



The Melting Pot

The Future of the Office

*How has COVID-19 changed the way we use workspace
and impacted the social innovation sector in
Scotland?*



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The Future of the Office, report by The Melting Pot ©

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A word from The Melting Pot's CEO

This last year has been the most challenging time The Melting Pot has ever faced. The same is true for many people and businesses across Scotland. As a space-based business our income and social impact depend on the services we deliver in person. So, the COVID response measures have hit us and our community hard.

The Melting Pot was one of the first coworking spaces in the world. We have pioneered this innovative approach to workspace since the advent of remote working. The Melting Pot is also Scotland's Centre for Social Innovation. We provide fit for purpose resources for the social innovation sector and build community, which we all need to become greater than the sum of our parts.

Throughout the crisis social innovation has been more crucial than ever before. And we all still depend on sustainably delivered social change to bring us through the recovery effort. We must continue to look after our people, our organisations and the beautiful ecosystem we have built. We must stay afloat so we can operate as the life raft we've always intended to be.

More than ever, I believe coworking is needed. Remote working has been a double-edged sword from the start. The counterweight to increased flexibility and freedom is lost focus, missed opportunities for collaboration and, most insidiously, the risk of isolation. Addressing these downsides and maximising on the benefits is the foundation of The Melting Pot and the wider coworking movement. We have built places for people to work, meet, learn and connect.

The Melting Pot has been at the forefront of the coworking movement for nearly two decades, knowing that sooner or later we would all be working remotely. We never expected the change to happen overnight as it did last year. We have all been adjusting ever since. There have been positives, we spend less time commuting, more money in local businesses and for some, events have never been so accessible. But the challenges have been vast.

This time has been brutal for many people. With even the luckiest among us isolated and adapting to working from home. None of us know what the long-term impacts of this COVID response will be. But we do know that we will be able to weather them more effectively if we can connect with each other in safe community spaces.

My team and I have done everything possible to keep The Melting Pot above water. And, after leaving our space of 13 years in October 2020, I was delighted to announce that we



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have found our new home. The Melting Pot will re-open in May 2021. Offering a safe place to work away from home.

We have focused on creating a well-being workplace. We are working with employers, employees, business owners and freelancers to make sure every member of each team has their workspace needs met.

This research was led by my colleagues Helen Denny and Cleo Goodman, most of it in the 8 weeks after we left our space at Rose Street. We needed to speak to our community – our coworking Members, our colleagues across the Scottish social innovation sector and workers from various backgrounds and circumstance. We needed to understand what people need now and how we can help.

The Melting Pot's new strategy is built on what we learnt through this research. We will start by re-opening an Edinburgh city centre hub, one bigger and better than ever before. Our community there will work together to drive the recovery effort. Once our coworking community is back on its feet we will look to support the creation of others across Scotland. Hyperlocal coworking will create a workplace infrastructure that helps communities and individuals recover and thrive.

This research gives us all a picture of the future of the office. How it has changed, what to expect over the months ahead and how we can shape our workspaces for the better.

I want to thank my team for all their hard work in these exceptional circumstances. Scottish social innovators – from the grassroots to the board room – for everything they have done to cushion the blow of this crisis. And also, Foundation Scotland who provided us with the funding that allowed us to deliver this work at a crucial time.

Claire Carpenter
Founder and CEO of The Melting Pot





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Introduction

This research set out to understand the impact of drastic changes to workspace use over the last year on Scotland's social innovation community and to present some predictions for the future of the office.

The response to COVID-19 meant that overnight, after the first lockdowns were announced, the majority of Scotland's workforce moved to working remotely and from home¹. This has had significant and widely studied impacts, some of these studies are cited in this report.

The Melting Pot has conducted original research in order to understand how these changes in workspace use have impacted social innovators in Scotland.

The Melting Pot defines social innovation as:

“New solutions to improve the circumstance of people and communities – these solutions could focus on the environment, economy, education, health or well-being”

and believes that contributions can be big or small. Big contributions might be a policy change or starting up a new organisation, small could be an afternoon volunteering or the businesses we choose to support.

To reflect this the research activities engaged people working in social innovation from a variety of backgrounds. Including entrepreneurs, employees, employers, volunteers and freelancers. Some of the people consulted in this work would identify themselves as social innovators, others may not. But their input has helped us understand the many and varied needs of the social innovation community in the wake of the COVID-19 crisis.

This report also presents a picture of the future of workspace, relating existing research to new original data collected through surveys, focus groups, one-to-one interviews and events. It outlines the implications for the Scottish social innovation community.

This research is the basis of The Melting Pot's new strategy, that will employ hyperlocal coworking to support the recovery from the crisis.

¹ CIPD



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For most organisations, the office is a core part of operations. It is also a large business expense. It impacts how an organisation is perceived and is the primary location for in person activities.

Over the last few decades advances in technology have allowed more and more businesses to embrace remote delivery. This has changed the way many organisations use workspace for their operations, and crucially, their teams.

Coworking has been a flexible office space solution for over a decade. The first “true” coworking space was opened in San Francisco in 2005, at a feminist collective called Spiral Muse². What started as a grassroots movement has morphed into a globally recognised industry and buzzword. Although coworking spaces are associated with entrepreneurs and freelancers, a significant portion of coworking space users are employees. The Melting Pot’s 2018 social impact report found that 42% of its Members were employees, most working for organisations that have a base outside of Edinburgh³.

The COVID-19 pandemic has joined technology as one of the great disruptors of office space usage. Public health measures have required people to leave the office and work from home across the globe. This means most previously office-based businesses have operationalised remote working¹. But what happens to their office space?

We heard from many organisations that nearly a year of remote working had led to more dispersed teams, the prioritisation of remote working as a long-term measure and moving out of or downsizing their office space.

Others such as Bruce Daisley, a thought leader on workplace culture and the future of work, are also convinced that work has changed forever as a direct result of the pandemic. Trends from around the globe show that most people only want to return to the office part time⁴, 50% of UK firms are planning to cut office space⁵ and many high profile organisations are supporting a permanent transition to more flexible working⁶.

Alongside these predicted trends, whilst many coworking spaces were hit hard by the pandemic, research shows that flexible workspaces will be in greater demand as we start

² Alexandra Nicorici, Coworking Insights

³ The Melting Pot

⁴ Professor Alan Felstead and Dr Darja Reuschke

⁵ Financial Times

⁶ The Guardian



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to recover. This increased demand will likely come from larger organisations and enterprises as they look to decentralise and shift to remote first teams⁷.

The World Economic Forum consulted business leaders to assess which changes are likely to stick. They found that over 70% of employees would like to keep flexible work, where they can choose the hours that suit them, with at least a couple of days a week working from home. Office space is evolving and when it is used in the future, it will be focused on space for community, collaboration and innovation. There is a shift away from presenteeism, with employers recognising that trust-based working improves productivity, and the focus is moving away from hours worked towards outcomes being met⁸.

We were told by most organisations that current workspace policies are a response to external factors, public health measures, and internal limitations, available capacity and financial resource. There is still some honing to be done by most organisations, particularly small ones. Most people said that workspace plays a key role in supporting well-being and productivity, and that informal interactions through the day - ‘watercooler moments’ – were actually essential. With the move away from the traditional office, workspaces that meet a range of needs for individuals and businesses will be essential.

People told us they wanted to access workspace on their own terms. This means having autonomy over when and where they work – the time of day, day of the week and the location. Flexible working is a statutory right in the UK⁹, and we found that it was of great importance to the people we spoke to, increasing productivity, well-being and work satisfaction. CIPD found that 72% of Scottish employers expect an increased demand for home working and 32% expected to invest time and resource in facilitating this¹.

We were told that workspaces away from home needed different types of space to work in, from private rooms for video calls to shared spaces to collaborate and innovate. These workspaces must also meet the needs that aren’t being fulfilled in a remote world and recreate those informal watercooler moments. People no longer want to come to an office to sit at the same desk every day, they want multi-functional workspaces and a sense of community.

In the rest of this section, we will summarise the trends that came out through our focus groups, interviews and surveys. We will outline what we found to be the key components of offices of the future. We will look at the opportunities that come with this seismic shift in the way we use space at work and the risks associated with such big change. We will also

⁷ Coworking Resources

⁸ World Economic Forum

⁹ GOV.UK



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summarise the think tank Autonomy's report *The New Normal: A blueprint for remote working*¹⁰. The report takes a broader view of remote working in the wake of the pandemic and looks at the implications for local governments, economies and policymaking. This provides important, systemic context for the principles we are outlining for individual workspaces.

The Key Components

The key components of future workspace have been shaped by the pandemic. Here we will summarise the aspects of workspace that were most strongly prioritised by the people we consulted in our research.

Broadly, we found that people wanted to retain the positive practices that they had developed since March 2020 and that before any transition back to shared workspace they need to be confident that appropriate health and safety measures are in place.

COVID safety practices



Any shared workspace will need to implement comprehensive COVID safety practices aligned with current government guidance. We found that while people were keen to return to shared workspaces, they were wary of the risk.

Personal circumstance dictates when people expect to return to shared workspace. People's own health, whether they have close family or friends who are high risk, their home situation and the type of work people do are the key factors that impact that decision.

Both employers and employees felt it was crucial for safety practices to be developed in consultation with the people they involve. This eases the anxiety associated with a return to shared workspace and generates buy in with the policies that is crucial for them to be upheld.

To develop the social distancing measures that ensured a safe coworking space The Melting Pot consulted its Members in June and July 2020. From this, COVID safety measures were developed³.

The consultation indicated that the most crucial aspects of these policies were:

-  A new code of conduct that all Members using the space agree to
-  Setting up socially distanced workstations

¹⁰ Autonomy



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- 👉 Hand sanitizer stations throughout
- 👉 Preparing a risk assessment for employers
- 👉 Minimal touch points throughout the space
- 👉 A policy on mask use in communal areas
- 👉 Thorough and daily deep cleaning of the space
- 👉 Pre-booking of desks to manage the numbers of people within the space

Globally, coworking practitioners have worked to understand best practice for COVID safe coworking. Speaking to these practitioners we found the above-mentioned policies are the core components. But the key is effective implementation of the measures in the space you operate in, the buy in from the community and the enforcement by the staff team. The same is true of any office workspace operating through COVID.

Based on government advice, varying levels of lockdown and social distancing measures, the portion of the workforce whose access to office space is deemed essential will vary. Effective policies are imperative to keep people safe at all stages of lockdown – for all offices and particularly coworking spaces.

All of this learning will be used to adapt The Melting Pot’s social distancing measures to ensure its new space is safe for its users.

Flexible working

Flexible working has a statutory component. All employees who have worked for an employer for more than 6 months (26 weeks) have the legal right to flexible working⁹. This includes changing from part time to full time work, job sharing, changing working hours and remote working¹¹. However, not every request for flexible working will be granted, both the needs of the business and the individual needs to be met. As long as employers follow the statutory process and evidence the business case for their decision, they can refuse requests for flexible working¹².

Flexible working as a business practice is growing in popularity and with good reason. Flexibility Works are a Scottish organisation helping employers implement flexible work practices, they estimate that over 75% want to work flexibly. 90% of people in Scotland say their quality of life is improved by flexible working¹³. Our research showed similar trends.

When asked what flexible working meant to them:

¹¹ Citizen’s Advice

¹² Citizen’s Advice

¹³ Flexibility works



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- 👉 38% of survey respondents said “Having complete control of where I work and my working hours”
- 👉 42% said “Having some control of where I work and my working hours”

Clearly flexible working means different things to different people, which can make it difficult for employers to design flexible working policies for their teams. But with potential benefits for employees, employers and organisations this is worth the investment. Of the people we surveyed:

- 👉 95% said flexible working was important for their well-being
- 👉 88% said flexible working was important for their productivity
- 👉 95% said flexible working was important for their work satisfaction

Although the movement away from the 9-to-5 was already happening pre-pandemic it was a relatively slow process. Once again, this has been sped up by the work from home measures and we expect it is here to stay.

The people we spoke to said that flexible working had been essential during the pandemic to manage work, personal priorities and the well-being impacts of the crisis. We were told that flexible working would continue to be a priority – both to make workloads feasible during ever changing circumstances and to apply new learning about positive work practices to post-COVID working.

Alongside this increased desire for flexible working, we found that people needed flexible workspace to meet their varying needs. It needs to offer space for focused work and places where informal interactions can take place so the space users can connect with each other. With a shift to more online delivery people said spaces for virtual meetings would be essential as well as physical space where teams can safely meet, collaborate and innovate.

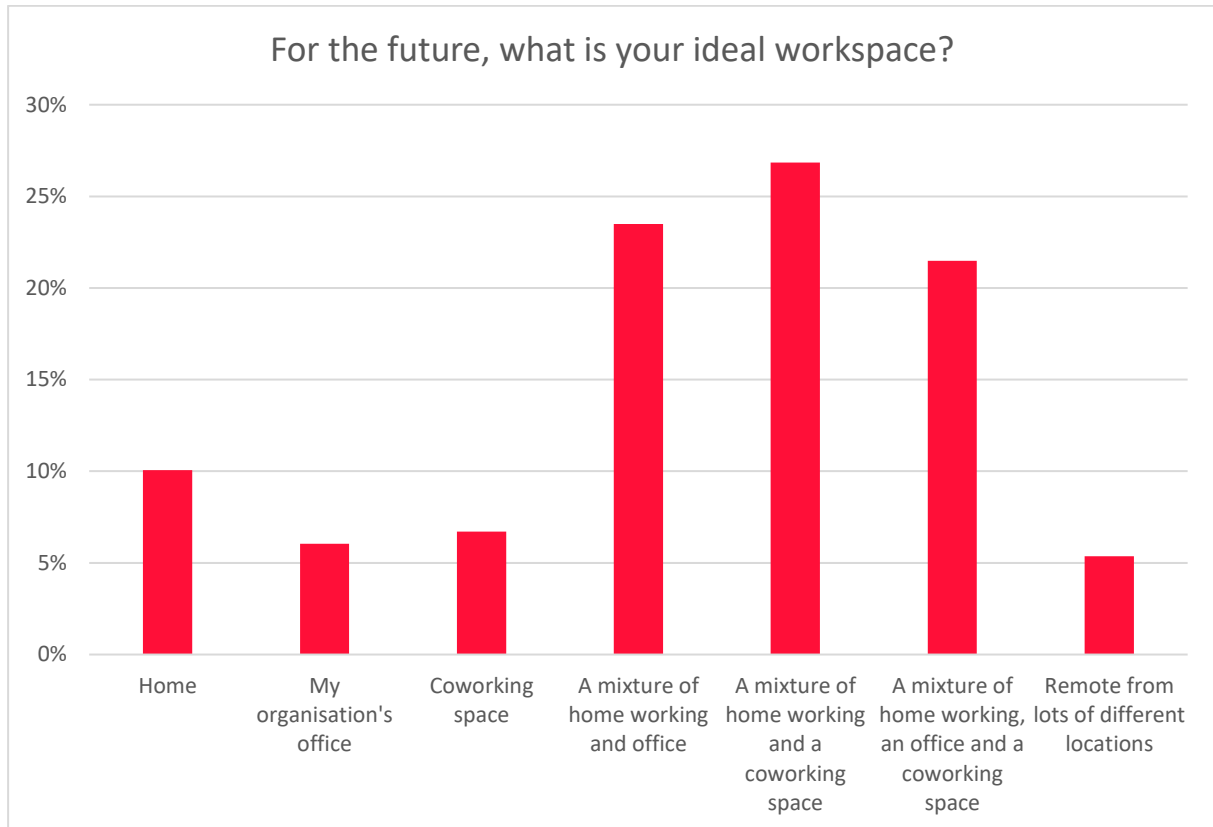
Blended workspace use

One flexible working practice that was frequently mentioned throughout was blended workspace use. This refers to people using a mix of workspaces throughout their week based on their needs – home, an office and potentially also a coworking space. The main facet of a blended working approach is giving people flexible access to a variety of suitable workspaces and allowing them to choose where they work on any given day.

People’s workspace preferences vary from person to person and even day to day. We were told by many people that their ideal workspace varies depending on the tasks they are working and the frame of mind they are in. This is the appeal of blended workspace use, the more choice available the more effectively individuals are able to access the workspace tools that improve their well-being, productivity and work satisfaction.



Of the people we surveyed the people wanting to use just one workspace in the future were in the minority, just 23%. The rest intended to use some configuration of blended workspace.



We found that many are unable to work well from home, due to cramped space, childcare responsibilities and shared accommodation and needed to be able to access appropriate workspace options. Of the people we surveyed,

- 👉 93% said their ideal workspace was important for their well-being
- 👉 95% said their ideal workspace was important for their productivity
- 👉 90% said their ideal workspace was important for their work satisfaction

This part-time return to the office aligns with findings from global research with over 70% of employees indicating that they intend to have a blended working week, with some time at home and time in the office.

The ideal commute

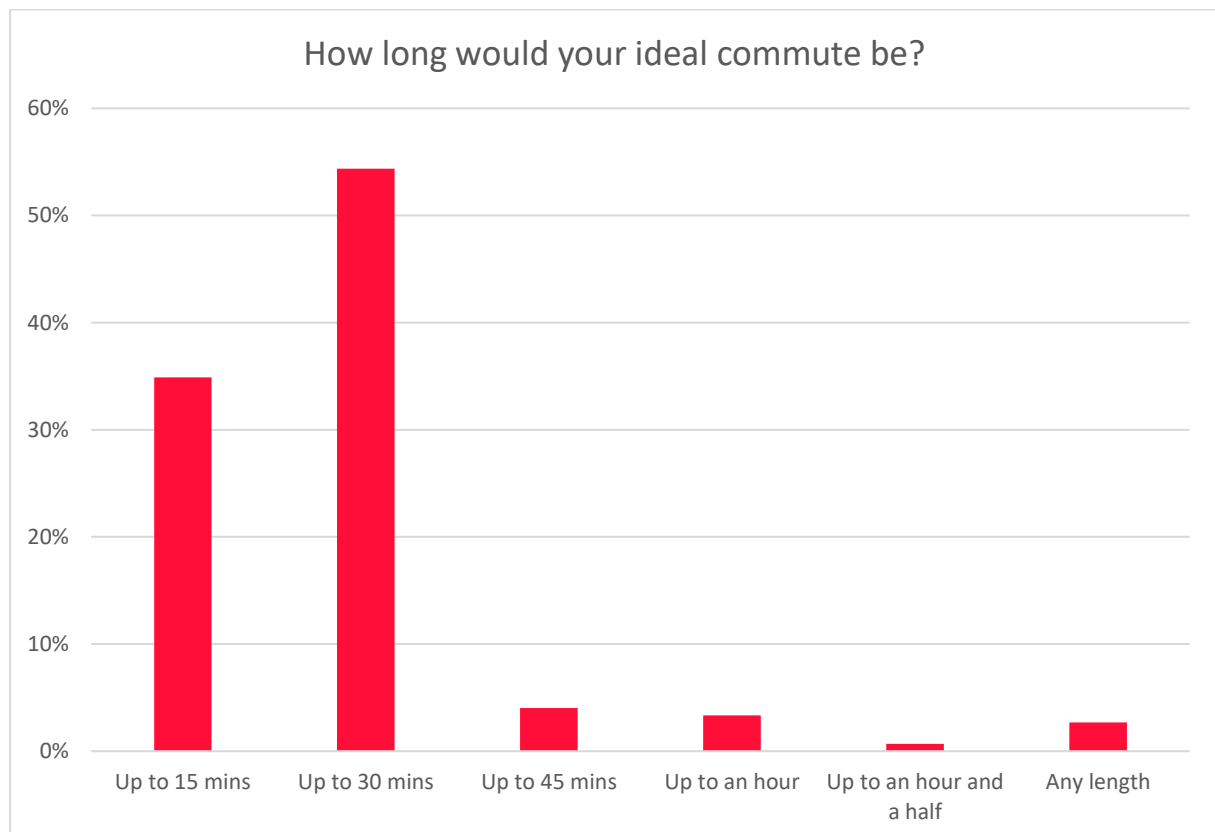
The conversations in the focus groups and interviews often turned to the impact of commuting. Many talked about the extra hours available now travelling for work was



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reduced. Some people missed their commute and the boundary between work and home it provided.

We asked survey participants how long their ideal commute was, overwhelmingly (89%) it was less than half an hour.



Of the people we surveyed:

- 👉 89% said their ideal commute was important for their well-being
- 👉 84% said their ideal commute was important for their productivity
- 👉 85% said their ideal commute was important for their work satisfaction

This aligned with the rest of the data we gathered, some people want a commute to their workspace, but they want it to be simple and short. People want to spend more time closer to home and in their local area so they can participate in their local communities and have a more convenient work-life balance.

The Opportunities

During our focus groups and interviews we asked participants to consider the benefits of shared workspaces. We were told that the key benefits are:



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- 👉 An improvement in wellbeing
- 👉 Reduced isolation
- 👉 Opportunities for collaboration
- 👉 Access to a wide network
- 👉 Professional development (learning)
- 👉 Informal interactions and social opportunities

We discussed the impact of missing these benefits while working from home and how we could create opportunities to maximise them in the transition back to shared workspaces.

Well-being

Employers and employees talked about the impact of the last year on their well-being. Employers were particularly concerned about their employee's well-being; many had consulted their staff about the negative impacts of working through the pandemic and were looking for a long-term solution.

Negative impacts on well-being came from the physical workspace set up at home, with people working in busy, shared households, cramped conditions and without the right equipment. Alongside this many struggled with the blurred boundaries between work and home. A lack of a clear daily routine affected some negatively. Many talked of the interpersonal challenges resulting from the depth of communication that has been, to some extent, lost in the virtual world.

Many of the people we spoke to felt the right workspace environment would contribute to an improvement in their well-being.

The opportunity around well-being comes from employers and employees working together to create fit for purpose workspace policies that suit a range of emotional and physical needs. A more person centered approach to workspace could be developed off the back of such enormous upheaval of our usual work practices. We could create workspace infrastructure that actively improves well-being, where in the past inflexibility has been a cause of stress and dwindling productivity.

Reduced isolation

Many indicated that at times in the past year they have felt isolated due to the lockdown measures. No longer being in the office, the chance encounters, informal interactions and water cooler moments had been removed. This contributed to feeling isolated and disconnected from colleagues. Additionally, forming and developing relationships, with colleagues and wider networks, has been more challenging in an online environment.



The opportunity to reduce isolation requires us to provide workspaces that facilitate connections between its users. Acknowledging trends towards blended working, each form of workspace should have an active approach to community building. Relationship building will look different in these new workspaces while social distancing is still required. People who have been particularly isolated will require extra engagement and support to make this transition back to connection and workspace plays a role in this process.

It is also important to acknowledge that these trends towards isolated working were occurring before the pandemic. We heard from people who were remote workers before the pandemic who were isolated from the rest of their colleagues and who craved a greater sense of community. Some were optimistic about the future, having already seen an improvement in organisational practices since their team had become more dispersed.

“The workspace definitely impacts on my well-being. I work for a fully remote company, so being able to use a workspace where I can talk to others over the tea break or ad hoc chats throughout the day is really important”

Collaboration

Collaboration was a theme that emerged consistently throughout our research. People were finding working collaboratively with colleagues was much more challenging in a digital space. With the significant challenges faced by many organisations during the pandemic this barrier to effective working had a large impact on delivery and stress levels.

People acknowledged that informal collaboration had almost been wiped out completely. It is difficult to create the space for small moments of informal chat in a digital environment. Having reflected on the past, many found collaboration usually resulted from these moments. This form of collaboration might be minor problem solving with a friend, different teams within an organisation finding overlap in their projects or individuals from two co-located businesses sharing expertise and information.

The opportunity to access a workspace which is designed with collaboration at its heart was appealing to most. We were told this meant a range of different areas of functionality in the space as well as a diverse range of people.

“Teamwork, collaboration, kicking different ideas around – it’s just better in a physical space, we have found this much harder to replicate online and intend to return in part to the office for these collaboration opportunities”



Access to a wide network

We heard that people were struggling to grow and nurture their professional networks. Opportunities for meeting new people have been reduced over the last year and many felt “networking” in a digital environment felt forced and insincere. They noted the importance of shared, neutral space to meet people and build relationships in a professional context.

The opportunity again comes from a well facilitated workspace that helps individuals and organisations make connections, find opportunities to collaborate and foster deeper relationships. People who are well networked have access to more opportunities so workspaces that bring people together from similar fields and backgrounds increase productivity and impact.

“Being part of a community, a workspace when you are self-employed has had a positive impact. Enabling me to build my network, connections and generate more opportunities as a freelancer”

Professional development

Participants noted that the past year has provided a plethora of virtual learning events from around the globe and the opportunity to develop new skills professionally and personally. Some told us they struggled with the online nature of these resources, but all could see the benefits of digital accessibility.

People told us that in the past their workspace had provided them with professional development opportunities. Through both formalised training and the informal learning gained from working alongside others, through observation, conversation and role modelling.

The opportunity to combine in person and digital learning in workspaces should be harnessed. Digital learning programmes can be expanded to all that might benefit. In person training, peer support and learning opportunities can create a sense of community and provide a feedback loop between practitioner and user that hones these professional development opportunities.

"I miss the opportunity to learn and absorb what is going on around me in the office, There is a risk associated with a transition as fast as the one we're seeing following the pandemic. Mistakes are bound to be made when every member of a team at all levels of the business are learning at once.

learning by watching others, those coffee break conversations that spark an idea”



Informal interactions and social opportunities

We were told that the hardest aspect of the remote working world is recreating the watercooler moments that were previously a given. These moments helped to improve well-being, sparked ideas, deepened our relationships with our colleagues, led to social opportunities, aided our learning and strengthened our networks.

The opportunity to innovate and instate a watercooler fit for the future is ahead of us. We are by nature social animals, people need people. We can retain the benefits of flexible working, support our workforce in maintaining and developing practices that serve them and provide them with community workspaces to reinstate these necessary social interactions.

"Working from home and full-time remote has made work more transactional. I miss the wee chats with others, these build the relationships I need to help me in my work"

Increased social innovation

The survey used how engaged people are in their local community as an indicator of how likely they are to engage with socially innovative projects, activities and behaviours.

- 👉 44% of respondents said they weren't active in their community
- 👉 20% said access to their ideal workspace would help them be more active in their community
- 👉 58% said access to their ideal workspace might help them be more active in their community

This suggests that if workspace infrastructure was more aligned with people's needs and preferences there would be an increase in social innovation.

As we have previously done a social impact assessment of engagement with The Melting Pot's coworking services we can assume that increased engagement with coworking as delivered by The Melting Pot would also increase the impact of people working for socially innovative organisations³.

The opportunity for workspace to increase social innovation lies in its person centered approach and tailored support for socially innovative work.



Risks

There is a risk associated with a transition as fast as the one we're seeing following the pandemic. Mistakes are bound to be made when every member of a team at all levels of an organisation are learning at once.

There is no guarantee that employers will make remote working an option for employees as we transition out of working from home through lockdowns. Some employers may retain remote working practices without putting in the effort required to make it truly beneficial to workers. Poorly supported remote working risks damaging physical health through inadequate work from home set ups. Isolation and blurred lines between work and home risk negative impacts on well-being, mental health and productivity.

Of the people we surveyed:

- 👉 46% thought it was unlikely they would find a workspace that supports their well-being
- 👉 50% thought it was unlikely they would find a workspace that supports their productivity

This suggests that people's experience of workspace provision prior to and during the pandemic was inadequate and that they are not optimistic about this changing in the future.

If productivity suffers due to poorly implemented remote working practices employees risk penalisation and disciplinary measures. Employers may not realise the actual cause of these productivity problems and blame will be placed on the individual.

Although flexible working is a statutory right for employees who have been in a role for more than 26 weeks, there will be many employers and employees who are unaware of these entitlements. The learning process around this may be fraught with conflict in organisations that have a more rigid culture. Employees working in sectors that are not unionised and organisations that do not recognise a union are lacking the support they need to challenge decisions made by their employers. This additional stress could have a further detrimental impact on staff teams. Irreconcilable differences that lead to people leaving organisations will lead to further destabilisation at a crucial time. More critically, it would leave people without an income or coerced into work practices that are detrimental to their health.

There will be an inequity of experience during this transition based on a whole range of factors – geography, business structure and size, race, gender and socioeconomic standing. Remote working is less feasible in areas where infrastructure like broadband access is poor. Small organisations – both private and third sector – often have a minute



budget for operational matters. The cost of a significant operational transition will be a greater percentage of the overall budget of a small organisation. For organisations dependent on grants, funding is rarely available to cover core costs and this often leads to less than optimal systems for employees. An effective transition to remote working that protects employees is much less likely within these organisations.

Although it is likely to eventually benefit organisations, the burden of the transition to remote, flexible working and blended workspace use cannot fall solely on employers. Some of the transition has already been made but, as the people we spoke to noted, there is more change to come. This will be an expensive, resource heavy and worthwhile process for the organisations that do it properly. But support must be offered for organisations and incentives and accountability must be provided to ensure employers are doing an adequate job of supporting their employees in a new landscape.

The risk of this transition is greater for marginalised groups. As we have seen throughout the pandemic, black and minority ethnic people¹⁴, people from a low socioeconomic background¹⁵ and people with disabilities¹⁶ have all experienced a greater health risk. It is likely this will also be true of the negatives associated with changes to work practices. Even if the transition for people in employed roles is managed well there are swathes of people who may be overlooked. The self-employed, people on zero-hour contracts and those in bogus self-employment must also be considered.

A less financially secure, more unequal society is less socially innovative. There are great risks associated with a world of work that does not effectively support workers. Workspace infrastructure cannot solve all these problems, but it is a crucial piece of the puzzle. On an individual level adequate workspace can help people look after their health and well-being and manage their workload. More connected communities are more organised and more likely to challenge mismanaged changes to their work, this has the potential to lead to positive, systemic change.

Autonomy's Blueprint for Remote Working

Autonomy is an independent, progressive think tank that focuses on the future of work and economic planning. Their recent report 'The New Normal – A blueprint for remote working' explored the rise of remote working and what this means for the office as we rebuild our communities¹⁰.

¹⁴ BBC News

¹⁵ Joseph Rowntree Foundation

¹⁶ ONS



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They note that remote working “represents an alluring promise not only to workers dissatisfied with commuting, long office hours and little leisure time, but also to policy makers looking for ways to reduce carbon emissions and reshape the urban environment.”

And that because flexible working is already a statutory right “At least legislatively, this means that no new policy measures need to be taken to give workers access to these arrangements. However, as increasing numbers of workers are coming to prefer these arrangements long-term, policy measures must be taken to make these arrangements actually benefit workers.”

The report outlines the risks that sit alongside the opportunities posed by remote working:

- ✋ Remote work is associated with **increases in working hours, unpaid overtime and poor mental health** outcomes.
- ✋ A lack of boundaries when working remotely means work merges with leisure time. During the pandemic this has led to the **average workday increasing by 8.2%** - nearly 50 minutes.
- ✋ Excessive workload and overtime account for nearly half of all **anxiety, stress and depression related illness** among the UK workforces. If remote working increases workload and overtime, then these impacts could worsen.
- ✋ These **negative impacts have a gendered dimension** - women are more likely to balance care, housework and paid work and the negative mental health outcomes are also stronger for women.
- ✋ There is a **greater risk of loneliness and isolation** without a social component to work.

It looks at some of the opportunities and challenges posed to local government and economies:

- ✋ Less commuting could lead to **job growth and worker spending becoming less concentrated in big cities**. Jobs and spending could then become more dispersed through the towns and cities from which commuters travel. This would lead to increased spending in local businesses.
- ✋ More local spending **creates a market for the high street and third spaces** (the spaces between home and work - cafes, restaurants, pubs, libraries, community gardens and coworking spaces). This could be **leveraged by local government** if locally focused businesses are incentivised through procurement and investment.
- ✋ A thriving local economy could lead to **higher retention of local skilled workers** as more opportunities for work are created.
- ✋ **More digital nomads could lead to gentrification** of areas with a higher standard of living.



- 👉 **Speculative development of office real estate may be disrupted** and lead to more community focused, democratic uses of space.

Autonomy outline several policy proposals designed to ensure remote working does not have detrimental impact on workers:

- 👉 **A right to disconnect** enshrines in law a worker's right to not be contacted by their employer outside of working hours.
- 👉 Expanding the **home working allowance** so government or employers cover costs incurred when working from home, preventing a financial burden falling on workers if they choose to work remotely.
- 👉 Improved **broadband access** makes remote working more feasible.

They also propose local strategies that could be taken forward by local authorities and communities:

- 👉 Continued **flexible planning permission** to develop the required infrastructure.
- 👉 **Co-location of residential and business developments** to create functional local environments.
- 👉 Revising **planning laws and zoning** to specifically suit remote workers.
- 👉 Establishing area based **local economic growth companies** to ensure development benefits the local area and profits generated stay local.
- 👉 **Funding for third spaces.**
- 👉 Extending **community housing and land trusts.**
- 👉 Create a **remote work committee** of MPs, local councillors, and representatives from unions and workplaces to oversee the transition from office to remote work.

The report also provides a beautifully illustrated proposal for open workspace which describes a type of flexible workspace for small businesses and self-employed individuals that share resources and space. Improved workspace infrastructure needs to be accompanied by systemic thinking like that outlined in Autonomy's report.



The Melting Pot

How the pandemic impacted the social innovation community

Like every other, the social innovation sector has been impacted by the pandemic. In this section we will look at how workspace usage, The Melting Pot's members and venue hire clients has changed over this time. The Melting Pot's clients represent a cross-section of the Scottish social innovation community so give a picture of how the wider sector has been impacted. We will also build on the more general trends outlined previously, examining how the sector has been uniquely impacted and how this relates to changes in workspace use.

Members of The Melting Pot

Soon after the first lockdown in March 2020, we asked our members how it had affected them. Just, 35% said their work had been largely uninterrupted. 52% said that their work had changed or reduced and 13% said they had lost their work entirely.

The Melting Pot's Members mostly work for small organisations, many as sole traders or the only employee of an organisation. This is often true of third sector organisations and social enterprises. Although smaller organisations are less cumbersome to adapt the financial burden more quickly lands on the individual team members.

Our members told us about the main challenges they were facing. Over 132 challenges related to the lockdown were reported. The most common were:

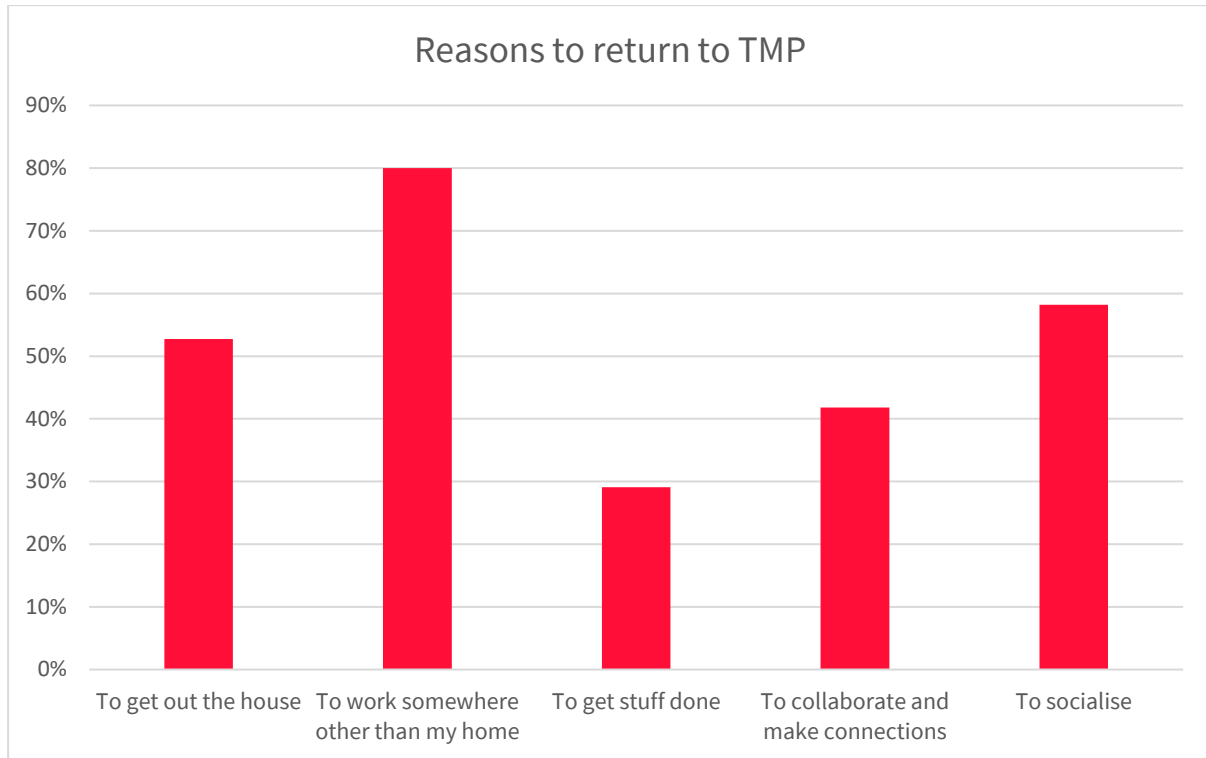
- ✋ Lack of employment opportunities and job security
- ✋ Adapting ongoing projects
- ✋ Home working
- ✋ Social isolation
- ✋ Financial
- ✋ Team management
- ✋ Lack of government support
- ✋ Mental health
- ✋ High workload
- ✋ Childcare
- ✋ Fatigue
- ✋ A lack of access to outdoor activities.



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When the lockdown measures were eased over Summer, and as The Melting Pot prepared to reopen at Rose Street, we surveyed our members again to co-create our social distancing measures and understand their needs.

82% said they intended to come into the space after it re-opened in August. There were 5 key reasons our members wanted to return to coworking:



Venue hire

Venue hire has always been a key part of The Melting Pot’s offering. It may sound mundane but in person working is a core component of socially innovative organisations. For many organisations budget limits their access to fit for purpose event venues. The Melting Pot provided affordable, city centre venues that welcomed over 10,000 attendees a year. Edinburgh’s social enterprise strategy for 2019 – 23 noted “a lack of suitable, affordable workshop space for start-up and expanding social enterprises” – TMP’s venues are a crucial resource.

Most of the venue hire clients we engaged after we left our Rose Street space were concerned that The Melting Pot’s new location would be further from the city centre and this would make it inaccessible to their beneficiaries. Based on this we ensured our new home was as central as the previous one, to make this city centre resource available when needed.



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We anticipate the in-person event landscape will look very different moving forward, with large in person events unlikely to return until 2022. The people we spoke to told us they were missing in person working, particularly training, team building and learning events. These were the types of event The Melting Pot hosted regularly.

Some people indicated they want to return to hosting these events in person, however most felt it would be some time until this became the norm again. Everyone has been upskilled in the use of digital tools over the past year – learning the technical expertise, operationalising its use and adapting their facilitation skills. Most of the people we engaged said it was unlikely large scale, non-essential events would return until lockdowns are no longer required.

There are some essential services that require venues that operate safely, these services have not been suspended at any point. They have faced the challenge of adapting and implementing new protocols.

The Melting Pot's venue hire clients are many and varied, from small volunteer groups to public sector giants. Previously most of the organisations that used our venues did not require our coworking services. However, we found that more and more organisations are looking for flexible workspace solutions, including some of our venue hire clients.

The social innovation community

The social innovation sector is worth £60 billion to the UK economy and employs two million people, or 3% of GDP.

Mutual aid groups are a classic example of grassroots social innovation and they have been at the heart of the response to the crisis. By the 16th of March Mutual Aid UK reported that over 200 support groups had already been set up¹⁷. Nearly a year on Mutual Aid Wiki, a volunteer managed platform, now documents nearly 6000 mutual aid groups around the world, allowing groups to share resources and data¹⁸, this tool is another example of social innovation at work. Reports have shown that this community response has been more successful than government led volunteering initiatives. There have been calls to local and central government to support these new groups so they can continue to make an impact¹⁹.

Charities are a common organisational structure utilised in the social innovation sector. The Scottish charity regulator OSCR found that 92% of Scottish charities reported some form of negative impact; most commonly this impact was on the delivery of services. 79%

¹⁷ COVID Mutual Aid

¹⁸ Mutual Aid Wiki

¹⁹ New Local



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saw an impact on finances, 56% reported lost income from fundraising and 75% saw a negative impact on staffing. 70% of charities reported increased negative outcomes for their beneficiaries²⁰.

A study by Ecclesiastical showed that a fifth of charities were looking at downsizing while 17% were considering closing some or all of their offices. This is due to 95% of charities working remotely with over a third considering adopting this full time²¹.

72% of social enterprises in Scotland are registered charities. To build on the data collected by OSCR, Social Enterprise Scotland took steps to understand their members who are registered as Community Interest Companies (CICs).

They found that 30% of the organisations they surveyed faced critical financial threat due to the pandemic and 60% faced some threat. Almost 50% of these social enterprises were unsure about their financial viability moving forward.

Most of these social enterprises had also seen a marked increase in demand for their services, with only 13% seeing no increase²².

Scottish Government has provided more than £350 million of funding to socially innovative organisations since March 2020²³. But for many organisations, their business model was on a knife edge prior to the pandemic and the pressures of the last year will prove too difficult to survive.

²⁰ Breaking Blue on behalf of OSCR

²¹ Ecclesiastical

²² Social Enterprise Scotland

²³ Scottish Government



Conclusion

As the world of work shifts to more dispersed, remote teams with a blended model of work, the role of the office has changed. This report has presented data that indicates a demand for workspaces that foster collaboration, flexibility and learning.

We have shown a link between workspace and well-being, productivity and work satisfaction. Three factors that will be central to the economic and social recovery from the COVID-19 crisis. There is an opportunity to use workspace infrastructure as a tool to drive the recovery. This report has outlined the necessary components of future workspace and opportunities that can be harnessed through workspace.

It has shown that the workspace of the future includes coworking. That even offices belonging to a single company will likely begin to employ the practices of coworking. The facets of workspace we have seen demand for can all be found in any good coworking space. This evidences the need for a network of hyperlocal, community focused coworking spaces across Scotland.

We have also made clear that the social innovation sector has been both crucial throughout the crisis and wounded by the last year. These organisations have been set up to provide essential services that improve the circumstance of our people and our communities. Financial insecurity threatens these organisations and with each one lost Scotland loses a vital resource.

The recovery from the crisis will require a portfolio of social and economic policies designed by local, national and central government. These should support every individual - our most vulnerable, our key workers and our social innovators. They should support adaptations to infrastructure, including our workspace, and incentivise a transition to localism and ethical business practices. This policymaking should recognise the contributions of the social innovation sector and how it may be disproportionately affected by new policies that place the financial burden of supporting remote working on organisations. Socially innovative organisations that depend on grants or donations to deliver essential services cannot recoup lost income through profit making activities as other businesses can. This puts them at more risk than ever during such uncertain times.

But this is a sector built on innovation and a path will be found. Social innovation will continue to drive the recovery effort, it is imperative that the people leading this work are protected and supported. The provision of appropriate, community workspace will be a key part of that.



Appendix

Methodology

This report draws on and cites data collected using the following methods:

- ✎ One-to-ones interviews, surveys and informal discussions with The Melting Pot's community of coworking Members and venue hire clients:
 1. 20 one-to-one interviews delivered with members, venue hire clients and key stakeholders within the wider social innovation sector during October and November 2020
 2. 58% of 77 members surveyed in late March and early April 2020 about the initial impacts of the COVID crisis
 3. 93% of 55 members surveyed in late June and early July 2020 about a return to coworking at The Melting Pot
- ✎ Future of the Office survey
 1. 149 people surveyed from October to December 2020
 2. The survey was promoted through The Melting Pot's promotional channels and networks, the sample is not generalizable however it provides useful insight into the needs of Scotland's social innovation sector
- ✎ Focus Groups
 1. 10 Focus Groups facilitated for 52 attendees (both part of our community and wider) during October, November and December 2020
 2. The focus groups were promoted through The Melting Pot's promotional channels and networks, the sample is not generalizable however it provides useful insight into the needs of Scotland's social innovation sector
- ✎ Public event
 1. Hosted on Wed 18 Nov
 2. Featured 6 expert speakers representing a variety of perspectives on the future of the office
 3. 80+ attendees
- ✎ A total of 390 people engaged during delivery of the one-to-ones, surveys, focus groups and events.



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