The Future of Remote Working in Northern Ireland

Executive Summary

Ulster University Economic Policy Centre

Dr Eoin Magennis

Anastasia Desmond

Gareth Hetherington

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Where next for remote working in Northern Ireland?

Executive Summary

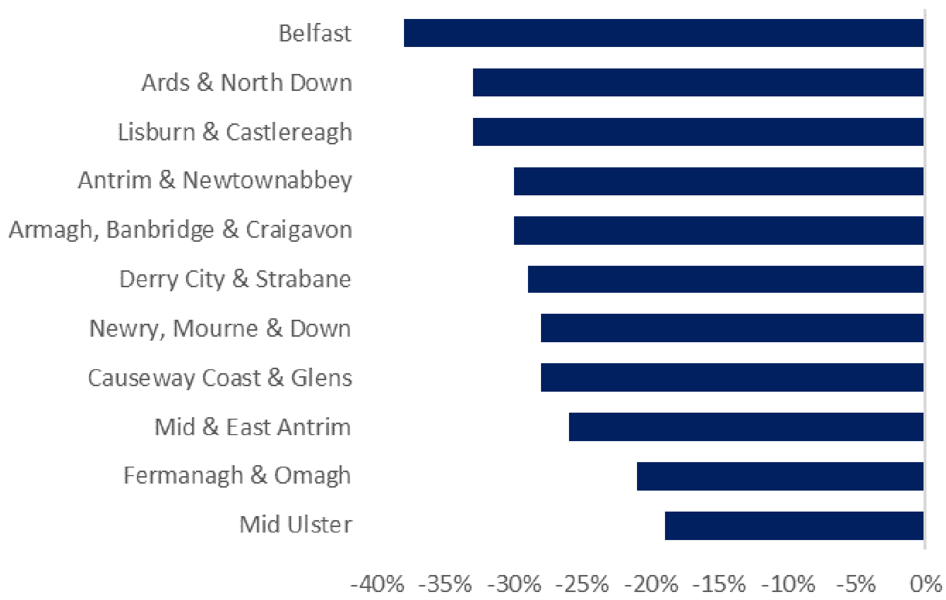
Commuting will remain important, but the future of work is changing

1. Prior to the pandemic, commuting accounted for one in five journeys and almost a third of the distance travelled. **Most commuting journeys are relatively short (on average 10.5 miles)** and the vast majority (outside Belfast) are by car[1]. This indicates that most workers live close to their work, which is typically their nearest town or city.

2. **Belfast remains the key destination for commuters, in 2019 more than a quarter (26.7%) of NI's workplace jobs were located in the city** and almost half (47%) of these jobs are filled by commuters travelling every day or regularly into the city.

3. Pre-COVID, home-working (complete or regular) applied to less than 10% of the NI labour force. This increased to 41% in April 2020 and then fell slowly to 30% in May 2021, but even with the lifting of restrictions last Autumn homeworking remained at 21%. **The January 2022 mobility data confirms this trend with workplace mobility levels still 29% lower across NI than the January-February 2020 baseline**. The levels of workplace mobility can be expected to rise further as Executive guidance on returning to the office changes in the coming weeks and months.

Figure 1: Workplace mobility, NI LGDs, January 2022



Source: Google COVID-19 Community Mobility Report (Jan 2022) & UUEPC Analysis

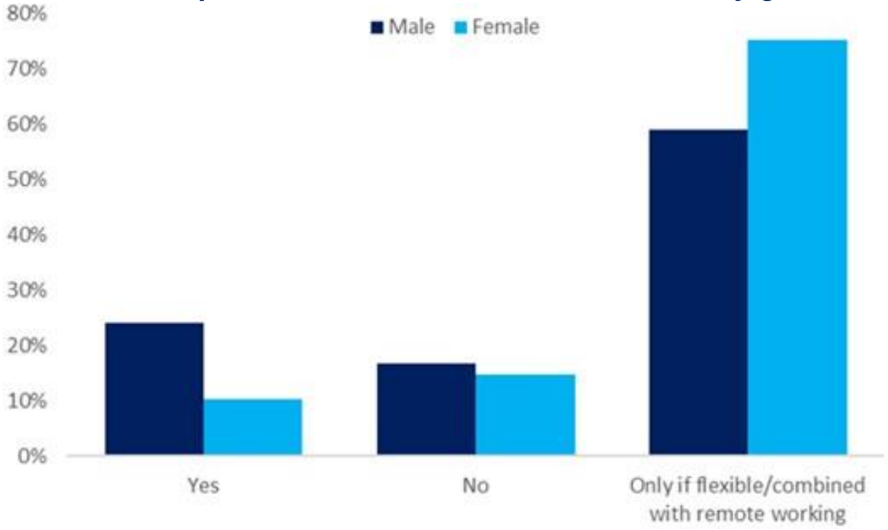
[1] NISRA, *Northern Ireland Travel Survey, 2017-2019* (July 2021). The headline results for 2018-2020 will be due later this year.

4. This data demonstrates that most jobs remain workplace-based. However, the pandemic has opened the debate around the number of jobs that could be done remotely, either in part or all. **This research identified that between 41% and 60% of current jobs in NI could in the future be completed remotely at least in part**. This demonstrates the scale of change that may come in time as discussions about new working arrangements take place across NI.

Employees want to return to the office, but most want a flexible/ hybrid arrangement

5. Overall, survey respondents overwhelmingly backed a return to the office BUT only if it was combined with home working. Women, in particular, indicated a stronger preference for hybrid working (Figure 2).

Figure 2: Whether the respondent wants to return to the office by gender, NI, 2021



Source: UUEPC analysis

6. This is consistent with the qualitative responses received with regard to working around childcare and caring responsibilities. Therefore, flexible working is not just seen as flexibility in terms of **where to work,** but also flexibility around **when to work**, which raises different challenges for other colleagues.

7. The ONS Opinion and Lifestyle Survey (2021) found that 82% of the UK working population expected, post-COVID to work in some hybrid fashion, 14% saying they would be solely office-based and 4% solely working from home.

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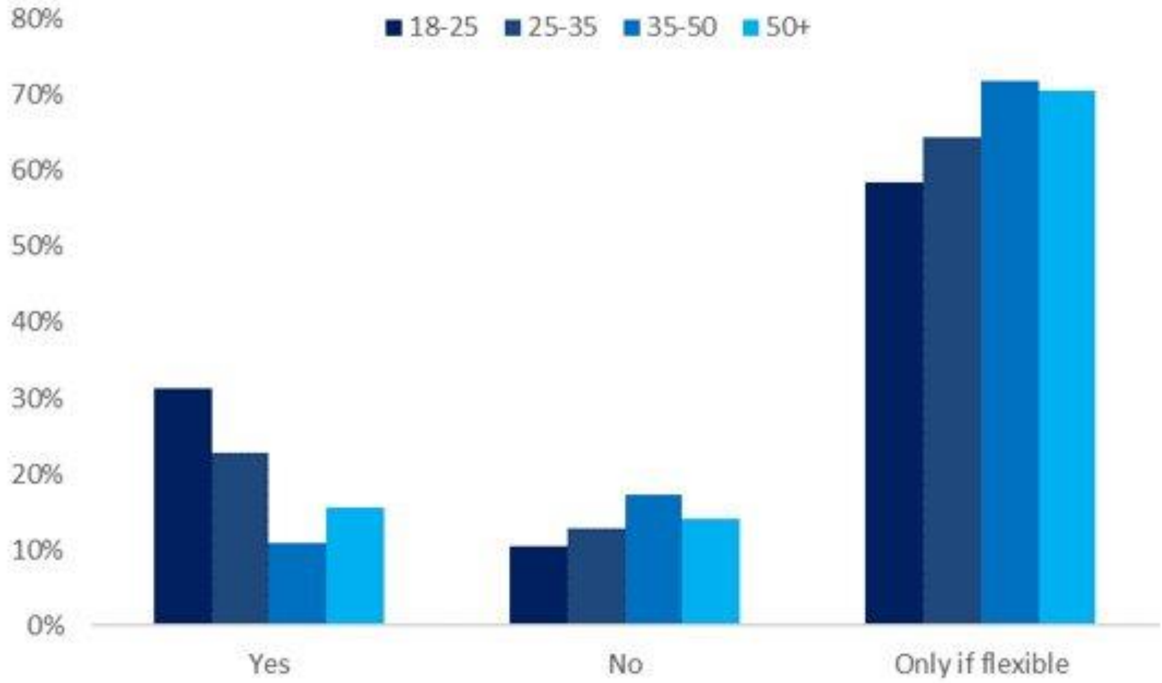
Remote working can re-engage the economically inactive

8. The number of economically inactive due to looking after the family/home has been in long term decline, but this trend has accelerated during the pandemic, between Q1 2019 and Q3 2021 this proportion fell from 6.1% to 4%.[2] Remote working can therefore be viewed as a labour market activation tool enabling more people (in particular women) to return to work.

Younger people have a greater desire to return to the office

9. Younger employees expressed a greater interest in returning to the office. In their qualitative responses, respondents highlighted the benefits to younger staff being in the office to learn from those with more experience and the sharing of knowledge and ideas.

Figure 3: Whether the respondent wants to return to the office by age, NI, 2021



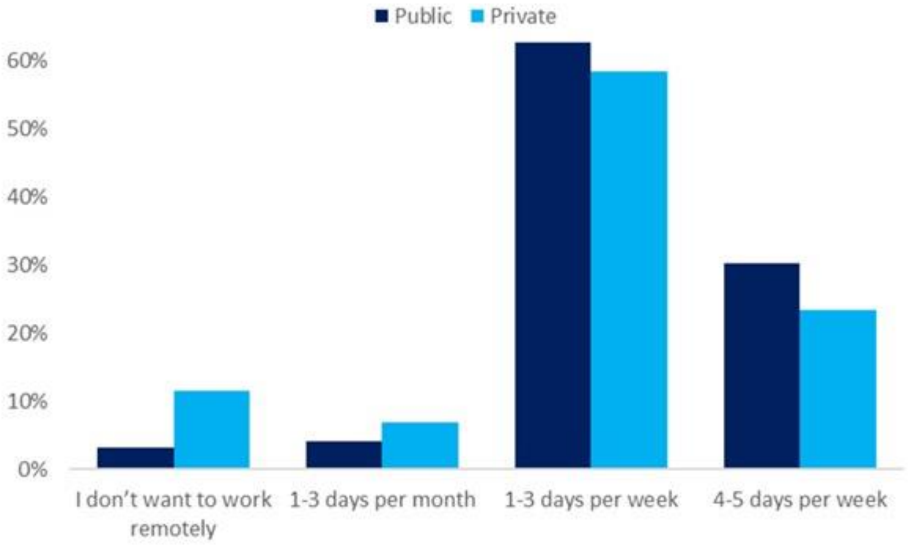
Source: UUEPC analysis

Preference shown for 2 to 4 days per week in the office

10. Similar trends across the public and private sector with strong support for a return to the office 1-3 days per week and reasonable support for a return 4 to 5 days per week. It seems staff want to retain the physical connection with their colleagues in the office but also want to retain the benefits of home working.

[2] UUEPC Labour Market Intelligence Portal - https://www.ulster.ac.uk/epc/labour-market-intelligence

Figure 4: How often the respondent wants to return to the office by public/private sector, NI, 2021



Source: UUEPC analysis

Mixed attitudes towards remote working hubs

11. Overall, **most respondents were not interested in working in remote hubs**, and of those who expressed an interest, their preference was to work in a hub dedicated to their organisation (or their part of the organisation), which was marginally more popular than a hub in their closest town.

Policy considerations:

In the first instance, new working arrangements are best identified through discussions between employers and employees. It is not clear at this point that a new regulatory framework is required from government or simply a broader public discussion and the development of guidance around the following issues:

- the 'right to request' remote working and the impact on equity and efficiency at work.[3]
- the 'right to disconnect' and understanding the implications for both employers and employees.
- greater understanding of the economic implications of higher levels of remote working in NI including attracting more talent from outside NI.

[3] Currently being taken forward in the Republic of Ireland.

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Employers must balance the costs and benefits of remote working

12. The attitudes of businesses to remote working have evolved over the past 22 months. National survey data suggests that a solid core, often a majority, of UK businesses remain doubtful that an increased level of homeworking will become a permanent feature of their future business model. However, **there is a clear change in attitude in many firms and there is a belief that some form of hybrid working will become a permanent feature**.

13. The consultations for this research found that in general, where suitable, hybrid working will remain in the longer term for a significant proportion of staff. The **benefits** identified by employers focused on:

    - recruitment and retention of staff;
    - reduced sickness levels;
    - improved staff well-being; and
    - reduced overheads (for a small number).

14. The consultees also identified a range of **concerns** with long-term home working and these included:

    - the loss of collaboration between staff (impacting innovation and creativity);
    - morale and well-being of staff due to isolation;
    - staff training and development (particularly younger members of staff); and
    - managing the shift towards a hybrid model while ensuring fairness in the workplace.

15. These views were expressed by both public and private sector employers and indicate that any transition to permanent hybrid working will need to be carefully managed. This will include consideration of the following:

    - ensuring that any move to a hybrid model must be fair to staff and not negatively impact their well-being;
    - overcoming technical constraints such as broadband connectivity;
    - developing new management approaches to deal with dispersed teams that will ensure measurable future gains in productivity, retention/recruitment of staff and business growth.

Where next for remote working in Northern Ireland?

Policy considerations:

Policy should focus on ensuring wider competitiveness, productivity improvements and increased adoption of innovation. These might include:

- Accelerated roll-out of the higher speed broadband connectivity to all parts of NI.
- Increased levels of digital adoption by firms to reflect changes in behaviour of employees and customers.
- Promote NI as an attractive location for remote working and allowing employers access to a much larger talent pool.
- Encourage the economically inactive back into the labour market with increased flexibility and through digital skills courses.
- Support management and leadership training to address productivity and innovation/creativity challenges created by managing dispersed teams.

'Zoomshock' and the impact on urban centres

16. 'Zoomshock' refers to the impact on large urban areas (in particular city centres) that are much more reliant on commuter spending. In a hybrid working world, footfall and hence spending in these areas will fall, impacting the 'flat white economy' (De Fraja, Matheson and Rockey, 2021). In NI, **'Zoomshock' will most likely have an impact on Belfast,** though could also be an issue, to a lesser extent, in other larger towns.

17. The impact of 'Zoomshock' is difficult to estimate given the levels of uncertainty over the extent to which employers will ultimately embrace a hybrid working model. Conversely, **consumption patterns could be merely displaced and sub-urban/ residential areas could become the beneficiaries**.

18. Changing work patterns also creates the potential for remote working hubs. The new Connect2 programme (with 10 possible sites to be opened by 2023) is the public sector response to this emerging trend, however, most respondents to the survey completed for this research were not that interested in working a remote hub.

19. Importantly, there are also several 'third party' co-working spaces and enterprise hubs across NI currently in operation. These offer an alternative to working from home for freelancers and the self-employed. Perhaps there is an opportunity to work in partnership with these organisations prior to making a significant investment in a hub network.

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Policy considerations:

Given the range of uncertainties, policy responses should focus on monitoring changing working and consumption patterns to understand what this means for:

- High streets – the current taskforce addressing this issue should include impacts of hybrid working models on footfall and the nature of retail and hospitality offerings.
- Office space and commercial property – this is being considered as part of DfE's 10X research strategy and the findings of this can help inform policy makers.
- Remote working hubs – an initial mapping of hubs and co-working spaces and further research on demand for these facilities could help ensure they meet expectations and will be used by staff (see www.connectedhubs.ie)

About UUEPC

UUEPC is an independent research centre focused on producing evidence-based research to inform policy development and implementation. It engages with all organisations that have an interest in enhancing the Northern Ireland economy. The UUEPC's work is relevant to Government, business and the wider public with the aim of engaging those who may previously have been disengaged from economic debate.

Contact Us

Senior Economist: Dr Eoin Magennis

e.magennis@ulster.ac.uk

Assistant Economist: Anastasia Desmond

a.desmond@ulster.ac.uk

Centre Administrator: Danielle McKee

d.mckee@ulster.ac.uk

Ulster University Economic Policy Centre

economicpolicycentre@ulster.ac.uk

(028) 90 3 66561

@UlsterUniEPC

https://www.ulster.ac.uk/epc