



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Inquiry into Flexible Working in the Public
Sector in Northern Ireland: Salford City
Council Briefing

20 March 2013

NORTHERN IRELAND ASSEMBLY

Committee for Finance and Personnel

Inquiry into Flexible Working in the Public Sector in Northern Ireland: Salford City Council Briefing

20 March 2013

Members present for all or part of the proceedings:

Mr Mitchel McLaughlin (Acting Chairperson)

Mrs Judith Cochrane

Mr Leslie Cree

Mr Paul Girvan

Mr John McCallister

Mr David McIlveen

Mr Peter Weir

Witnesses:

Mr David Horsler

Salford City Council

The Acting Chairperson: I remind members that the session is being recorded by Hansard. Given the amount of electronic activity, can we ensure that mobile phones are switched off as they interfere with the transmission and recording of proceedings?

We will hear from David Horsler, customer support services, Salford City Council; and Jonathan Burt from Salford City Council. There is a secretariat paper, and there are issues there for areas of discussion and a slide presentation kindly provided by Salford City Council. I invite our colleagues and witnesses this morning, David and Jonathan, to make a short opening statement.

Mr David Horsler (Salford City Council): Good morning. I must apologise as Jon Burt has been called out and we have had technical problems this morning. If there are any specific issues that I cannot answer and that he can, I will note them and come back to you.

The Acting Chairperson: David, can you give us some background to the reasons why you adopted this approach and the experience and benefits that you see from it?

Mr Horsler: Certainly. I will be very brief, as I know that time is short. By way of background, Salford is a city on the western edge of greater Manchester, and it has about 250,000 inhabitants. We have more than 6,000 staff, excluding teaching staff, of whom 2,000 work with the community and in home care, for example, so our office-based number is 4,000-ish. A great deal of work has been done on relocating and looking at accommodation for those staff.

Through the slide show that I provided for you, I have attempted to identify the three varying priorities for the reasons for undertaking a review of work styles and buildings, etc. Currently, and this is, I think, driven primarily by our financial situation, the third property management perspective is the dominant approach. We are trying to dramatically reduce our overheads for property holding and

recover, as far as possible, capital receipts to cover our borrowing requirements. However, we have also attempted to use property management and work-style management as a way of changing the way certain parts of our council operate. A number of smaller units — for example, our human resources unit — have completely restructured themselves over the past few years, and we have used the way that they work, their style of working and the physical conditions within which they work to enable new ways of working.

Also, we are cognisant of the fact that, generally, employees require more of a work/life balance. Therefore, enabling people to work from home or even to be home workers has been an important aspect of a competitive recruitment environment. A significant number of our call centre workers, for example, work from home, some of whom live hundreds of miles from Salford. If I stop there and open it up for questions, I think that that might be a productive way forward.

The Acting Chairperson: Thank you very much, David. To help the Committee with its task, will you outline how the council established the performance baselines so that it could measure the qualitative or quantitative benefits?

Mr Horsler: Quantitatively, that has been relatively easy. The Chartered Institute of Public Finance and Accountancy has, for some time, had a benchmarking approach to a number of property issues across all councils, and we have, over time, had national performance indicators on some of those. Most importantly in our case, we looked at the ratio of staff to workstations and the square meters that a work station uses in a building, and we then attached costs to those. Our current estimate is that every work station costs us £1,000 a year, which is a significant reduction over the past three or four years.

Qualitatively, it is much more difficult. I do not think that we are sophisticated enough to know what impact it has on recruitment and retention, for example, particularly in an environment where the general trend is for us to significantly reduce our workforce anyway. The broader dynamic in our workforce makes it, I think, almost impossible to see whether we are improving the way that people feel about working for the organisation.

The Acting Chairperson: Have you experienced any resistance? Workplaces, I suppose understandably, have a well-established culture. Was there any resistance at management level or within your workforce to the change?

Mr Horsler: Yes, we have had significant resistance. The change management model that I outlined at the beginning of the slide presentation has, I think, been a touchstone for the way in which we have attempted to address that. We have been looking for local leadership to pick up the baton of workplace change and for early adopters in all situations to lead the way forward. We have then demonstrated to other people just how it can work.

We have had two key issues, the first of which is the vast amount of storage — mostly paper storage — that individuals have. Three years ago, we estimated that 15% of all our floor space was covered by filing cabinets. Therefore, enabling and encouraging people to work in a much more paperless environment has been a significant cultural, as well as technical, challenge for us. The other issue is what I call nesting, where people want to own physical space in a workplace. If there are more people than workstations, we need people to be disciplined in clearing vacant workstations as they leave, and they have to be prepared to come back to a different workstation later in the day. For some people, that has been very difficult on a personal level.

The Acting Chairperson: Thank you very much, David. That has been very useful and helpful. I will now invite my colleagues to join in with questions.

Mr Cree: Good morning. How do you measure the productivity from the work that you have done.

Mr Horsler: Personnel productivity?

Mr Cree: Yes.

Mr Horsler: Some specifics are quite easy to measure. Most of our home workers, for example, work on a largely transactional basis, either answering telephone calls or doing transactional work on benefits and so on. That work is very measurable, and our overall finding is that people are more

productive in a home-working environment than they are in the office, particularly those whose home situations mean that breaking up their working day to enable them to, for example, collect their children, is an important part of the way that they want to work.

We have also identified a reduction in sickness absence. It is difficult to determine whether that is a reduction in sickness or a reduction in the recording of people who are absent, because of their flexible working patterns, as sick. However, there certainly has been a reduction.

We looked at the totality of what it costs to host somebody at work: the running costs of the buildings, IT equipment, energy usage, car mileage etc. By taking a much more flexible approach to where people are located, those costs have reduced significantly. Most people, for example, are now capable of working from any PC in the council and from their home PC through the use of Enterprise Anywhere. A number of people, and I include myself in this, will not come in to work for days at a time but are connected to work. That results in, for example, identifiable carbon management savings.

The Acting Chairperson: Is Enterprise Anywhere a universal software package?

Mr Horsler: Enterprise Single Sign-On (ESSO) Anywhere is at the sharp end of Microsoft Office, but it is commercially available.

Mr McCallister: My question is about the types of posts and jobs that are suitable and unsuitable. Did the opportunities open up much when you rolled this out? Were you surprised at some of the roles and jobs in which you could offer flexible working, or were they fairly standard?

Mr Horsler: In our presentation, you will see a set of definitions that we use to differentiate between types of work styles. It is possible to work differently with all those work styles. However, you have to understand that there are differences. Home workers are, in some senses, very easy, because they work at home most of the time, but, behind that, there are a number of requirements: health and safety, payments, making sure that the kit is hardwired to the city council rather than working through iffy internet connections etc. So the council makes an investment in home workers. It costs about £1,500 upfront per person to get their kit installed etc.

Fixed workers are classically administrative/clerical staff who do not really move around a lot but tend to be diluted throughout the organisation. We do not have typing pools or any modern equivalent. We have to understand that those people will probably use the same desk most of the time. However, in our broader calculations, because those people tend to mingle with mobile workers in particular, our norms of eight work stations per 10 staff also apply to them.

We have to be aware of the welfare needs as well as the operational needs of staff in new workplaces. So, for example, galley kitchens and separate places to eat, so that people do not have to eat at their desk, are critical to the success of this.

Mr Weir: I will follow on from John's point. You identified different work styles that may be applicable to different roles or jobs. When you were implementing this, to what extent did you have a preconception of who would fit into what role? When you implemented it, to what extent did you find that you had to make adaptations having found categories that you had not necessarily thought could fit into particular pigeonholes?

Mr Horsler: The first three work styles shown on the slide are home, fixed and mobile. In some senses, we have made very crude assumptions about who fits into which. With the fourth work style, the agile workers, you have to be much more specific because you have to create an agile work environment for them. That often requires adaptations to ICT systems and making sure that staff have the right type of kit. Are they laptop users or do they need something less than a laptop, such as an iPad? You have to be very specific and design around the work style of agile workers. We run an analysis tool over those groups of staff. I do not think that we have that many people who are truly agile. However, we are involved in a project with all of our adult social workers, which will be the biggest group of staff to move down that line.

Mr D McIlveen: Thank you, David. When did the council start to roll out this concept?

Mr Horsler: We started taking it very seriously in 2010. The driver was the comprehensive spending review, which identified that we would have to make significant savings over the ensuing three or four

years. Property was an area that had never been seriously tackled in seeking to make cost savings. In discussions with the trade unions, they asked us to look at anything that was not job-related to make those savings.

Mr D McIlveen: It is probably fair to say that, at times, none of us likes change. At times, the public sector is probably more resistant to change than everybody else. I guess that, at some point around 2010, a conversation had to take place with a number of your staff members who were already in post. So they had already been interviewed and taken up a largely office-based position. They were then told that they had the option of their post being home-based as opposed to office-based or maybe — I do not know — even that that was an obligation. I wonder about staff who were already in post and found themselves in the position of being able to be based at home such as, as you quite rightly mentioned, people who have a front line, customer-facing role. Was there any friction from a teamwork perspective? Did you find any members of staff who found themselves in this position almost by accident? Somebody may have said, "I am in an office-based position. Had I known that, at some point in the future, I would be home-based, I would have applied for a different post in the council." Was there any resistance, friction or other negative impact on teamwork?

Mr Horsler: It is important to understand that most of the process that we have undertaken so far has not really been about staff moving from desk-based to home-based working. Rather, we looked at desk-based roles, in which people have their own desk, probably their own office, certainly their own filing cabinets and probably a lot of empty space around them. The process has been about moving those people into multi-use, open-plan offices, in which people have to find a desk in the morning, which is not theirs, set themselves up and, if they go out for a meeting in late morning, have to do that again in the afternoon. That has been the real push so far.

There has been significant opposition to that, much of which has been argued out in professional terms. Certain staff may argue that their opposition comes down to their professional ethos or the way that they work. Lawyers, for example, might say, "We have to surround ourselves with paper at all given times and preferably have 18-inch piles of it at least on our desks. You cannot be a lawyer unless you work like that." We have tried to work round that sort of defence. Our legal term is shared with Manchester City Council and works over two sites. We still have several store rooms full of deeds and various other bits and pieces, but that is by the way.

We have almost come to the end of our opportunities for this "squeezing-up" approach in our big offices. We are having to start to look at the way that we deliver services nearer to the customer. A lot of that will be much more disruptive to people's perception about the type of work that they do. One of the projects that we are developing physically is the conversion of one of our outlying libraries into a joint library and job centre. We are asking our staff not just to share with staff who work for the Department for Work and Pensions (DWP) but to create a joint front end with DWP. Therefore, library staff will also direct and support jobseekers. It is because we have taken the low-hanging fruit that we are now moving into that area, and it will be much more problematic.

Mr D McIlveen: I just want to be clear in my understanding: has the council, in response to any resistance from staff, had to compromise or make any changes to its original plan? If productivity remains consistent and costs go down, it is a no-brainer. However, if you find yourselves having to speculate to accumulate, that carries a heavier risk. Did you ever have a plan in place that was costed and looked very nice on paper but then have to move the goalposts as a result of staff resistance?

Mr Horsler: Yes, we have. We have always tried to consult at a very early stage, and, from a crude change management/property management point of view, I think that we sometimes underestimated some real service delivery hurdles, particularly with childcare. We have had to try to fully understand how what we considered to be an adequate set of interview rooms for children and families does not work in practice because competing families or family members are in much closer proximity than they would have been in our previous property structures. So we have had to adapt and look at ways of physically changing buildings, and so on, as we have gone through. However, there have been pushes as well as compromises.

Mr Girvan: Thank you, David. You spoke earlier about the removal of filing cabinets and said that more data would be held in electronic format. How can you be sure about the security of that data when people are running around with laptops containing very sensitive information rather than holding that information on a central site? I also have a question about security and those who work from

home. In Northern Ireland, as a consequence of certain computers going missing, people have had to be moved from their homes. How do you secure the information?

Mr Horsler: We use a lot of encryption. In particular, any personal information will be encrypted on the users' devices. However, the corollary to that is that some people, traditionally, run around with hard copy in their briefcases at the same time. So, in some senses, we were moving from a totally secure situation to a less secure one. There is a balance to be struck. Home workers or those using Enterprise, as far as I understand it, work via a very secure link through our firewall. A hole is created in the firewall for the purpose of an individual session and ceases at the end of that session. However, when working through Enterprise, people are not working on their own PC but on council servers. That means that data from the council is not coming outside, if that makes sense; it is merely the image of data that comes outside.

We are conscious that it is a process rather than a solution, and our data management people are looking at new ways of dealing with that. Some of our current testing with adult social workers focuses less on the cultural use of the data and more on its technical use, including whether you freeze parts of the data on to mobile devices rather than giving live access to all of it and then come back and log in.

The Acting Chairperson: David, will your next steps and co-operation on planning with key partner organisations entail a relationship based on, say, council premises, office space and so on, or might the process involve the council's services working out of new and different locations?

Mr Horsler: It will involve both of those things. I think that co-location, co-location, co-location is the motto now. We are sharing back office accommodation with our partners, and we expect, for example, that our large general hospital will move some of its back office accommodation to share one of our core sites over the summer. It will take up to around 400 to 500 workstations to that site, which will allow the hospital to deliver more services in the space that it has vacated. Our view is that, across the city, we should be creating back office campuses that are shared by as many organisations as possible.

We are also looking at front-end service delivery. We have five or six years' experience now of local investment finance trust (LIFT) centres for health. I do not know whether those mean anything to you, but they are widely available across England. We built those new centres, which are PFI newbuilds, in Salford, to include not only health facilities but libraries, front desk customer services and so on.

Although the LIFT financing model has now disappeared, we hope to build at least another two of those multiagency buildings. One of those will be where I am, in Swinton, which is Salford's public sector hub. The other will be built in one of the more deprived estate areas called Little Hulton. If those come off in the next two or three years, we will have a network of shared front ends stretching across the whole city.

The Acting Chairperson: David, I want to return to an earlier question that was put to you. I presume that there is political support and endorsement in the council for the strategy, but have you been able to demonstrate that, on the client side, there is satisfaction that there is improved access in the delivery of local government services?

Mr Horsler: Yes. We would claim success in a couple of areas. The first is in what we call "channel shift", which is about encouraging people to move from face-to-face contact to electronic contact with the city council. All our shared outlets have booths for people to interact with the council. So rather than necessarily expecting everybody to use their PC at home, we use public access PC's in shared service areas, including the provision of tuition and support, to get people to move towards a more electronic involvement with the council. The payment of council tax, for example, through electronic means is increasing at a significant rate.

The second success, which has political sensitivity, is that our library usage has gone up dramatically where we have co-located libraries with other services. Given the many libraries run by local government that are under threat across the country, and the political repercussions of that, Salford is in a position now in which it feels justified, in cost and usage terms, in maintaining its full branch library service across the city.

The Acting Chairperson: David, this has been very helpful. We are very grateful to you for giving us your time. I thank you and your colleagues. We may wish to follow up on some issues through

correspondence as we continue our deliberations. If it is acceptable, I would appreciate being able to write to you and keep in touch as we pursue this process.

Mr Horsler: That would be absolutely fine. As well as being able to investigate further areas with you, I can give you backup data, if that is what you require.

The Acting Chairperson: We are very grateful, David. Thank you very much and good morning to you.

Mr Horsler: Good morning to you. It has been a pleasure. Thank you.