
 - Corporate Management Team
 - Service Unit Managers
 - Members of Council (Cabinet and Group Leaders)
- 4.2 This built on an earlier round of consultation and a survey of the wider employee base. The consultation highlighted the following key elements:
 - Issues with the current provision of meeting rooms, including technology to allow hybrid meetings
 - Lack of collaboration space in the building
 - Workspace has dated feel
 - Requirement for guidance on protocols and behaviours in new models of working and spaces
- 4.3 The proposed plans for the Project address the issues raised through the consultation process.

5. Options

Option 1: Do Nothing

5.1 The Council could continue to work without space that has been designed to facilitate agile working. This would eliminate the need for expenditure on Causeway House at this time. However, given there are already frustrations from officers and Members currently, these can only be expected to grow. The inability to working in an agile way causes an inflexible approach to work that does not focus on empowering employees to work in a way that maximises their productivity, efficiently and well-being. There is limited

adaptability in technology provisions and collaboration opportunities. These frustrations are barriers to working in the most effective way. Frustrations may increase to a level where it has an impact on retention of current staff and be negatively perceived by potential candidates. Any possibility of increased third party lettings would be eliminated.

Option 2: Return to a model of office exclusive working for employees based at Causeway House.

This would mean that there would be no immediate requirement for this office re-arrangement but as highlighted above, a majority of employees have expressed a preference for hybrid working and it is clear that potential employees view flexibility as a key factor when considering new employers. Returning to an office exclusive model would undoubtedly impact on both retention of current staff and recruitment of future staff. Many of the Councils partners have moved to hybrid models of working and therefore expect to be able to conduct business via video conferencing and so forth. Therefore, some investment would be required to ensure that this could be enabled in a fully occupied office. Any potential for increased lettings to third parties would be eliminated.

Option 3: Approve expenditure of up to £1,200,000 on a project to refresh Causeway House to maximise the benefits of hybrid working.

5.3 For the reasons set out above this is the recommended option. Delegating authority to the Corporate Director of Support Services for the award of contracts to deliver the Project will allow the project to move forward at pace if agreed. All contracts will be awarded following procurement processes as set out in the Constitution.

6. Next Steps

- 6.1 If the Project is approved, the next steps will be to receive the final detailed plans for the Project and to begin the procurement process for the furniture, equipment and support to implement the design. Expenditure will not be committed until the 2024/25 financial year
- 6.2 Reports on progress of the Project will be provided to Cabinet and Group Leaders and communications to all Members will be made giving sufficient notice of when parts of the building will not be accessible, due to any refit being undertaken.
- 6.3 Communications will continue with employees to ensure that they are supported through the works in the building and the change in working practices across the organisation.
- 6.4 The wider elements of the Agile and Flex Programme will continue and will become part of the wider Fit for the Future transformation work.

7. Financial Implications

- 7.1 A budget allocation of £1.2 million has been included in the approved Capital Programme to deliver the complete Causeway House refresh project. A value engineering of design proposals developed by Claremont is currently being undertaken to ensure that total cost, including additional audio visual equipment and any other costs related to implementation are contained within the overall budget allocation.
- 7.2 Completion of the refresh programme will create opportunities to increase the lettable space within Causeway House that could generate income and/or contribute towards running costs.

8. Legal Implications

- 8.1 There are no financial implications arising out of the recommendations set out in this report. The Council has agreed the allocation of a budget, against which this project can be aligned.
- 8.2 This report delegates the award of any contracts against that budget to the Corporate Director, Support Services, provided those awards are in accordance with the approved Project and allocated budget.
- 8.3 Any procurement undertaken in the delivery of the Project will be undertaken in accordance with the Councils Constitution, Financial Procedure Rules and Procurement Procedure Rules, and will be supported by a decision report, which will be published in accordance with the Council governance arrangements.

9. Equality and Diversity Implications

- 9.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when the Council makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 9.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

9.3 The Equality Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. Further consideration will be given to any associated impacts as the action plan is prepared.

10. List of Appendices

10.1 Appendix A – Business Case

11. Background Papers

11.1 None

Appendix 10.1: Business Case



Agile and Flex: Causeway House Refresh Business Case (January 2024)

Completed by: Louise Flavell –	Document version:
Economic Development	
Executive Summary	

In March 2020, when the initial covid restrictions were put into place, adopting new ways of working was crucial to ensure that Braintree District Council's (BDC) services were able to keep running, particularly in relation to the way we communicate, work and support our customers. The rapid advancement of technology, especially the internet and digital communication tools, has meant that workers engaged in traditional 'office' type activities are able to now do so outside of the traditional office space.

The public health measures introduced as part of the response to the pandemic demonstrated that remote working was a feasible option for many of the staff based in Causeway House; although it was clear that there were some disadvantages to a 100% remote model for all teams, even if it was technically feasible. BDC has, along with many other organisations with office-based staff, been exploring how a hybrid model of remote and office-based working can be put in place to allow for efficient delivery of services alongside maximising wellbeing for staff and Members.

This flexibility offers a number of potential advantages, both to employees and the organisation. Over time through the pandemic and with future changes in potential devolution and joint authority efficiencies, all staff who are currently office based are likely to be working differently from different location with different equipment and possibly at different times.

BDC has supported and promoted a range of flexible working policies and practices for many years including job-sharing, part-time hours, term time working and annualized hours. However, BDC is currently in a tight recruitment market and to be able to compete for new employees and retain current employees it is imperative that BDC continue to offer the flexibility that hybrid working provides, whilst ensuring that service levels are at the very least maintained.

It was clear from initial analysis that it was necessary to make some changes to the office space in Causeway House to enable and facilitate both hybrid and agile working. Stakeholders raised a number of issues with the way that the office is currently formatted that are impacting on the day-to-day delivery of outputs and outcomes as both employees, partners and customers in many cases, have moved to hybrid model but without the enabling space and equipment within Causeway House.

This business case additionally supports BDC's strategies and policies:

- Agile & Flexible Policy
- Organisational Values and Behaviours Policy
- Climate Change Strategy
- Digital Strategy

Issue 1 Page 1 of 7 BDC must ensure each service is deemed excellent and value for money by the people who receive the service. In order to deliver on the priorities, set out in the Corporate Priorities; and to make sure residents are getting value for money.

Purpose

Following consultation with Council employees it is clear that a large majority wish to continue working in a hybrid way and not return to working exclusively in the office. This is reflected across several studies and surveys conducted in the UK that indicate a strong desire among employees for hybrid working. The ONS Opinions and Lifestyle Survey conducted in March 2021 found that 85% of employees who worked from home during the pandemic either wanted to continue working remotely or preferred a hybrid approach. Internal canvassing of opinion has revealed that 94% of Council employees that responded to the staff survey wished to have the option of flexible working.

In order to reduce the significant and ongoing financial commitment and liability of the current asset base, it is necessary to review the efficient use of the current office space. Looking at smarter and different ways of working will present potential opportunities for BDC to maximise additional space within Causeway House, that could be utilized to create further income for the organisation.

An initial piece of work was commissioned from Claremont Consultancy following an open procurement process to engage with stakeholders on how the office space in Causeway House could be shaped to enable and facilitate not only hybrid working but a move to an agile working environment. Agile working is a flexible approach to work that focusses on empowering employees to work in a way that maximises their productivity, efficiently and well-being. It is a concept that emphasizes adaptability and collaboration and the ability to respond quickly to changing circumstances.

A Delegated Decision was agreed on 19th July 2023, to award a contract for the provision of detailed plans for implementing agile working space in Causeway House. This contract has included developing general arrangement designs of the workspace, working with a range of Stakeholders and users of the space to ensure their needs are met.

An internal Agile & Flexible Project group has been meeting regularly to progress the project and it has also been necessary to understand the type of equipment necessary to facilitate hybrid meetings and collaboration and how much these changes will cost to enable the organisation to implement the most cost-effective option.

Employees will have access to desk space and IT equipment, although the same desk may be used by other employees. There will not be a fixed desk for everyone but a neighbourhood so that employees will have the opportunity to work across teams, giving opportunities for cross-working. Each employee will have designated lockers for personal items and team storage areas.

Outcomes & Benefits

Outcomes and Benefits for BDC:

Increased productivity and quality of service through a less interrupted work

Issue 1 Page 2 of 7

environment;

- Greater flexibility in working hours and patterns;
- Cost effective use of office space and reduction in running costs (i.e. revenue energy utility costs);
- Assist with achieving robust business continuity arrangements;
- Ensuring the office provides social interaction and collaborative space;
- Enhances the Organisational Values and behaviours review;
- Create an environment, allowing employees to achieve an improved work life balance, greater job satisfaction, motivation, morale and productivity;
- Lower carbon footprint, through reduced emissions from reduced travel
- Improve the recruitment and retention of skilled and experienced employees by offering a range of work styles to match individual work preferences; and
- Reduce absenteeism and related costs.

Outcomes and Benefits for Employees:

- A reduction of travel time and travel costs (additional climate benefits);
- Flexibility on work life balance providing an opportunity to manage the working day more efficiently;
- Increase in engagement as a result of autonomy and trust at work;
- Enable employees to work more effectively on a particular piece of work, where concentration is important or co-working is important; and
- Increase in wellbeing, health and happiness reduces stress.

Expected Dis-benefits

There is a requirement for a change of culture in the way we work at BDC and employees are already on a change journey. There is a potential that a small percentage of employees will not engage in this process.

Options

There are 3 options;

Option 1: Do nothing – continue to work on an ad hoc basis without space that has been designed to facilitate agile working. This would eliminate the need for expenditure on Causeway House at this time. However, given there are already frustrations currently, these can only be expected to grow. These frustrations are increasing inefficiencies that are not quantified but clearly have an impact on the productivity of BDC. Frustrations may increase to a level where it has an impact on retention of current staff.

Option 2: Return to a model of office exclusive working for employees based at Causeway House. Again, this would mean that there would be no immediate requirement for this office re-arrangement but as highlighted above, the large majority of employees have expressed a preference for hybrid working. Returning to an office exclusive model would undoubtedly impact on both retention of current staff and

Issue 1 Page 3 of 7

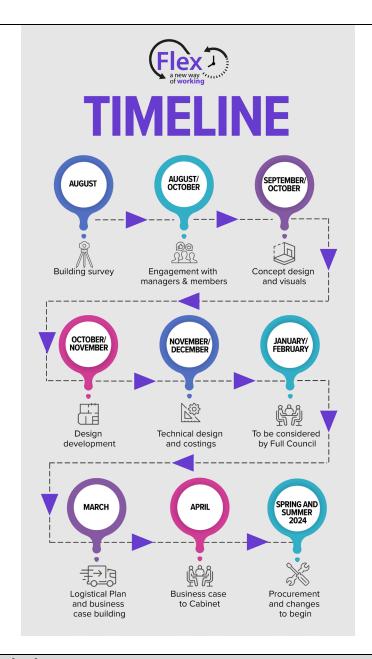
recruitment of future staff. Many of BDC's partners have moved to hybrid models of working and therefore expect to be able to conduct business via video conferencing and so forth and therefore some investment would be required to ensure that this could be enabled in a fully occupied office. Any potential for increased lettings to third parties would be eliminated.

Option 3: Run a full procurement process to identify a provider to provide the agile and project space, as identified and designed by Claremont Consultancy. This option would result in hybrid working for all staff at Causeway House, producing an outcome of a space that is more useable in terms of technology, social interaction and cross team working. Additionally, there would be the potential opportunity to lease out the unused space to third party users, giving BDC an added income stream.

There is no in-house expertise or resource to implement this project and the provider will have a better insight into the culture and requirements of the organisation. The provider would work closely with our in house teams to ensure that relevant knowledge and understanding is properly captured and reflected in to the implementation.

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Issue 1 Page 4 of 7



Investment Appraisal

Finance

Cost of implementation	ation £1.2m	
Revenue Impact	There is in impact to revenue.	
Return on Investment	ROI for employee engagement and the opportunity to lease the un-used space and ultimately BDC may benefit tremendously from this initiative.	
Confidence Level	Medium – this is a new project that has not been delivered before. It has proven successful in many other partner settings including local authorities and Eastlight.	

Corporate Strategy

Priority	•	Connecting People and Places

Issue 1 Page 5 of 7

	 Delivering and Innovating Enhancing our environment
Fit with objectives	 Grow the district in the right way supported by the required services Modernise the way we work to ensure we continue to deliver high-quality services Working towards our target of making the Council's services carbon neutral as far as practical by 2030
Targets/Success Measures	 Increase in recruitment and retention. Reduction in absenteeism and related costs Reduction in building running costs Increase in potential income generation from ground and 2nd floors.

Impact Assessment

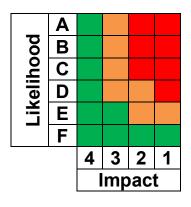
Customer	Increase in staff engagement and team collaboration ensuring more productivity.	
Technology	Implementation of hybrid working technology.	
Organisational (staff, governance, members)	Economic Development Officer – included in role.	
Environmental	Reduction in running costs and impacts on the environment. Due to the nature of hybrid working employees will be travelling less and therefore reducing their carbon footprint.	
Legal	A contract will be agreed with the consultancy implementing the project.	
Equalities Impact	There are Equality impacts as this programme will collect equality group data and individual requirements noted.	

<u>Risks</u>

Risk/Vulnerability	Impact	Mitigation	Score
Staff not engaged	Unhappy	Regular	
with office move.	employees,	communications to	
	resisting cultural	ensure employees	
	change.	are consulted	
		throughout the	
		journey.	
2 nd floor and	Reduction in	Continue to liaise	
ground floor not	income generation	with partners to	
leased.	for BDC.	promote the office	
		space.	
Technology not	Option of hybrid	Review and	

Issue 1 Page 6 of 7

sufficient for hybrid	working in the	required investment	
working.	office becomes less	in technology.	
•	attractive for		
	employees.		



	Likelihood		
Α	Very high		
В	High		
С	Significant		
D	Low		
Е	Very Low		
F	Almost impossible		

	Impact		
1	Catastrophic		
2	Critical		
3	Marginal		
4	Negligible		

Stakeholder Consultation

Initial staff surveys and extensive consultation has taken place with a variety of stakeholder groups:

- Service Unit Manager
- Corporate Management Team
- Members

Recommendations

The recommendation is to run a full procurement process to identify a provider to achieve the outcomes and benefits as described above.

Document sign off	
Originator (Project Manager): L Flavell	Date: 10/01/24
Authorised (Project Sponsor):	Date:
Portfolio Holder:	Date:

Issue 1 Page 7 of 7