

Four Day Working Week Trial

To: Cllr Mike Davey, Executive Councillor for Finance, Resources and Transformation, 10 October 2022

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Wards affected:

All

Non-Key Decision

1. Executive Summary

- 1.1 South Cambridgeshire District Council (SCDC) is proposing a four-day working week trial for 470 office-based staff over three months from January to March 2023. A second phase would involve considering how this could be applied to the Greater Cambridge Shared Waste Service.
- 1.2 This report provides information about the proposed trial, including implications for the Greater Cambridge Shared Planning Service.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the information contained in this report and at **Appendix A** about the trial of a 4-day working week, including that, SCDC want to involve Cambridge City Council (CCC) in the preparations, share updates on progress with the Strategy & Resources Scrutiny Committee, and that both councils explore how this could be applied to Shared Waste.
- 2.2 Note that the role of Greater Cambridge Shared Planning in the trial is contingent on the agreement of the Executive Councillor for Finance, Resources and Transformation, and that formal preparations for the

involvement of the shared planning service in the trial will not proceed until a decision has been taken.

- 2.3 Agree that Greater Cambridge Shared Planning should take part in the trial on the basis that assurance will be provided, and mitigations developed during the preparatory phase to maintain service standards for Cambridge residents, including to halt the trial if necessary.
- 2.3 Agree that future decisions which have significant implications for shared services, including a '4-day week' trial for Shared Waste, must be made jointly and that proposals to improve governance arrangements to address this should be presented to both councils for agreement.
- 2.4 Agree that CCC will need to consider the evidence regarding the benefits, risks and costs of a '4-day week' in relation to its own transformation plans during 2023/24.

3. Background

- 3.1 Councillors will be aware of SCDC's announcement on Friday 2 September about the proposed four-day working week trial for 470 office-based staff over three months from January to March 2023. A subsequent trial involving the Greater Cambridge Shared Waste Service would take place in due course, subject to agreement from both Councils.
- 3.2 The SCDC trial is for **working a four-day week for five days' pay** (30 hours in four days for 37 hours pay), with all the same benefits and entitlements of a five-day week for holiday and sickness (with pro-rata for part-time staff). This is different to compressed hours where employees work the same number of hours over shorter days.
- 3.3 A shorter working week for the public sector first gained prominence in the UK as part of a series of policy announcements made by the Labour Party in 2019¹. A national '4-day week' campaign² subsequently developed from those proposals.
- 3.4 There is a growing body of evidence that organisations offering a four-day week benefit from improved employee satisfaction, reduced staff

¹ <https://labour.org.uk/press/mcdonnell-commits-labour-shorter-working-week-expanded-free-public-services-part-labours-vision-new-society/>

² <https://www.4dayweek.co.uk/about-us>

sickness, cost savings, increased productivity and improved recruitment and retention. The approach is currently being piloted by over 70 companies and organisations in the UK, involving over 3,300 staff³.

- 3.5 Local government has a recruitment and retention crisis, which is now more challenging as UK labour markets are tighter than they have been for over 25 years. The sector has grown dependent on higher cost agency workers and interims to fill gaps in its workforce and capability.
- 3.6 The public sector cannot compete with the private sector on pay but can offer more flexible working arrangements and more purposeful employment. If successful and adopted by other authorities, a 4-day week could make local government a significantly more attractive place to work and help resolve its recruitment and retention challenge.
- 3.7 By making SCDC a more attractive place to work the authority believes there is the potential to reduce agency staff and sickness. Planning is an area with high agency staff costs, which not only impacts the service budget, but also tends to result in difficulties maintaining consistency in case management. This is often because agency staff tend to move more often, and cases are often handed over mid-way through the process.
- 3.8 If the trial is successful SCDC could save up to £1m by recruiting permanent staff to replace agency staff. However, not all agency roles could be replaced as some are required for short term, project-based work so the full £1m saving is not expected. Should CCC consider adopting a similar approach we could replace some agency staff with permanent staff but would not expect the same level of savings due to a different staff profile.
- 3.9 A key measure of the trial is whether employee health and wellbeing can improve. In order to collect clean baseline data to assess impacts (using an industry approved Health and Wellbeing survey that was administered right up until 1 September), SCDC kept the proposals confidential from all but a few senior officers and members until just before plans were made public on Friday, 2 September.

Four Day Week 3-month trial

³ <https://www.bbc.co.uk/news/business-61570021>

- 3.10 The SCDC report on ‘Trialling a 4-day week at the Council’ was considered and approved by their Cabinet on Monday 12 September. The report is attached as **Appendix A**.
- 3.11 The trial would begin in January for 3 months preceded by a detailed preparatory phase beginning in October. CCC would be involved throughout that process. During the trial the council would receive regular updates on performance, particularly to monitor any impacts on planning services for Cambridge residents, as well as wider insights that emerge.
- 3.12 The trial would only involve staff employed by SCDC. It is not envisaged that staff employed by Cambridge City Council, or shared services, other than shared planning, would be involved.
- 3.13 There is interest in considering how the lessons learnt and principles could be applied to operational services, in particular Shared Waste, so that council employees have an equal opportunity to test a new way of working. However, the approach may be different as waste operatives may not be able to find efficiencies in the same way as office-based staff.
- 3.14 CCC should follow the trial closely, examine the evidence resulting from it, and the lessons learnt. We can gain significant insight without taking the same risk as SCDC. CCC should actively engage in the trial and consider the outcomes and pros and cons of adopting this type of approach as part of the Our Cambridge transformation programme.
- 3.15 SCDC would be the first public body in the UK to trial a 4-day week. It has been piloted in different formats in the public sector in Iceland and Finland. There are plans to test it in Scotland, Spain and other countries.
- 3.16 Research conducted in Wales suggests that 57 percent of the Welsh public would support the Welsh Government piloting a scheme to move towards a 4-day working week in the public sector⁴. The Women’s Budget Group - an independent, not-for-profit network that promotes a gender equality economy – recently made the case that a 4-day week is needed to ensure a green transition is equitable⁵.
- 3.17 The SCDC proposal has been very positively received across the local government sector. The national press and social media reaction to the

⁴ <https://autonomy.work/portfolio/a-future-fit-for-wales-a-sww-for-all/>

⁵ <https://wbq.org.uk/analysis/reports/shorter-working-week/>

proposed trial has been broadly supportive, though with some negative comments. There are benefits and risks for SCDC, residents, partners and staff, including for the provision of planning services in Cambridge.

4. The Greater Cambridge Shared Planning Service

- 4.1 Cambridge City Council and South Cambridgeshire District Council have a shared planning service. Staff are employed by SCDC. Senior planners think that three months is sufficient time to develop a plan to implement a 4-day week and put in place appropriate performance monitoring as well as mitigations to address any negative changes to performance. They do not anticipate a drop in standards.
- 4.2 Planning staff have generally been positive about the opportunity of a 4-day week and have already suggested ideas that could save time. The proposed trial is very likely to act as a further catalyst for their transformation activity and could improve the productivity of the service.
- 4.3 The preparatory phase in advance of the three month trial, in which CCC officers would be part of, is likely to involve:
- establishing baseline data for health and wellbeing and key performance indicators
 - a review of current working practices to improve efficiency and effectiveness
 - Identifying strategies for those areas potentially classified as high risk
 - the use of case load workflow monitoring data to regularly assess impact on colleagues and service standards; and,
 - frequent communication with Councillors about performance
- 4.4 Only permanent staff would take part in the trial; agency or seconded staff would not be included. Flexi-time would be suspended for those taking part in the trial. This currently allows for up to 2 days flexi leave per month to be taken for the corresponding number of excess hours worked in the period. Excess hours should be reduced during the trial.
- 4.4 The Chief Executive of SCDC, Liz Watts, gave a briefing to Cambridge City Councilors on Tuesday 13 September. She provided further information about the trial as well as assurances about preparations and

the involvement of city council members and staff, as well as potential implications for the planning service.

- 4.5 CCC's Strategy and Resources Scrutiny Committee would receive update reports on the performance of shared planning during the development and pilot phases, as well as on wider workforce, wellbeing and productivity insights emerging from the trial.

5. Public statement from SCDC on the Proposed Trial

- 5.1 Below is an extract from the SCDC Council website following consideration and approval of the recommendations by the Cabinet on Monday 12 September.

Trial of four-day working week confirmed – News item on SCDC website

A three-month trial of a four-day week for desk-based staff at South Cambridgeshire District Council will begin in January – with further trials involving bin crews to follow if it's successful.

At a meeting of the Council's Cabinet today (Monday 12 September 2022) Cabinet Members agreed to proceed with the trial. Similar trials, including around 3,300 staff, are already underway at 70 other UK organisations. Cambridge City Council have a joint planning service with South Cambridgeshire District Council, and their Strategy and Resources Scrutiny Committee will consider the proposals and implications for that service on 10 October 2022.

The Cabinet meeting began with a two-minute period of silence, following the passing of Her Majesty Queen Elizabeth II last week.

A four-day week is when people work one less day per week but still get paid the same salary. It is not the same as compressed hours, which is working the traditional 37-hour week over four long days. A four-day week, which for a full-time employee at the Council would consist of 30 hours, can make an organisation stand out from others and be more attractive to talent.

It is also seen as a tangible incentive to encourage staff to stay and has been shown to increase productivity during trials at Microsoft in Japan and Buffer in the USA.

A three-month planning period at the Council will now take place between October and December before the trial begins in January 2023. There are approximately 470 desk-based Council staff who will be able to take part. This will apply to Council colleagues on all pay grades.

If this is successful, South Cambridgeshire District and Cambridge City Councils will consider expanding the trial to involve bin crews later next year. Bin crews, another shared service, are not part of the first trial. Additional time would be needed, by both councils, to plan and establish exactly how a four-day week would work for them and residents. Refuse

crews currently empty bins for around 127,000 households across Greater Cambridge each week.

To monitor service levels from January to the end of March, the Council will use its standard performance metrics which are regularly updated. These will keep a check on things like how long it takes the Council to process benefits claims, Council house rent collections, how fast planning applications are determined, including for Cambridge residents, staff turnover, call answering times and more. Industry-standard health and wellbeing surveys will also be used to measure success and be compared against the results from a survey carried out last month (August 2022) before the four-day week trial was announced to staff. The next steps, which could include a longer trial period, would be dependent on the performance of Council and shared services during the first three months of 2023, and would need to be developed with Cambridge City Council.

As part of the trial, the Council will also now look to see whether it can extend the hours that it is open to the public via the telephone, a soon-to-be-launched webchat service and Teams / Zoom meetings.

For more than a year, the Council has only been able to fill around eight out of every ten (or fewer) of its vacancies. Between January and March 2022, only around half were filled. There are currently 23 agency staff covering office-based roles, which should ideally be filled by people in permanent positions. Over a whole year, these agency staff could cost the Council more than £2million. If the Council filled all these posts with permanent staff, it would only cost around £1million per year.

Not being able to fill vacant posts – or switching between agency staff to cover them – is also disruptive to services for residents. For example, when case officers change during the process of a planning application, it can cause delays and frustration because a lot of context and institutional memory is lost.

Combined, these factors have led to the Council looking at the viability of a four-day week through the desk-based trial between January and March next year followed by a trial among waste crews.

Another aspiration of the trial is to investigate whether it would help the Council to attract a more diverse workforce. For example, for those families where childcare costs can be a big blocker from working, or those people with caring responsibilities, it could be a more attractive option than the traditional five-day working week model. This is because the cost of childcare or caring could be reduced, which can also help support wider cost of living rises.

The Council's Employment and Staffing Committee will receive update reports and be asked to report back with recommendations following the end of the trial. Cambridge City Council's Strategy and Resources Scrutiny Committee will also receive update reports relating to the performance of the Greater Cambridge Shared Planning Service during the development and pilot phases, as well as on wider workforce insights emerging from the pilot.

The Leader of South Cambridgeshire District Council, Cllr Bridget Smith, said: "We have taken a big step forward in looking to address not only our own recruitment issues, but also the staffing challenges facing local government across the country. But first of all, this must

be a trial that works for our residents and businesses, as well as the Council. This is why we now have a three-month period to carefully plan and prepare. Once we have run this initial test involving our desk-based staff, we will be looking to trial this way of working amongst our bin crews too. This has always been our intention, but the practicalities of working through how this could work for a service that empties tens of thousands of bins every day will take a little longer to work through.

“This is all about seeing whether the benefits on productivity, staff wellbeing and recruitment can be seen in local government as demonstrated in the private sector. We only filled around half our vacancies during the first few months of this year and using temporary agency staff instead is expensive. Additionally, we think that this will help us attract a more diverse workforce. If we can help reduce the financial burden of caring and childcare costs, I believe we will open ourselves up as an employer to more people and in turn help them deal with the rising cost of living.”

The 4 Day Week Campaign started a trial involving about 70 companies in the UK back in June this year (2022). That trial covers around 3,300 employees. There are also trials either underway or soon to be started in the USA, Canada, Australia, and New Zealand. Research from Henley Business School shows that those organisations offering a four-day week benefit from an improved ability to attract and retain talent.

Joe Ryle, Director of the 4 Day Week Campaign, said: “We congratulate South Cambridgeshire District Council on becoming the first ever UK local authority to give the go-ahead to a four-day week trial. Offering a four-day week is the best thing that councils can do to tackle the recruitment crisis in Local Government and we expect more councils to follow their lead. The four-day week brings many other benefits including increased productivity, improved wellbeing of staff and a reduction in carbon emissions.”

6 Implications

a) Financial Implications

There are no financial implications arising from this report which is for information.

b) Staffing Implications

This report provides information on the proposed trial of a 4-day working week for SCDC employees.

c) Equality and Poverty Implications

An EQIA has not been prepared on SCDC's proposed trial. The purpose of the trial is to gather evidence including on equality impacts.

d) Net Zero Carbon, Climate Change and Environmental Implications

A climate change assessment has not been prepared on SCDC's proposed trial.

e) Procurement Implications

There are no procurement implications arising from this report which is for information.

f) Community Safety Implications

There are no community safety implications arising from this report which is for information.

7 Consultation and communication considerations

The Chief Executives of Cambridge City Council and South Cambridgeshire District Council have been consulted on this report.

8 Background papers

Background papers used in the preparation of this report:

- SCDC Cabinet Report – Trialling a 4-day week at the Council considered on Monday 12 September 2022
- News item SCDC Website following the Cabinet meeting

9 Appendices

- Appendix A - SCDC Cabinet Report– Trialling a 4-day week at the Council

10 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Deborah Simpson, Head of HR, tel: 01223 458101, email: deborah.simpson@cambridge.gov.uk.