

Report to:	Cabinet	15 May 2023
Lead Cabinet Member:	Cllr John Williams, Lead Cabinet Member for Resources	
Lead Officer:	Liz Watts, Chief Executive	

Results of the Four-Day Week Trial and Next Steps

Executive Summary

1. The Council undertook a three-month trial of a four-day week (4DW) for all desk-based colleagues between January and March 2023. Data collected regarding the success of the trial has been collated and analysed and is set out in this report. Overall, the trial was deemed to be a success and an extension of a further year is recommended, to test whether a 4DW can positively impact recruitment and retention issues faced by the Council.
2. A trial for colleagues in the Waste Shared Service is considered as a separate item under this Cabinet agenda.

Key Decision

3. Yes – the trial has potential to deliver savings for the Council.

The key decision was first published in the April 2023 Forward Plan.

Recommendations

4. It is recommended that:
 - Cabinet **approves an extension of the trial up until March 2024**, in order to assess the impact on recruitment and retention, with regular reports on progress being submitted to Employment & Staffing Committee during 2023/24 and a final report to Cabinet and Council at the end of the extended trial period.

- Cabinet **notes the position of Cambridge City Council regarding the Shared Planning Service trial extension** (to be provided on 11 May, but not available at the time this report was published) and, should the City Council agree to proceed with the trial extension, Cabinet ensure equivalent reporting arrangements are established in order to provide Cambridge City Council with appropriate oversight arrangements regarding the Shared Planning Service.
- Cabinet **approves a three-month trial for Facilities Management** colleagues at South Cambs Hall, with a report being presented to Employment & Staffing Committee at the end of the trial.

Reasons for Recommendations

5. The three-month desk-based trial has been successful, and it is therefore important to test whether a longer trial will impact recruitment and retention at the Council.

Details

6. Our success as a Council depends on our people. The recruitment and retention challenges facing councils (and the private sector) across the country are well known^{1,2} and South Cambridgeshire District Council has suffered from significant recruitment issues (particularly in some areas of the Council's services).
7. The most recent Retention and Turnover report to Employment & Staffing Committee³ noted that in the three quarters up to December 2022, the number of vacancies that the Council successfully filled was less than 60%.
8. Recruitment costs are not limited to advertising and going through the recruitment process. When taking into account the time spent inducting/training new employees to reach a level of full productivity in the role, estimates by Oxford Economics are that filling a role costs on average £30,614⁴ - making the case for addressing the recruitment challenge very clearly.
9. Last Autumn we invited all colleagues to take part in an independent and externally run Health and Wellbeing survey, immediately before the 4DW trial was announced. We were aware – anecdotally – that some colleagues felt stressed and were struggling at work. The survey provided us with baseline data which confirmed the anecdotal evidence (more detail below).

¹ [Changing trends and recent shortages in the labour market, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

² [Labour Market Outlook: Autumn 2022 \(cipd.co.uk\)](https://cipd.co.uk)

³ [Turnover Q3 2022-23 ESC Report.pdf \(modern.gov.co.uk\)](https://modern.gov.uk)

⁴ [How much does staff turnover really cost you? | HRZone](https://hrzone.com)

10. Across the council, colleagues reported physical health at a level rated as 'caution' and mental health at a level rated as 'risk'⁵.
11. The survey also rated people's intention to leave as slightly higher when compared to other organisations.
12. In August 2022, a total of 23 agency staff were employed to cover vacancies at a 12-month cost of £2,065,000. The wage bill for permanent employees in the same roles would have been approximately 50% less, resulting in potential savings of close to £1,000,000 if the 4-day week improved recruitment to the extent that these roles could be replaced by permanent employees. It was noted, however, that a 3-month trial might not be long enough to see a significant change in this area.
13. Noting these challenges, the Cabinet decided to undertake a three-month trial to assess whether a 4DW could provide a solution. The trial itself was *not expected* to address recruitment and retention issues (as the time frame was too short) but was designed to see whether performance could be maintained and whether health and wellbeing improved. If both outcomes were positive, this would indicate that a longer trial could be considered viable, at which point recruitment and retention could be properly measured.
14. From a management perspective, it is important to understand that value for money can be achieved in several ways: effectiveness (maximising the outcomes by producing the right outputs), organisational productivity (optimising a combination of inputs – labour, capital, technology – to generate the required outputs) and budget efficiency (obtaining inputs in a cost-efficient manner). As will be seen throughout this report, and in the appendices, the 4DW has the potential to contribute across all of these areas.

What was the experience of the trial and what was the key learning?

15. There were two parts to the trial: the three-month planning period (October – December 2022) and the trial itself (January – March 2023). Over this period a significant amount of transformation took place in the organisation, which was almost exclusively led by employees within their teams. There has been considerable learning to date, both in terms of the implementation of the trial and the ways by which colleagues increased their productivity. Some of these experiences are set out in detail at **Appendix 1**.

What was the outcome of the trial?

Performance

16. The Council's usual suite of key performance indicators was the first measure used to assess whether the trial had been successful or not. A successful trial would show that performance across the KPIs had been maintained. The Council

⁵ (when compared to the general population of employees from across the public and private sector who had completed the survey over the last five years – 90,000 employees).

enlisted the support of the Bennett Institute for Public Policy at the University of Cambridge to ensure robust and independent analysis of the data.

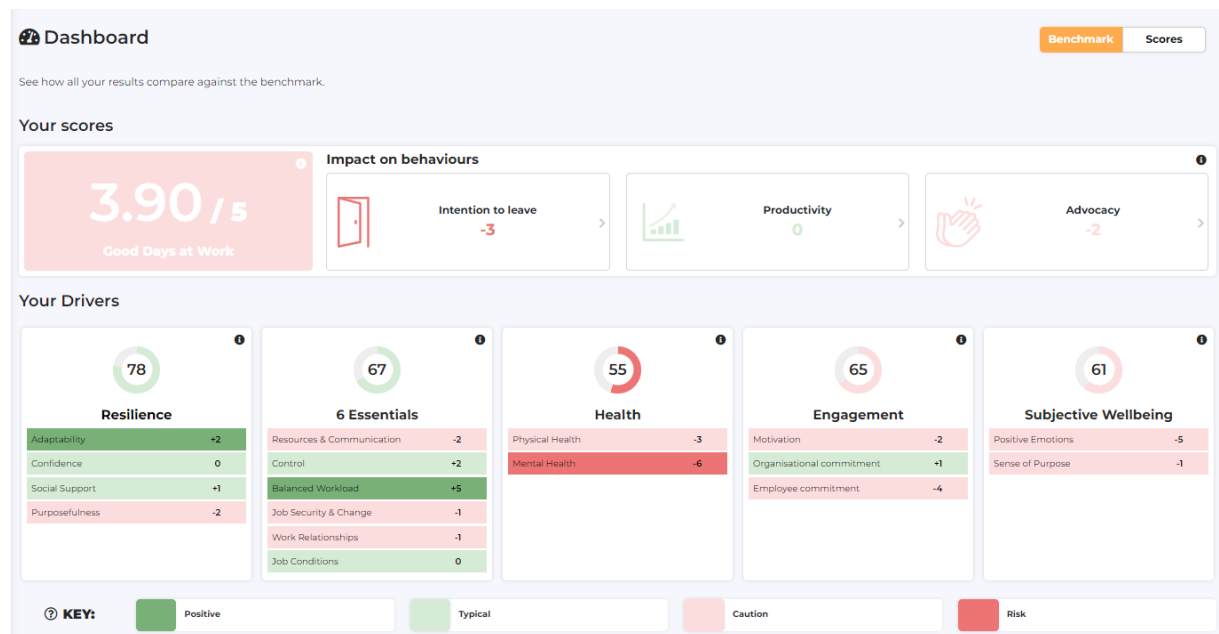
17. The data is set out at **Appendix 2a**, including the standard 'red/amber/green' analysis, a time series analysis (which shows historical data for each KPI and trends in the data) a Statistical Process Control analysis which identifies outliers based on averages from past data, and a Regression analysis (which controls for seasonality).
18. Overall one can conclude that performance has been broadly maintained, as can be seen on Table 2 of Appendix 2a.
19. March data for the contact centre was slightly worse than January and February, but the Bennett Institute data set analysis demonstrates that the performance is within normal levels compared to the average over time (and it is also worth noting that a billing error caused by another precepting council generated a very significant number of calls that were unplanned for).
20. There was only one red indicator, % of undisputed invoices paid in 30 days. This has been further analysed and refers to a number of invoices relating to the Shared Waste Service, which wasn't involved in the trial. There is therefore no concern related to this KPI and the 4DW.
21. Noting that some performance is not captured by the KPIs, the research team at the Bennett Institute also carried out qualitative interviews with a range of stakeholders, including councillors and managers, to understand in more detail how the trial had impacted performance, and whether there were any issues that should be addressed. These are also set out at **Appendix 2b**.

Health and Wellbeing

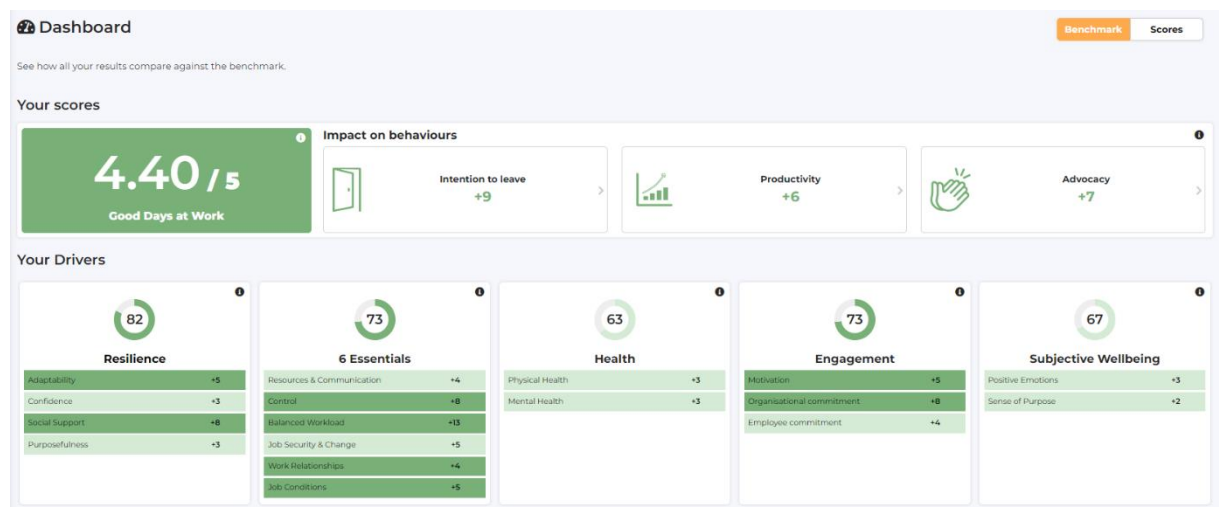
22. The Health and Wellbeing survey was undertaken by Robertson Cooper, an industry leader in collecting and analysing comprehensive data about employee experiences and comparing an organisation's employees against benchmarked data from 90,000 employees in other organisations (in the public and private sectors).
23. The response rate to the survey in August 2022 was 45% and in April 2023 was 67%.
24. When comparing the outcome of the survey in April 2023 compared to the outcome of the survey in August 2022, the results of the 4DW are overwhelmingly positive, as can be seen by a simple snapshot of the two dashboards⁶ below (pre-trial and post-trial).

⁶ The scoring on these dashboards is explained at Appendix 4

August 2022 data (pre-trial):



April 2023 data (post-trial):



25. A detailed report by Robertson Cooper is set out at Appendix 3.

26. The April 2023 survey asked several 4DW specific questions which were not asked in the August survey. These have provided some interesting insight into colleague's experience of the trial, set out below.

27. 88.5% of respondents said they would like SCDC to move permanently to a 4DW, 10% didn't know and 1.5% said they wouldn't support this. During the last few weeks, the project team has run a number of workshops for colleagues who have struggled with the 4DW, to ensure that those who want to continue are fully supported to do so. However, it is entirely acceptable that some colleagues have

personal reasons why they no longer wish to be in the trial, and these colleagues will have the option to simply revert to their previous working pattern.

28. 28% of respondents reported that they regularly worked more than 80% of their hours during the trial, with the majority of these respondents reporting that they worked 0-3 hours extra per week. For many officers, workload varies across the year, so there will inevitably be times when officers need to work slightly more hours (in the same way that they did pre-trial). While a 4DW in its 'purest' form expects hours to reduce to 80%, several companies in the private sector trials have adopted different approaches, following their trials. Some have reduced hours but not by the whole 20%. The Waste trial (referred to separately on this agenda) is anticipating a reduction of hours by 16.5% (to 32 hours over four days). At the end of the initial trials across all Council functions, the Council will need to align hours across all employees, once it is clear from the trial data what is achievable and best in terms of service delivery.

29. More consistent negative feedback on the trial has come from some, but not all, part-time workers. Even though their health & wellbeing scores improved between August 2022 and April 2023, they did not improve as much as those of full-time workers. A longer trial would certainly provide more time to investigate the issues (which are not single or straightforward) to see whether and how they can be resolved.

30. The data from the survey will be analysed in further depth over the next few weeks to ensure that any issues can be addressed systematically. Some very broad conclusions are:

- Females seem to benefit more from the 4DW than males. This may be related to caring responsibilities (and having more time to undertake them). The scores for those who claim to have childcare or caring responsibilities have improved dramatically at all levels.
- Also, older employees (50+) benefit over-proportionally from the 4DW, especially in terms of mental health, intention to leave (it reduces significantly), and productivity.
- However, the 4DW seems to create one issue for younger workers (under 25) and for people who have been employed by SCDC for less than one year. The issue is likely exacerbated by hybrid working, so not just a result of the 4DW trial. Both groups of colleagues show a decrease in "Confidence with difficulties" as measured by the statement: *Right now at work I feel confident that I can deal with difficulties when they arise*. This may be related to reduced opportunities for on-the-job training, informal interaction and the transfer of tacit knowledge and it will be important to build in mitigations for this concern should the trial be extended.
- There is a general feeling that the organisation is not using software efficiently, and that there are issues related to slow laptops and systems reducing productivity that, again, need to be analysed as part of the way

forward. There is certainly an opportunity for more ICT training to make sure colleagues are using IT to be as productive as possible.

Recruitment and agency staff finance implications

31. It is expected that improved recruitment because of the adoption of a 4-day week would be able to deliver savings by reducing the Council's reliance on agency staff. In specific circumstances (where staff in Shared Planning are funded through Planning Performance Agreements for example) the Council has a deliberate strategy of employing specialist agency staff. Nevertheless, for other roles where a permanent staff member is the preferred option for delivery, we have seen some progress towards achieving these potential savings during the trial. When considering desk-based staff, a direct comparison with the information contained in the September 2022 report to Cabinet shows that - as of end March 2023 - we currently have 19 agency staff that are covering vacancies (down from 23 in August 2022). A 12-month extrapolation of the cost of these agency workers is £1,792,000 (down from £2,065,000 in August 2022), saving nearly £300k annually. Although it would not be possible to definitively attribute all these savings to the 4-day week trial, it is noticeable that during the trial we have had success in recruiting into previously hard to fill posts, particularly in the Shared Planning Service.
32. During the trial, we have seen an increase in the number of applications received per post; on average we have had 4.8 applications per post, compared with 3.4 in the same period last year. These candidates have also been of a higher standard, and we have been able to successfully appoint to roles we have previously been unable to. For example, we advertised a Planning officer post last summer and received only 1 applicant, who was not suitable for the role. We have recently readvertised and received 9 strong applications with 5 selected for interview all of whom are potentially appointable. We have only been unable to appoint and had to readvertise 1 post during the trial, compared to 6 posts in the same period last year. The applications have generally been deemed good candidates.
33. An extension of the desk-based trial for a further year will allow the Council to fully understand the implications of the 4DW on the recruitment and retention of staff.

Customer Data

34. An online customer survey was introduced at the beginning of October 2022 to help to track satisfaction with SCDC services over an extended period of time. This has provided 3 months of customer satisfaction data prior to the start of the 4DW trial, and 3 months of results during the trial. At this stage, these results provide no conclusive evidence of a change in customer satisfaction since the beginning of the 4DW trial. Similarly, SCDC complaint numbers during the trial period were consistent with the median quarterly number of complaints since the start of the 2018-19 financial year, and a slight reduction from the previous quarter. This will be important data to monitor during the extended trial, should it be agreed.

What are the proposed next steps?

35. As set out in the recommendation, it is proposed that a one-year extension to the current desk-based trial is approved.

The Facilities Management Trial

36. Plans are in place for the first Facilities Management Trial which is proposed to start on 1 June 2023. The arrangements for this trial have been facilitated by a combination of more flexible rotas within the service and by further strengthening the already effective operational cooperation between the Facilities Management team and the Customer Contact Centre team around reception and security arrangements.

The Shared Waste Service Trial

37. Due to the complex nature of the Shared Waste Service, including a number of national policy changes that will impact operations, a separate report sets out the proposals for the Shared Waste Service, and this will be subject to approval by the Cabinet and Cambridge City Council.

Options

1. Members could decide not to extend the trial, although given the positive data around performance, health & wellbeing, and potential for savings, this is not the recommended option.
2. Members could move to become a permanent 4DW employer without an extended trial. This would risk making assumptions about recruitment and retention without any robust data and is therefore not the recommended option.

Implications

38. 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

39. The trial so far, and the proposed extended trial, will incur no additional cost. It is anticipated that savings will be delivered through reducing agency staff further and reducing the need to spend time and resources on recruitment.

Legal

40. Neither the trial, nor the proposed extension, require any changes to employee terms and conditions as participation will be on a voluntary basis. However, we are in regular and ongoing contact with the East of England Local Government Association to ensure our approach to the trial is fair and legally compliant.

Staffing

41. As set out in the report.

Risks/Opportunities

42. The 4DW trial is of particular relevance to SCDC Strategic Risk SR03 – 'Recruitment and Retention – technical skills shortages'. This risk has a range of associated impacts, including on service delivery, reputational damage, increased staff sickness and increased expenditure associated with reliance on contractors. As such, it is currently categorised as 'high risk' to the organisation (with a current risk score of 16 out of a maximum of 25). The 4DW trial is listed as a control measure for this risk, due to the potential for a successful trial to assist with attracting staff to the Council, and to contribute to the wellbeing and satisfaction of existing staff, thereby reducing turnover.

Equality and Diversity

43. An Equality Impact Assessment was undertaken by the 4DW project team and commented on by the Equality, Diversity and Inclusion group. The summary is as follows: there are no direct concerns arising from the 4DW trial with respect to those employees who have protected characteristics. The Robertson Cooper survey data indicates that in general all of these employee groups saw an increase in their general health and wellbeing as a result of the trial. Further information can be found at Appendix 3 and in paragraph 30 above.

Climate Change

44. Due to the increased level of home-working, it is unlikely that the trial will reduce commuting significantly, since that reduction has already taken place to the extent that it is likely to. However, the provision of additional non-working time could lead to more sustainable lifestyle choices and reduction on convenience consumption choices which are more carbon intensive. This has not been measured in the three-month trial and so there is no data.

Health & Wellbeing

45. As set out in the report.

Consultation responses

46. Consultation has taken place with members from SCDC and Cambridge City Council, and extensive focus groups have been held with managers and colleagues who asked to join drop-in sessions. Responses are set out in **Appendix 2b**.

47. Unison have been involved throughout the trial, and their comments on the trial are set out below:

“Our approach was to listen to our members and be responsive to both their hopes and concerns for the trial to try to resolve these positively with the aim for no-one to be left behind in the 4 Day week. We engaged staff and our members by:

- *Member’s meetings when the scheme was announced (pre-trial)*
- *Surveys and In-depth interviews pre, during (and after trial planned) – over 25% of our membership, reflective of the demographics within SCDC.*
- *One to one conversation via stalls/email/ Teams meetings at South Cambs Hall and Waterbeach Depot*

Future issues to explore if the trial is to continue:

- *Some staff have worried that they are not coping with the 4-day week and will be blamed for ‘poor performance’.*
- *We are keen that all staff have a working pattern that works for them.*
- *The Equality Impact Assessment should be able to highlight any differential impacts on staff with protected characteristics that need to be resolved*
- *There needs to be agreement and clarity sought with the unions on the process to change contractual rights – while staff have been willing to trial changes there needs to be a definite time when agreement is sought for changes to be made permanently.*

Conclusion:

Our members highlighted the benefits of the day off for a better work life balance, managing care responsibilities and finding time for leisure. In the majority of our conversations and the survey we undertook the trial has been welcomed. We will need time to see the Equality Impact Assessment and have time to work through the issues that have arisen in the desk-based trial.”

Alignment with Council Priority Areas

A modern and caring Council

48. The trial has shown that it is possible to provide a significant benefit to employees without jeopardising performance. The very positive feedback in the Health &

Wellbeing survey demonstrates that colleagues believe the Council has demonstrated itself to be an exceptional employer.

Background Papers

This report follows the report to Cabinet which approved the three month trial for desk-based colleagues: [Trialling a four-day week at the Council - Report for Cabinet.pdf \(modern.gov.co.uk\)](http://modern.gov.co.uk)

Appendices

Appendix 1: How we ran the trial and what we learned

Appendix 2a: Performance data – quantitative

Appendix 2b: Performance data - qualitative

Appendix 3: Health and Wellbeing data

Appendix 4: Dashboards Explained

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