


<b>Agenda Item No:</b>	<b>6</b>	
<b>Committee:</b>	<b>Cabinet</b>	
<b>Date:</b>	<b>16 March 2023</b>	
<b>Report Title:</b>	<b>Proposed Operating Model (POM)</b>	

## **1 Purpose / Summary**

- 1.1 The Proposed Operating Model (POM) sets out the Council's vision and priorities in pursuing our Transformation Agenda 2 (TA2), which includes new working practices.
- 1.2 There are a range of terms drawn upon to describe new working practices such as hybrid working, agile working, remote working and flexible working.
- 1.3 The needs of the Council and its customers will determine where new working arrangements are appropriate. This report seeks to establish Fenland Flexible Working Arrangements (FFWA) that are led by the needs of the Council and its customers.

## **2 Key Issues**

- 2.1 Fenland has embarked upon an ambitious transformation agenda ensuring the Council is progressive and fit for the future. Customers remain at the heart of our proposed operating model, providing greater choice, accessibility and flexibility regarding service delivery.
- 2.2 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from flexible locations, often where there is the greatest customer need, including the Business Centres, Melbourne Avenue as well as from Partner Organisations offices. This model provides benefits to the Council in offering greater flexibility and resilience whilst reducing the impact of unnecessary business mileage costs. In addition, it provides opportunities for savings that can be derived from a more flexible and potentially reduced workplace footprint leading to revenue savings, which aligns with the emerging Corporate Accommodation Review.
- 2.3 The POM outlines a set of principles that will underpin our future ways of working. The basic concept is moving towards a model where there is greater flexibility providing a catalyst for further positive transformational change whilst maintaining high performing service delivery.
- 2.4 Organisations who support flexible forms of working experience reduced employee turnover, increased employee engagement and improved rates of talent attraction, which are all vital in the current competitive recruitment environment. Hybrid working can provide many other opportunities for organisations including higher productivity, reduced estate and facilities costs, improved employee wellbeing, diversity and inclusion as well as being more environmentally friendly.

- 2.5 It is critical that any formalised Operating Model arrangement put in place contributes positively to the quality and continuity of service provision and priorities of the Council. The needs of the service will always be of paramount consideration.
- 2.6 Formalising the principles associated with Fenland Flexible Working Arrangements (FFWA) is important to ensure the continued progress of the outline business case in relation to the organisation's future accommodation options, which will be further considered once a new Council has been confirmed following May's local elections.

### **3 Recommendations**

#### **3.1 For Cabinet to:**

- Agree the principles associated with the Proposed Operating Model as set out within this report.
- Note the need to develop a suite of associated policies to ensure the successful implementation of the Proposed Operating Model. These are likely to be presented to the Audit and Risk Management Sub-Committee in the future for consideration and approval.

Wards Affected	All
Forward Plan Reference	KEY/13FEB23/01
Portfolio Holder(s)	Cllr Boden – Leader of The Council & Finance Portfolio Holder Cllr Tierney – Portfolio Holder for Transformation, Communications & Environment
Report Originator(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director Carol Pilson - Corporate Director Dan Horn – Assistant Director Anna Goodall – Assistant Director Amy Brown – Assistant Director
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Background Papers	Accommodation Review - Cabinet September 2022

# **Fenland District Council – Proposed Operating Model (POM)**

## **1 Introduction**

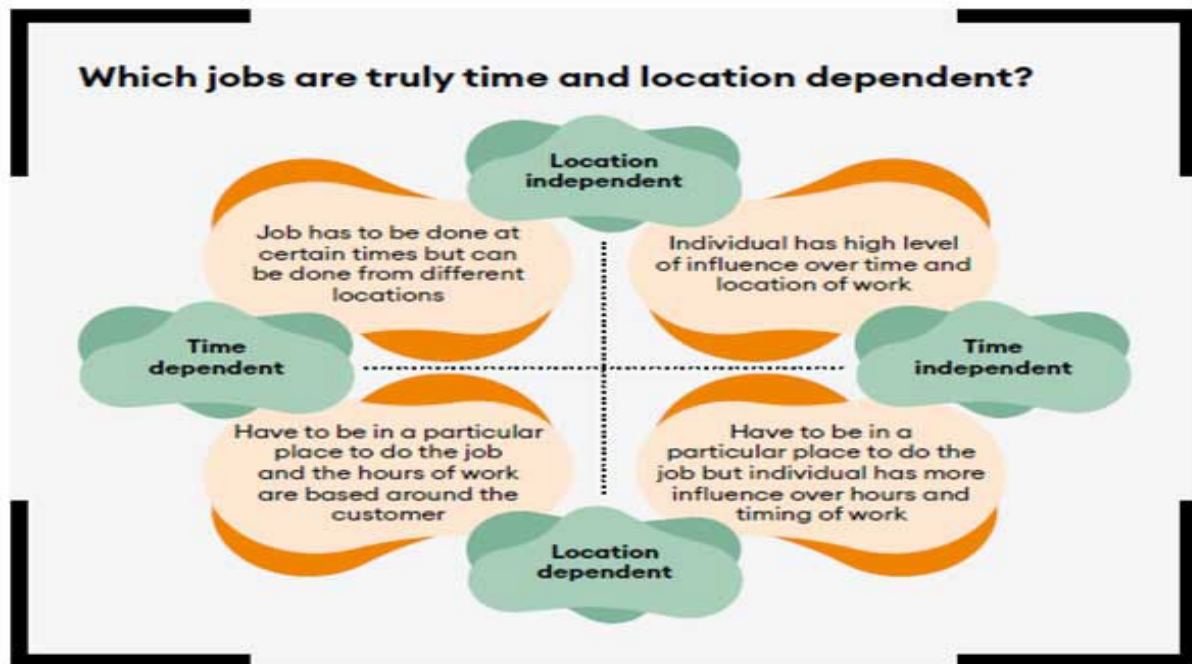
- 1.1 The Council's Proposed Operating Model (POM) sets out the Council's vision and priorities in adopting Fenland Flexible Working Arrangements (FFWA) and facilitating an effective, efficient way of working that enables further transformation. It is anticipated that the formal adoption of the POM will offer many benefits for our customers, local businesses, employees and organisation as a whole.
- 1.2 The Council recognises the need to continue to support modern working practices to enable employees to maximise their performance and productivity to deliver the key corporate priorities set by members and outlined in the Business Plan to local residents. In addition, new technologies are making it easy to access information remotely, work from a variety of locations, whilst promoting a more joined up service.
- 1.3 The principles outlined in the Operating Model build upon previous flexible working arrangements that have successfully been in place since 2020 and supports a culture of working wherever, whenever and however is most appropriate to get the work done. This does not just cover working hours, locations, and workstyles, it is about being responsive and adaptive to service needs and advancements in technology. A fit for purpose operating model incorporating FFWA provides greater flexibility, particularly in relation to the time and location employees can work, subject to the requirements of the Council and needs of its services.

## **2 Background**

- 2.1 Fenland has embarked upon an ambitious transformation agenda ensuring we remain progressive and fit for the future. Our customers are at the heart of our future operational delivery model, providing greater choice, accessibility and flexibility regarding service delivery. The transformation agenda has been further influenced by the COVID pandemic which accelerated the uptake of online digital services whilst resulting in a continued reduction in the demand for face-to-face provision, creating a unique opportunity to consider our current and future operating model. It is recognised that services must also respect those residents who don't have direct access to technology through ongoing transitional arrangements.
- 2.2 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from locations where there is the greatest customer need via flexible working arrangements. This model provides benefits to the Council in offering greater flexibility and resilience whilst reducing the impact of unnecessary business mileage costs. In addition, it provides opportunities for savings that can be derived from a more flexible and potentially reduced workplace footprint leading to operational revenue savings, which aligns with the emerging Corporate Accommodation Review.
- 2.3 During that past three years the occupancy of Council offices is reduced, which suggests an inefficient and costly use of the office space available. The

majority of office based and associated work commitments have been discharged through flexible working arrangements. Despite these informal changes to working arrangements the accommodation still provides for each person to have a desk, irrespective of whether the working pattern of the individual can be undertaken flexibly. The Council's overheads in terms of day to day running costs, and also capital costs associated with addressing health and safety compliance obligations, as well as significant repair and maintenance requirements are therefore higher than they need. There is the potential to remove these financial burdens from the Council through the POM and associated outcome of the Accommodation Review.

- 2.4 There is a real desire for both our customers and staff to access data more quickly and efficiently and a push towards 'digital by default'. This includes enabling a greater use of digitised records and a shift away from paper-based systems, leading to operational efficiencies. A review of the Council's data storage and archiving requirements will form a key part of the Accommodation Review.
- 2.5 From a customer perspective, there is a need to implement more 'self-service' systems, which provides greater choice and the flexibility of being able to access Council services at a time and location most convenient to them. The ability for customers to self-serve ensures residents who are able and willing to access services electronically can do so, whilst enabling more traditional access channels, such as the corporate contact centre or our individualised face to face appointment service, to focus on those customers who may struggle to use or access digital channels or those who are potentially most vulnerable.
- 2.6 Introducing a new operating model and associated flexible working practices will involve further developing our successful working culture across both the member and officer arenas. It is not about doing things in the old way with some new technologies and redesigned office spaces, it is about new ways of working using new tools, new processes, and new approaches to management and teamwork.
- 2.7 This requires different types of behaviours and different expectations about how work is undertaken. Plans to allow increased flexibility of where and when work is carried out must ensure the best possible outcomes and services are maintained for residents and local businesses. The work delivered by services, teams and individuals should be assessed against time and location dependency prior to any agreements taking place. A robust approach to performance management will ensure that successful and timely outcomes continue to be achieved. Relevant management and staff development, along with suitable ICT systems, will be essential.



2.8 The future operating model is about developing a clear suite of future policies that support Flexible Fenland Working Arrangements (FFWA). These will need to reflect the short, medium and longer terms requirements of the Council and its customer, and as such will be subject to continual review. How this is arranged, and the balance between working locations, is always going to depend on the role, the demands of the role, and the logistical factors around supporting and managing that role. Nonetheless the basic concept is moving towards a model where there is greater flexibility.

2.9 It is critical that any formalised operating model arrangement put in place does not impact detrimentally on the quality and continuity of service provision or the functions and activities of the Council. The needs of the service will always be the paramount consideration.

### 3 Scope

3.1 The new operating model sets out an overall framework for FFWA within the Council, enabling our workforce to carry out duties in a more efficient and effective way. The model applies to all employees of Fenland District Council whose roles are suitable to be included in hybrid working arrangements.

3.2 The report enables elected members, managers and staff to gain a better understanding of the operating model and FFWA and understand the basic principles, which can then be considered and applied to specific roles.

3.3 The report covers all flexible working arrangements and there is an expectation that sharing desk space will apply unless this is deemed necessary to undertake the job role or as part of a reasonable adjustment.

## **4 Proposed Operating Model (POM) - Principles**

- 4.1 It is recognised that formalising the POM requires commitment and a collective responsibility. The model focusses on people, places, and technology. The success of these working arrangements relies on ensuring that we have confident and skilled people, supported by technology, appropriate workplaces, equipment, systems and processes, who are willing and able to work in a flexible way to meet service needs and improve outcomes for local people.
- 4.2 At the heart of the new operating model is the philosophy “work is something we do, not somewhere we go, it’s an activity, not a place”, as such the following principles are fundamental to ensure we are able to successfully embed the proposed ways of working:
- Plans to allow increased flexibility of where and when work is carried out must ensure the best possible service is maintained for local residents and businesses
  - The work delivered by services, teams and individuals should be assessed against time and location dependency, to determine the future formalised working style, prior to any agreements taking place (see diagram 1 in paragraph 2.5 above)
  - All plans to work from an alternative location or time is dependent on the needs of the Council and its customers, and subject to ongoing review of its operational effectiveness
  - Leadership and engagement of teams is critical to planning assumptions
  - Rather than replicating how we have previously delivered our work, a commitment to flexibility and being constantly open to challenging ourselves in relation to new ways of working and delivering services is required
  - Work has less impact on the environment, reducing the Council’s carbon footprint and making the best use of its assets
  - Presence does not equal performance. Performance is managed on results and outcomes rather than presence, which will involve different ways of keeping in contact with staff, of assessing workloads and monitoring and measuring performance
  - Training and support in relation to new ways of working will be provided to managers and staff
  - An open, fair, and consistent approach is applied within teams based on service and customer needs.
  - The use of both virtual and digital working is critical, however it is accepted that there is sometimes great benefit in being face to face, such as when inducting new people or supporting less experienced colleagues to develop their knowledge/skills.
  - The emergence of Artificial Intelligence(AI) and its practical application to the running of the Council, its services and working practices offers significant potential and will form a key strand of TA2.

- It is vital that the POM and the supporting FFWA policy framework supports the transformation of the Council in the short, medium and longer term.
- Physical and virtual office spaces will be merged with tools in place to make workspaces accessible and inclusive by enabling workspaces to be used flexibly and collaboratively
- Flexible meeting spaces and supporting technology will enable meetings to be productive whatever the location of the participants and ensure that all parties are able to take part and contribute effectively, regardless of their location.

## **5 Benefits of the Proposed Operating Model(POM)**

- 5.1 Flexibility in location of work is an effective business tool. It can help to manage headcount and workflow, performance, and productivity.
- 5.2 More recently recruitment and retention has been particularly challenging not least as a result of talent/ skilled labour scarcity, budget constraints as well as significant competition from the private sector. Therefore, the ability to attract and retain a talented and diverse workforce has been particularly demanding. In particular difficult to fill posts may benefit from flexible employment practices.
- 5.3 Formalising an operating model which enables the development of a more inclusive culture, offering greater flexibility that increases productivity whilst helping to facilitate wider transformational change. This change to working practices in other similar organisations has shown to result in an increase in job satisfaction whilst also benefitting the organisation and will enable us to draw the best people from diverse talent pools.
- 5.4 In addition, the proposed operating model providing greater flexibility regarding how, where and when work is undertaken will also result in a reduction in travel costs due to virtual meetings, optimisation of the Council's investment in technology, the more efficient and effective use of office space as well as further supporting a more resilient and adaptable working culture that can respond to future challenges.
- 5.5 Of the 152 staff members that completed the annual staff survey in 2022, 62% of staff confirmed their working arrangements had changed during the pandemic with 59% deploying a flexible working approach. 89% of staff surveyed said that they either agreed or strongly agreed that they would like their new working arrangements to continue as it enabled them to deliver services in a manner that better reflected customer expectations.
- 5.6 Flexible and Responsive Services that supports better contact and improved service delivery for the benefit of Fenland residents and customers.

## **6 Communication**

- 6.1 The strategy sets out the Council's high-level framework for FFWA. Effective communication and engagement with employees is essential in order to develop our culture, new behaviours, and ways of working. Consistent messages delivered as part of a two-way process ensuring that feedback from

employees is used to shape our detailed approach will be central to developing and implementing our new operating model.

## **7 Evaluation and Review**

- 7.1 The Council's approach will need to be kept under review to ensure ongoing success and that it continues to reflect learning, developing and new technologies and changing circumstances. Staff surveys, feedback from supervision and springboards (appraisals) will help inform our review process. Ongoing feedback from both elected members and customers is also vital in ensuring the POM remains efficient and effective.

## **8 REASONS FOR RECOMMENDATIONS**

- 8.1 The Council recognises the need to continue to support modern working practices to enable employees to maximise their performance and productivity to deliver the key corporate priorities outlined in the Business Plan.
- 8.2 Fenland has embarked upon an ambitious transformation agenda ensuring we remain progressive and fit for the future whilst ensuring customers remain at the heart of our POM, providing greater choice, accessibility and flexibility regarding service delivery
- 8.3 The transformation agenda and enhanced use of digital technology to support service delivery has enabled staff to work from locations where there is the greatest customer need via flexible working arrangements
- 8.4 More recently recruitment and retention has been particularly challenging not least as a result of talent/ skilled labour scarcity, budget constraints as well as significant competition from the private sector. Therefore, the ability to attract and retain a talented and diverse workforce has been particularly demanding.
- 8.5 Formalising an operating model which enables the development of a more inclusive culture, offering greater flexibility that increases productivity whilst helping to facilitate wider transformational change. This change to working practices in other similar organisations has shown to result in an increase in job satisfaction whilst also benefitting the organisation and will enable us to draw the best people from diverse talent pools.
- 8.6 Offering flexible ways of working that benefit customers and staff and help to deliver services in a manner that better reflects customer expectation is a key part of our Transformation-Two (TA2) agenda.
- 8.7 There is a real desire for both our customers and staff to access data more quickly and efficiently and a push towards 'digital by default'. This includes – enabling a greater use of digitised records and a shift away from paper-based systems, leading to operational efficiencies and supporting the need to conduct a review of our storage and archiving requirements
- 8.8 From our customers perspective, there is a need to implement more 'self-service' systems, which provides our customers with greater choice and the flexibility of being able to access Council services at a time and location most convenient to them. The ability for customers to self-serve ensures local



residents who are able and willing to access services electronically are able to do so, whilst enabling more traditional access channels, such as the corporate contact centre or our individualised face to face appointment service, to focus on those customers who may struggle to use or access digital channels or those who are potentially most vulnerable.

## **9 CONSULTATION**

- 9.1 The POM sets out the Council's high-level framework for FFWA. Effective communication and engagement with employees is essential in order to develop our culture, new behaviours, and ways of working. Consultation regarding ways of working has formed a key aspect of the staff survey and in addition ongoing discussions take place at the monthly management Trade Union Staff Partnership (MTSP).
- 9.2 Formal consultation with all employees will take place as part of the two-way process in relation to ensuring that feedback from employees is used to shape our detailed approach and will be central to developing and implementing our new operating model. The output from the formal consultation will be shared with the Audit and Risk Management Committee as part of the detailed policy development process.

## **10 ALTERNATIVE OPTIONS CONSIDERED**

- 10.1 Alternative working styles have been outlined in the report. The report outlines the principles to underpin the POM. These principles have been informed by the approach to working which has informally been in place since the outset of the COVID pandemic. It is recommended the implementation is subject to formal review and evaluation.

## **11 IMPLICATIONS**

### **11.1 Legal Implications**

- 11.2 The Council has a duty under s.3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, "the best value duty". The proposals set out in this report compliment the Council's best value duty in ensuring the most efficient and effective means of delivering services.

### **11.3 Financial Implications**

- 11.4 There is unlikely to be any additional cost to FDC as all office-based staff have already been provided with laptops as standard (The rollout of laptops for all relevant staff was expedited during the COVID pandemic in order to comply with the Central Government requirement to work from home where possible). It is anticipated however that there are likely to be cost savings

arising from the formal agreement to the new operating model, for example, from a reduction in travel costs to meetings.

- 11.5 In most circumstances the employee will not be eligible to claim expenses for flexible working. This includes but is not limited to, broadband, heating, lighting, water, landline connection etc. and, although financial assistance will not be provided, employees may find that they are still financially better off when considering personal commuting.
- 11.6 Tax relief for household bills may also be available to employees who should contact the HMRC directly for more information. This is entirely a private matter to be settled between the individual employee and the tax authorities.

### **11.7 Equality Implications**

- 11.8 The greater flexibility the future operating model provides in relation to formalising FFWA will have a positive impact on all employees who are in suitable roles as they will be able to decide which mix of virtual or office working is best for them.
- 11.9 Formalising an operating model which enables the development of a more inclusive culture, offering improved ways of working that will enable us to draw the best people from diverse talent pools.
- 11.10 Where required and previously identified, specialist equipment will be made available in an office location in addition to equipment supplied to work from other remote locations.