



Report Title:	Hybrid Working – Next Steps		
Report No:	2024 - 0285		
Date:	17 September 2024		
To:	Hon Nicola Willis, Minister for the Public Service		
Contact Person:	Paula Davis, Manager Workforce Capability; Alex Chadwick, Deputy Chief Executive		
Contact	9(2)(a) privacy		
Encl:	Yes – Hybrid Working Guidance	Priority:	Medium
Security Level:	UNCLASSIFIED		

Executive Summary

1. You have asked for further advice on implementing Option Two in our briefing *Hybrid Working in the New Zealand Public Service* [2024 – 0252] which was to review and refresh the current approach to hybrid working across the Public Service (Appendix 1 sets out the details of this option).
2. A review and refresh of the current Hybrid Working Guidance will ensure agencies' approaches are updated to align and reflect the new Government Workforce Policy Statement (the Statement) expectations. It will also allow the Public Service Commission to establish greater monitoring of agencies' policies and practices to ensure they align with the guidance and maintain productivity and service delivery levels.

Purpose of Report

3. This report provides you with information on:
 - a. Our proposed review and refresh of the Hybrid Working Guidance across the Public Service to ensure it gives effect to the Statement;
 - b. Advice on monitoring the impacts of Hybrid working; and
 - c. Some key points to support any public statements you may wish to make on hybrid working or working from home.

Hybrid Working Review and Refresh - implementation

4. At our agency meeting on Thursday 12 September, we discussed next steps for implementing Option Two and you requested further information on implementation.

5. Our proposed implementation approach is:

Step	Action
<p>1.</p>	<p>Review and Update Guidance</p> <p>The Public Service Commission will review and refresh the Hybrid Working Guidance so it aligns with the Government Workforce Policy Statement, specifically the new expectation that agencies:</p> <p><i>Ensure that there is active management of workforce productivity regardless of work location(s) contributing to a broader ongoing focus on productivity improvement within the public sector.</i></p> <p>We will also ensure the refreshed guidance strengthens the expectations that:</p> <ul style="list-style-type: none"> a. most public servants work from their normal place of work, most of the time; b. the work of the agency comes first in determining who can work in a hybrid way and in ensuring that the balance between ‘at home’ and ‘in the office’ work supports productivity and efficient service delivery; and c. hybrid working arrangements are regularly reviewed to ensure they continue to support productive and efficient working practices. <p>We will also work with agencies to prepare and share case studies on “best practice” models for actively managing productivity and performance in a hybrid work environment.</p>
<p>2.</p>	<p>Set Expectations</p> <p>The Public Service Commissioner will write to public service chief executives providing the updated Hybrid Working Guidance and requiring them to review their internal policies to ensure they:</p> <ul style="list-style-type: none"> a. align with the new Statement b. align with the updated Hybrid Working Guidance c. provide for regular reviews of hybrid working practices to ensure they continue to support productive and efficient working.
<p>3.</p>	<p>Agency Review and Report Back</p> <p>Public Service chief executives will complete an agency review and update of their hybrid working policies and practices and provide an assurance to the Public Service Commission that they align with the requirements at 2(a) to (c) above.</p>

6. Our implementation approach includes a monitoring element that builds on current mechanisms already in place from the Public Service Commission, will be quick and easy for agencies to adopt, and ensures chief executives remain accountable to their Minister, and ultimately the public.

7. When setting expectations to chief executives, it will be made clear that the Commission will be monitoring and reporting to you on adherence to the Statement and Hybrid Guidance. To support this, we also recommend that future Public Service Chief Executive letters of

expectation contain expectations on good performance management of all staff, regardless of where they work. Please let us know if you'd like us to consider this in future expectation letters.

8. Further, we will undertake a wider review of how our Hybrid working and the Flexible-by-Default guidance give effect to the Government Workforce Policy Statement. This review could look at aspects such as:
 - How are agencies working with staff to establish what sort of work within their workforce is most productive in the workplace and what is suitable to do from home
 - How is staff performance and development being approached and managed within a hybrid environment so that valuable 'on the job' training is still occurring
 - How are agencies assessing and determining the balance between team, agency and individual needs so that agency need is the default rather than individual.

In part this review will be informed by the information we collect through the Public Service Census on flexible working.

9. We do not recommend more granular monitoring such as capturing flexible working arrangements at an individual level. Agencies administer this in different ways. In some cases, flexible arrangements are formalised, but usually they are not, and the information is only known at the individual / team manager level. To aggregate this information up to an agency level and then to the Commission would require building a new data gathering mechanism within each agency and then to the Commission which would be both costly and intensive to establish. This level of assurance exceeds the requirements of ensuring the Statement and Hybrid Guidance is adhered to, which can be met through the monitoring outlined above.
10. Note that the refreshed Hybrid Working Guidance will not replace the current Flexible-Work-by-Default-Guidance-and-Resources. Hybrid working is just one type of flexible work. Others include flexi-time, flexi-leave or flexi-role/career. Flexible working needs to continue to be managed consistently with the flexible-by-default guidance. All employees in New Zealand have a legal right to request a variation to their working arrangements to work flexibly and can be refused only on particular and limited grounds.

Key points on hybrid working

11. The following points are provided to support you speaking publicly about hybrid working in the Public Service:
 - You acknowledge the challenges faced by businesses in the CBD due to reduced foot traffic.
 - You are working with businesses and the public service to find a balanced solution.
 - You respect the legal right of public servants, as with all employees, to request to work flexibly.
 - You have asked the Public Service Commission to explore other models or solutions that might support businesses without compromising the flexibility and efficiency of existing work arrangements.

- In particular you have issued a Government Workforce Policy Statement with a new expectation that agencies should actively manage workforce productivity of work location(s).
- You have asked the Public Service Commission to monitor hybrid working approaches across the Public Service to ensure that the current expectation that most public servants work from the office most of the time is maintained and that agency productivity and service delivery levels are maintained and improved.
- Only 44% of the Public Service (departments and departmental agencies) work in the Wellington region [PSC 2023 Workforce data]
- 61% of Wellington city's workforce is private sector, 23% are public servants (the remaining 16% are local government, health, education, etc) [Stats NZ 2023 Business Demography statistics]
- 68% of the Wellington region's workforce is private sector, 10% are public servants (the remaining 22% are local government, health, education, etc) [Stats NZ 2023 Business Demography statistics]

Recommended Action

12. We recommend you note the contents of this briefing and discuss with officials.

Hon Nicola Willis
Minister for the Public Service

Our briefing to you *Hybrid Working in the New Zealand Public Service* [2024 – 0252] set out three options to future approaches for hybrid working in the public service. You indicated you supported Option Two - Review and Refresh current approach.

Review and Refresh of current approach

The Public Service Commissioner requests Chief Executives review their current hybrid working policies and approaches to ensure alignment with the Government Workforce Policy Statement expectation to “ensure that there is active management of workforce productivity regardless of work location(s) contributing to a broader ongoing focus on productivity improvement within the public sector”. This option could involve the Commissioner issuing guidance off the back of the Statement, including about reporting mechanisms.

This option would provide an opportunity to ensure all benefits of hybrid working could be achieved and that the system settings are tight enough in the current fiscal environment. It also provides an opportunity for the Commission to check-in with Chief Executives and for new agency policies to be drafted if working in the office more is their preference. It could also provide a further opportunity for the Commission to establish a stronger monitoring role across the system.

We acknowledge that this option will require additional focus from agencies, and this may cause minimal disruption to work programmes. However, we believe this would be manageable. One area that might require attention relates to current formal employment arrangements. There may already be in place formal arrangements and agreements for place of work. If this is the case these will need to be worked through on a case-by-case basis.

This option is likely to result in Union engagement. This would be undertaken as part of our normal working relationship, and we don't consider this to be unmanageable.