

| Policy and Resources Meeting | |
|-------------------------------------|--|
| Meeting Date | 22 March 2023 |
| Report Title | 34 - hour working week |
| EMT Lead | Larissa Reed, Chief Executive |
| Head of Service | Larissa Reed, Chief Executive |
| Lead Officer | Larissa Reed, Chief Executive |
| Classification | Open |
| Recommendations | <ol style="list-style-type: none"> 1. That Policy & Resources Committee note the results from the consultation with staff to change the contracted working week from 37 hours to 34 2. Agree to change the working week from 37 hours per week to 34 hours per week with council services stopping at 13.30 on a Friday (except for emergency services) 3. To add two additional days leave (pro rata) to be taken between Christmas and New Year resulting in a close down of the council between Christmas and New Year. 4. That a transition/implementation phase runs from 1 May 2023 until 31 December 2023 5. That the permanent change starts 1 January 2024 unless there is a compelling reason not to 6. To note that the Head of Paid Service has delegation to implement the permanent change |

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the results of the consultation with staff on the proposal to introduce a 34-hour working week and seeks approval from committee to implement the preferred option to implement a 34-hour working week. This will first have a transition/implementation phase starting 1 May 2023 until 31 December 2023, moving to a permanent change 1 January 2024, subject to review.

2 Background

- 2.1 The draft budget and Medium-Term Financial Strategy (MTFS) for 2023/24 – 2026/27 did not make provision for a pay rise for staff, however alongside the budget process, staff were consulted on the proposal to reduce the working week from 37 hours to 34 hours. The purpose of the change was not only to save money but to improve work life balance for staff. There is a growing amount of evidence that improved work life balance improves productivity and is a positive

tool for recruitment.

- 2.2 Officers were requested in November 2022 to carry out an anonymous staff survey to gauge support for reducing the number of contracted hours from 37 to 34 in lieu of a pay rise. Staff were asked to vote on whether they would accept this or whether they would prefer a pay rise. The survey made it clear that any pay rise would be unfunded and may result in further cuts to staff to pay for it. The survey had a response rate of 55.4% with 43.3% in favour of a reduction in contracted hours.
- 2.3 At its meeting of 14 December 2022, Policy & Resources approved a formal staff consultation on the introduction of a 34-hour working week take place.
- 2.4 A consultation document, setting out proposals to introduce a standard, contractual 34-hour working week (from 37 hours), to be introduced from 1 April 2023, was issued to Trade unions on 9th January 2023 and to staff 16 January 2023. The consultation lasted for 30 days with a deadline for responses the 15 February 2023.
- 2.5 The proposals also included an additional 2 days leave at Christmas and that council services would close at 1.30pm on Friday afternoon (with the exception of emergency services).
- 2.6 The consultation documents were shared and agreed with Unison prior to being shared with staff. Unison were also invited to the consultation sessions. During the consultation period, six consultation sessions were held with Directors and the Chief Executive, four 'in person' briefings held in Swale House and two remote online sessions held on MS Teams. Unison was invited to these sessions. It was also discussed at the Council wide All Staff Briefing/Swale Stars event. In total 160 staff attended the sessions to find out more information and ask questions so they could fully consider and understand the proposals. In addition, there were 200 attendees in person at the All Staff Briefing and 16 people joined via Teams.
- 2.7 In total, 119 responses to the consultation were received. Based on a headcount of 299 staff, this represents a response rate of 39.80%.
- 2.8 The comments received have been coded using sentiment analysis:

| Sentiment | # Of responses |
|-----------|----------------|
| Positive | 20 |
| Neutral | 25 |
| Negative | 61 |
| Mixed | 13 |

119

2.9 The negative and mixed responses were then analysed further into sub-categories:

| Theme | No. |
|---|-----|
| Cost of living/Financial impact/Prefer Pay rise | 54 |
| Workload/Stress | 56 |
| Shared Service queries | 7 |
| Concerns over initial consultation process | 16 |
| Flexibility over hours | 23 |
| Work-life balance | 14 |
| Recruitment/retention concerns | 15 |
| Queries/Suggestions | 36 |
| No reason given. | 5 |
| Other | 6 |

NB. If a comment includes multiple topics, then it has been coded into multiple categories.

2.10 The council's response to the comments is shown in Appendix I.

2.11 In order to be able to assess the potential impact on all staff, demographic information was captured (voluntarily). The results can be found in Appendix II.

2.12 Work with specific teams was also carried out by Heads of Service (HoS) to understand the implications of the proposal and to consider any mitigation where there is an unacceptable impact on workload and/or where statutory deadlines or tasks cannot be delivered. A summary of this work can be found below.

2.13 Analysis of the feedback, impact on staff and service implications

- With a response rate of 39.80%, 60% of staff did not respond which suggests that these staff do not feel strongly either way about the proposal.
- Of the 119 responses, 61 people (51.26%) do not support the proposal, however these comments were mainly due to concern about how it will work in

practice and the timescales to implement on 1st April 2023 as proposed in the consultation, rather than not accepting the premise of a reduction to 34 hour working week.

- The negative responses represent only 20.4% of the total workforce.
- The total of the positive, neutral and mixed responses equals 58 (48.74%) which is similar to the negative score.
- Those in favour, highlighted support for the reasons of improving work life balance, better productivity and being a more modern organisation.
- Comments and concern were raised about staff preferring pay rise; however, this option was not part of this consultation. At the consultation events it was made clear that the budget proposals did not include provision for a pay rise. The money would have to be found elsewhere in the base revenue budget, most likely from further redundancies, should this be a counter proposal put forward.
- Cost of living was raised as a concern in the responses. The demographic data shows the correlation between the lower graded staff and negative and mixed response regarding the cost of living, suggesting that this was more of a concern to them.
- Comments were made about a possible move to a four-day week. This remains an option moving forward, but the results of other organisations trialling this will help make the council make a more informed decision on that in the future.
- Flexibility of working hours was raised and whether there is any scope to look at this rather than everyone stopping work Friday at 1.30pm. This appears particularly pertinent for part time staff.
- There were a number of comments received from part time staff suggesting that there is no benefit to them in reducing the weekly working hours. Comments suggest that part time staff feel they won't gain anything from the proposed change, and the reduction in some cases is so small that it's "insignificant" and "pointless". They suggest that because of this, part time staff would prefer a pay rise. However, the reduction in hours will be applied fairly to all staff, on a pro rata basis in line with hours of work. This is exactly the same pro rata principal that would be carried out if a pay rise was given.
- The council has a duty of care to its staff, and it needs to be recognised that there is concern over workload. Staff are regularly working longer than their 37 hours a week.
- In some cases, the comments were not factually correct; for example, there were a number of comments received stating that workloads will not being reduced in line with the reduction in hours and that staff will be expected to

deliver the same amount of work, in less time. This is not the case and Heads of Service are committed to continue the work with managers to identify which areas of work within teams can cease or be modified to take account of the lesser weekly working hours.

- The Trade Union (TU) does not support the proposal. Their response is shown in Appendix I. This focuses mainly on a pay rise and not on the 34-hour week proposal. Dialogue between the TU and the Chief Executive and HR in relation to the pay claim is on going.
- The change to the 34-hour week will remove 711 hours from teams, which equates to 19 FTEs.
- The work that HoS have done with their teams shows that should the council move to a 34-hour week;
 - response times increase
 - backlogs may occur over time
 - prioritisation will need to take place
 - streamlining and process change will be needed
 - potential for less partnership working meeting attendance and external networking
 - service standards will need to be amended
 - a review of performance targets will need including frequency of monitoring and what we will monitor internally
 - additional costs required to cover out of hours in housing options, CCTV and playground service
 - There may be a requirement invest additional resource given work demands in some areas e.g planning, housing options
 - Service transformation and digitisation will be required to support better, more efficient ways of working.
- Consideration also would need to be given to how Shared Services would operate. Legal services record the hours they charge to each partner authority. The cost of the service is then split between the partners according to the percentage of chargeable time attributed to each. Should Maidstone and Tunbridge Wells Councils require a legal cover on a Friday afternoon, the additional resource required would be chargeable to them, not to Swale. The Head of MKLS is looking at how this is resourced either by using Locum staff or by a rota. Further discussions are being held with Maidstone and Tunbridge Wells to ensure the legal team is not put under undue pressure.

2.14 Response to the feedback and analysis

Taking the consultation response and analysis into consideration, the council has listened and responded:

- **Cost of living crisis**

The Leader put an amendment to the budget that was discussed and approved at Council 22 February 2023. As such £200,000 from the budget contingency reserve will pay staff on grade 5 and below a one-off payment of £1000.00 pro rata to 1fte. This is equivalent of 4 -5% of Grade 2 -3 salaries and 3-4% of grade 4-5 salaries. This will be made in addition to increments (where they are due) and is in addition to the proposed move to a 34-hour week.

- **34 hour working week (pro rata for part-time staff)**

Work has been done to assess impact and some mitigations have been suggested as set out above. The full scale of the impacts, both positive and negative, are yet to be determined. Some staff have said through feedback that they struggle to see how the change will work in practice. Others have said that they recognise the benefits to work life balance and productivity. On the basis of the feedback, it is believed the change will be successful with planning and preparation in place.

To this end, implementation plans will be developed by HoS, including assessment of what can be done differently, what can stop being done and ways to be productive. The transition/implementation period will be used to plan and prepare for the change and address any issues. The change will be temporary initially with a view to the change becoming permanent on 01 January 2024. During this period of transition/implementation, managers will be working with staff to ensure work demands are in-line with 34 hours working (pro-rata for part-time staff).

- **Implementation date**

The 1 April 2023 implementation date is challenging. Staff feedback shows the feeling that it would be rushing the change. HoS, with their teams need to be able to set plans in place to implement and manage the change. Systems and processes need amending. Contractual issues need to be formalised e.g. part time staff, annual leave etc. Communications externally would also need to be planned and managed in good time. Given this challenge and risk of non-implementation, a new implementation date of 1 May 2023 is proposed.

- **Mitigations** to reduce workload have been considered as shown below. It is recognised that more are required and through the transition/implementation

phase these will be explored to enable staff to do things differently within the 34 - hour working week.

- **Cost mitigations**

The funding been identified by HoS for out of hours cover which is highlighted in the financial implications section in section six below. Over the transition/implementation phase assessment will be made to identify any further resources and costs required.

- **Flexibility on hours**

To achieve work life balance benefits, reduce work requests and contact and cost savings to Swale House, the closure on a Friday at 1.30pm is necessary. However, it is understood that there may be some occasions and some staff that may have to work Friday afternoons. This will only be on the understanding that it is from home and that are on tasks that do not require communication with others and that no meetings are arranged, or emails sent. This will be monitored to ensure this is in line with business need as part of the monitoring actions set out below. Also, analysis of how any change to 34 hours would evolve, such as monitoring the requests for compressed hours from staff. This needs to be fair and consistent across the organisation.

- **Service transformation and digitisation.**

The council is developing a corporate transformation programme. We want to be an efficient and agile council, inspiring all our staff to make the most of the technology available to us, accelerating our response to changing demands to meet the evolving expectations of our residents and businesses.

Service areas starting to look at ways to reduce workload, be more efficient and do things differently. Examples include revenues and benefits shared service and automation, planning work with an external service improvement organisation (Mondrem) and housing options transformation.

The corporate transformation programme is in its infancy but will be pivotal in enabling reduced working hours to be successful and mitigate some of the concerns raised.

- **Service Standards**

To mitigate the implications of the reduced hours and impact to service delivery, corporate service standards will need to be amended in due course to reflect that tasks will take longer following the reduction. The intention is to do this in line with the already planned review of Customer Access Strategy later this year.

- **Regular monitoring and review**

With any change process, there will be things that will come up that were not foreseen even with the work to assess impact. It is essential that there is regular monitoring and review and action put in place to address issues,

assess wellbeing, requests for further change to working patterns etc. It will be compulsory to include a discussion at monthly 121s with all staff and team meetings. Executive Management team will also receive a quarterly implementation report. The New Ways of Working Group will also review its TOR and membership to monitor and review corporately. There will also be regular meetings with the staff engagement group and we will consult regularly with the Trade Union to gain feedback on the change from their members perspective.

The move from temporary to permanent will be made 1 January 2024 unless there is a compelling reason not to. In order to make that assessment, measurement will be key. Success criteria will be drawn from performance information, customer satisfaction, engagement of staff, health and well being surveys.

- **Cultural change**

This proposal is a significant change for the organisation. Indeed, Swale is the first authority in Kent to move to a reduced working week. Nationally, trades unions have been calling to reduce the working week for a number of years. It will require staff to think in a different way, try new things, reframe and redesign services. The council, through its senior management team, will lead, enable and support its staff to have the confidence and belief that work can be done in a different way by thinking differently and have a mindset that embraces what can be done positively. To look at staff time and challenge how people work or need to work to be productive in the reduced hours.

3 Proposals

1. That Policy & Resources Committee note the results from the consultation with staff to change the contracted working week from 37 hours to 34.
2. Agree to change the working week from 37 hours per week to 34 hours per week with council services stopping at 13.30 on a Friday (except for emergency services).
3. To add two additional days leave (pro rata) to be taken between Christmas and New Year resulting in a close down of the council between Christmas and New Year.
4. That a transition/implementation phase runs from 1 May 2023 until 31 December 2023.
5. That the permanent change starts 1 January 2024 unless there is a compelling reason not to.
6. To note that the Head of Paid Service has delegation to implement the permanent change.

4 Alternative Options Considered and Rejected

- 4.1 No change – stay at 37 hours but with no pay rise. This is not recommended as this will not enable the council to modernise and try new approaches to new ways of working or support work life balance.
- 4.2 To implement the 34-hour week permanently from 1 April 2023. This is not recommended given the comments in the consultation around implementation date.
- 4.3 To implement the 34-hour week permanently from 1 May 2023. This is not recommended given the concerns raised in relation to impact assessment and the need to plan and prepare for implementation.
- 4.4 To consider a 4-day working week. This is not recommended at this stage but will be reviewed when the outcomes have been assessed for other councils that are currently trialling this change to working hours and from analysis of 34 hours transition/implementation phase.

5 Consultation Undertaken or Proposed

- 5.1 Initial findings from the staff survey indicated that staff were willing to consider a change to working practices.
- 5.2 Informal consultation was undertaken between November and December. Formal consultation with staff and trade unions was undertaken from 13 January – 15 February 2023
- 5.3 At the time of writing the Chief Executive and the Head of HR are meeting with the Trade Union to discuss the pay claim These negotiations are on going.

6 Implications

| Issue | Implications |
|----------------------------------|--|
| Corporate Plan | This links to the priority of a Council fit for the future The delivery of the corporate plan will be reassessed based on the change and mitigations set out in the report |
| Financial, Resource and Property | Implementing the 34-hour week results in the following costs to help mitigate impacts Housing out of hours cover - £10,400 p.a CCTV - £29,000 p.a (24/7 service) Playground monitoring and inspection - £30,000 p.a |

| | |
|--|--|
| | Total - £69,400 p.a |
| Legal, Statutory and Procurement | Council policy on staff consultation has been followed. The council is legally allowed to change working patterns in consultation with staff |
| Crime and Disorder | None identified |
| Environment and Climate/Ecological Emergency | Closing Swale House on a Friday afternoon will make a positive impact on our energy usage. |
| Health and Wellbeing | Work pressures and stress has been identified as a concern as part of the consultation. Nationally, Trades Unions (including Unison) have been calling for a reduced working week to improve work life balance. This proposal will improve work life balance for staff and improve staff well being By mitigating the impacts to service delivery, it is hoped that this will be alleviated. Regular monitoring and review will be used to assess staff well-being in the trial period |
| Safeguarding of Children, Young People and Vulnerable Adults | None identified |
| Risk Management and Health and Safety | Reputational risk to reducing services, taking longer and response times to the public extending. Clear communication on what can be expected will be undertaken to mitigate this |
| Equality and Diversity | A full Equalities Impact Assessment has been undertaken, however there are not currently any equality and diversity implications identified as no member of staff will be financially disadvantaged by the change in hours, no member of staff will be asked to work longer hours (compress the hours) and annual leave entitlement will be not changed (34 hours = 1 fte) |
| Privacy and Data Protection | None identified |

7 Appendices

- Appendix I – Comments and response to the consultation
- Appendix II – Demographic impact

8 Background Papers

- 14th December Policy & Resources committee report