

Welsh Government's written response to the recommendations of the Economy, Infrastructure and Skills Committee's inquiry – Remote Working: Implications for Wales.

Recommendation 1.

Welsh Government should publish a strategic document setting out its approach to implementing remote working policy, and outline the key actions it will take to deliver this. This should include mapping of how the different parts of the policy ambition will be co-ordinated across the Welsh Government, such as delivering the Wales Transport Strategy, policy on spatial planning and infrastructure, childcare, community cohesion, and partnership working with local government and other partners.

Response: Accept

Publication of a strategy for increasing levels of remote working in Wales is currently set for autumn of this year. It will detail the steps we need to take to achieve our aim of 30% of the workforce working at or near to home on a regular basis.

Additionally it will draw on the conclusions of the Integrated Impact Assessment to ensure decisions take account of unintended consequences and maximise the opportunities available as a result of the policy.

As the Committee has recommended, it will also explain the links with other policy areas and how the work needs to be coordinated across government and with other parts of the public, private and third sectors.

Financial Implications While there are no financial implications arising from the production of a strategy document in and of itself, there will be actions in the strategy that will have financial implications. As a developing piece of work, these are not yet fully scoped and identified, but will be the subject of separate advice to Ministers.

Recommendation 2. Welsh Government should show leadership by prioritising achievement of the long-term ambition that a significant proportion of Welsh Government staff regularly work remotely, and setting out plans to achieve this.

Response: Accept

Throughout the pandemic, Welsh Government staff have successfully worked at home. The Welsh Government will be an exemplar for smart working and is pursuing an ambitious programme to retain the benefits of remote working and, when it is safe to return to the office, has committed to no more than 50% of the workforce working from an office at any one time. The Welsh Government is shaping its approach to develop our people, design our places and invest in tools and new ways of working

that will support our workforce all as we transition through the months and years ahead to enable us to collaborate, stay connected and deliver.

Financial Implications – None.

Recommendation 3. Welsh Government should clearly set out its definition of “remote working” and working “at or near to home” to enable precise measurement of progress in achieving the Welsh Government’s ambition of 30% of people working remotely on a regular basis.

Response: Accept

Remote working is defined as working outside of a traditional office or ‘central’ place of work. It includes working at home and close to home in your local community. This is how we will advise it is defined for inclusion in national surveys and data collection. The 30% aim is not a target, but an aspiration and we are not mandating changes in work patterns. We hope to encourage more flexibility for workers and agility for businesses and organisations.

Financial Implications – None.

Recommendation 4. Welsh Government should develop strong statistical measures based on its clearly stated definition(s) for remote working (including at home or “near to” home). This must be done in order to monitor and evaluate outcomes against its remote working policy ambition, and to understand the impacts on the workforce and individual employers.

Response: Accept

Both the devolved administrations and the UK Government are interested in measuring these more flexible patterns of working. We are working to ensure inclusion and measurement in national surveys. These include – amongst others - the Labour force Survey, the Annual Population Survey and the Wales Transport Survey.

Collecting robust data is essential to track trends and impacts over time. At employer level, the data is less robust than that for employee opinion. We will identify and/ or develop appropriate mechanisms to fill gaps in data.

Financial Implications: Possible in relation to the development of data in this area. If costs do arise they will be subject to further advice. These costs are not expected to exceed £50,000 in this financial year

Recommendation 5. Welsh Government must mainstream equality in the development of its remote working policy, and set out clearly how it is doing this. As part of this work, the Welsh Government should publish the integrated impact assessment for the remote working policy proposals as soon as possible, but also

assess the breadth of that assessment against the full range of equality impacts and issues raised in the Senedd Economy, Infrastructure and Skills Committee's inquiry report

Response: Accept

We intend to publish the Integrated Impact Assessment by autumn 2021 – a full Health Impact Assessment and Equality Impact Assessment is part of this process and will outline the health and well-being impacts. Once we have understood the impacts of remote working we shall be considering next steps that may include other levers and policy areas.

Additionally, the consultation on our Social Partnership Bill has been launched. The Bill will require public bodies to engage in social partnership and consult with recognised trade unions. The draft Bill is intended to strengthen and promote consistency in the Welsh system of social partnership, to deliver fair work outcomes and to achieve socially responsible procurement. We will use our social partnership way of working to support opportunities for workers to work remotely and in ways which improve well-being and work-life balance.

We will give consideration to developing 'national principles' for remote working – drawn up with our social partners so that we have a shared and common framework for operationalising remote working fairly, safely and effectively.

Financial Implications: None

Recommendation 6. Welsh Government should set out how it is impact assessing the wider socio-economic impacts of the remote working policy and how it will comply with the requirements of the Socio-Economic Duty, in light of emerging evidence that economic inequalities could result from a policy favouring more highly skilled and affluent workers.

Response: Accept

The Socio-economic Duty requires specified public bodies, when making strategic decisions such as 'deciding priorities and setting objectives', to consider how their decisions might help to reduce the inequalities associated with socio-economic disadvantage.

Although Welsh Government itself will not be captured by the Duty, only Welsh Ministers, we want to lead by example and act in the spirit intended by the legislation. This will ensure better decision making and more equal outcomes for all in society.

A preliminary study on the economic impacts of the policy has already been completed by the Wales Centre for Public Policy. This will be supplemented by the Integrated Impact Assessment, which will consider impacts on low-income households.

Financial Implications: None

Recommendation 7. Welsh Government should gather evidence beyond the pilot hubs to inform its strategy and approach to developing and supporting co-working hubs, as it is clear that there are a number of gaps in the evidence for co-working spaces. This should include an understanding of the economic and social impacts of existing co-working provision; analysis of the gaps that exist in current provision; and an understanding of international best practice.

Response: Accept

Remote working encompasses a number of strands of evidence and analysis and we agree evidence beyond the pilot hubs is required. We have a dedicated resource in Welsh Government to manage research activities in this policy area and it is crucial that we monitor this over a period of time to ensure the policy remains a good fit for Wales as the evidence starts to emerge and become clearer.

We will continue developing the policy and necessary actions with input from stakeholders, and undertaking an ongoing programme of research. This includes consideration of models elsewhere (such as the Netherlands) to understand the levers that have made these changes work.

Financial Implications: Possible in relation to the development of research and analysis in this area. If costs do arise they will be subject to further advice. These costs are not expected to exceed £50,000 in this financial year.

Recommendation 8. Beyond the current Welsh Government 'Town Centres First' principle and 'Transforming Towns' programme, Welsh Government should bring forward a Retail Strategy and Plan that can adapt and respond to remote working trends and set a clear path for that sector in Wales, and the businesses and workers' livelihoods it supports.

Response: Accept

The retail sector remains a fundamental part of the Welsh economy, from the local high street through to our city centres. We have developed strong stakeholder relationships with the retail sector during the Covid pandemic. It is clear the retail sector in Wales has been severely impacted, more so than any other part of the UK.

Whilst we have Transforming Towns and Town Centre First programmes, what we lack is an overarching strategy which highlights priorities and issues that will inform future policy direction. This accounts for the decision to embark on the development of a Retail Strategy.

This is a move widely greeted by the sector and retailer representative bodies. The strategy will respect changes in the retail environment, including online retailing and the impact of remote working on our retail centres.

The Wales Centre for Public Policy recently published a report on the Economic Impacts of increased remote working. That report indicates that there may be a shift in footfall from city centres to the suburbs as people spend more time at home or in their local area, but that cities will survive through adapting design and use of urban space.

Financial Implications: **None**

Recommendation 9. Welsh Government should set out its plans for providing financial and other support to the existing co-working hub network in Wales.

Response: **Accept**

Our aim is to make sure our existing coworking network in Wales is able to make the most of the opportunities presented by a shift to a hybrid workplace model.

Support and guidance mechanisms are under development and will be outlined in more detail as part of the remote working strategy document.

Financial Implications: Possible in relation to the development of financial and non-financial incentives in this area. If costs do arise they will be subject to further advice, whether being met from the Economic Infrastructure or another budget. These costs are not expected to exceed £150,000 in this financial year.

Recommendation 10. Welsh Government should set out how it will communicate the remote working policy to, and engage with the public, as well as key stakeholders and community bodies, and how it will measure and report on the outcomes of that engagement.

Response: **Accept**

This policy has been developed with significant input from stakeholders in the public, private and third sectors. A public engagement exercise to map demand for local work hubs has also just been completed (end March 2021).

We intend to continue working and communicating openly as the policy matures and the landscape changes.

Plans for engagement and monitoring stakeholder input will be outlined in the remote working strategy.

Financial Implications: Possible in relation to the development of engagement tools, events and surveys in this area. If costs do arise they will be subject to further advice, whether being met from the Economic Infrastructure or another budget. These costs are not expected to exceed £150,000 in this financial year.

Recommendation 11. Welsh Government should supplement the work it plans, to map existing co-working spaces and the public sector estate, by collating information on community and commercial assets that could be re-purposed to support the development of remote working hubs.

Response: Accept

This is being developed as part of the programme of work.

Additionally, as part of our Transforming Towns programme, we continue to work with local authority partners to identify and review available buildings and land within or closely aligned to town and city centres. Assets purchased through the Transforming Towns programme will deliver meanwhile or temporary uses, local hubs for business, third sector or public uses and further opportunities for Town Centre First – to lever in investment from wider Welsh Government portfolio areas.

Financial Implications: None

Recommendation 12. Welsh Government should set out how it is engaging with UK Government on the Employment Bill and any related UK legislative proposals to protect employee wellbeing post-pandemic. It should also set out what it wants to see from UK-wide legislation in respect of remote workers' employment rights.

Response: Accept

Despite the UK Government announcing, more than a year ago, its intentions to bring forward an Employment Bill, indications are that it will be late 2021 or even early 2022 before we see progress on this issue. We are continuing to engage with the UK Government on reserved employment law and workers' rights. We have made our position clear, we expect no weakening of employment rights and we believe there is room for improvement, particularly in order to keep pace with the future of work and to ensure that workers have sufficient protections. We are continuing to make strong representations to the UK Government on these issues.

Financial Implications: None

Recommendation 13. Welsh Government should set out how it intends to use devolved levers to protect and promote workers' rights when remote working, and to achieve the necessary culture change among employers, such as through the economic contracts; potential legislation on social partnership; implementing the Fair Work Commission's recommendations. and by providing support and official guidance on good management working practices.

Response: Accept

We have been clear in explaining our commitment to using every power and every lever available to us to deliver fair work outcomes, including improving access to

trade unions and using our social partnership approach and the power of the public purse to improve working practices.

The draft Social Partnership and Public Procurement Bill, Economic Contract and implementation of Fair Work Wales recommendations are key examples of how we are delivering on that agenda. We will use our social partnership way of working to support opportunities for workers to work remotely and in ways which improve their well-being and work-life balance. Our existing social partnership arrangements – including the Social Partnership Council, Workforce Partnership Council and Council for Economic Development provide us with the opportunity to build consensus on the support and advice employers and workers may need to effectively and safely operationalise remote working in line with our broader fair work ambitions.

Financial Implications: None

Recommendation 14. Welsh Government should update the relevant sixth Senedd Committee on its plans and priorities for closing the digital divide on broadband connectivity in Wales, and how it will work with the third sector and other partners to address the inequalities in digital access and inclusion.

Response: Accept

It is important to point out that the responsibility for telecommunications rests with the UK Government. However, the Welsh Government have stepped into this non-devolved area to ensure that homes and businesses across Wales can access fast and reliable broadband.

Most notably the Superfast Cymru project provided more than 733,000 premises across Wales with access to fast fibre broadband. It has transformed the digital landscape.

However, there remain around 79,000 premises in Wales without access to superfast broadband and that are not in the commercial roll-outs of telecommunications companies or public sector bodies to do so.

The Welsh Government is again stepping through a suite of interventions. A grant agreement is in place between BT and Welsh Government which is being delivered by Openreach to provide access to fast broadband to around 39,000 premises by June 2022, at a cost of nearly £56m. This is made up predominantly from Welsh Government and EU funds with some additional funding from the UK Government. At the end of December 2020 a total of 15,649 premises had been given access to full fibre connectivity since the start of the project.

For those premises which fall outside of a fibre roll out, we have a range of interventions in place to help premises achieve fast broadband speeds regardless of the technology. These include the Access Broadband Cymru scheme which provides grants to fund (or part-fund) the installation costs of new broadband connections for homes and businesses in Wales. Since the scheme began in 2016 more than 5,000

grants have been approved.

The Local Broadband Fund is a £10million fund that supports local authorities and social enterprises to deliver broadband projects locally, helping communities without access.

The UK Government Rural Gigabit Connectivity voucher connected rural homes and businesses to gigabit capable broadband. We stepped in to provide additional Welsh Government resources to give Wales a generous package of measures not bettered anywhere in the UK. The voucher scheme came to an end on 31 March 2021.

However, the UK Government have now introduced a new scheme called the UK Gigabit Voucher and the Welsh Government will again look to top-up this voucher to reflect the higher costs of delivery of broadband infrastructure in Wales.

Digital inclusion is a key social justice and equalities issue and it is about ensuring people benefit from the rapid pace of technological change taking place in society. Digital Communities Wales: Digital Confidence, Health and Well-being (DCW) is our £2million per annum (funded jointly by digital inclusion and health) procured programme. It works with organisations from all sectors that can help reach digitally excluded people and is designed to provide training and support to front line staff, volunteers and organisations to engage with and develop the digital skills of citizens and front line staff. The contract commenced on 1 July 2019 and is due to run until 30 June 2022, with an option to extend for a further three years pending funding.

Financial Implications: None

Recommendation 15. Welsh Government should report to the relevant Sixth Senedd Committee on the progress and status of:

- a) • the co-working hub pilot programme;
- b) • The Transforming Towns programme;
- c) • its review of the public sector estate and use of assets;
- d) • its multi-location working strategy for Welsh Government staff; and
- e) • developing partnerships with the private sector, local government partners, academic and other anchor institutions and the third sector, to find workable solutions to sharing co-working hubs and promoting their use.

Response: Accept

- a) **The co-working hub pilot programme;**

We will be happy to update the Committee on the pilot hubs, and well as those being undertaken by Local Authorities where we have agreed to work together to trial different ways of working.

b) The Transforming Towns programme;

Increased allocations for town/city centres have taken the value of the Transforming Towns investment announced in January 2021 to £136 million (including levered-in funding). This is funding key regeneration projects which are helping towns and cities across Wales adapt to change by focussing on leisure, learning, living and working in order to complement their traditional retail offer. Through Transforming Towns we have been able to introduce a range of innovative interventions which will contribute to securing a better and greener future for our towns/cities. Examples include a new place making grant, support for town centre businesses, flexible loan funding, support for enforcement and green infrastructure improvements. We will be happy to report on progress with these initiatives and others to the relevant Committee of the 6th Senedd.

c) Its review of the public sector estate and use of assets;

The Welsh Government has already engaged with public sector bodies to establish the approach being adopted to increase remote working.

A large proportion of organisations' workforces have continued to work remotely and anticipate that when staff can return safely to the workplace significant numbers will continue to work remotely for at least part of the working week. Throughout lockdown safe access to offices has continued to allow critical staff to work from when needed.

Reviews are already being undertaken by public sector organisations to understand the most appropriate staff working patterns post COVID-19 to help drive better use of existing space, future accommodation need and digital technology capacity to facilitate a more agile workforce in the short to medium term. A strategic analysis of staff health and wellbeing is seen as a key driver for patterns of working and associated accommodation changes.

Most organisations do not anticipate any surplus office accommodation becoming available over the next 12 months. Others suggest it is too early to say with any certainty how much office accommodation will become available. With staff likely to move to a more agile way of working floor space is likely to become available, particularly at larger offices.

The on-going monitoring and review of the public sector estate will be led through the work of Ystadau Cymru, which reports directly to the Minister for Finance & Trefnydd. Ystadau Cymru seeks to support and facilitate opportunities to take a more strategic approach to property and property management across geographical and organisational boundaries.

There is a recognition that public sector assets will be used differently post Covid-19 and have significant potential to support economic recovery and the well-being of communities through collaboration with public sector partners.

d) Its multi-location working strategy for Welsh Government staff;

Welsh Government is re-evaluating its operating model and long-term strategy for its future ways of working through the development of three new organisation strategies (workforce; workplace and digital) which include our ambitions for multi-location flexible working. The safety and well-being of our staff remain at the heart of our current planning. While the majority of Welsh Government staff are continuing to work from home, we are consulting staff about greater levels of remote working being part of a step change in the way we will work with ambitions of up to 50% of our staff working remotely at any one time long term, which is part of Welsh Government's wider efforts to encourage more remote working across all sectors in Wales. In considering our future working model and predicted higher take up of remote working and fewer staff attending our offices on a regular basis and resultant decreased demand for space we will explore all feasible options for full utilisation of our buildings as well as all collaborative opportunities for sharing space with other public sector in Wales.

e) Developing partnerships with the private sector, local government partners, academic and other anchor institutions and the third sector, to find workable solutions to sharing co-working hubs and promoting their use.

This work has been underway for a short time now, and will be supplemented by a full consideration of the delivery and business model options available for sharing spaces and local work hubs.

We will be pleased to provide an update to the Committee as required.

Financial Implications: None