



# SFMI

The Sustainable FM Index

## SFMI Leaders Forum 2020 (July) – Summary Report

### COVID-19:

### Restart, Reset and Reinvent Sustainable FM

On 16th July 2020, the SFMI conducted the second *SFMI Leaders Forum*. Influential facilities management and real estate professionals joined a video conference call to discuss COVID-19's impact on the built environment, the pandemic's lessons for business continuity, and the role of facilities management in the recovery period. The forum comprises a broad range of perspectives, including representatives from leading sustainable FM providers and global

corporations that manage property portfolios in different sectors, focussing on reducing the environmental and social impact of their operations and real estate.

The discussion drew on the experiences, challenges and solutions of these experienced professionals, delving into how their organisations have responded to the pandemic and how they plan to build resilience as the economy restarts.



# INTRODUCTION

COVID-19 is one of the most significant crises in the post-war era. Since the virus emerged in December 2019, it has caused hundreds of thousands of deaths worldwide. The lockdown that followed in March 2020 grounded much of the economy to a halt. Millions of people either lost their jobs or entered into furlough, while millions more were forced to work from home. Industries such as travel, tourism, retail and hospitality face an uncertain immediate future. The World Bank claims that the global economy could shrink by 5.2% by this year, a figure that would represent the worst recession since the Second World War.<sup>1</sup> Healthcare experts warn of second and third waves of the virus if social distancing measures are relaxed too quickly.<sup>2</sup>

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However, there are offshoots of optimism sprouting from the crisis, especially from an environmental perspective. Studies have found that the global lockdown caused the sharpest drop in carbon emissions since records began.<sup>3</sup> At its peak in April, the UK recorded a 31% decline in carbon output compared with average annual levels. Despite the pandemic's disastrous consequences for public health, the improvement in air quality has led to 11,000 fewer deaths from pollution in the UK and other parts of Europe – though this does highlight the urgent need to decouple climate change impact from economic growth.<sup>4</sup>

The good news for corporate real estate and facilities management leaders is that the built environment could play a crucial role during the crisis and in its aftermath. Facilities managers are one of a handful of key workers who have served as the frontline of defence against the virus, keeping public and private spaces safe. As lockdown measures ease and some sense of normality returns, CRE and FM professionals will also be responsible for reopening buildings, implementing strict new health & safety measures and enforcing social distancing rules.

Ultimately, service providers and client-side FM and CRE leaders have an opportunity to drive real estate and sustainability strategy as organisations incorporate remote working into their long-term plans, build resilience and influence broader responsible business goals.





# RESTART, RESET AND REINVENT

In June 2020, the Construction Leadership Council published a 'Roadmap to Recovery', setting out how the built environment could support a transformation of the UK economy following the pandemic. The body outlines three phases over a two-year plan: **Restart**, **Reset** and **Reinvent**.

The latest *SFMI Leaders Forum* got together online to share their experiences throughout the pandemic, discuss the lessons their organisations had learnt over the past few months, and suggest the ways in which FM could help shape future business continuity. The sessions aimed to explore the role of FM across the three phases of recovery and consider how the discipline might use the crisis as a way of embedding sustainability into long-term strategy.

## Lockdown lessons in...

The forum began with participants sharing their experiences and insights from the pandemic period. This portion of the conversation focussed on the shift to home working and how it has impacted property strategy and operations, provider-client relationships, health & safety measures, employee wellbeing and productivity, social mobility, and environmental sustainability.

## HOMEWORKING

According to the Office for National Statistics (ONS), almost half of the UK's working population has worked from home since lockdown began, which equates to approximately 15 million people.<sup>5</sup> This sudden and emphatic transition to home working has cast doubt over what organisations need to operate effectively, shattering conventional wisdom about work and workplaces. Despite initial fears about how employees would cope, a significant number of companies report that their teams have adapted well to the change.

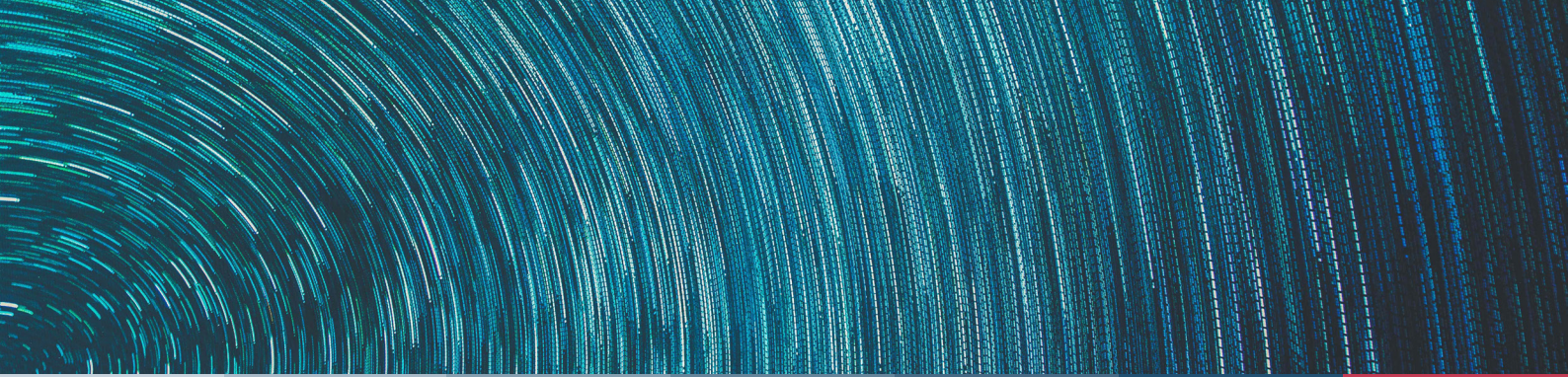
The success of home working has opened people's eyes to new or alternative ways of working and encouraged leadership teams to let go of more traditional command-and-control management approaches. The lack of a commute to and from work has also meant that people feel fresher and can dedicate more working hours to work

rather than travelling on busy roads or rail networks during rush hour.

The forum corroborated numerous stories in the press of large organisations committing to home working for the medium to long term. The Royal Bank of Scotland has told its employees to stay home until 2021, while French car manufacturer Groupe PSA announced that its non-industrial teams could switch to home working permanently. Several forum participants said that their organisations would not commit to a complete return to the office until there is a clear resolution to COVID-19.

From an environmental perspective, participants agreed that home working had demonstrated the scale of the opportunity to reduce carbon emissions and meet other sustainability objectives.





## DIGITALISATION

The commitment to home working has accelerated the digitalisation of the workplace. Unable to travel or enter buildings, people have turned to technology to perform tasks and communicate with colleagues, partners and customers. Teams have used digital tools to carry out management site visits and audits. Without the need to travel between sites, forum members noted that they have been able to cut travel emissions and management staff can fit more meetings into their schedules.

In addition to this, there has been a huge surge in video conferencing and other digital communication tools. At its peak during lockdown, web conferencing provider Zoom hosted 300 million meeting participants each day.<sup>6</sup> As lockdown has progressed, employees have grown more comfortable sharing their screens and giving colleagues a window into their personal lives.

The boom in digital tools has also encouraged organisations to reconsider how much real estate they require and what they will need it for in the future. The pandemic has demonstrated that while people can do most of their work from home, social distancing has robbed them of the connectivity that only a physical office can provide.

## WELLBEING

There was unanimous agreement that COVID-19 and lockdown have affected everyone differently. This period has also exposed inequalities between staff and their home working environments. Some have felt more anxious about the health crisis than others. Research by ONS suggests that more than two-thirds of adults in the UK (69%) report feeling somewhat or very worried about the effect COVID-19 is having on their life.<sup>7</sup>

Furloughed staff are worried about job security. Those not on furlough have faced pressure to perform while taking on extra responsibilities. Some organisations have surveyed staff to understand their mental or physical health challenges while working from home, prioritising the return of those with welfare concerns or musculoskeletal problems. In this sense, the pandemic has underscored the extent to which FM is responsible for the workforce's health and wellbeing.







## SOCIAL MOBILITY

UK charities face a £10+ billion funding gap over the coming months due to the pandemic.<sup>8</sup> Forum participants noted that this shortfall would impact FM service providers' social initiatives and voluntary programmes, which would have a knock-on effect for the communities in which they operate.

Forum participants noted that the pandemic has harmed apprenticeships too. This comes at a time when the number of unemployed young people is likely to grow and the Social Mobility Commission has warned that the UK's apprenticeship system is failing disadvantaged young people.<sup>9</sup>

That employees have unequal home working setups, from home office rooms with ergonomic furniture to kitchen countertops, could damage social mobility further by creating disparity and divisions. This would affect productivity at first, with some members of the team able to work more effectively than others. In the long term, it is likely to discourage disadvantaged people from developing into certain roles that require home working. In turn, this will hinder FM's capacity for social value and block the progress of talent in the sector.

## HYGIENE

The forum agreed that COVID-19 has led to a massive increase in demand for cleaning and hygiene products, as clients react to government guidance. To reopen, organisations must do everything they can to keep buildings safe for employees and visitors. This includes rigorous cleaning regimes, strict social distancing measures, track and trace capability and reassurances to employees returning to work that the office is safe.

The major downside to the growing emphasis on cleaning and hygiene is that customers have reverted to less environmentally friendly products. As a result, some FM service providers have witnessed a marked increase in single-use plastic waste. This is backed by the Bureau of International Recycling, which claims that the use of additional protective food packaging and personal protective equipment, such as face masks and surgical gloves, has put a significant dent in the global campaign to cut plastics.<sup>10</sup>





## RESTART

Having discussed the lessons learnt from the lockdown period, the conversation turned to what organisations will need to consider as they welcome employees back to work and how FM can support the transition. This section focussed on wellbeing, behavioural change and the importance of effective communication with staff in a period that has the potential to cause significant anxiety and confusion.

As organisations plan their back-to-work programmes, they will need to determine which employees will benefit from staying at home and which employees need to return to the office. For those heading back to the

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workplace, FM service providers can play a pivotal role in redesigning the workspace to suit their specific needs. Clients will also look to their FM service provider to help employees learn and adapt to the corporate culture while elements of the workforce become increasingly detached from the company. Examples include encouraging the use of video technology for effective communication between remote teams as well as communicating the values of the business and the sustainability strategy. If the office becomes a place primarily for people to meet, collaborate and socialise with colleagues or partners, this will create a need for meeting space and common areas, while hospitality services will have to adjust to the new conditions.

Forum participants agreed that people will need significant support when they return to work.

FM and CRE professionals will be responsible for guiding staff through the changes, communicating what the new normal looks like, explaining necessary social distancing and hygiene measures, and allaying any fears people might have. The inequality between people's home working environments demonstrates the need for employers to use various platforms and tailor communications to individuals.

Meanwhile, these changes should hand FM the initiative to added sustainability value. Fluctuating occupancy in workplaces will challenge facilities managers in the short term to keep energy waste low. But it should also provide them with an opportunity over the long term to reduce energy, measure occupancy and usage trends and assess risks, which will help to prevent wasteful building management practices in the next stage. Planning for how the workplace takes shape post-pandemic and the most efficient way of management will help organisations operate more effectively in the new normal.





## RESET

The growing dependence on digital tools is encouraging organisations to digitalise numerous processes. This is not only driving efficiencies but also allowing FMs to cut waste, including the use of paper within soft FM services.

**Organisations with serious zero-carbon emissions will need to understand the operational and reputational risks that come with an increase in remote working.**

COVID-19 caused extensive disruption to existing supply chains. With global travel prohibited and many non-essential businesses closed, organisations have had to find alternative solutions to keep services and systems running. The *SFMI Leaders Forum* agreed that, as part of the reset phase, FM services providers will need to develop the diversity and resilience of their supply chains. Building partnerships with local suppliers will protect organisations from similar disruption in the future and ensure that local businesses, including contractors and subcontractors, are protected too.

The shift to a tech-enabled remote working model has demonstrated the potential for organisations and their FM partners to effect real environmental change. Less dependence on corporate real estate and business travel should encourage FMs to reduce their emissions in these areas. Integrating occupancy monitoring and other new technology into the workplace will support the management of a more mobile workforce while providing crucial insights into areas such as zonal energy consumption, cleaning schedules, waste monitoring and collections, water consumption, and health & safety.

However, any organisation with serious zero-carbon emissions will need to understand the operational and reputational risks that come with an increase in remote working. Currently, home working falls under indirect scope 3 emissions. However, if the practice continues at a significant level beyond the pandemic, the emphasis is likely to change.

Organisations that incorporate a larger slice of home working into their work models will transfer consumption to the employee rather than remove it. The danger here is that the systems and technology that employees have at home, including lighting and heating, are far less energy-efficient than similar systems in a commercial environment. So, organisations on a sustainability journey will need to ensure that the emissions they save from reducing travel and fleet activity are not replaced by higher carbon output from home workers, especially during the cold winter months. The FM sector will have to determine whether it can manage or influence the improvement of remote working emissions.







## REINVENT

Forum participants agreed that the future of sustainable FM will depend on the agility and resilience of its business continuity models. The pandemic has demonstrated the need for modular and people-centric services. Disruption, whether brought on by a global health crisis or climate change, will impact people in different ways. Employers need to understand these differences and build systems and support networks that allow people to do their jobs productively and look after their health and wellbeing.

**The organisations that emerge stronger out of the crisis will be the ones that can work collaboratively with partners across the supply chain.**

However, the potential staying power of home working poses both an existential and material threat to FM. As a sector that is inextricable from buildings and the workplace, it would need to redefine its role in the organisation as well as the value it offers.

Nevertheless, more than one forum member noted that the uncertainty surrounding the pandemic had strengthened partnerships between client organisations and FM service providers, as both groups look for flexible, innovative ways out of the crisis. That need for flexibility and innovation should spur both parties to develop contracts which share in mutual goals. The organisations that emerge stronger out of the crisis will be the ones that can work collaboratively with partners across the supply chain.

FM leaders need to capitalise on the fact that clients and broader UK PLC have formed a far greater appreciation for FM's value after leaning heavily on the sector's support in the months since the virus emerged. As organisations plan for the restart and how to incorporate social distancing into their workplaces, they will also need help with crucial elements such as space planning, especially in multi-tenant buildings.

Moreover, home working may impact recruitment strategy in the FM sector. If fewer people are travelling into major cities like London, business hubs may move to new locations. A change like this would force FM organisations to rethink where they hire staff and develop a more locally focussed approach.

This year, a record number of 18-year-olds (40.5%) in the UK applied for university.<sup>11</sup> However, there is a growing concern that some applicants will be put off by COVID-19 restrictions on on-site learning and the student experience. Forum leaders suggested that this presents FM with a perfect opportunity to step up and plug that gap by creating entry-level opportunities with supported qualifications.

Finally, participants accepted that the pandemic will affect sustainability targets in areas such carbon management, so FM leaders will have to be pragmatic about what is achievable. However, the forum noted that the journey toward sustainable FM, responsible business and significant objectives like zero carbon is a marathon, not a sprint.







# CONCLUSION

The sense from this latest SFMI Leaders Forum is that COVID-19 represents an unprecedented test to business resilience. The pandemic has forced organisations into making dramatic changes to working models, supply chains, employee engagement efforts and technology deployment. It has also encouraged them to challenge conventional thinking on what organisations and individuals need to work effectively.

Surprisingly, the imposition of home working has not caused the disruption that many feared at the beginning of lockdown. On the contrary, forum participants reported that their colleagues have adapted well to the change, quickly finding a good rhythm among the new conditions. Technology has helped people keep in touch and perform regular work tasks. However, the forum acknowledged that the explosion in home working would have real ramifications for energy strategy, employee wellbeing, the design and use of workplaces, and sustainability goals.

The FM sector will play a pivotal role in reopening public spaces and restarting the economy. Service providers will be responsible for implementing hygiene systems that kill the virus and designing social distancing into the workplace to keep the transmission risk low. As one of the largest employers in the UK, the FM sector can also bring thousands of people who lost their jobs to the pandemic back into employment.

FM has an incredible opportunity to support the recovery from the COVID-19 pandemic and reinvent itself as a leading sector for sustainability. It cannot afford to miss this moment. The winners will be those that act for the future of the sector.

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<sup>1</sup><https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>

<sup>2</sup><https://www.telegraph.co.uk/news/2020/06/24/health-experts-warn-uk-must-prepare-second-wave-lockdown-eases/>

<sup>3</sup><https://www.independent.co.uk/environment/coronavirus-climate-change-greenhouse-gas-emissions-lockdown-impact-carbon-a9522456.html>

<sup>4</sup><https://www.theguardian.com/environment/2020/apr/30/clean-air-in-europe-during-lockdown-leads-to-11000-fewer-deaths>

<sup>5</sup><https://www.theguardian.com/business/2020/jun/18/uk-working-from-home-ons-coronavirus-businesses>

<sup>6</sup><https://www.theverge.com/2020/4/23/21232401/zoom-300-million-users-growth-coronavirus-pandemic-security-privacy-concerns-response>

<sup>7</sup><https://www.health.org.uk/news-and-comment/blogs/emerging-evidence-on-covid-19s-impact-on-mental-health-and-health>

<sup>8</sup><https://fundraising.co.uk/2020/06/10/charities-face-10-1-billion-funding-gap-over-next-six-months/>

<sup>9</sup><https://www.bbc.co.uk/news/education-53148748>

<sup>10</sup><https://news.co.uk/news/environment/plastic-pollution-efforts-worldwide-cut-down-throwaway-plastic-threat-coronavirus-lockdown-447914>

<sup>11</sup><https://www.theguardian.com/education/2020/jul/09/uk-universities-record-number-applications-lockdown>



# ABOUT

## THE SFMI AND THE SFMI LEADERS FORUM

Attendees of the SFMI Leader's Forum

July 2020's SFMI Leader's Forum was attended by the following FM and real estate professionals:

Dave	Farebrother	Bouygues E&S
Reid	Cunningham	BAM FM
Daniela	Eigner	Churchill Services
Candice	Guerreiro	Engie
Bill	Jones	Metals and Mining Industry
Laura	Mayhew-Manchon	Skanska
Victoria	Hughes	Vinci Facilities
Louise	Sheppard	Zurich UK
Sunil	Shah	SFMI & Acclaro Advisory
Chris	Havers	SFMI & Acclaro Advisory

The SFMI Leaders Forum is a new initiative for SFMI partners to come together with Supporters of the Sustainable Facilities Management movement and discuss current challenges and solutions that are shaping how sustainability is embedded into the FM sector. It will convene three times a year, and the SFMI will share these discussions on its website.

The SFMI is an initiative set up by Acclaro Advisory. The purpose of the SFMI is: To Embed sustainability into the management and the operation of the FM sector. This paper is accessible to all so the sector can learn about these challenges and use them to enable and embed sustainability in their business culture.

Also available as part of the SFMI is our annual sustainability roadmap that takes FM providers and FM teams on a sustainability journey.

We have learning and sustainability improvement opportunities for both FM providers and organisations that procure FM services or manage their own in-house FM function.

You can read about our roadmap and our thought leadership research by browsing our webpage.

[www.acclaro-advisory.com/sfmi](http://www.acclaro-advisory.com/sfmi)





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