Report To:	Policy and Resources Committee	Date:	3 June 2025
Report By:	Head of Organisational Development (OD), Policy and Communications	Report No:	PR/14/25/MR/KB
Contact Officer:	Morna Rae	Contact No:	07385434459
Subject:	Impact of Hybrid Working on Inverclyde Council Service Quality and Outcomes		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision   ☒For Information/Noting

1.2 The purpose of this report is to inform the Committee of the headline results from the assessment of the impact of hybrid working on Inverclyde Council service quality and outcomes which was carried out by the Improvement Service.

2.0 RECOMMENDATION

2.1 It is recommended that the Committee notes the main findings of the assessment of the impact of hybrid working on Council service quality and outcomes.

2.2 It is recommended that the Committee notes that the findings of the assessment will be taken into account during the review of the Council's Flexible Working Policy and related procedures which is scheduled to take place next year.

2.3 It is recommended that the Committee agrees to consider the updated Flexible Working Policy in 2026.

Morna Rae
Head of OD, Policy and Communications

3.0 BACKGROUND AND CONTEXT

3.1 At its meeting on 24 October 2024, Inverclyde Council considered a report entitled *2023/24 Annual Audit Report and Best Value Thematic Report to Elected Members and the Controller of Audit*. The document included a reference to hybrid working, together with the recommendation that an assessment is conducted on the impact of the new flexible working arrangements with the aim of achieving greater insight into the achievement of the objectives of its introduction. It was further recommended that consideration should be given to amending the related policy and procedure to reflect instances when staff may wish to temporarily vary their work location. The latter is covered elsewhere on the meeting agenda.

3.2 In response to Audit Scotland's recommendations, it was agreed to conduct such an assessment and report the results to the Policy and Resources Committee by June 2025; this report fulfils that remit. A Briefing for the Elected Members on the contents of this report was arranged for 3 June 2025.

3.3 Hybrid working means that people typically split their time between working in an office or at another Council building and working remotely (usually at home). Approximately 20% of roles across the Council are suitable to work on a hybrid basis (i.e. around 800 posts), and not all of these postholders actually undertake hybrid working on a regular basis. The significant majority of Council roles are either mobile or wholly based within Council premises such as a school, depot or office.

3.4 The Council piloted a Hybrid Strategy in Spring 2022. In 2023, it was noted that the results of a review of the Strategy were positive and it was agreed that it should be incorporated into the Council's Flexible Working Policy. The updated Policy – which aims to support employee recruitment and retention at the Council - was approved at the meeting of the Policy and Resources Committee on 19 September 2023.

3.5 <u>Methodology</u>

3.6 A Project Scope was devised for the assessment and the Council worked with the Improvement Service to deliver the Project's key objectives. The Improvement Service prepared a report on their findings and presented it to the Corporate Management Team on 7 May 2025.

3.7 <u>Hybrid working at Scottish Local Authorities</u>

3.8 The Improvement Service undertook analysis of hybrid working at other Councils with the following key points emerging:

- hybrid working is not contractually agreed
- the number of staff working in this way differs from Council to Council
- the number of days worked remotely and in office locations varies
- the processes through which permission is sought to work in a hybrid way, and the factors influencing whether or not it is granted, vary considerably from area to area.

3.9 <u>Analysis of Audit Scotland Reports on hybrid working</u>

3.10 An analysis was conducted of a selection of Audit Scotland Reports on hybrid working and evidence considered in the Reports' Case Studies, the results of which identified the benefits and challenges of hybrid working.

3.11 However, it should be noted that there are specific challenges for local government - and the wider public sector - regarding hybrid working. Because of the broad range of services provided by Councils, many roles cannot accommodate hybrid working. This can create a perception of a two-tier workforce i.e. those who can work from home and those whose jobs require them to attend the workplace every day.

3.12 In general terms, the positive aspects to offering hybrid working as an option for current and prospective Local Authority employees noted by the Improvement Service include:

- increased potential for recruiting and retaining staff;
- improvements to staff wellbeing and higher morale;
- increased productivity;
- cost savings for Councils via reduced costs and the provision of physical workspace;
- cost savings for staff via commuting costs;
- supporting climate change mitigation by reducing Councils' carbon emissions (including, for example, those associated with heating and energy);
- improved perception of Councils as responsible employers by current and potential staff; and
- reduced sickness absence.

3.13 In contrast, as well as issues with perceptions of inequality, as mentioned at paragraph 3.11, challenges may include:

- maintaining communication and team working;
- social isolation;
- difficulty in monitoring performance;
- ensuring a good work-life balance; and
- reduced opportunities for development, peer mentoring and support.

3.14 Employee Survey

3.15 Staff groups from a cross section of the Council were invited to complete a questionnaire, the aim of which was to assess the impact of, and approach to, hybrid working at Inverclyde Council from an employee and Team Leader/Manager perspective.

3.16 Council Services were selected because the only – or major – change in the way the Service is delivered has been to allow staff to access hybrid working. In contrast - and to factor in more general trends that may occur in relation to performance levels – two other Council Services were chosen: one in which there is no hybrid working and another in which there have been several changes, of which the introduction of hybrid working is one.

3.17 The survey opened on 7 April 2025 and closed on 22 April 2025. It was issued to 272 individuals. 198 responses were received, this reflects a response rate of 73% which is very good for a questionnaire of this kind. While not directly comparable, the response rates to the Council-wide Employee Surveys carried out in 2022 and 2018 were 42% and 32% respectively.

3.18 We introduced the Survey by reminding staff that the Covid-19 pandemic affected every organisation, large and small, and made us all re-think how we live and work. Beginning in March 2020, lockdown placed restrictions on non-essential journeys, while physical distancing measures were introduced with the aim of slowing the spread of the virus. This resulted in many Council employees working from home, some of whom had not done so before the pandemic.

3.19 The first question asked staff to describe their work situation with Inverclyde Council, both prior to the Covid-19 pandemic and at present. Unsurprisingly, the work locations of staff have

changed since the pandemic. Before 2020, a very limited number of employees worked from home, with just over two thirds (68%) (134 respondents) indicating that their work location was Council premises with only 3% (6 individuals) working between home and Council premises. The remainder did not work for the Council at that time, or reported predominantly working outdoors/in the community.

3.20 In contrast, in 2025, 40% of respondents report that they work on a hybrid basis. Of the individuals who participated in the survey this represents 80 individuals.

	%
• I split my time fairly evenly between home and an office/work location	21
• I work in an office/school	20
• I work occasionally from home but mostly in an office work/location	19.

3.21 When asked about their experience of working from home, two third of respondents (66%) said it was very positive or positive. In contrast, just 5% of staff said their experience of working from home was negative. The remainder chose the 'Not applicable' of 'Neutral' option in response to this question.

3.22 In terms of the benefits of working from home, the top three responses were:

	%
• A quieter environment – no office distractions	59
• I do not have to use time to travel to and from the workplace	55
• Better work-life balance	52.

3.23 In contrast, when asked about the challenges of working from home, the top four rated responses were:

	%
• Internet connectivity or other IT issues	62
• Social isolation	20
• Less physically active than in the workplace	15
• Heating and energy costs at home during the day	15.

3.24 When asked about the impact hybrid working had on service delivery, 39% of staff (77 individuals) thought it had improved, the reasons for which were increased productivity and staff morale. Respondents also said that working from home improves concentration, supports quicker task completion, and improves communication among staff. The effective use of technology in maintaining both service standard and meeting demands was also highlighted by respondents.

3.25 Among the 79 individuals (40% of respondents) who indicated that hybrid working had no impact on service delivery, there was consensus that staff could have positive relationships with Service Users and meet deadlines effectively, regardless of their work location.

3.26 Less than a fifth (17%) of staff (34 individuals) said they thought service delivery had declined during the period that hybrid working has increased. This is within the context of reduced resources and post-pandemic changes in community-based provision, and is not noted as being solely or directly attributable to hybrid working.

3.27 We then asked staff how often they had communication with their Line Manager regarding their workload and welfare, and with colleagues in their Team/Section; the responses were:

	Line Manager	Team/Section
	%	%
Daily	46	63
Weekly	30	23
Less often	22	11
No communication	2.	2.

3.28 The next question asked how motivated and productive staff felt they were, both at home and in the office (or other location). The results were positive: 89% of respondents are extremely or very motivated and productive at home, while more than two thirds (69%) of staff said they are extremely or very motivated and productive in the office.

3.29 Awareness of the Council's Flexible Working Policy was very high, with 93% of respondents (184 individuals) saying they had heard of it.

3.30 Just under three quarters of respondents (74%) who do not have currently have the option to work on a hybrid basis, would like to do so. This equates to approximately 87 individuals out of those surveyed..

3.31 When asked about the impact of hybrid working on recruitment and retention, slightly more than two-fifths (43%) of respondents said they would consider leaving the Council if they were not able to work remotely, while fractionally more (45%) of fairly new employees (i.e. who joined the Council within the last 2-3 years) indicated that the option to work flexibly was something that had encouraged them to apply.

3.32 The penultimate part of the Survey comprised a number of statements, together with a request that respondents indicate the extent to which they agree or disagree with each one, the results were:

	Strongly Agree or Agree
	%
I have adjusted well to my hybrid working pattern	86
I feel supported by my Line Manager while working remotely	86
I feel able to pay attention to my health and wellbeing while working remotely	87
I know how to access support for my wellbeing, if required, while working remotely	85.

3.33 Team Leaders and Managers were then asked to indicate the extent to which they agree with a number of statements; the results were:

	Strongly Agree or Agree
	%
I feel able to pay attention to my staff's health and wellbeing	78
I know how to help my staff access support for their wellbeing, if required	78
I have access to resources that enable me to maintain a positive Team culture for staff who are working remotely	71.

3.34 *Service commentary*

3.35 The results of the Employee Survey suggest that staff feel very positive about hybrid working and are experiencing benefits from being able to work this way. There is evidence that the option offers a better work life balance. There does not appear to be any material impact on service delivery. Hybrid working was also cited as a positive factor in the recruitment and retention of Council staff.

3.36 It is recognised that not all employees are able to work on a hybrid basis, the service delivery implications of some frontline services make this impossible. However there are other flexible working options beyond hybrid working that could be applicable to these employees which could be promoted. We should also ensure that the principles that underpin hybrid working are applied consistently across all teams.

3.37 While respondents noted some challenges in relation to IT setup to enable remote working it should be recognised that significant developments have been made over a short period to facilitate hybrid working. In 2000 the Council's IT setup provided a limited and strictly controlled opportunity for remote working, however that significantly changed during the pandemic with a rapid deployment of laptop devices, an increase in the number of VPN licences and the implementation of online meeting and communication tools. Further improvements will be progressed through phase 1 of the Digital and Customer Service Strategy including the systems and infrastructure review.

3.38 Team Leaders and Managers were generally positive about the benefits of hybrid working. They suggested that more support and information on hybrid working would be helpful, particularly for Teams with mixed working arrangements. Consideration will be given to provide additional supporting materials and training for managers who manage hybrid employees.

4.0 PROPOSAL

4.1 It is proposed that the Committee notes the findings of the assessment of the impact of hybrid working and agrees to consider the updated Flexible Working Policy and related procedures in 2026.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial			X
Legal/Risk			X
Human Resources (HR)	X		
Strategic (Inverclyde Alliance Partnership Plan 2023/33/Council Plan 2023/28)	X		
Equalities and Fairer Scotland Duty			X
Children and Young People's Rights and Wellbeing			X
Environmental and Sustainability			X
Data Protection			X

5.2 **Finance**

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments

Annually Recurring Costs/(Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Not applicable					

5.3 **HR**

The matters referred to in this report are of relevance to the following Theme in the People and OD Strategy 2024/27:

Theme 3:

- Employer of choice - Continuous improvement.

5.4 **Strategic**

The matters referred to in this report are of relevance to the following Council Plan 2023/28 Theme:

Theme 3: Performance

- High quality and innovative services are provided, giving value for money.

6.0 CONSULTATION

6.1 The Corporate Management Team has been consulted on the contents of this report.

7.0 BACKGROUND PAPERS

7.1 None.