

South
Cambridgeshire
District Council

Report to:	Cabinet	12 September 2022
Lead Cabinet Member:	Councillor John Williams, Resources	Lead Cabinet Member for
Lead Officer:	Liz Watts, Chief Executive	

Trialling a four-day week at the Council

Executive Summary

- 1. The Council has significantly changed the way it works as a result of the Covid-19 pandemic, with an increase in the use of technology, more flexible working, and more home working, all while maintaining standards across frontline services for residents and businesses. We are however still faced with recruitment issues, across a range of services, and an increasingly challenging financial environment. The need to continue to develop new ways of working that will protect services to residents and businesses, whilst maintaining a motivated and highly productive workforce has led to a proposal to trial a four-day week.
- 2. Trials of a four-day week are being undertaken across the UK, Ireland and US, under the auspices of the 4 Day Week Global Campaign¹. Research from Henley Business School² showed that, for those organisations already offering a four-day week, the benefits included improved ability to attract and retain talent, improved employee satisfaction, reduced staff sickness, cost savings and increased productivity.
- 3. A three-month trial is proposed, initially only for desk-based staff, to assess whether these benefits could be secured for the Council. If successful, it is proposed that a further trial would be run for blue collar colleagues.

Key Decision

4. No

Recommendations

It is recommended that:

¹ 4 Day Week Global

² Four Better or Four Worse? A White Paper from Henley Business School HenleyBS_A4_whitepaper_2019_AW2.indd

- 5. Cabinet approves a trial to be run from January March 2023, preceded by a planning period of three months.
- 6. Cabinet requests the Employment & Staffing committee to receive update reports at its meeting on 10 November 2022 and 23 February 2023, with a view to reporting back to Cabinet after the end of the trial making recommendations as appropriate.

Reasons for Recommendations

7. To assess whether a four-day week could deliver benefits to the Council, and understand better the opportunities and challenges involved in changing the way we work.

Details

Why change and why now?

- 8. If the pandemic taught us anything it is that we can do things differently. Nobody believed or even imagined that it would be possible to run the vast majority of Council services from our colleagues' homes. But the experience of the pandemic has also caused people to think differently about their work/life priorities, and the workforce is now a more complex place to recruit and retain into. The Council wishes to create a workplace that is the very best it can be, which in turn delivers the best possible service to residents. Therefore, a trial of this type of working is merited. It is a bold suggestion that shows how much the Council values its colleagues while at the same time seeks to maintain and improve service standards.
- 9. The 4 Day Week Global Campaign started a trial including about 70 companies in the UK on 6 June. A news story and links are here: Huge 4-Day Work Week
 Huge 4-Day Work Week
 Huge 4-Day Work Week
- 10. A four-day week is when people work one less day per week but still get paid the same salary. It is different from 'compressed' hours (when the same number of hours are worked over fewer days).
- 11. Some organisations have introduced a four-day week where the entire business closes (except for a skeleton staff) for one day. This would clearly *not* be possible in the council, and so we would look to spread days off across the week (and pro rata for part time colleagues). During the planning period we would identify whether, with increased flexibility from colleagues, we would be able to *extend* our opening hours to residents and other customers.
- 12. When a four-day week works well, the benefits include:
 - Improved employee health and wellbeing
 - More motivated employees
 - Improved productivity

- Reduced sickness rates
- Better retention
- Improved recruitment
- No loss of performance
- Improved quality of work output
- Reduced cost of agency staff

What would the Council gain from a trial?

- 13. Our success as a council depends on our people. Recent anecdotal evidence from across the council suggests that some colleagues feel stressed and are struggling at work. This picture was reflected at the recent LGA conference and is regularly reported in the local government press; it is not just an issue local to South Cambridgeshire District Council (SCDC).
- 14. A staff survey has been carried out to identify these issues in much greater detail and early results will be reported to Cabinet at the meeting.
- 15. We also know the challenges we have recruiting; Fill rate has been 80% or less for the last five quarters (55% in Q4 of 21/22) as reported to Employment & Staffing Committee on 9 June 2022³. If the trial were to prove successful and we moved to being a four-day week employer, people would immediately benefit from a better work-life balance, and our recruitment problems would likely be significantly reduced as this would be seen as a significant benefit to potential applicants.
- 16. Our current use of agency staff across the Council to fill posts that we can't recruit to is significant. When considering office-based staff, excluding agency staff whose posts are externally funded, as of August 2022, we have 23 agency staff. If we were to extrapolate their costs over a 12-month period, it would be £2,065.000. If these posts were filled with permanent staff, the costs would be approximately £1,100,000. Saving close to £1,000,000. If the trial were to be extended to manual staff, these savings would be increased we average 25 agency staff in the depot at any one time. Obviously there is no guarantee that all of these savings could be delivered for example, there are often occasions when we choose to appoint agency staff for a short term contract it is clear from the scale of agency costs that there are saving to be made.

What would our customers gain from a trial?

17. The knock-on effect of improving our ability to recruit and retain cannot be underestimated. Many of our jobs are knowledge intensive and turnover can mean institutional memory is quickly lost. A number of services fill vacancies with agency staff (especially in Planning) which is both expensive (as shown above) but also suboptimal in terms of consistency and continuity. For example, it is incredibly disruptive when case officers change during the process of a planning

³ (Public Pack) Agenda Document for Employment and Staffing Committee, 09/06/2022 10:00 (moderngov.co.uk)

application or compliance case. Customer service could therefore be expected to improve, with fewer points of failure through 'handover' caused by turnover. We will also investigate the possibility of extending opening hours to the public as part of the trial.

Planning Period (October – December 2022)

- 18. Evidence from previous trials is clear that the key to successful implementation is a detailed planning period during which employees are engaged in contributing ideas and proposals as to how they/their teams could become more productive.
- 19. This would be a real opportunity for the Council to work collaboratively with colleagues, unions and councillors, to identify how we can improve productivity. The sorts of suggestions we might expect would be shorter meetings, with a critical interrogation of the value of each and every Teams call. Also, it would press home the importance of ensuring those meetings that occur have clear outcomes. Suggestions may also include better diary management (ensuring that 'important' work isn't constantly the victim to 'urgent' work), reducing demand failure through more 'right first time' work, better communications (for example fewer/shorter and clearer emails). Enabling colleagues to identify where they can become more productive and removing any barriers is an essential precursor to the trial period itself.

Trial Period (January - March 2023)

20. The formal trial period would take place from January – March 2023, to align with our performance reporting data. If the initial results are positive, the plan would be to continue the four-day week during April and May, whilst we analyse the full results and report back to Employment and Staffing Committee and Cabinet in May 2023. However, this extension during April and May is entirely dependent on initial findings and experiences during the formal trial period.

How will we measure success?

- 21. At the end of the trial, we would assess success using the following measures:
 - Performance (using our standard suite of Key Performance Indicators (KPIs) for Quarter 4) which will indicate whether there is any impact (positive or negative) on service levels across the Council
 - Health and Wellbeing (using an industry approved survey for all colleagues in the trial)
 - Further detailed interviews with a selection of colleagues, union representatives and councillors to get deeper understanding than the secondary data sources above.
- 22. If we could show that there had been no adverse impact on performance, and that people's health and wellbeing had improved, we could move to a more formal one year trial, during which we would start to collect longer term data on recruitment and retention, measuring three things:

- Are we getting larger numbers of applicants for roles that we struggled to recruit to previously?
- For those people who are leaving the organisation, are there fewer adverse exit interviews (ie their reasons for leaving are not related to a negative experience of working at SCDC)?
- What are the cost savings delivered by reducing the use of agency staff?
- 23. At this stage we would also look to undertake a trial with our blue collar colleagues.

Communications Plan

24. As noted in the risks section below, there will likely be significant interest in the trial from our communities, partners and the media. This is because we would be one of the very first local government employers to trial a four-day week. Being first to trial anything – especially on a national scale like this – is of course fully expected to lead to wider interest in Council activities than perhaps has previously been the case. A detailed communications plan has been drafted to ensure residents, businesses, staff, councillors, partners and other key stakeholders are kept informed and updated at the appropriate stages.

Partners

25. Strong partnership working is key to the Council's operations, particularly where we share services. Key partners have had informal briefings in the run up to this report being published, to ensure that they understand the rationale behind the trial, and are clear about how we will measure the outcome of the trial, and further briefings will take place during September if Cabinet support the proposed trial.

Options

Cabinet could decide not to approve the trial.

Implications

26. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial

27. There would be no cost to undertaking the trial.

Legal

28. As this is only a 3-month trial no contract or employment policy variations will be required and holiday entitlement, pension and other benefits will remain unchanged.

Staffing

29. As set out in the report.

Risks/Opportunities

- 30. There are risks involved with any change to working patterns. Since this is a trial, these risks would be time-limited. They include:
 - Adverse publicity. Although some other councils are considering a trial, SCDC would probably be the first to undertake one. Inevitably we will attract publicity, and a clear communications plan has been drafted to ensure residents, businesses, staff, councillors, partners and other key stakeholders are kept informed and updated at the appropriate stages. . Although much of the media coverage has actually been very positive about the 4 Day Week Global Campaign trials, including from major news media such as the Financial Times⁴, a public sector trial may be perceived negatively.
 - Potential for short term disruption (as was experienced with the move to homeworking during March 2020. The devil is in the detail - for example organising who is working when, and a host of other detailed HR issues such as for part time staff whose reduction in hours during the trial will be on a pro-rata basis. This is why we need a planning period in advance of the trial.
 - Dissatisfaction from agency/contractor/bank staff who would not be included in the trial.

Equality and Diversity

31. Given that at this stage we are only recommending a trial, no Equality Impact Assessment has been undertaken. Should we move to an extended trial we would certainly need to assess all of the equality issues. It is anticipated that these will emerge during the planning period and trial, thereby making them easier to accurately assess post trial, should extension be considered.

⁴ <u>UK companies trial four-day working week with same pay | Financial Times (cam.ac.uk)</u>

Climate Change

32. Evidence from the Henley Business School (link above) suggests that 67% of employees would drive their car less if they were to work a four-day week. Given that the Council already offers significant home-working, it is not clear whether this benefit would be achieved, but it will be monitored.

Health & Wellbeing

33. As set out in the report.

Consultation responses

34. No consultation has taken place yet. The planning period is intended to be an extensive engagement exercise with colleagues and the unions. Post-trial, depending on the outcome, further consultation would be expected with partners and stakeholders.

Alignment with Council Priority Areas

A modern and caring Council

35. A trial will be a significant exercise in understanding whether we can achieve the benefits outlined above, thus maintaining services to residents and improving the health and wellbeing of employees.

Background Papers

Employment & Staffing Committee 9 June 2022: Retention and Turnover Report Quarter 3 and Quarter 4 2022 Q4 2021-22 ESC Report Combined Final Turnover.pdf (moderngov.co.uk)

Report Author:

Liz Watts – Chief Executive Telephone: (01954) 712926