

# THE FUTURE OF THE OFFICE IN THE POST-PANDEMIC WORK ENVIRONMENT

## Introduction

In 1982 we predicted that the office of 2000 would be different, operating from a multiplicity of places. Much of what was predicted 40 years ago has come to pass (see box opposite). The internet has been the most important catalyst for this change.

Looking ahead, we anticipate the office of the future to be very different, with the COVID-19 pandemic the main catalyst accelerating many of the trends seen in the past few years. 23 March 2020 changed everything in the world of work. Many governments around the planet ordered their citizens to work from home if they could – and it worked! Government intervention on an unprecedented scale meant that, although economies around the world shrank, they did not collapse – commerce continued and innovation grew.

So a year on where are we now? The purpose of the office is changing and its culture evolving. In fact many are questioning the need for a specific office at all, and the consensus of organisations who up until now have occupied office space appears to be that a combination of working at home, in the office and in a half-way house offers flexibility and agility sufficient to turn the office into a tool for successful change for its occupants.

Within this context, corporates (and indeed all organisations) may need to re-evaluate their operating strategy to satisfy the requirements of the company as well as those of their employees. The office in all its characteristics, from location through design, technical infrastructure and social ethos, will and must satisfy the changes sought by managers and staff alike in their constant pursuit of excellence. In addition, much of the current stock, both commercial and residential, needs to be upgraded in terms of its ESG (environmental, social and governance) aims.

This briefing note examines the characteristics of the ‘new normal’. Rather than giving an absolute answer, the aim is to reflect the range of thinking in the market that represents the new office for the future. It touches on subjects such as recruitment, contracts of employment, working conditions, GDPR, financial aspects of home working and real estate.

## The Office of the Future 1982



The Office in a briefcase, 1982  
 Courtesy of Chadwick International

*Hello. I'm the office of the future.*

*Yes me, the briefcase.*

*I've come back from the Year 2000 to show you what's going to happen in eighteen years' time. You assessors may find this a strange presentation, but the fact is that the office as we know it will diversify from its present fixed location into a multiplicity of places – and that's where I come in.*

*With me, everyone has an office, from schoolboy to Prime Minister ... where you put me is another matter – in your car, in an aeroplane, in your meeting place, because that's what the office of today, sorry I mean tomorrow, is all about.*

*Of course, my grandchildren in 2050 will be the most interesting, but that's not what you asked about, so if you open my screen you'll find some very 1980s pieces of paper which describe what I'm all about. ■*

## The work environment

In today's dynamic, highly connected and digital environment, there is an opportunity to live and work differently. Never has the subject of the office been so intensively debated as in the aftermath of the government instruction on 23 March 2020 to all but essential workers to work from home if possible.

The UK government's introduction of new regulations such as social distancing, which as in most countries was a separation of 2 m between people, has had a profound effect on office occupancy.

Offices were suddenly only able to accommodate a quarter of the staff that they could pre-pandemic, and so were driven in the direction of space-time – 'The space you need for the time you need it'\* – with, in some cases, people attending offices in rotation. There was a realisation that the world had become *choice enabled*, which without COVID-19 would have taken decades to achieve. Although there has been virus-driven resistance to an early return to offices, it is likely that people will return as the vaccination programme takes hold and people feel safe in their workplace.

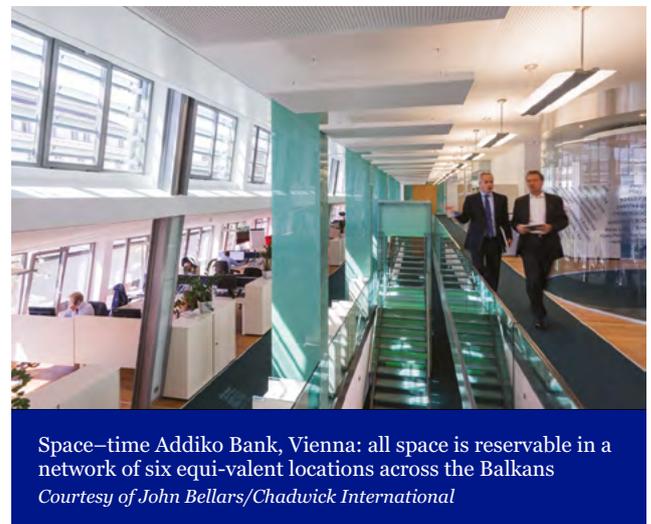
So what of the function of the office? The office will continue to operate as the centre and as the 'brain' of the organisation, carrying its name and brand. Of course, being the brain, it can be integrated or differentiated in an algebraic way, with the head office being increasingly supported by a more distributed system of hubs.

Perhaps most importantly, the physical environment will start to drive the culture and operation of the organisation or business it shields. Operational change in which leaders look to create flatter more involved and empowered societies is much more achievable in a physical setting that encourages sharing and interaction.

## The three stages of the post-pandemic office

Of course, the post-pandemic world has stages of its own:

- 'knee jerk' immediate stage 2020–2021
- partial vaccination stage 2021–2022
- post-vaccination stage 2022 onwards.



### Immediate stage

The first stage has been working from home if possible and the government's guidelines on social distancing, which have meant that most offices have been largely empty. As a result, the reduced number of available workspaces due to the required social distancing has not been a problem.

### Partial vaccination stage

In the current partial vaccination stage, people have been fearful of returning to the office, but opinion is divided on what the impact of the pandemic will be on the future of city centres and the offices in them. When government restrictions are lifted later this year, some organisations may opt for a totally remote workforce, some for a totally office-based workforce and some, likely the majority, for a mix.

### Post-vaccination stage

This stage has not yet been reached but there are signs that the lessons of the pandemic will have been learned. While this will not necessarily result in a return to offices on the same level as in the pre-pandemic era, it will promote a debate on the future function and evolution of the office. We can expect organisations and their employees to adopt an operating model suited to their individual circumstances.

\* BCO (2019) *The Space-Time Office – New Demands, New Possibilities*. Available at: [https://www.bco.org.uk/Research/Publications/The\\_Space-Time\\_Office\\_-\\_New\\_demands,\\_new\\_possibilities.aspx](https://www.bco.org.uk/Research/Publications/The_Space-Time_Office_-_New_demands,_new_possibilities.aspx) (accessed 10 April 2021).

## Office of the near future

In our view, the office of 2025 will probably have certain distinct characteristics, such as:

- it will be significantly smaller per person than the pre-pandemic office
- it could be driven and measured on a space–time basis
- it could be traded on a space–time basis in square foot hours in blockchain contracts
- it is likely to be geographically distributed, with several hubs, rather than a single location
- it will be choice enabled
- it will continue to be the brain of the organisation and be more powerfully connected.

## Wellbeing

The emphasis will be to create environments in which people thrive. During the pandemic, personal wellbeing (both mental and physical) has taken a hit. A key factor will be to keep wellbeing at the forefront of minds in the office of the near future as the pandemic comes to an end.

## The back office

In the office of the near future, routine back office work and many, if not all, professional services (law, accountancy, insurance) are likely to see greater automation. However, there will always be a place for the traditional forum or meeting place, and there will be considerable scope for creativity in the design of these.

## Internet speed and connectivity

The emergency lockdowns due to the COVID-19 pandemic resulted in enforced homeworking for a large majority of office workers over the last 12 months. Fortunately, in this period of medical and commercial crisis, remote working became practical as a result of the marked development of and improvement in home internet speeds during 2019 and 2020 (Figure 1).

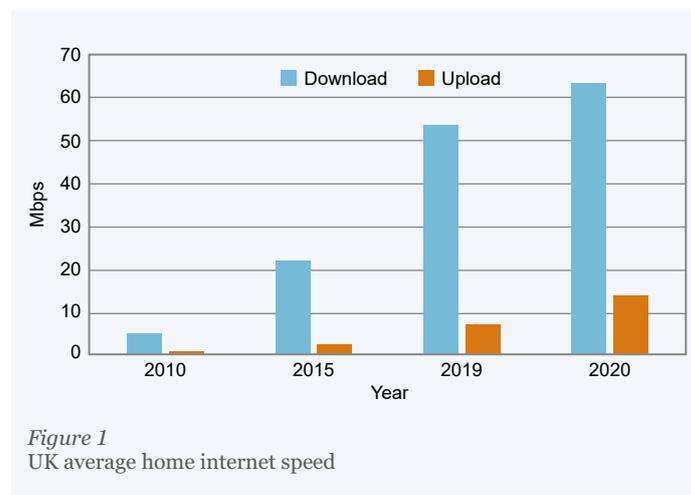


Figure 1  
UK average home internet speed

Most organisations already had basic remote working systems before lockdown, including the necessary central routers and firewalls, as well as securely configured laptops for senior staff. It was, therefore, relatively easy to scale this up for all staff to work from home.

Most business broadband connections are both-way, that is the upload and download speeds are the same (e.g. both at 1,000 Mbps), so they work as well with staff in the office connecting to the internet and with staff at home connecting via the internet to servers in the office. This will continue to help flexible working going forward.

## The cloud

The other significant trend pre-2020 was the move to cloud computing. This means the software application and the data sit on a server provided by Google or Microsoft or Amazon Web Services. Staff using these cloud-based applications from home have been able to get faster access from home than when working in the office. This is because hundreds of staff working in the office can all be contending for capacity on the office internet connection. On that basis more resilience can be obtained when there is less dependence on one operating base.

## A change in attitude towards the office

In the immediate future there is little doubt that the first reaction to the return to 'normality' among many, as restrictions are lifted, will be a strong desire to head back to the office and meet up with friends and colleagues in person, satisfying both social and business contact. The second reaction will be the realisation that there are substantially fewer people on the floor using desks, and that the office feels pleasantly roomier – a bit like the train, tube and bus workers took to get there.

However, the urge to enjoy the freedom that has been missing from their lives may soon be somewhat tempered by the individual's preference for the flexibility enjoyed in homeworking coupled with the trust and responsibility to perform to their best ability without direct supervision.

## A sophisticated workforce

The impact of COVID-19 has been to accelerate the adoption of remote working tools and practices. Employees were forced to learn a new set of tools very quickly and to become competent. They also had to learn to do things for themselves, for example, to schedule a Microsoft Teams meeting, to admit outsiders to that meeting, and to find and present information on the screen. The working population, therefore, has become much more sophisticated – choice enabled – in a very short space of time.

Businesses are also realising the importance of wellbeing initiatives to empower their people to make healthy choices and create communities where people inspire and motivate each other to make small, sustainable changes that demonstrably improve their personal and professional lives.

## Remote working

### Benefits of remote working

Substantial benefits of remote working have been identified:

- many organisations have maintained or become more, not less, productive during lock down
- meetings have been better planned, with a clear agenda and the right attendees
- collaboration between departments or outside organisations has increased
- commuting time and cost has been eliminated
- technologies that have been slow to be adopted have had a significant boost.

However, despite the metrics indicating there will be a greater pull towards more flexible working people need to have a sense of belonging to their company and, in the main, do not want a return to virtual contact only. Humans are, after all, social animals and need physical interaction with their peers.

### Constraints to remote working

Not all work benefits from remote working:

- Ensuring compliance requires surveillance. Employees are likely to be monitored closely by sophisticated technology and software on their computers that keeps track of every keystroke they make.
- Certain activities and operations, for example 3D design, require very powerful PCs. While it is possible to log on remotely to a central powerful PC it does not always work as well or as reliably.
- New staff and trainees are particularly disadvantaged by remote working. There is almost no opportunity to learn by copying or, more subtly, by picking up, for example, how to deal with clients, collaborators, other departments and suppliers.
- How do you learn the culture of an organisation if your contact time is limited to a few team meetings a week?

The pandemic has created profound changes to how individuals interact and work. It has highlighted the people dimension of work and workplaces, coupled with the shift to remote working and the rapid development of digitisation and automation.

## Homeworking not always the answer

*Home can never support some activities as well as the office. Almost the full spectrum of social, hosting, creative and collaborative activities are under-supported at home, the long-term impact of which remains uncertain. Can you really get to know a new client or colleague on Microsoft Teams?*

*The Leesman Review, No. 30\**

Post pandemic, the management style of the organisation must recognise the greater sophistication of the employee skillset and provide the opportunity for people to continue to make a significant contribution by adopting a more inclusive and diverse stance towards their workforce.

This offers companies and organisations the opportunity to effect changes, that would otherwise have been impossible from both a management and workforce perspective, to reap the benefits of a more dynamic talent in the partnership between leaders and their staff and, at the same time, consider the impact of the introduction of AI in more repetitive roles.

## Communication strategy and a sense of belonging

Despite less reliance on location/office, the tangible elements of the corporate image, i.e. the things people can touch or see, such as the company logo, brochures, website and letterheads, have become more important. Establishing a house communication system through means such as a magazine, blogs replicating teams and town hall meetings, enhances the internal identity and corporate image. Dress styles will reflect the juxtaposition of domestic/corporate settings but must reflect the overall culture, image and working patterns of the company.

## Leesman research

Tim Oldman, Founder & CEO of Leesman, observes:

*The workplace and real estate industry talks much now of the opportunity that COVID-19 has gifted it to innovate – to deliver all of the previously-peddled promises offered by greater employee location flexibility. But it needs to move fast. We are ten months in. Where is the innovation?*

*Clients globally adopted the Leesman Home Working Analysis tool and are now building workplace futures programmes around the data collected from their employees. With more than 150,000 employees now having taken the survey, it is an astounding body of data that will serve as expert witness to how organisations responded to the pandemic's spread.*

*It has measured exactly how employees are working and how they have adjusted; how some work activities have been replaced by others; how some work activities work better at home and how some things just aren't possible remotely. It has also shown how those who left behind great offices, well-tuned to support their specific needs, are most keen to get back as soon as it is safe to do so.*

*But in some cases, it has also shown that employees who endured spaces that obstructed the work they were there to do are having a much better time at home and that almost any activity benefitting from acoustic privacy is better supported at home than in any average office. It doesn't say much of the average office when a space designed for living can support an employee better than spaces designed specifically for working. ■*

*The Leesman Review, No. 30\**

\* Oldman T (2021) No place like home. *The Leesman Review*, No. 30. Available at: <https://www.leesmanindex.com/leesman-review/leesman-review-editions/review-30> (accessed 10 April 2021).

## Hybrid working

While there are specific functions that must be performed in the office, a review of the critical operational needs is essential to differentiate between these and the vast majority of roles where the location of the workplace can be a matter of choice.

The experience of the past year has proven that there are advantages to homeworking, for both employers and employees. The increased performance observed in homeworking during the pandemic may instil in employers an intrinsic trust that employees can fulfil their required obligations and deliver the necessary output when working away from the office. Going forward, this could encourage staff to choose more flexibility in their work locations. A survey of all personnel would be necessary to identify the individual preference of each organisation to establish the spatial need for efficient operation on a day-to-day basis.

While the metrics may vary from company to company, research indicates that a hybrid of remote and office working is likely to be the choice of about 50–55% of the workforce, the balance being a combination of either full-time office-based or home-based working.

## Community – the forum

Looking ahead, the ‘office’ will effectively become a community space with a variety of work settings ranging from shared workstations, and training/education, project team, meeting (formal and informal), social, catering and quiet/personal spaces (Figure 2).

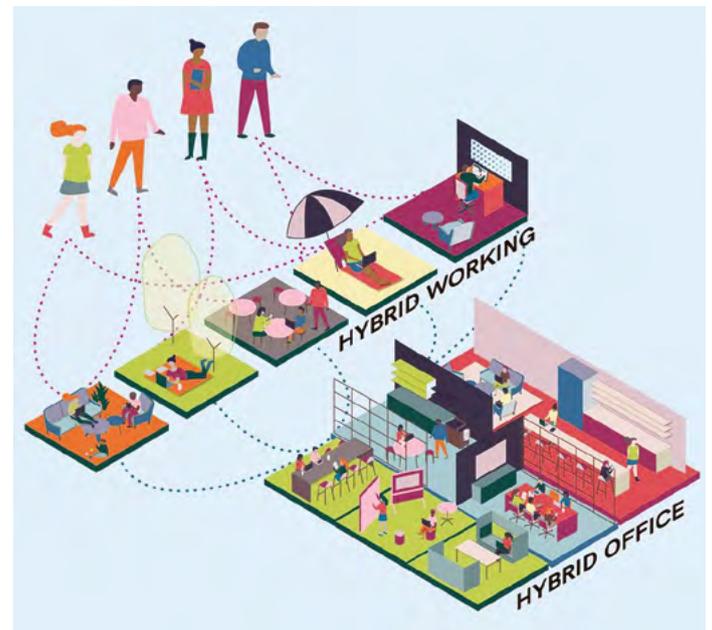


Figure 2  
The hybrid office  
Source: Thirdway.com

**Light and air**

The provision of natural light and outdoor air ventilation, coupled with physical and acoustic separation of the spaces, to prevent transmission of viral infection has been an essential lesson learned during the pandemic (Figure 3). Sanitisation of all workspaces and equipment will continue to be a feature in all offices, especially to support the hybrid workforce.

However, the virus and its variants are here to stay forever. Therefore, office ventilation systems will need to be re-engineered. A year into the pandemic, scientific evidence strongly indicates that COVID-19 is spread more rapidly through airborne particles than via touch. As explored in the BCO’s publication *Thoughts on Ventilation Design and Operation Post COVID-19*,\* occupancy of any space is influenced and potentially limited by its ventilation. Understanding and correctly managing the ventilation in existing office buildings will be fundamental to successfully reoccupying the workplace (Figure 4).

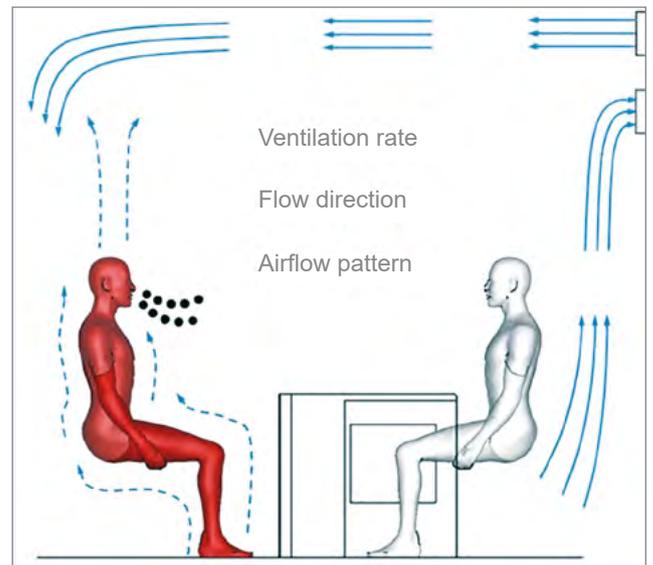


Figure 3  
Three key elements of ventilation affecting the airborne transmission of viruses

Copyright © Hua Qian and Xiaohong Zheng (2018) *Journal of Thoracic Disease* 10(Suppl 19): S2295–S23043

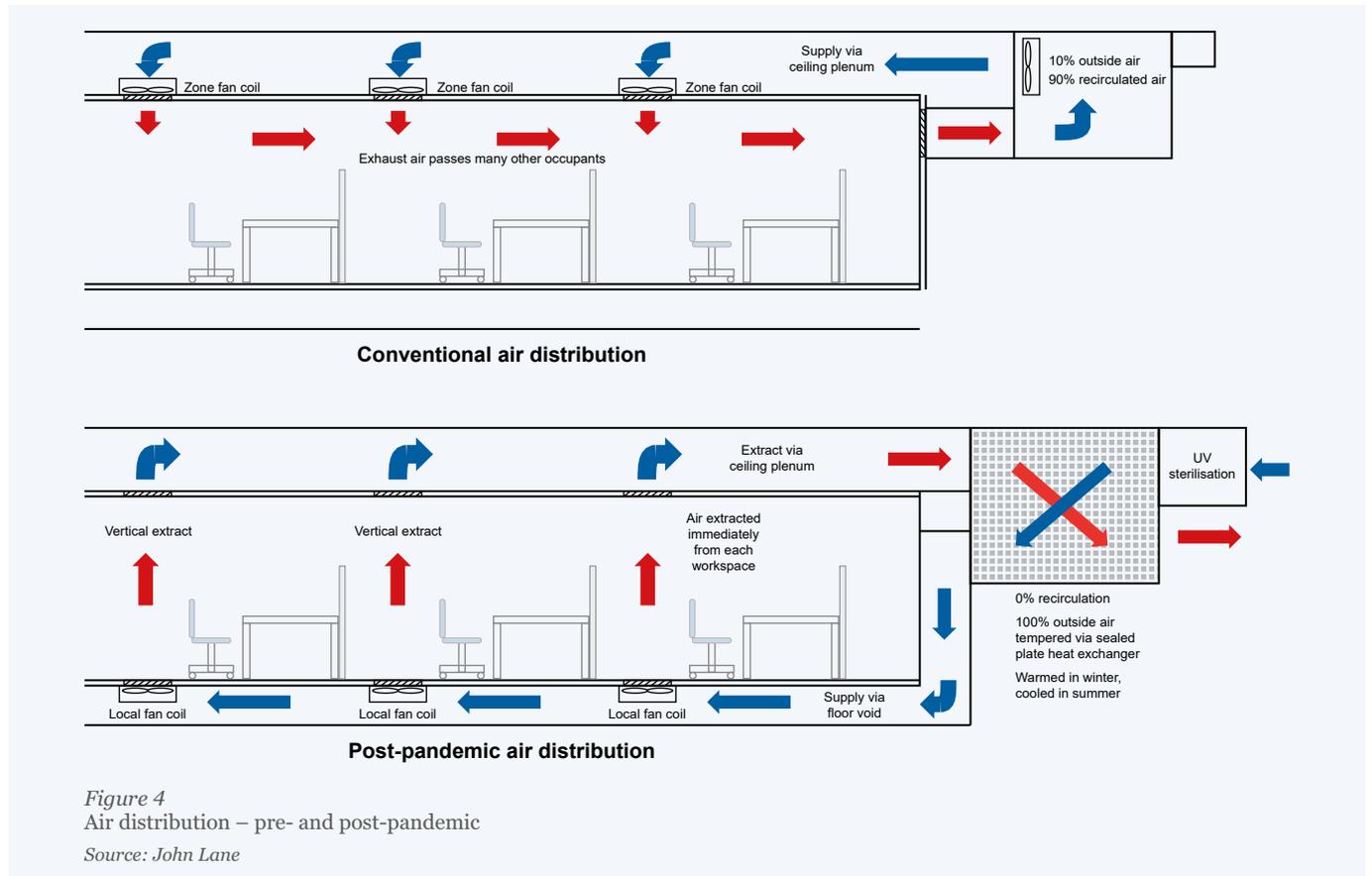


Figure 4  
Air distribution – pre- and post-pandemic  
Source: John Lane

\* BCO (2021) *Thoughts on Ventilation Design and Operation Post COVID-19*. Available at: [https://www.bco.org.uk/Research/Publications/Thoughts\\_on\\_Ventilation\\_Design\\_and\\_Operation\\_Post\\_Covid-19.aspx](https://www.bco.org.uk/Research/Publications/Thoughts_on_Ventilation_Design_and_Operation_Post_Covid-19.aspx) (accessed 10 April 2021).

## Choice through reservation

The introduction of a reservation system is desirable in order to manage occupancy levels and to enable staff to book their workspace before arriving in the office.

The following key requirements for a desk reservation system will be in place:

- an intuitive user interface
- multiple points of access (via a laptop or smart phone)
- choice, showing what is available for time/date requested
- confirmation of the allocation at the time of booking
- display of the reservation locally
- touch or swipe in on arrival
- return of the space to the available pool if there is a no show.

Meeting rooms would have the same on-line booking process and local display.

In addition to the reservation software and the desk and meeting room displays, the following facilities make flexible desking work effectively:

- storage lockers for personal effects plus headphones
- a docking station with a network connection, one or preferably two large visual displays, and a full-size keyboard and mouse
- a soft phone system.

## Social interaction

It is acknowledged that social and business interaction with colleagues contributes to our sense of belonging and wellbeing, offers the opportunity for the mutual exchange of ideas and experience, and contributes to the informal development of each staff member. The impromptu discussion over the coffee machine often sheds light on an alternative approach to an issue, and cannot be replaced remotely.

## Teams

Teams are important for all workers, but more so for new recruits, whose inclusion in and familiarisation with the culture and mores of the organisation will inaugurate them into the team.

While establishing flexible working as a viable option, and the informality suggested in the approach, there is a need to introduce systems to meet the needs of both the workforce and the organisation.

An operating procedure reflecting the means of managing all aspects of the business is an essential to be addressed in order to ensure a coordinated approach to achieving successful results for the company.



Café/community setting

Source: Google visuals

## Change to operating model

The introduction of remote working as a matter of choice will result in a less informal management style, as all interactions will potentially be on record. Training and education sessions, both formal face-to-face sessions and informal webinars, will be scheduled as part of staff development and included in employees' personal files maintained by human resources.

The rapid transition to a distributed workforce has put many security practices at risk. Pre-existing gaps in IT visibility, accountability and resilience, and siloed IT operations and security teams exacerbate the already challenging situation.

But what other IT gaps have arisen during the overnight move to working from home? What is the true impact of these gaps on organisations? How can you foster collaboration despite the physical distance between teams? And how do you prepare your business for the 'new normal'?

Altered working environments place IT operations teams and security operations teams in challenging circumstances. Adopting an IT risk management framework that spans both IT operations and security operations will prepare organisations to effectively navigate the future demands. Moreover, IT operations and security operations teams share the common objectives of ensuring business continuity and supporting growth, so they need to collaborate closely.

A unified endpoint management and security (UEMS) solution breaks down departmental silos and closes IT gaps, regardless of location and circumstances.

The fundamental question of how flexible employers should be must reflect operational objectives and business continuity, together with the needs/desires of the workforce. It will be necessary to agree the parameters at the outset, and be prepared for them to change over time as employees' circumstances change.

The rationale and imperative to work from home will no longer exist as a statutory requirement, but will be based on personal choice, and often this may be on travel time versus family time, even if homeworking simply results in an extension to the working day in lieu of spending time on travel.

Alternatively, the idea of work hubs ‘at the end of the street’, especially for staff living in a one-bedroom flat or with young children at home, or even two adults working in the same room, is a valid option, providing the benefits of social contact without the commute. Such an environment enables a staggered working day, and would offer a variety of work settings for Microsoft Teams and important client meetings.

There will be a requirement for a tailored approach to each employee’s personal, family circumstances. Of course, this may depend on the job role in terms of expectations around interaction with those inside and outside of the corporate body.

Working from home enables the individual to choose to stagger their working day to include domestic interaction. However, the parameters of attendance will identify the core hours of work, whether in the office or at home, to ensure availability and contactability by team leaders and colleagues during those hours. These may be mediated in case of varied personal circumstances. The adoption of an inclusive stance of management will be based on a partnership approach, leaving the responsibility with the employee to follow the agreed guidelines.

Recognition of the greater need for a sense of belonging, based on shared space and experience, and on actual contact with all its nuances and conventions, is a key factor in the management of the workforce.

Fostering an approachable management style with regular physical interaction and communication is essential to enable the employer to focus on the health and wellbeing of individuals and to mentor in person if they recognise any warning signs.

The challenge of motivating and managing dispersed teams must be met with a combination of face-to-face and remote interaction. Inevitably, to a large extent team leaders will foster informal digital communication between team members by setting targets to be met by the whole team, as well as establishing regular digital team meetings.

However, while large numbers of people can participate in digital meetings, the quality of such interaction is limited because spontaneity is sacrificed. Regular face-to-face meetings will, therefore, be organised to satisfy the need for personal interaction and the promotion of the social

## Gartner and Leesman research

Inevitably, the policy of flexible working will result in companies seeking to enthusiastically dispense with office space and reimagine the use of a reduced office footprint as a communication hub for face-to-face interactions and team-based activities to enhance collaboration and innovation, encouraging employees to continue to work remotely for more individualised tasks.

A survey by Gartner\* found that employers considered the ‘optimal’ balance to be three days a week remote working and two days a week office-based working. This will have a consequential effect on the use of office spaces, with greater desk-sharing, more meeting areas and socialising options available.

On the other hand, the Leesman Index home working analysis† measured the employees’ responses:

Supported when working from home:

90.1% individual focused work

94.3% planned meetings

89.5% business confidential discussions.

The social side of work is more challenging in a home-working, digital environment:

65.3% feel connected to colleagues

69.8% feel connected to their organisation

56.1% informal social interaction.

It is important to be careful of averages because they can mask the highs and lows. For example, while the overall average for the home-working experience has been outstanding (60%), 21% of employees report a poor experience working from home. ■

relationships of the team members. Queries and issues should be encouraged and aired among the team and to the team leader. Recognition of successful results/progress is key to motivating the team as a whole.

## Recruitment and induction

Attracting and retaining quality employees is costly and not easy. Company culture is everything, and the company vision, values and goals need to be reviewed and published to attract the required talent into the organisation. In reality, what motivates people the most is the organisation’s mission vision of what it is hoping to achieve.

\* Gartner (2020) *Beyond Remote Work: The Hybrid Workforce Model*. Webinar poll, 30 July 2020. Available at: <https://www.gartner.com/en/webinars/3986753/virtualize-hr-the-implications-of-a-hybrid-workforce> (accessed 10 April 2021).

† Oldman T (2021) No place like home. *The Leesman Review*, No. 30. Available at: <https://www.leesmanindex.com/leesman-review/leesman-review-editions/review-30> (accessed 10 April 2021).

The company policy on flexible working must be established and the parameters defined for the role to be advertised. This is essential in today's market as it has become a driver in the recruitment process. During the interview stage, exploration of the prospective employee's expectations will define the desire and importance of flexible working from their viewpoint – a subject which may require some negotiation to satisfy both parties. There is a need to consider how explicit the contract of employment should be in terms of flexible working to ensure that terms and conditions for future employees are not in conflict with those for existing staff.

Despite any agreement reached on the terms and conditions during the recruitment process, a formal procedure for induction and integration of an employee into the organisation must be established. This will supersede flexible working in the initial trial period in order to embrace the new member into the culture and politics of the company and to provide them with a forum to form relationships with new colleagues, with the aim of integration and long-term retention.

## Legal aspects

### Variations to contracts of employment

The potential reduction of the office footprint and operating mode will have many implications for existing staff, including variations to contracts of employment.

From a human resources perspective, if employers change the place of work in employees' contracts of employment from that of an office-based role to a remote/home-based role, they will generally require the employee to consent to the change.

Where an employee resists proposals to change their contractual terms of employment because they want to be able to access a regular workplace and have been informed that there will not be one, employers may need to consider whether the roles of any objectors will become redundant, and, if so, consider whether individual or collective redundancy consultation obligations are triggered.

Employers may wish to consider how best to govern the relationship with, and set expectations for, employees who will be working from home or remotely on a more permanent basis. This could be by way of a homeworking policy or clear provisions around homeworking in a staff handbook. Items that could be included are: responsibilities, equipment, expenses, consents and permissions (such as from mortgage provider, landlord or home insurer), and any limited right of entry reserved by employers to install, inspect, service or reclaim company equipment or fulfil part of its health and safety obligations to employees.

Many employees who have been working from home on 'odd hours' or while juggling their child-care/home-schooling obligations, may feel that they have successfully 'proven' to their employer that they can work productively within their familial demands. Employers that seek a return to normality in terms of office hours and presenteeism will need evidence of why continuing to allow that extent of flexibility would not satisfy the requirements of the business in the long term.

### Potential for discrimination claims

Employers may risk discrimination claims being brought by eligible employees who are protected under the Equality Act 2010 if they refuse a flexible working request. As women are more likely to take on the responsibilities of child care (a report by the Institute for Fiscal Studies and UCL\* noted that mothers in two-parent households performed, on average, one-third of the uninterrupted paid-work hours of fathers), they are more likely to make a flexible working request and potentially more likely to be disproportionately disadvantaged as a result. Flexible working policies ought to be updated to address these potential disadvantages. It will also be interesting to see whether government proposals to make flexible working the default position unless employers have a good reason otherwise materialise in the Employment Bill, which is expected to be published in 2021.

### Employers' obligation for the health and safety of home workers

How can employers ensure that they satisfy their health and safety obligations to employees as they pivot to more permanent homeworking arrangements and cannot physically see them? This includes ensuring that employees have a safe workstation to perform their role at home (e.g. by conducting remote workstation assessments), but also extends to include employees' mental and physical wellbeing (noting that domestic violence has increased during the pandemic). As medium and large employers will find it impractical to consult with every employee on an individual basis, a good approach might be to implement a communications strategy aimed at the collective workforce and provide a channel through which employees can raise matters of concern on an individual basis.

Employers might reconsider their requirements for employees to travel nationally and internationally in order to perform their duties, given that video conferencing platforms and reliable Wi-Fi connections have left business departure lounges and executive hotel rooms empty. Employers will be able to save large sums by limiting business trips to those that are essential.

\* UCL (2020) *Parents, Especially Mothers, Paying Heavy Price for Lockdown*. Available at: <https://www.ucl.ac.uk/news/2020/may/parents-especially-mothers-paying-heavy-price-lockdown> (accessed 10 April 2021).

## Performance, appraisal and discipline

Performance reviews actually matter even more when employees are working from home. The overriding aim of a performance management policy is to help the employee for the benefit of both the individual and the company. It should be used to identify problem areas and attempt to agree steps to redress problems (Figure 5). When employees are working from home, the feedback that could come from a well-delivered performance review is absolutely critical.

Considering and establishing the benchmark on which to judge performance in remote working can be a vexed question in terms of possible discrimination regarding how individuals are treated according to their from home/office working ratio.

In the past year, employees have been asked to adopt new ways of working that are different from, or even antithetical to, the way they have operated for years. Many feel the frustration of having no idea whether they are 'doing it right', or whether there is a better way to go about separating work and home and optimise their productivity, establish routines and more. The more an employee has clarity about their performance, the more inspired they are, and, conversely, the less clear they are, the less inspired they are. It is, therefore, critical to establish a continued relationship through regular and ongoing discussions with staff members in order to be able to identify any personal challenges they are experiencing which may affect their performance and any coaching and training that may be initiated to alleviate any problems.

It is clear why employees actually need performance reviews. But how can managers conduct these conversations without furthering the painful drudgery that describes today's typical review? 'Performance review' implies an historical look backwards but these conversations should be conducted in person in the office setting and look forwards not backwards giving honest feedback and practical coaching about how to make improvements.

A clear disciplinary policy to ensure fair and consistent working procedures for all employees, both remote and office workers, should set out what is acceptable and unacceptable behaviour and what happens when rules are broken. Disciplinary procedures will be followed after exploring any extraneous contributory factors.

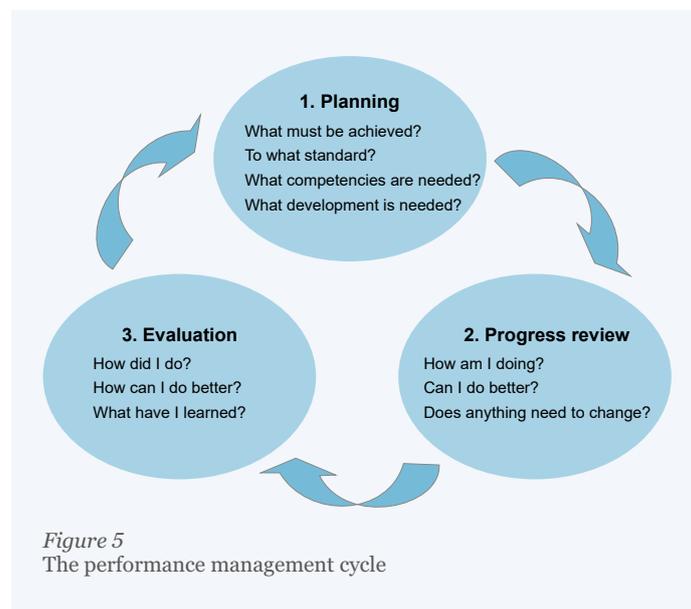


Figure 5  
The performance management cycle

## How does the GDPR affect working from home?

Employees are not only in charge of accomplishing specific assignments during the workday, they are also in charge of handling personal and business data, even when working from home. Regardless of the physical location in which the work can be done, the General Data Protection Regulation 2016/679 (GDPR) requires the same security measures to be applied in order to ensure data security and avoid data breaches.

The organisation must publish strict procedures to be followed by remote workers to ensure that the operation complies with the regulations in all locations where their business is being conducted, be that in an employee's home or a local office facility. People working remotely are, in some respects, more likely to be exposed to security risks and threats. Some aspects to keep in mind when talking about remote working are: devices, access and storage.

- **Devices.** Employees working from home may use their personal devices, such as laptops or smartphones, which may not have all the appropriate technical measures required by the company for workstations physically present in the office. This lack of security could turn into serious vulnerabilities to external threats, such as

clicking on unfamiliar web links, opening attachments or visiting unsafe websites. Moreover, employees could be tempted, outside of the office, to use their personal accounts for work (private e-mail, file-sharing systems or storage) because it seems to be more convenient, thereby mixing the organisation's data with their own personal data. The GDPR requires people to be aware of the types of data they handle and the purpose of any processing of data.

- *Access and storage.* Remote workers may not be aware of the big differences between accessing company data from the office and accessing that same data from home. The data may be the same but it loses its integrity when it is handled without the appropriate technical safeguards. Similarly, data could be taken from the secure storage facilities provided by the company and displayed on a computer screen where it could be seen or, even worse, kept in personal storage (such as on a pen drive) where it could be erased. The GDPR does not make distinctions between rooms or places or conditions in which data is processed; it simply requires appropriate security against potential risks – whenever that data may be and at any time.

Confidentiality and client trust can be compromised when working at home or in an end of the street work hub.

The GDPR and other information security issues can mostly be overcome by the correct IT set up:

- pen drives should be electronically blocked
- all work should be done actually on the company server (it may appear to the employee that it is on their desktop but it is actually on a corporate server).

In addition, employees working from home may connect to the internet using personal – or even public – Wi-Fi. Although personal internet connections are likely safer than public ones, there are significant security risks in both cases, as the connection is not protected with the same measures that a company would implement in its corporate offices.

As we have learned over the last several months, remote working can help companies to keep their business operating even in the case of an emergency, such as the COVID-19 outbreak.

## Financial aspects

### The cost of homeworking

*The general guidance given in this section was written in February 2021 and reflects the situation at that time.*

Over the past year, businesses and employees have adapted to the 'new normal' of remote working, and have grappled with everything from bad internet connections to the etiquette of virtual business meetings.

As remote working will likely be part of our lives into the future of office operation, businesses and employees may now wish to consider how to mitigate the costs of working from home as part of their contractual commitment. Many of these costs, from increased heating bills to extra office equipment, can be moderated, but employers and employees should bear in mind the limits to what can be given and the tax consequences of doing so.

### Can employers reimburse employees for the costs of working from home?

Employers can reimburse employees who carry out their duties from home for their reasonable costs in doing so, without incurring a tax charge. To be eligible, an employee must be regularly performing some or all of their duties from home, not just working from home in the evening or at weekends of their own volition. This would usually be under specific homeworking arrangements agreed in writing with the employee, but HMRC has confirmed that working from home because the office has closed due to the pandemic, or because individuals are following advice to self-isolate, will qualify.

## **Can employees claim tax relief on expenses incurred due to working from home?**

If an employer is unwilling or unable to reimburse the costs that employees incur due to working from home, employees can claim tax relief to cover their expenses. However, there are restrictions on the circumstances in which an employee is entitled to relief. In order to claim, an employee must work from home on a regular basis. Guidance suggests that, to qualify, the duties carried out at home must be substantive, cannot be performed at the employer's premises, cannot be completed without the use of the items for which tax relief is claimed, and there can be no such facilities available to that employee at the employer's premises. At no time before or after their employment contract is drawn up should an employee be able to choose to work from home. Although this is generally quite a stringent test, HMRC has confirmed that it will, in practice, be more lenient for the 2020–2021 tax year, where the employer has mandated some element of working from home, either full time or part time.

## **What costs can be reimbursed or claimed?**

Whether claimed as tax relief by an employee or reimbursed tax-free by an employer, the costs to be considered are for those items that are genuinely required or have increased due to the need to work from home. These can include items such as the heating or lighting required in the area in which an individual works within the home, as well as additional insurance, metered water and, in some cases, internet access charges. It is important to remember that costs that would remain the same regardless of an individual's working arrangements, such as council tax or mortgage payments, are not considered expenses incurred due to working from home, and cannot be reimbursed.

However, a more stringent test is applied to tax relief claimed by employees than to tax-free reimbursements made by an employer. For the expense to be tax deductible by an employee, any expenses incurred must be 'wholly, exclusively and necessarily' incurred in the performance of their duties. Although similar items are likely to be tax deductible, there are many (such as insurance) that may not qualify.

## **What about IT equipment?**

Provided there is no significant private use by the employee, employers can purchase additional office equipment for employees and this will not be classed as a taxable benefit. Under normal circumstances, if an employee purchases IT or other equipment and the cost is reimbursed by their employer, this would be a taxable benefit with income tax and National Insurance contributions due. However, given the requirement to work from home, the government has provided a temporary exemption from this charge until the end of the 2020–2021 tax year. This exemption applies where employees have been reimbursed for expenses incurred with the sole purpose of enabling them to work from home during the COVID-19 outbreak. Although this applies only to those monies reimbursed on or after 11 June 2020, the government has suggested that HMRC will exercise its discretion for claims made from 16 March 2021.

## **How much can be reimbursed or claimed?**

If employers wish to reimburse their employees for the reasonable costs tax-free, the employees will generally need to keep receipts, and this evidence will need to be provided to claim back the relevant amount. However, reimbursement payments of £6 a week for those employees paid weekly or £26 a month for employees paid monthly (these sums were £4 and £18, respectively, prior to 6 April 2020) will be approved by HMRC, and do not need to be justified.

From October 2020, employees have been able to use HMRC's Government Gateway to directly claim the £6 a week or £26 a month tax relief if they have been required to work from home at some point during the 2020–2021 tax year, without needing to keep receipts to justify their expenses.

## Health and safety aspects

Employers have the same health and safety responsibilities for employees working from home as for any other workers. When someone is working from home, whether permanently or temporarily, an employer should consider:

- how they will keep in touch with the employee
- the work activity that the employee will be doing (and for how long)
- whether the work can be done safely
- whether they need to put control measures in place to protect the employee.

## Lone working without supervision

There will always be greater health and safety risks for lone workers who have no direct supervision or no one to help them if things go wrong. Employers should keep in touch with lone workers, including those working from home, and make regular contact to ensure they are healthy and safe.

If contact is poor workers may feel disconnected, isolated or abandoned. This can affect stress levels and mental health.

## Working with display screen equipment

For employees working at home on a long-term basis, the risks associated with using display screen equipment (DSE) must be controlled. This includes employees undertaking workstation assessments at home. There is no increased risk to employees from using DSE at home temporarily. In such situations employers do not need to ask employees to carry out home workstation assessments.

Employers should provide workers with advice on how to undertake a basic DSE assessment at home. The workstation checklist published by the Health and Safety Executive (HSE)\* may help them.

There are some simple steps that people can take to reduce the risks from working with DSE:

- breaking up long spells of DSE work with rest breaks (at least 5 minutes every hour) or changes in activity
- avoiding awkward, static postures by regularly changing position
- getting up and moving, or doing stretching exercises
- avoiding eye fatigue by changing focus or blinking from time to time.

The Chartered Institute of Ergonomics and Human Factors has published an infographic<sup>†</sup> to help people working at home.

## Specialised DSE equipment needs

Employers should try to meet specialised DSE equipment needs where possible. This could mean allowing employees to take some equipment (e.g. keyboard, mouse, riser) home.

For other larger items (e.g. ergonomic chairs, height-adjustable desks) workers should be encouraged to try other ways of creating a comfortable working environment (e.g. supporting cushions).

## Keep DSE arrangements under review

As any period of homeworking extends, employers should have regular discussions with workers to assess whether additional steps are needed, for example where they report:

- aches, pains or discomfort related to their temporary DSE arrangements
- adverse effects of working in isolation, on remote IT systems
- working longer hours without adequate rest and recovery breaks.

Where working from home is a permanent arrangement, employers should explain to employees how to carry out full workstation assessments, and provide workers with appropriate equipment and advice on control measures.

## Stress and mental health

Homeworking can cause work-related stress and affect people's mental health. Therefore, it is important to put in place procedures for keeping in direct contact with home workers and to be able to recognise signs of stress as early as possible. It is also important to have an emergency point of contact and to share this so that employees know how to get help if they need it.

\* HSE (2013) *Display Screen Equipment (DSE) Workstation Checklist*. Available at: <https://www.hse.gov.uk/pubns/ck1.pdf> (accessed 10 April 2021).

† Chartered Institute of Ergonomics and Human Factors (2020) *Home Working and Staying Healthy*. Available at: <https://www.ergonomics.org.uk/common/Uploaded%20files/Publications/CIEHF-Working-from-Home-Infographic.pdf> (accessed 10 April 2021).

**Real estate**

The COVID-19 pandemic has had an effect on real estate, depending on type:

- Commercial property. There has been a reduction in capacity due to the reconfiguration required to accommodate social distancing (typically 1.5 or 2 m). For a standard office floor laid out bench style capacity has reduced by up to 70%.
- Residential property. The inadequacy of the average residential setting to accommodate homeworking has manifested in an increased requirement for separate office space, and this has encouraged people to move home. The demand for properties with outdoor space has increased.

The overall effect on both commercial and residential property has been a move out of towns and cities into the countryside, in order to take advantage of the shrinking need for long commutes.

Commercial real estate has been traded through the commercial lease for literally hundreds of years, and over this time a complex set of rules and practices has been developed to manage and control it. Any proposed change to this model must initially reconcile the concessions made during the pandemic to bring the account into parity.

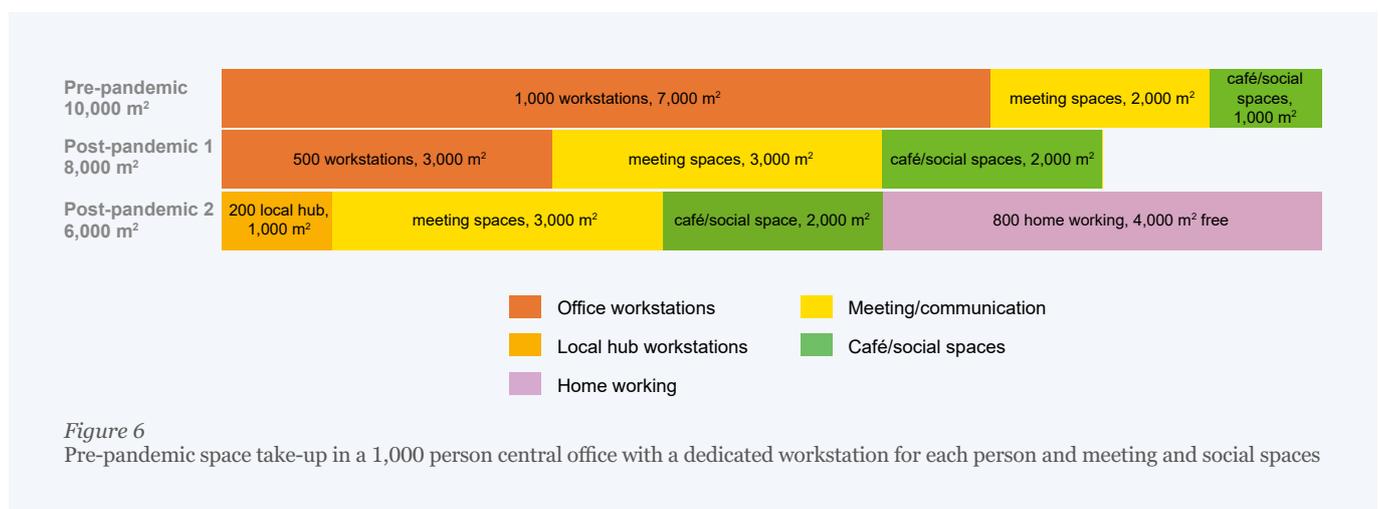
**Pre- and post-pandemic scenarios**

Figure 6 outlines the traditional pre-pandemic space take-up in a 1,000-person central office that provides a dedicated workstation for each person as well as meeting and social spaces that cater for all the needs for formal and informal interaction and learning on a day-to-day basis.

The figure also shows two potential routes for the post-pandemic office that provide the ability to alter the location and working day to satisfy individual preference and enhance performance and interaction with colleagues. These examples represent the space take-up required in each instance, and the concomitant potential long-term savings on the cost of real estate:

- *Post-pandemic scenario 1* is a hybrid mixture of home and central office working, with 500 shared workstations. Advance scheduling and booking of workstations is required to meet the anticipated attendance in the office by staff members. An increase in meeting/communication space and café/social space will be essential to foster the formal and informal face-to-face interaction between staff, line management and clients.
- *Post-pandemic scenario 2* is predominantly homeworking (800 people) plus 200 shared workstations in a local hub. The idea of work hubs ‘at the end of the street’ is especially relevant for staff living in a one-bedroom flat or with young children at home, or even two adults working in the same room. The hubs will provide all the benefits of social contact, without the commute. Under this option the central office becomes simply a community space that is focused on the provision of enhanced meeting/communication space and café/social space for more formal team/client meetings and broader face-to-face social interaction with colleagues and line management.

Each of these example post-pandemic scenarios demonstrates the potential reduction in the operating spatial requirement, this being 2,000 m<sup>2</sup> for scenario 1 and 4,000 m<sup>2</sup> for scenario 2.



It is our proposition that the post-pandemic world offers an ideal opportunity to change the dynamic by changing the units of measurement from square feet (ft<sup>2</sup>) to square foot hours (ft<sup>2</sup>-hours). For example, 30,000 ft<sup>2</sup> net internal area is 262,080,000 ft<sup>2</sup>-hours on a 24 × 7 × 52 basis, meaning that it will be possible to either buy or sell a lot more square foot hours than square feet. The use of square foot hours also enables the differentiation of an area into more useable/saleable/valuable hours in the borrowable units, or the integration of those units into composite units to trade in conjunction with a mixed-bag portfolio of different units with different functions.

Of course, some constraints, such as lease events, early surrenders, underletting and dilapidations, will carry over from the standard commercial lease into the new space–time form of transaction. Tax treatment and rent reviews will be specific to the new space–time form. However, the purpose of the change would be to make the trading of real estate as simple as possible.

The space–time form will particularly favour co-working, as customers can have smart cards loaded with millions of square foot hours which can be deducted automatically as a holder passes through an electronic gateway into the office. This approach means that the customer only pays for what they take in terms of space, equipment, facilities, hospitality and entertainment. Customer accounts for services will be rendered on a monthly basis in a similar way as for utilities, including areas outside the demise such as gyms, welfare facilities and cafés.

Organisations will still have a need to secure accommodation, but the flexible workforce and the greater demand on the efficiency of the space will mean that multiple options can be offered to their staff. Such options will include shared workspace and a variety of community spaces.

The broader assessment of the environment in which companies operate and of their performance in managing different stakeholders will give a fuller understanding of future opportunities and risks than traditional financial analysis alone.

The ownership pyramid in a typical commercial property of the future will still contain the investor/developer, but now there will be an operator who takes the lease risk but sells space and facilities to the users on a space–time basis. This is sensitive to turnover and profit, thus allowing rapid changes in rate to the benefit of the investor/operator. The move towards this type of model is unlikely to be a pandemic fad and is likely to be here to stay. ■

## ABOUT THE AUTHORS

Andrew Chadwick trained at Cambridge under Sir Leslie Martin and Peter Eisenman, and is a pioneer of the digital era in architecture. He was an early adopter of computer-aided design, which led to an abiding interest in the management and measurement of shapes in space. Significantly, in 1982 he won a competition promoted by Philips of Eindhoven and judged by Norman Foster for the design of the office of the future Year 2000. Chadwick's solution was the 'Office in the Briefcase', which predicted the advent of the laptop and led to a series of seminal projects for Andersen Consulting and others, in which time and space enabled by technology became as one – the 'space-time office'.

Alastair Moss is the Co Head of Real Estate at full service law firm Memery Crystal. He has practiced as a property lawyer for over 20 years, and combines this with a wealth of other experience, such as chairing major planning committees and non-executive property roles, with several billion pounds of UK property held in the entities that he helps to oversee.

Ingrid Stevenson is the Space Management Director at Chadwick International. She has worked on strategic briefing projects analysing real estate portfolios to examine current working practice, introduce new ways of working to optimise space, change management and provision of an efficient, quality working environment.

John Lane is an IT infrastructure design and project management consultant working in a wide variety of IT installations across all sectors. He is a main contributor to the IT and telecommunications sections of the BCO *Guide to Specification*.

Stephen Ravenscroft heads the Employment team at full service law firm Memery Crystal. A highly experienced employment lawyer, he provides bespoke commercial advice to clients on their most sensitive and complex human resources issues. He has extensive experience working on cross-border transactions and outsourcing projects, and works with international and domestic companies, and senior executives, across a range of industries, including real estate.

## ABOUT THE BCO

The BCO is the UK's leading forum for the discussion and debate of issues affecting the office sector. Established in 1990, its membership base comprises organisations involved in creating, acquiring or occupying office space, including architects, lawyers, surveyors, financial institutions and public agencies.

The BCO recognises that offices don't just house companies, they hold people and so what goes on inside them is paramount to workplace wellbeing.

## ACKNOWLEDGEMENTS

The BCO would like to thank Memery Crystal for sponsoring this paper.

## CITATION

BCO (2021) *The Future of the Office in the Post-Pandemic Work Environment*.

[https://www.bco.org.uk/Research/Publications/The\\_Future\\_of\\_the\\_Office\\_in\\_the\\_Post-Pandemic\\_Work\\_Environment.aspx](https://www.bco.org.uk/Research/Publications/The_Future_of_the_Office_in_the_Post-Pandemic_Work_Environment.aspx)

---

COPYRIGHT © BRITISH COUNCIL FOR OFFICES, 2021

All rights reserved by British Council for Offices. No part of this publication may be reproduced, stored or transmitted in any form or by any means without prior written permission from the British Council for Offices. The BCO warrants that reasonable skill and care has been used in preparing this report. Notwithstanding this warranty the BCO shall not be under liability for any loss of profit, business, revenues or any special indirect or consequential damage of any nature whatsoever or loss of anticipated saving or for any increased costs sustained by the client or his or her servants or agents arising in any way whether directly or indirectly as a result of reliance on this publication or of any error or defect in this publication. The BCO makes no warranty, either express or implied, as to the accuracy of any data used by the BCO in preparing this report nor as to any projections contained in this report which are necessarily of any subjective nature and subject to uncertainty and which constitute only the BCO's opinion as to likely future trends or events based on information known to the BCO at the date of this publication. The BCO shall not in any circumstances be under any liability whatsoever to any other person for any loss or damage arising in any way as a result of reliance on this publication.