

Committee(s): Corporate Services Committee	Dated: 12 July 2023
Subject: Workplace Attendance Update Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	2, 3, 8, 9
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Alison Littlewood, Interim Chief People Officer	For Decision
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Summary

This report provides an update to the Committee on the Workplace Attendance Policy.

The current workplace attendance policy was implemented in January 2023 and has been well received by most employees. As agreed previously, an update on the implementation after six months is set out below, alongside updated data points to provide context from other employers and staff pulse survey results. There are some improvements which have been identified in terms of guidance for line managers and clarification for those employees not working full time, or those working under flexible working arrangements.

Although Phase 2 of the Reward Review has now commenced, and any contractual changes for workplace attendance, standard hours of work or working hours, and London Weighting payments will be within the scope of this programme, two options are set out in relation to the workplace attendance policy for decision by Members: 1) that the current policy continues for a further 6 months with review and that Senior Management Grade (SMG) will attend the office 3 days a week minimum or pro rata for 60% of their hours; or 2) an amendment is made to the policy. Officers discussed these options at Executive Leadership Board and are supportive of Option 1.

Recommendation(s)

Recommendations are that Committee Members:

- Note the staff pulse survey results, contemporary data points and observations on operation of the current policy; and
- Agree which of the options for the policy should be adopted.

Main Report

Discussion

1. All employees of the Corporation were assigned into one of four role types for workplace attendance, as follows, with 76% within the “hybrid” category:

Workplace-based	An employee whose role requires them to be based in a specific City Corporation workspace or third-party site for all working days, such as a gallery, venue, office or reception desk. No option to work from home.
Hybrid	A desk-based employee who can work effectively from a variety of workspaces including home. Expected to be in the office a minimum of 2 days per week or 8 days every 4 weeks (to be defined by the relevant Chief Officer). Employees can attend the office more than this if that is their preference, but no less.
Workplace Plus	An employee whose role generally requires them to be based in a specific City Corporation workspace or third-party site, but with a limited option to work from home (maximum 1 day per week or equivalent) where appropriate and with managerial approval.
Academic	An individual whose role requires them to be workplace-based for all working days during term time, but can follow hybrid worker arrangements outside of term time

2. In January 2023, the City of London implemented the current Workplace Attendance Policy. It is a policy rather than contractual arrangement so did not change any contractual terms and conditions for employees and therefore did not require formal consultation, but it was discussed in detail with Trade Unions and Chief Officers.
3. The implementation of the policy brought to an end the temporary arrangements which had been in place as a result of the Covid pandemic (which had required 3 days minimum per week in the office), and setting a minimum time period for the current policy to be in place provided much-needed clarity and certainty over arrangements for workplace attendance.
4. To ensure that the policy was fair and transparent the HR team implemented a review process for employees that disagreed with their role category: to date only 1 review request has been raised and this was not upheld. This provides confidence that the role assignment was robust and that the categories were able to accommodate the broad range of roles in the Corporation in a consistent way. Therefore, any workplace attendance policy going forward would be proposed as continuing use of these categories.
5. At the 3 to 4 month mark, HR undertook a pulse survey to gain insight into staff sentiment on workplace attendance under the policy. This data is provided at Appendix 1. General feedback on the analysis of open text data

from the survey demonstrates the change has improved workforce wellbeing overall. 1,034 responses were received, which equates to c.25% of the organisation, therefore statistically viable and is in line with other surveys undertaken at the corporation. The data collected demonstrates the following:

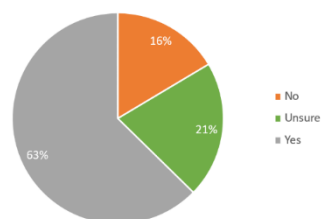
- 50% (453) feel that 2 days in office and 3 days at home is the most suitable for the nature of their role.
- 545 (over 55%) employees expressed that the workplace attendance approach has increased their work life balance.
- 63% have expressed that this new way of working has helped them meet their work goals.
- 70% feel that the new ways of working enable them to be more efficient at work.
- 76% of employees at the City Corporation are considered to be hybrid workers.

6. Staff Sentiment on the workplace attendance policy has been robust and has included comments around the following:

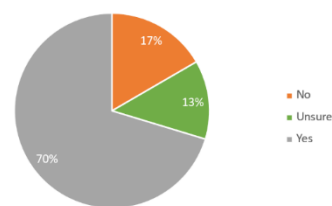
- Increasing the requirement to be in the office would exacerbate difficulties around retention and recruitment.
- Frequently changing the policy position would impact on trust between members/senior officers and staff, as well as further decreasing morale.
- The cost of living crisis is having a direct impact, and increasing the office requirement and therefore travel costs would add to this impact.

The new ways of working have helped employees succeed in role

Have the new ways of working helped you meet your work goals?



Have the new ways of working helped you be more efficient at work?



7. Feedback indicates that this new way of working has widened our talent pool to include applicants from outside of Greater London that would be otherwise inaccessible to us and neighbouring areas. The continuing labour market volatility means that skills scarcity continues. In specific skills areas our current position is unattractive in comparison to the market, particularly in legal and financial roles, and candidates have withdrawn from the hiring

process, not applied or otherwise declined an offer as they have wished for either a fully remote position or a lower minimum office requirement.

8. However, there continues to be a balance required in our approach. Whilst it is not advocated that we would offer roles as fully remote, the breadth of our organisation means our competition for people is against very different sectors. There is a divergence between public and private organisations as well as by sector, with an average of 30% attendance in central government and 40% within local government, compared to an average of 10% (1 day with many not specifying) in the private sector. The most common position is for either 2 or 3 days in the office.
9. It is important to note that the 24% of Corporation employees who are not classified as hybrid roles do not enjoy the same level of flexibility as their peers. How and whether this is addressed in our pay approach is for consideration as part of Reward Review, but there has been feedback received that the continuation of London Weighting for all staff is an area of contention for some.
10. The inherent importance of the Corporation as a place-based organisation, as well as the agreed importance by Members and Chief Officers of in-person collaboration, learning and observation, means that we would not likely reduce the minimum attendance requirements from our current position. Some Members and Line Managers would like an increase from the current level, although it should be noted that many staff attend more frequently than the minimum level set out, particularly those in roles where there are more Committees or other group forums, those in supervisory capacities and also those who prefer to work away from the home or need to attend client sites.
11. Members will be aware that we are currently in the 2023-24 pay award negotiation period with Trade Unions. Both unions also have an active mandate for strike action regarding the 2022-23 pay award. However, workplace attendance is not linked to pay for our employees under the current policy as this would form a contractual change.
12. In terms of equalities impact, an updated EQIA has been undertaken for the options put forward. The demographic split of the pulse data is included in Appendix 1. In headline terms, having a more flexible workplace attendance policy is positive for women, those with caring responsibilities and those with disabilities. We are not able to quantify the impact of our current policy on attraction or retention of particular demographics, and would need to review this over a longer period as six months does not enable meaningful insight on this given time to hire and other factors which would need to be understood, e.g. staff sentiment and pay competitiveness. The Corporation does currently have a staff churn rate higher than our peers in local government at 16.8% vs 13.4%.
13. No burning platform for change from our current position has been identified, however as we continue to progress in the post-pandemic environment, moving to a longer-term position will be needed. Options for this are set out in the next section.

Recommendations

14. There are two options for Members to consider, as follows. Under either option, updates to the guidance for line managers and policy wording for staff would need to be made and agreed with ELB and consultation with the unions.
1. That the current policy continues with an agreed review point in six months, with a change from 01/09 for officers in SMG to attend a minimum of 3 days per week (or pro rata for 60% of their hours).
 2. That the policy be changed with an agreed review point, with the long-term position included as part of Reward Review recommendations to be agreed by Members.
15. For option 2, we would put forward three versions for consideration by Members:
- 2a) Minimum attendance for hybrid workers increases to 3 days per week or 12 days every 4 weeks for either all staff or those above a particular grade.
 - 2b) The hybrid worker category is removed, and all staff are assigned to either Workplace+, Workplace or Academic categories. This would require the academic category be changed to specify that outside of term time they would operate under Workplace+ parameters rather than the hybrid parameters as now.
 - 2c) Minimum attendance for all staff regardless of category reverts to 5 days per week attendance in the workplace.
16. The risks and opportunities of each option is summarised in the table below.

Risks and Opportunities

Option	Risks	Advantages
1: Remain as is plus change for SMG to 3 days minimum	City wide visibility and presence remains a concern for some Members. It could make SMG roles less attractive to diverse candidates should we need to recruit.	Colleagues continue to perform well and gain the work life balance benefits of the current workplace attendance model. Managers continue to develop their confidence in managing remote teams and managing performance outcomes rather than presence. Increased presence from senior leaders.

		Provides additional time for impact to be reviewed.
2A: All Hybrid Workers are required to increase their attendance in the office, working 3 days on site and 2 days from home	This group will experience higher impact of cost of living in relation to extra day travel, childcare. More workers may appeal or challenge their designated worker status. Productivity and performance within this worker group could reduce. Will worsen staff engagement and make it more difficult to hire in particular areas of the Corporation where we are competing particularly against the public sector.	Greater city-wide presence and visibility of the workforce although given the relatively small number of staff we have this will not likely be tangible to most.
2B: Remove Hybrid Worker designation and set the expectation that colleagues work either Workplace or Workplace+	This option could cause workplace performance and productivity to drop as work life balance reduces and negatively impacts on satisfaction. This is likely to result in higher staff turnover as colleagues move to wider public sector where 2 days' workplace attendance or less is standard. This group experience higher impact of cost of living in relation to the extra day of travel, childcare.	Greater city-wide presence and visibility of the workforce although given the relatively small number of staff we have this will not likely be tangible to most.
2C Minimum attendance for all staff regardless of category reverts to 5 days per week attendance in the workplace.	This option would reduce overall levels of satisfaction and workforce work life balance. This would further compound the issues of personal finance in the cost-of-living crisis and could potentially further increase gender and other inequalities in the workforce. There is a significant likelihood that staff turnover will increase and we are less able to recruit in key areas as more colleagues can access 2-day or hybrid workplace attendance arrangements across sectors. Would position the Corporation apart from modern employment practices.	Greater city-wide presence and visibility of the workforce although given the relatively small number of staff we have this will not likely be tangible to most.

17. It should be noted that the Guildhall does not have the capacity to accommodate all employees: this has been the case since the covid pandemic when desks were removed. The current Guildhall (North and West Wing) number of active desks available remains at 850. This limits departments to broadly a capacity of 3 days a week and has created pinch points for some departments where staff wish to work more than 3 days.

18. The Covid Gold Group approval during the pandemic reduced the number of desks to create a more open environment so currently, we would not be able to accommodate any more than a workplace posture policy of 3 days. If the future policy were to change (and increase days), then funding would be required to reinstate desks and re-equip.
19. We are not able to quantify any increase or decrease in productivity as a result of the changes, as we do not have a useful way to track this nor do we have a benchmark to compare to. However, multiple studies have shown no reduction in productivity across multiple sectors from having hybrid working and increases in others.

Conclusion

20. Senior officers are supportive of option 1: 3 days a week in the office (or pro rata for 60% of their hours) for SMG, Chief Officers and direct reports and for the remainder of the workforce to remain as is.

Corporate & Strategic Implications

21. Financial implications – None.
22. Resource implications – None.
23. Legal implications – These changes relate to a policy not the contract of employment.
24. Risk implications – In addition to the risk areas highlighted above under different options, there is a risk that any change to workplace attendance increases the number of flexible working requests which may provide a challenge from the perspective of our ability to ensure consistency of approach between teams and by different line managers. Any change to increase the minimum number of days in the workplace will also likely reduce our ability to recruit as it will reduce the candidate pool.
25. Equalities implications – An Equality Impact Assessment will need to be carried out against any decision to change our current position, noting the broad equalities impacts identified above. We will work with departments in terms of productivity and any adjustments that maybe needed for employees of protected characteristics.
26. Climate implications – None.
27. Security implications – None.

Appendices

- Appendix 1 – Workplace Attendance Pulse Survey Results
- Appendix 2 – Employee Handbook Workplace Attendance Policy
- Appendix 3 – London Councils Hybrid Working Survey June 2023

Appendix 3(b) – CELC Findings and trends

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