

# Public Document Pack

SOLIHULL METROPOLITAN BOROUGH COUNCIL

## **Resources & Delivering Value Scrutiny Board**

Monday 17 April 2023 at 6.00 pm

Civic Suite, Solihull

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## Disclosing Pecuniary Interests - What Must You Do?

(a) You must complete a declaration of your disclosable pecuniary interests, including those of your spouse/civil partner (or someone with whom you are living as such) and send it to the Monitoring Officer within 28 days of your election or appointment to the Council.

(b) When you attend a meeting of the Council, Cabinet, Scrutiny Board, Committee, Sub-Committee or Joint Committee etc, and a matter arises in which you have a disclosable pecuniary interest, unless you have been granted a dispensation, **you must:**

- Declare the interest if you have not already registered it
- Not participate in any discussion or vote
- Leave the meeting room until the matter has been dealt with
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

(c) If you are the Leader or a Cabinet Portfolio Holder you may not exercise any of your delegated powers as a single member in relation to a matter in which you have a disclosable pecuniary interest or take any other step except to give written notice of any unregistered interest to the Monitoring Officer within 28 days of your becoming aware of the interest, or arrange for another person or body to deal with the matter.

Disclosable Interest	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain by you or your partner.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within 12 months of your declaration of interests in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.
Contracts	Any contract between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) <b>and</b> the Council (a) under which goods or services are to be provided or works are to be executed; <b>and</b> (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the Council and which gives you or your partner a right to occupy the land or receive income.
Licences	Any licence held by you or your partner (alone or jointly with others) to occupy land in the area of the Council for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge)— (a) the landlord is the Council; <b>and</b> (b) the tenant is a body in which you or your partner has a beneficial interest i.e. a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest.
Securities	Any beneficial interest held by you or your partner in securities of a body where—  (a) that body (to your knowledge) has a place of business or land in the area of the Council; <b>and</b> (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; <b>or</b>  (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.  “securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

SOLIHULL METROPOLITAN  
BOROUGH COUNCIL

To:  
Councillors M Parker (Chairman), R Holt  
(Vice-Chairman), A Adeyemo, M Allen,  
Y Clements, D Gibbin, A Hodgson,  
N Moses and J Tildesley

PAUL JOHNSON  
ACTING CHIEF EXECUTIVE

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Date: Monday, 10 April 2023

**RESOURCES & DELIVERING VALUE SCRUTINY BOARD**

**Monday, 17 April 2023**

**AGENDA**

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST**
3. **QUESTIONS AND DEPUTATIONS**
4. **MINUTES** (Pages 5 - 12)

To consider for approval the draft public Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 6<sup>th</sup> March 2023.

5. **SMARTER WAYS OF WORKING** (Pages 13 - 24)

The purpose of this report is to update Members on progress with the Council's key programme, Smarter Ways of Working (SWOW).

6. **EXCLUSION OF THE PRESS AND PUBLIC**

The meeting is not open to the public during discussion of the following items because the reports contain exempt information as defined in Schedule 12A to the Local Government Act 1972.

7. **TOWN CENTRE REDEVELOPMENT STRATEGY** (Pages 25 - 32)

To update Resources and Delivering Value Scrutiny Board on the progress on the development opportunity sites within the Town Centre, following the Head of

Strategic Land and Property's last update presented on the 1st March 2022.

8. **ORACLE CLOUD PROGRAMME UPDATE REPORT** (Pages 33 - 78)

To provide the Resources and Delivering Value Scrutiny Board with an update on the progress of the Oracle Cloud Programme

9. **MINUTES** (Pages 79 - 82)

To consider for approval the draft private Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 6<sup>th</sup> March 2023.

## RESOURCES & DELIVERING VALUE SCRUTINY BOARD

6<sup>TH</sup> MARCH 2023

### MINUTES

Present Councillors: M Parker (Chairman), R Holt, J Tildesley, D Gibbin, N Moses, A Adeyemo, A Hodgson, A Mackenzie

Officers Paul Johnson: Acting Chief Executive  
Alan Brown: Assistant Director, Highways & Environment  
Perry Wardle: Assistant Director, Growth & Development  
Martin Clayton: Head of Investment & Commercial Partnerships  
Lisa Whitton: Project Manager, Economy & Infrastructure  
Alan Smith: Head of Growth Programmes  
Alex Heath: Group Manager, Programme Development  
Paul Rogers: Democratic Services

Guests Mike Cooke: Vital Energi Limited  
Andrew Hirst: Womble Bond Dickinson

#### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Y Clements, for whom Councillor A Mackenzie was substituting.

#### 2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

No declarations were received.

#### 3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

#### 4. MINUTES

The Resources and Delivering Value Scrutiny Board:

##### RESOLVED:

To agree the Resources and Delivering Value Scrutiny Board Minutes arising from the meeting held on 2<sup>nd</sup> February 2023 as a true record.

#### 5. SOLIHULL TOWN CENTRE LOW CARBON ENERGY NETWORK

The Scrutiny Board received a presentation from the Project Manager, Economy & Infrastructure, which highlighted key matters within the Scrutiny Board report and provided further context. Members were invited to ask questions after the Project Manager, Economy & Infrastructure had presented each theme within the presentation. Members raised a number of questions through the course of the presentation, which are summarised as follows:

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6<sup>TH</sup> MARCH 2023

### Strategic Case

Councillor Gibbin queried what incentive was there for future phase customers to connect if there is a potential additional for connection cost of up to £0.50M. Members were advised that a connection could become mandated through the future creation of Heat Network Zones however, the greatest incentive was that there was no need to de-carbonise their own buildings at significant capital expense, the energy centre can also more quickly decarbonise further as technology develops. In respect to Touchwood Centre, the majority of the business tenants already had their own electric energy systems in place and therefore would not necessarily be compatible with connection to the Heat Network.

### Economic Case

Councillor Adeyemo questioned the lifespan of the Heat Network plant and equipment/power units, specifically in relation to the 40-year investment period for the Heat Network project. Mike Cooke (Vital Energi) clarified that each component had a different design life but are all maintained by Vital Energi through their Operation and Maintenance contract. An example provided was that the lifespan of the Heat Network pipes is more than 50 years, with heat pumps more than 20 years.

The Head of Investment & Commercial Partnerships further advised that fiscal provision for the lifecycle of the Heat Network components had been accounted for in terms of replacement and renewal of key components.

Councillor Adeyemo noted that the term of the ESCo was for 15 years only and questioned whether the Council would be expected to request Vital Energi to supply and replace Heat Network equipment at the end of its life cycle over 15 years. Scrutiny Board were advised that the initial ESCo contract period was 15 years with provision to extend for a further 10 years. The key test was that whether the company can afford to run for 40 years since that is the period that is required to repay the debt. The company has the long term capacity to replace the Heat Network components.

Councillor Tildesley welcomed that the report provided to the Scrutiny Board did also include as part of the strategic case examples of other local authorities experiencing fiscal challenges through operating a Heat Network citing Robin Hood Energy, Bristol Energy and Together Energy as examples. However, Councillor Tildesley also stated that greater detail could have been provided detailing other local authorities liabilities with similar schemes.

Examples of Council's operating successful schemes were also referenced by Councillor Tildesley, specifically the Aberdeen scheme, with supporting data over 21 years, and the Gateshead scheme, which operated from waste heat via

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small electricity generation plant but was a slightly different concept to this Heat Network.

In terms of risk and liabilities, Councillor Tildesley sought clarification should the company go out of business would the Council be completely indemnified, or subject to any legal costs or future compensation claims.

In respect of those local authorities experiences of poorly performing Heat Network schemes, these are quite different to that proposed here and was not necessarily attributable to technology failures but the fiscal case and financial assumptions for the projects.

The Head of Investment & Commercial Partnerships advised Members that from a Council perspective the Heat Network project was a Capital investment regardless and would have the accompanying liability for repaying the debt over the 40-year period. The Company is a separate entity and has its own legal form. The Council's liability to the Company is limited to its equity holding. The drafting of the Shareholders agreement and the contract was especially important to ring fence risk and that the legal liability ultimately rests with the Company.

Regarding financial liability, Councillor Gibbin noted that the report before the Scrutiny Board referenced that Cabinet was to seek delegated authority on the basis that a number of clearly expressed pre-criteria were met. Councillor Gibbin questioned if any of the pre-criteria failed to materialise would that draw to an end the Heat Network project. The Head of Investment & Commercial Partnerships clarified that in such a scenario in the short term the project would not proceed unless all the pre-criteria were met but longer term there may be other funding opportunities or different circumstances that prevail.

Councillor Adeyemo noted a change in the original proposals for the project to using combined heat and power and the use of boilers. In light of this, Councillor Adeyemo questioned whether an assessment on the impact on air quality in Solihull Town Centre would be undertaken, taking into account the switch to the use of natural gas.

Members were advised by the Project Manager, Economy & Infrastructure that this had been addressed within the project development case i.e. a ground source heat pump being replaced with air source heat and power. It is anticipated that the gas combined heat and power part of the solution would be replaced with another lower carbon source in the future. Regarding air quality, this was assessed as part of the planning application process. Emissions from the energy centre would also be monitored throughout the life of the project. Furthermore, when customers connect to the heat network, their individual gas boilers are replaced resulting in a net benefit for air quality for Solihull Town Centre.

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Councillor Parker observed he did not see reference to engagement with schools in the report, nor any detailed references to the Solihull Town Centre Masterplan or wider economic benefits arising from the Heat Network. Councillor Parker also referenced Westgate as part of the Town Centre masterplan proposals and stated that there was a need to make the case for the broader value arising from the Heat Network. Members were informed that a number of Heat Network engagement events with schools had been facilitated by the Council, including on-line and in-school conferences. The project's external consultants had also delivered presentations and careers events to local schools. The Social Value element of the project was recognised as being significant, with many Social Value opportunities arising via the Council's partnership arrangements with Vital Energi. The Heat Network was recognised as one opportunity to support the development of the Solihull Town Centre Masterplan.

Councillor Adeyemo referenced the projected low but positive internal rate of return of 2.95% before tax for the project and highlighted that paragraph 4.65 of the report (Inflation) stated the base case assumed CPI at 2% per annum. Considering such an expected marginal rate of return to the Council, Councillor Adeyemo questioned how Members could be given the confidence to expect that the Heat Network would produce a positive return across future years of the project.

Members were advised that the above would be addressed in the next (financial) section.

The presentation to Members continued to address the project case across the following areas:

- Commercial
- Financial
- Due Diligence
- Risk, Sensitivities & Mitigation

Councillor Holt questioned whether project funding arrangements were subject to further bank loans to the Company. The Head of Investment & Commercial Partnerships clarified that the only loan assumed was the Council loan to the Company, otherwise no further loans were envisaged.

In terms of project risk, Councillor Holt considered whether the project risk was worth the potential reward once implemented and questioned whether the Council was sufficiently commercially astute to see the project through to delivery. The Head of Investment and Commercial Partnerships advised that the fiscal return could go either way in terms of a positive return or negative. In terms of delivering the project's goals of supporting one of the Council's Council Plan priorities which was carbon reduction, there was an element of financial risk but the question was whether the potential financial risk was acceptable to deliver carbon savings.



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Councillor Holt advised that he struggled to understand the extent of the potential downside position and what the extent of the uncertain variables associated with the project were, such as future energy prices, inflation and the on-going war in Ukraine. Members were advised by the Head of Investment and Commercial Partnerships that the project variables could not be escaped, such as demonstrated by the current energy market prices, and that Councillor Holt's perception around the project variables could not be dismissed but these are made transparent within the report. The Head of Growth Programmes and the Project Manager, Economy & Infrastructure, both further clarified that the risk of fluctuating energy prices is mitigated by the customer tariff methodology (the counterfactual) whereby the variable component of the customer tariff will be pegged against the ESPO rates (the bulk energy purchasing framework that the Council already utilises) so the tariffs will reflect market conditions.. Furthermore, if gas prices were to move in a significant downward trend in future this would be to the detriment of the Heat Networks current fiscal case.

Councillor Allen welcomed the report and recognised the question whether the project benefits outweighed the risks. Good efforts had been made to mitigate the project risks, but good management in the future would determine how successful the project is.

Councillor Parker highlighted the importance of managing the associated project risk, with the need for strong resilience to be embedded in risk arrangements and strong governance arrangements. These arrangements were especially required considering the project's commercial nature in the energy market. Should the Heat Network proceed, there would be further requirements for robust auditing arrangements, hands on management and strong Executive oversight of the project to be put in place.

Councillor Gibbin asked the Acting Chief Executive whether he thought the risk associated with the project was tolerable. The Acting Chief Executive advised Members that as could be seen from the report before the Scrutiny Board, Officers had undertaken as much due diligence as had been possible. It was now effectively a policy decision pertaining to the Heat Network project presented to Cabinet, which asks whether the carbon reduction benefits deriving from the Heat Network justified the financial and risk sensitivities associated with the project. Regarding the level of exposure to the Council for the borrowing requirement, the Acting Chief Executive stated that this risk is not at a level that will create a problem for the Council should the project go into deficit. However, there was no desire for that scenario to occur nor to create any undue fiscal pressures on the Council.

The decision to be taken in respect of the Heat Network was a policy decision which has to consider whether attaining the Council's net zero carbon emission objectives was too great a fiscal risk or not. Consequently, this was a policy decision only Members could make. The Acting Chief Executive reminded Members that taking alternative measures to achieve net zero could be far

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more costly than this and also that over £9m external funding has been secured for this project.

Councillor Adeyemo sought clarification as to whether the appointed Chair of the Company Board was also counted as a Board Director, and this was confirmed to be the case. Councillor Adeyemo questioned why it was the case the Council representative on the Board was proposed to be non-voting. The Project Manager, Economy & Infrastructure advised that this was not a Member position, this Council representative was proposed to be the Head of Investment & Commercial Partnerships and he had no voting rights in the ESCo governance structure but would be immersed within the ESCo itself,

The Project Manager, Economy & Infrastructure, confirmed that points raised by Councillor Adeyemo and Councillor Allen regarding Councillor and resident representation on the ESCo Board would be given further consideration following the Scrutiny Members comments.

Councillor Parker concluded that following consideration of the report, there was a need to ensure strong project management and governance arrangements supporting the Heat Network project were put in place; that safeguards be embedded to protect taxpayers' money and to ensure Value for Money was delivered through the Solihull Town Centre Low Carbon Energy Network.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

### **RESOLVED:**

- (i) To consider and note the latest developments of strategic significance in the heat network market and key drivers for the Council in delivering the Solihull Town Centre Low Carbon Energy Network;
- (ii) To consider and note the latest commercialisation position and in particular the procurement outcome, the affordability position, sensitivities undertaken and the financial risk assessment;
- (iii) To consider and note the draft Shareholder Agreement that will direct the relationship and decision-making processes between the Special Purpose Vehicle (i.e. the Energy Services Company or ESCo) and Solihull Council as sole shareholder in the Energy Network and Business Plan for the ESCo;
- (iv) To consider and note the programme and key milestones for entering the contract with the Design, Build, Operate and Maintain (DBOM) contractor

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and the delivery of the Energy Network to the Council and external customers (subject to Cabinet approval);

- (v) To RECOMMEND to Full Cabinet at its meeting scheduled for 9<sup>th</sup> March 2023 that consideration be given to appointing a Member of the Council to the Energy Services Company (ESCo) Board with full voting rights via the Annual Council meeting appointments process.
- (vi) To receive a Solihull Town Centre Low Carbon Energy Network Update Report as part of the Resources and Delivering Value Scrutiny Boards Annual Work Programme for 2023/24.

### **6. EXCLUSION OF THE PRESS AND PUBLIC**

The meeting was not open to the public during discussion of the following items because they contained exempt information as defined in Schedule 12A to the Local Government Act 1972.

- 7. APPENDIX 5A – PRIVATE TEMPLATE ELECTRICITY CONNECTION AND SUPPLY AGREEMENT**
- 8. APPENDIX 5B – PRIVATE TEMPLATE HEAT CONNECTION AND SUPPLY AGREEMENT**
- 9. APPENDIX 6 – PRIVATE BURO HAPOLD FINANCIAL REPORT**
- 10. APPENDIX 7 – PRIVATE BURO HAPOLD CASHFLOW**
- 11. APPENDIX 8 – PRIVATE COUNCIL CASHFLOW**
- 12. APPENDIX 9 – PRIVATE CUSTOMER PRICING STRATEGY**

The Resources and Delivering Value Scrutiny Board meeting closed at 7:50 p.m.

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**Meeting date:** 17 April 2023

**Report to:** Resources & Delivering Value Scrutiny Board

**Report title:** Smarter Ways of Working

**Report from:** Acting Chief Executive

**Report author/lead contact officer:** Paul Langham, Assistant Director of Business Systems  
Samantha Gilbert, Assistant Director of Finance and Property Services

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**Wards affected:**

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege
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**Public/private report:** Public

**Exempt by virtue of paragraph:**

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**1. Executive Summary**

- 1.1 The purpose of this report is to update Members on progress with the Council's key programme, Smarter Ways of Working (SWOW).

**2. Decision(s) Recommended**

- 2.1 To review the progress so far with programme.
- 2.2 To determine whether the process with implementation is satisfactory.

**Report Title:** Smarter Ways of Working

### **3. Matters for Consideration**

- 3.1 On 12 October 2020, Scrutiny received a report regarding the Covid-19 pandemic, its impact on office workers and how the Wider Corporate Leadership Team had developed an approach to reset the organisation through a Recovery and Reset Plan.
- 3.2 The Plan recognised the interdependency between our service recovery and our people, facilities and technology and this formed the basis of a proposed Smarter Ways of Working Strategy. The Smarter Ways of Working (SWOW) programme was subsequently identified as a key programme within the 2021/22 Council Plan and as such forms part of the Resources and Delivering Value Scrutiny workplan.
- 3.3 The SWOW programme challenges what was the status quo and old assumptions around traditional working practices by developing flexible and modern working practices which enable employees to maximise their performance whilst maintaining a work/life balance. This is essential to delivering great services to all service users and ultimately improving lives. Work is what you do and not necessarily where you do it. There is an element of employee choice, enabling the Council to continue to be a high performing, forward-thinking, innovative organisation that delivers what residents need whilst ensuring that our employees are happy, safe and productive.
- 3.4 There were early signs of benefits noted in 2020 with evidence of improved productivity, a reduction in carbon emissions from less travelling to/for work, a 22% (2.26 days per full time equivalent employee) reduction in staff sickness levels from 31 March 2020 to 31 August 2021 and some financial savings.
- 3.5 A hybrid working model was agreed where employees would work on average 40% of their time in Council Offices. This required an increase in spend on our IT infrastructure and hardware as well as support for managers and staff to help them with the cultural shift, and the development of their knowledge and skills in order to realise a new, smarter way of working.
- 3.6 Cabinet agreed a level of investment on 5 November 2020 to fund additional ICT requirements and furniture and the programme commenced in December 2020 comprising of four workstreams:-
- Facilities;
  - ICT;
  - People; and
  - Communications

Technology	Provide everyone with the equipment they need to work in a hybrid fashion. In most cases this will be a council laptop/phone and equipment they need for home working, such as a desktop monitor (if needed) and DSE compliant chair, with docking stations in the workplace. Other equipment including a desk would also be considered following the completion of a suitable and sufficient display screen equipment/home working assessment. This would enable
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	health and safety requirements to be met and ensure staff are set-up properly to use display screen equipment effectively and safely.
Facilities	Provide workspaces where people come together to collaborate, learning zones, spaces for 'touch down', Hybrid Meeting spaces and bookable desks.
People	Accommodates personal choice, individual circumstances and H&S matters (home and in the workplace).

3.7 The programme is phased over the different Council locations and has concentrated initially on the Council House following the completion of the essential maintenance programme.

**Facilities**

3.8 There have been a number of tasks to undertake and these initially had the added complexity of returning to work in a Covid-19 safe environment. The Council House offices have been reconfigured to include desk spaces at a 40% occupancy rate and collaborative workspaces. These spaces have been reconfigured to enable people to come together in the achievement of 'key things to do' for our residents and employees, to see, meet and support each other, maintaining and strengthening the team and organisational identity, making us stand out as an employer of choice and attracting talent through our progressive working practices and culture.

3.7.1 A new cloud-based room booking system has been implemented at our main office locations which includes a Visitor Management component to provide staff a simpler way to organise meetings and find suitable facilities. The system also provides staff with a desk booking facility introduced to help manage access to the new hybrid working spaces.

3.8 It is the intention that the desk booking system will be rolled out to other council buildings after capturing any learning points from the Council House experience.

3.9 Following on from the above, other facilities will be reviewed to further support the new SWOW programme and the provision of collaborative workspaces, reconfigured where possible to move towards the 40% occupancy rate at our main administrative sites.

3.10 Staff attendance into Council offices has varied across directorates and some services have only recently begun to return in higher numbers with a working pattern peaking on Wednesdays at Solihull Town Centre. Due to the overall low staff numbers, CLT agreed to introduce a pilot for all staff based at the Council House and the Core to use the Council House car park. The situation is being monitored and under review as staff numbers working in the offices increases. Staff deemed to be essential users who have a permit can also park in Church Hill Multi Storey car park (CHMSCP) free of charge to provide further capacity at peak times. The usage of the car park and permit holders in CHMSCP is being monitored daily at the moment and in the event demand consistently exceeds space, staff would be required to return to the previous

arrangements for car parking.

## **ICT**

- 3.11 The ICT team have fully implemented Teams and Office 365 to all users. This now forms the basis for all SWOW Communications and Virtual Meeting space.
- 3.12 A hardware gap analysis was undertaken to support the roll out of replacement laptops as well as the rollout of smart phones for staff. This has now been completed and staff have the ability to work in a hybrid manner. Laptops and Mobile Phones will be updated and replaced under the wider ICT Replacement Programme in future.
- 3.13 The programme has installed SWOW ICT equipment on 681 desks across Council Offices. This is out of a total of 800 (40% of the user estate). The final batch of desks to receive the equipment is being identified and will be completed by May 2023.
- 3.14 The final technical element of SWOW is to install Audio Visual (AV) equipment in Meeting Rooms across Council Offices. The tender for this equipment has been completed and the team are in the process of installing the devices at key locations within each Office. This will be completed for the Bluebell offices during w/c 17 April and the Council House w/c 24 April at which point the technical element of SWOW will be complete.

## **People**

- 3.15 Hybrid working continues to evolve as we emerge post-Pandemic from what was a reactive world. The People section of this report provides an update on key SMBC employee related elements of \*Smarter/Hybrid ways of working.

\*Smarter Ways of Working – the physical infrastructure to support hybrid working

\*Hybrid working – flexibility, choice, and trust to combine working from a work location and a home location, dependent upon the needs of your service users and your role.

## **Smarter Ways of Working Evaluation, The Council House | The Core**

- 3.16 We have previously undertaken evaluation pieces of work for Smarter Ways of Working with our Organisational pulse surveys and Directorate Workforce Champion Groups.

Since November 2022, the Corporate Organisational Development Lead has been undertaking an evaluation of Smarter/Hybrid ways of working where a pure Smarter/Hybrid model has been deployed. The terms of reference included:

- A review of how Smarter/Hybrid is working at The Council House and the employee offices of The Core.



- A review of how Smarter/Hybrid has impacted our employees at varying parts of the employee life cycle (new starters, leavers, managers, training, and development, Local Wellbeing Leads, Resolution Contacts).
- A Smarter/Hybrid Fair Treatment Assessment (FTA) – how our ways of working may affect employees from different perspectives and through the lens of protected characteristics (gender, disability, ethnicity, and other characteristics such as carers).

- 3.17 268 colleagues completed a smarter/hybrid questionnaire which enabled intelligence gathering and informed focus group activity. The questionnaire was based upon best practice and industry reports from The Association for Public Service Excellence, The Chartered Institute of Personnel and Development, The Institute of Workplace and Facilities Management, as well as our Smarter Ways of Working and Wellbeing pulse survey from 2021, our reset and recovery survey from 2020 and our pre 2020 TEDD (The Employer Deal Diagnostic) employee survey.
- 3.18 Focus groups have been held with 175 cross directorate colleagues using a hybrid approach, i.e., virtual online and face to face sessions. It is worth noting how the opportunity to come together to discuss ways of working, to network and to hear other experiences has been welcomed.

Topic areas for the survey and focus groups included:

- Communication and guidance
- Connection and collaboration
- Facilities and equipment (including IT)
- Future ways of working (including space utilisation)
- New starters and leavers
- Service delivery and productivity
- Support for managers and leaders
- Training and development
- Working routines

- 3.19 We are also reviewing intelligence from the desk and room bookings to help inform our findings.
- 3.20 Early survey findings from respondents suggest that (for the Council House and Core

Offices):

- Most colleagues come into a work location for one to two days per week.
- The reasons that colleagues come in are mostly collaboration, general work, and organised meetings.
- The main reasons for working from home are work-life balance, convenience, productivity, the cost of commuting.
- Most colleagues see the opportunity to work in a hybrid way as an advantage.
- Most colleagues use the desk and room booking system.
- The collaborative furniture is mostly used on an occasional basis only.
- There has been a significant reduction in colleagues experiencing challenges whilst working from home comparing the 2020 and 2021 employee survey results, 79% in 2020, compared to 34% in 2021. Challenges related to a range of factors, including internet connection, costs of home working, isolation and communication.
- Most colleagues felt that hybrid working had improved productivity.
- Most colleagues either strongly agree or agree that they are adequately supported by their manager.

3.21 All focus group and survey findings are currently being analysed prior to the writing of a final report including recommendations.

### **Audit Smarter Evaluation of Hybrid Working Arrangements**

3.22 Colleagues from Internal Audit were asked to undertake an audit related to essential working practices such as completing timesheets, Display Screen Equipment self-assessments and equipment. Findings from their review will be reported to the Corporate Leadership Team over the coming weeks and will also be taken into consideration alongside the wider evaluation piece referred to in this report.

### **Smarter Fair Treatment Assessment**

3.23 We set ourselves a priority to review smarter/hybrid ways of working through an equality, diversity, and inclusion lens via a fair treatment assessment. Our aim is to:

- Raise awareness and increase understanding through engagement
- Eliminate discrimination and mitigate negative impact
- Advance equality of opportunity
- Foster good relations
- Continually review and evolve

3.24 Unintended consequences of hybrid ways of working will be explored; hypothetically for example, in society, women or older colleagues usually undertake primary caring responsibilities, this can mean a greater demand to be working from home, therefore

reduced visibility at a physical workplace, does this affect opportunities for career progression? What are the mitigating actions to support and enable career progression for all in a hybrid world.

We will work in partnership with the Head of Equalities to progress the Fair Treatment Assessment, including key stakeholder engagement with newly established Equality Groups planned towards the end of April 2023.

### **Smarter/Hybrid Related Employee Policies**

3.25 The following policies have been reviewed, updated, and agreed and all have reflected how working practices have changed to include elements of hybrid working.

- Capability Policy (May 2022)
- Disciplinary Policy (May 2022)
- Leave of Absence (July 2022)
- Management of Change (August 2022)
- Travel & Subsistence (October 2022)
- Code of Conduct (December 2022)
- Probation (Jan 2023)

3.26 Some examples of how hybrid working practices have been considered:

3.27 **Management of Change Policy** - As a change management initiative involves emotive and sensitive matters, the preferred method of conducting one-to-ones and group consultation meetings would be face-to-face so that difficult situations can be tactfully and appropriately managed. In some scenarios it may also be appropriate to hold such meetings remotely. This provision has been incorporated, and guidance is provided to explain when it would be acceptable and how the meetings should be organised. The information is aligned for completeness with other Council policies that have recently been updated and the Video Conferencing Guidelines.

3.28 **Leave of Absence** - This was last reviewed in 2020 and has been updated to incorporate how working in a hybrid way can offer more flexibility to employees, subject to service needs.

3.29 **Travel and Subsistence** - Updated to reflect changes to how we work and travel, including the introduction of hybrid working. There is less of a focus on travelling by car and more emphasis on sustainable travel options to reduce carbon emissions due to business travel. The Policy also asks employees to consider the most efficient use of working time to achieve the environmental benefits of hybrid working.

3.30 **Code of Conduct** - General updates were required to align terminology and hybrid working practices as has the content to reflect the Councils approach to Smarter Ways of Working.

3.31 **Probation** - Additions reflecting Smarter Ways of Working and Hybrid Working requirements have been included. Becoming established within a new organisation and developing relationships with different people are normally best done in person, therefore line managers are advised to consider these factors when determining a new employee's working arrangement to limit any difficulties around monitoring

performance, creating a rapport, and preventing employees from possibly feeling isolated as they come to terms with their new responsibilities.

- 3.32 **Future policy reviews** – The draft revised Resolution policy is going through consultation now. Some related changes include a reflection of the nature of bullying and harassment within a hybrid working environment, a section has been added to highlight the difficulties associated with observing how bullying may be taking place online, for example through the lack of face-to-face interaction that may potentially limit the opportunity for employees to maintain effective working relationships with their line manager and other colleagues.
- 3.33 **Remote Hearings** - Additional information in accordance with Hybrid Working principles and Smarter Ways of Working requirements, for example around the need to maintain privacy and professionalism during a remote hearing has been included to make employees explicitly aware of the behavioural standards that need to be upheld. This content is replicated in other policies that have recently been updated, for example the Disciplinary and Capability policies, and therefore aligns the Resolution policy with other key people management documentation.

### **Workforce Champion Groups**

- 3.34 Workforce Champion Groups continue to be a two-way feedback mechanism to understand colleague feedback about subjects such as Smarter/Hybrid ways of working and what makes a 'Good Day At Work'. For example, in November 2022, the Resources Directorate Workforce Champions discussed the following:
- How is smarter working for you and your team?
  - What is your work environment like – home/office/anywhere else?
  - How are teams using the office space?
  - Are people using the smarter principles in meetings/in the office/anywhere else?
  - How can we keep up levels of engagement?
- 3.35 Some of the themes coming from the groups were as follows:
- Hybrid working is appreciated by most staff as it does aid work-life balance, productivity and flexibility.
  - Staff go into the office for meetings and development.
  - When new people join the team, staff go into the office much more to aid the new starter's induction and integration into the team.
  - A lot of teams have 'team days' – a day in the office when the team can come together to collaborate and see each other.
  - Virtual connections are strong between teams, all teams have regular team meetings.

#### 4. What options have been considered and what is the evidence telling us about them?

4.1 There were 3 options considered in 2020:

- (a) Strategic Option 1: Home based working by default.
- (b) Strategic Option 2 (preferred): Blended working arrangements (combined home and collaborative workspaces model).
- (c) Strategic Option 3: Return to previous working approach.

4.2 The option agreed was Strategic Option 2: Blended working arrangements (combined home and collaborative workspaces model) now referred to as Hybrid Working.

4.3 The rationalisation of assets will also support the opportunity to reduce our estate footprint as defined in the Corporate Approach to Delivering an Asset Masterplan Programme and contribute to the Council commitment to reduce our carbon footprint.

4.4 The provision of a number of high quality reconfigured and collaborative workspaces will ensure a continued presence in Town Centres, benefitting the local economy.

#### 5. Reasons for recommending preferred option

5.1 The decision was made to proceed with hybrid working arrangements as it could deliver improved services with greater productivity, whilst meeting the needs and preferences of the wider workforce. Furthermore, this approach will have positive environmental benefits.

5.2 As Smarter Ways of Working is now part of the Council's standard operating model, the Scrutiny Board is asked to decide whether it wishes to continue to receive reports on this subject.

#### 6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"><li>1. Improving outcomes for children and young people in Solihull.</li><li>2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it.</li><li>3. Take action to improve life chances and health outcomes in our most disadvantaged communities.</li><li>4. Enable communities to thrive.</li></ol>	<p>The proposals should help to contribute to strong service delivery in these areas.</p>

Priority:	Contribution:
<p>Economy:</p> <p>5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres.</p> <p>6. Maximising the opportunities of UK Central and HS2.</p> <p>7. Increase the supply of affordable and social housing that is environmentally sustainable.</p>	<p>The blended approach (option 2) means that there will be footfall from Council staff in our town centres.</p> <p>The rationalisation of Council accommodation may make development sites available for other uses.</p>
<p>Environment:</p> <p>8. Enhance our natural environment, improve air quality and reduce net carbon emissions.</p>	<p>By rationalising our asset base we can accelerate a reduction in our Carbon Footprint.</p>
<p>9. Promote employee wellbeing</p>	<p>The SWOW programme has employee wellbeing at the heart of its considerations by promoting employee choice, trust and reviewing the relevant employee policies and procedures.</p>

## 6.2 Consultation and Scrutiny:

6.2.1 A full staff survey agreed by CLT was undertaken in 2020 and had a response rate of 64%. A programme of pulse surveys was subsequently undertaken and a Workforce Champion Group has been established.

## 6.3 Financial implications:

6.3.1 As part of the 2021/22 Council MTFs, it was agreed that an allocation of £332,000 would be made from the Budget Strategy Reserve for the one-off costs of chairs and equipment to support home working and an additional annual budget of £490,000 per annum for ICT costs for additional ICT equipment, plus costs of additional ICT staff to provide support, build devices and to support remote working.

6.3.2 The £490,000 annual ICT budget for 2021/22 and 2022/23 would be met from the MTFs, with the costs being fully offset by savings for 2023/24 and beyond. This is possible as a £240,000 annual saving will arise from the expiry of the Citrix solution leaving target savings of £250,000 per annum from the opportunity to capture cost savings in numerous areas including significant savings in printing, stationery, mileage and expenses.

6.3.3 In addition to the budget, the room booking facilities procured has been funded through Property Services budgets and furniture and equipment through individual

service budgets.

6.4 Legal implications:

6.4.1 All legal implications including Health and Safety at work are being addressed.

6.5 Risk implications, including Risk Appetite:

6.5.1 This is a major project for the Council to implement and as such, a risk register has been developed. There are 11 risks on the register, where the highest risk is one net level 6 (high likelihood, medium impact).

6.6 Equality implications:

6.6.1 Equality considerations will be covered in all employee policy changes linked to this report.

6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1 None

**7. List of appendices referred to**

7.1 None

**8. Background papers used to compile this report**

8.1 Resources & Delivering Value Scrutiny Board reports – 12 October 2020, 7 October 2021 and 31 March 2022.

8.2 Cabinet report – 5 November 2020.

**9. List of Other Relevant Documents**

9.1 None.

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