

**ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE – REMOTE WORKING**

1. The purpose of this paper is to provide written evidence to the Economy, Infrastructure and Skills Committee on Remote Working.

Background

2. Work, travel and social patterns have been disrupted for nearly a year now and people have stepped up to change how they live their lives. Some of these changes appear to be becoming ‘baked in’, the most obvious of which is more work taking place at or near to home – Remote Working.
3. For many years, people have commuted sometimes long distances every day in private vehicles, creating congestion and pollution. The recovery from Covid-19 provides an opportunity to lock in some of the positive developments we have seen across Wales in how a large part of the workforce operates. We are starting to see what the future could look like in terms of work and travel trends.
4. Our policy aim for greater levels of remote working provides an opportunity to ensure the behavioural change we have seen in our communities becomes a platform for rebuilding our economy and taking action against climate change. Therefore we believe there is a case for government to play an active role in achieving greater levels of remote working in the workforce.
5. This policy impacts across government departments and the broader landscape in Wales. This has been at the forefront of our thinking as we develop the policy. People’s decisions on whether to work at or near to home will rely on a number of factors and we need to enable changes which work for employees and employers.
6. Working with stakeholders in the public, third and private sectors, we have identified a range of actions to allow greater numbers of the workforce to work remotely on a regular basis and we are ready to implement this cross-government policy. A brief description of the work follows.

Creating an evidence base and monitoring

7. For the long term impacts of this policy to be secure, we need to understand the whole landscape, and what fundamental changes to working patterns might mean. To that end, we are undertaking research and evidence gathering activities including:

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- a. An Integrated Impact Assessment, taking into consideration the benefits and risks of the policy (this includes Equality, Welsh Language, rural, environmental impacts)
- b. An Economic Impacts research report has been prepared by the Welsh Centre for Public Policy and is available on their website.
- c. A study to estimate the carbon emission benefits that could be made due to less people commuting.
- d. Stakeholder views sought, and analysed which are helping to determine next steps. This included views obtained from various representative groups, the TUC and Commissioners as well as private, third and public sector bodies.
- e. A public engagement exercise to gauge demand for local working¹ and identify potential locations, types of facility and the services required. To supplement this we are mapping existing co-working provision and the public sector estate.
- f. Developing ways to measure levels of remote working and trends over time by embedding questions on this matter into national surveys.
- g. Developing 'proof of concept' local working hubs to understand demand and delivery models.

Transport Strategy

8. Over time greater levels of remote working will significantly reduce journeys undertaken by private car. Measurable benefits will also accrue by relieving the pressure on our public transport system. Public transport capacity, and to some extent cost, is shaped by pronounced commuting peaks. Softening these peaks will have benefits to both public transport and road transport, where congestion can be reduced freeing up road space for alternative use. Air quality could be improved and tangible steps made towards decarbonisation. That notwithstanding, reductions in public transport use could lead to increased subsidy requirements.
9. Reducing the need to travel is the first level of the Wales Transport Strategy's hierarchy for prioritising investment; remote working and cutting commuting can be a key contributor to this.

Transforming Towns

10. Our Transforming Towns agenda demonstrates our commitment to the future of our town and city centres. The coronavirus pandemic has accelerated trends that we were already well aware of: growth of online sales and

¹ <https://gweithioobellremoteworking.commonplace.is/?lang=en-gb>

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pressure on retail sector. Retail still has a key role but we always knew that the future of high streets and town centres had to be about more than retail. That is why our Transforming Towns support is focussed on ensuring a wider offer of activities and uses including flexible business space, leisure, local services and cultural activities.

11. The increased capital funding for town centres in our draft budget for 2021-22 will take the Transforming Towns investment announced last January (2020) to nearly £110m. This builds on £800 million of regeneration investment since 2014 to support over 50 towns across Wales to rebuild and refurbish buildings and public spaces as well as to tackle empty properties. Many of the projects we support are targeted at providing co-working spaces and we are linking this work very closely with the remote working policy.
12. The Town Centre First Principle, to which our partners in local government are co-signatories, is a key element of Transforming Towns and means that town/city centre sites should be the first consideration for all decisions on the location of workplaces and services. The impact of the COVID pandemic means that we must be even more rigorous about applying the Principle.
13. Over the last half century the focus on a car-dependent society with many out-of-town developments has increased inequalities and been damaging for people and the planet. As a consequence, town/city centres have been hollowed out and the intention of Town Centre First is to rebalance the situation and help reduce inequalities of access. Creating local working hubs within town centres is wholly aligned with this Town Centre First approach. It will support regeneration and economic activity, increase footfall, broaden the range of services available, and bring well-being, social and environmental benefits.

Local Working (Hubs)

14. Remote working provides an opportunity to retain a more locally based economy and there is significant enthusiasm for the idea of local hubs, however these should be seen in the context of a broader programme of work that includes support, guidance, leadership, skills and creating different environments.
15. Our aim to increase the number of people working remotely includes looking at developing facilities where people can work near to home, meaning they can walk or cycle rather than making a lengthy commute by car.

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16. With regard to possible business and funding models we will need to consider the extent to which such facilities may be deliverable or already being delivered by the private/ third sector and the extent to which such delivery models may need funding support. In developing this part of the policy, an important consideration will be whether and how employer organisations will pay for employees' use of such facilities, and how they might be supported to do so. These details will impact on the attractiveness and utility of local work facilities. It will also have a bearing on the extent of private sector provision.
17. We are piloting a small number of these remote working hubs to test uptake, effectiveness and to evaluate different delivery models.. These pilot projects will allow us to gather quantitative and qualitative evidence at low cost on the impact local work hubs can have on enabling and embedding greater levels of remote working in Wales. The outcomes of these pilots will inform any further roll out of such facilities in Wales.
18. There are projects identified across Wales, including a number being undertaken in the Valleys Taskforce area and funded through that route. These are a variety of models led by the public, private and third sectors, allowing us to check the practicalities of this way of working.
19. As an example, our Transforming Towns programme is redeveloping the semi-derelict 'Costigans' building in Rhyl to provide a bespoke digital technology focussed business incubation space and remote working hub. The space will provide a creative, flexible working environment serviced with ultra-fast broadband, to support and encourage a new generation of small businesses (predominantly from the creative and digital industries) to set up and / or to use the town centre as their base. Denbighshire County Council is leasing the building to Town Square who specialise in providing flexible co-working space and entrepreneur support.
20. Additionally, there are five existing regional Enterprise Hubs (Hubs) across Wales with fully integrated with Business Wales support. The Hubs provide enhanced regional visibility and facilitate a more connected approach to providing entrepreneurship and business support with colleges, universities, local authority and City Region City/Growth Deal partners.
21. The success factors for reviewing and evaluating the pilot projects will include:
- a. Proof of demand/ levels of take up

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- b. End user satisfaction and business feasibility
 - c. Employers choosing to adopt local working options for the future.
 - d. Gathering of qualitative and quantitative information throughout the pilot (productivity, activity, wellbeing, how users get to and from the hub, levels and frequency of take up, where employees work/ live, whether they have stopped travelling by private car etc.)
22. Impacts on existing town and city centres need to be subject to ongoing monitoring in order to manage any adverse impacts.
23. We aim to gauge if this way of working encourages greater collaboration and dialogue, the creation of new relationships and better networking across sectors. We also need to understand if there are less positive outcomes - for town centres as noted above, but also for businesses, organisations and individuals.

The Public Sector Estate

24. All regions are conducting reviews of their current estate to establish building usage and identify where assets are required, if they are fit for purpose and whether there is scope for collaboration and rationalisation. We will be working with public sector organisations across Wales to explore the impact on, and role of, our PSBA project, which connects public sector locations and enables digital public service delivery across the country.
25. Some regions have identified key sites for collaboration and shared accommodation to support rationalisation of existing estates, including Ty Penallta in Caerphilly and Swansea Civic Centre. We believe there is an appetite for co-location across the public sector.

Demonstrating Leadership

26. Whilst the policy relates to the future of office work in Wales, the leadership of Ministers and the Welsh Government is critical in setting the example. Leadership is needed to demonstrate how changes to working practices and a reduction in private car reliance provides environmental, health, societal and financial benefits.
27. Different parts of government have already gained experience in adopting innovations to bolster workplace safety during the pandemic, allowing Ministers and senior officials across the public sector bodies to lead by

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example. The Economy Skills and Natural Resources group within Welsh Government is running a one year programme specifically to support Welsh Government staff to adapt to multi-location working through offering interaction opportunities, role modelling by senior leaders and well-being support all based on staff feedback.

Supporting businesses and workers

28. Making this shift a success means supporting industry, voluntary organisations and the public sector and the individuals working in them.
29. Our goal is to meaningfully assist workers and organisations to overcome or deal with obstacles and issues, promote the positives in terms of reducing pollution and congestion and help new innovations and best practices to spread as quickly as possible.
30. There is already a wealth of business support available through Business Wales. We are now supplementing this with guidance and support for remote working. In due course, this will be expanded to include guidance for individuals, allowing many people in desk-based occupations to continue to work remotely. We will continue to take this forward, working with our social partners.
31. We are also scoping support for the longer term, which could be both financial and non-financial (incentives that encourage local spending, active travel, technical support or specialist advice and guidance provided free of charge).