

**GUIDANCE ON ORGANISATIONAL CHANGE**

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## **1.0 INTRODUCTION**

- 1.1 This document provides guidance to managers on how to complete a review of their organisational structure at either corporate or divisional level. The advice takes into account best practice and relevant employment legislation.
- 1.2 The step by step process described should help:
- Reduce the fear of change.
  - To promote a consistent, fair and transparent approach to managing change effectively.
  - Managers to plan each stage of the process including the provision of support and other resources
  - To make best use of Council procedures to ensure that capacity is built within the workforce to meet current and planned service needs,
  - To raise awareness of relevant employment legislation.
  - To promote the benefits of a partnership approach with Trades Unions and employees.
- 1.3 This document has been agreed with the relevant trade unions.

## **2.0 STEP ONE – NOMINATE A LEAD OFFICER**

- 2.1 Any review requires a Lead Officer. This will be a Head of Service or above. The Lead Officer's role will be to:
- Plan the process (including setting time scales).
  - Co-ordinate the input of other Divisions (e.g. Human Resources and Finance) and the gathering of information to enable clear reports to be written and consultation to be constructive.
  - Ensure that clear proposals are recommended and appropriately reported.
  - Identify who should be consulted and when this should occur.
  - Implement the new organisational structure following approval by Committee.
  - Undertake an evaluation of the change and the subsequent achievement of the stated objectives in terms of performance and service delivery.

## **3.0 STEP TWO – HAVE CLEAR PROPOSALS**

- 3.1 The Lead Officer must:
- Provide clear reasons for the need for change.
  - Identify the current capacity within the workforce against that required to deliver the proposed changes. This should include profiles of the workforce, skills and competencies along with learning needs.
  - Develop a workforce plan that includes a new structure, procedure for filling the posts and actions to be taken to build skills and competencies.
  - Show how the performance of the new structure will be monitored/measured.
- 3.2 It is important that Human Resources are involved when proposals are being formulated to enable early advice on relevant employment legislation, best practice, Council policies/procedures, Job Descriptions, Person Specifications, equal opportunities and diversity etc.

## Organisation charts

- 3.3 The Lead Officer should have a current up to date organisation chart from which the new and proposed structure will evolve. Comparisons of the two structure charts will help to identify the relevant employment implications.

## Proposed new posts

- 3.4 The Lead Officer will be responsible for ensuring that:
- Each proposed post has a Job Description and Person Specification.
  - Human Resources are asked to carry out a market testing exercise based on the proposed Job Description and Person Specification. Human Resources will provide advice on the grade for each post based on salary information and the existing pay and grading structure. A procedural note on how this is done is shown in Annexe A. It is the Lead Officer's responsibility to decide the grade for the post taking into account the information provided by Human Resources.
  - Other terms and conditions are established for each post.

## Proposed deletion of posts

- 3.5 It is the Lead Officer's responsibility to propose how the deletion of a post or a number of posts from the establishment will be managed. This is a particularly important when there is a potential redundancy situation and employees are therefore "at risk". The Council's policy is to avoid compulsory redundancy wherever possible.
- 3.6 Where a small restructure is involved the retention of an employee's valuable skills and experience can very often be achieved by using the recruitment, redeployment and assimilation policies. However, this may not always be possible and employment legislation will come into play in conjunction with other Council policies. Human Resources will advise on relevant policies/procedures.
- 3.7 Employment legislation is **very** briefly discussed below to raise awareness.
- Employers who **propose** to dismiss as redundant 20 or more employees over a period of 90 days or less have a statutory duty to consult representatives of any recognised independent union. Consultation should begin in good time but no later than at least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant at one establishment over a period of 90 days or less. There are also legal requirements regarding the disclosure of information where collective redundancies are proposed to help ensure that consultation is meaningful.
  - If an employer is **thinking of** dismissing an employee on the grounds of redundancy they must follow a statutory standard dismissal procedure. This involves writing to the employee, setting out the reasons for the dismissal, meeting with the employee to discuss the dismissal and where necessary holding an appeal. This procedure does not apply to some collective redundancies.
  - Employers must ensure that employees on fixed term contracts are fairly treated e.g. they are not discriminated against in any redundancy selection exercise, given the same opportunity as a comparable permanent employee to secure permanent employment. The position of employees on temporary

contracts must also be considered (managers should ask Human Resources for advice).

### **Financial information**

- 3.8 When the Lead Officer has finalised their proposals they should liaise with Financial Services to obtain the financial implications. The manager should indicate if, for example, it is anticipated that the proposals are self-financing or if part of the cost is to be met by outside funding or if there are savings to be used in the development of services. The Lead Officer should be aware that the cost is projected over a three-year period.
- 3.9 The figures arrived at will be subject to any amendment made to the proposals during the later stages of the procedure but they will give an indicative cost.

### **Consultation and implementation**

- 3.10 It is the Lead Officer's responsibility to ensure that appropriate consultation (subject to any statutory requirements) to be followed is undertaken. This should include the trade unions and the individuals involved.
- 3.11 ACAS says that:
- "The purpose of consultation is to provide as early an opportunity as practicable for all concerned to share the problem and explore options. It can stimulate better co-operation between managers and employees, reduce uncertainty and lead to better decision making."
- 3.12 Current case law demonstrates that where contracts are to be terminated and dismissals are proposed, formal consultation should begin as soon as possible without waiting for Committee approval.
- 3.13 In other circumstances, informal consultation can also begin as soon as appropriate and can generate ideas. However, Lead Officers should make it clear that it is being undertaken on the basis that the outcome will be subject to Committee approval.
- 3.14 If the Lead Officer requires advice as to when consultation should begin, she/he should contact Human Resources as soon as possible during the project.
- 3.15 The Lead Officer should also develop an implementation timetable (subject to Committee approval) for the new structure.

### **Checklist**

- 3.16 The preparatory work described above will form the basis of reports to CMT and Committee. A checklist (Annexe B) has been designed to help Lead Officers identify relevant issues.

#### **4.0 STEP THREE – REPORT PROPOSALS TO DIRECTOR**

4.1 The Lead Officer (if this is not a Director) should obtain their Director's approval for a report to be considered by CMT.

#### **5.0 STEP FOUR – REPORT PROPOSALS TO CMT**

5.1 The report should recommend that the CMT approve the proposals for consideration by a relevant Committee (which will depend which service is under review).

5.2 The report must include as appropriate:

- The reason(s) for change, objective(s) to be achieved and how they will be measured.
- A description of the current organisation structure and its function(s) linked to an up to date organisation chart.
- A description of the proposed organisation structure linked to an organisational chart.
- An explanation of the employment implications and how they will be managed. Human Resources will advise on this section of the report. Other information to be included here will be the Job Descriptions/Person Specifications of new posts, gradings and other terms and conditions etc.
- The proposed financial implications.
- An indicative timetable for consultation.
- An indicative timetable for implementation.

#### **6.0 STEP FIVE – REPORT PROPOSALS TO COMMITTEE**

6.1 The report should recommend that the Committee approve the proposals in principle subject to a period of formal consultation. The report's contents will be similar to the one considered by CMT.

#### **7.0 STEP SIX - CONSULTATION**

7.1 It is the responsibility of the Lead Officer to ensure that meaningful consultation is carried (see also paragraphs 3.10 to 3.14) at the right time and with the relevant parties. The key points for the Lead Officer to consider are:

- **Informal** consultation can begin **as soon as appropriate** and can help generate ideas when putting together proposals about the new structure.
- Allow enough time (including any legal duty) for consultation to be meaningful.
- Ensure that a consultation pack is available following the report to Committee. Information should be distributed in good time prior to meetings with consultees and should be detailed enough to enable the process to be constructive. For most restructures the inclusion of the following information should be sufficient:
  - The reason(s) for change, objective(s) to be achieved and how they will be measured.
  - A description of the current organisation and its function(s) linked to an up to date organisation chart.
  - A description of the proposed organisation linked to an organisational chart.
  - An explanation of the employment implications and how these will be managed. Human Resources will advise on this section of the pack. Other

information to be included here will be the Job Descriptions/Person Specifications of new posts, gradings and other terms and conditions etc.

- An indicative consultation timetable with a statement that responses obtained will be considered and if appropriate summarised within the final proposals submitted to the appropriate Committee.
- An indicative implementation timetable.

There are legal requirements regarding the disclosure of information where collective redundancies are proposed. Human Resources will advise on this.

In some cases employees will only be marginally affected by the proposals e.g. a change in job title or reporting line. In these cases a letter explaining the situation will be adequate.

## Meetings

7.2 The Lead Officer must ensure that consultation includes:

- Meetings with relevant trade union representatives (this might include regional representatives) to explain the proposals. It is good practice that this takes place prior to the meetings listed below.
- One to one meetings with employees whose posts are proposed to be changed or deleted to explain the proposals. Case law has shown that dismissals have been shown to be unfair where a union has been consulted but not the individual.
- One to one meetings, if requested, with employees who are marginally affected.
- Team meetings (with a trade union representative present) to discuss the proposals
- The invitation of individual responses in writing to the proposals.

7.3 A representative from Human Resources must attend any meetings held to provide advice.

## Collation of responses

7.4 The Lead Officer will be responsible for ensuring that consultation responses are collated, considered (in conjunction with their manager, Human Resources and CMT if necessary) and responded to. It is useful to tabulate the consultation responses and any actions arising from them. The table below may be useful.

Consultation Response	Management Response	Action
E.g. Change to Job Description or Person Specification	Changes agreed/not agreed and reason.	Job Description or Person Specification amended/ no change.

## **8.0 STEP SEVEN – REPORT TO FINANCE & MANAGEMENT COMMITTEE**

8.1 The report will include final proposals for consideration by this Committee. The report should recommend that the Committee approve the implementation of the proposed revised structure. The report will be similar to the first Committee report. However, the following points need to be considered when it is written:

- The inclusion of up to date financial implications that take into account any amendment(s) made to the original proposals resulting from consultation.
- It should highlight any amendment(s) made to the original proposals resulting from consultation e.g. if a Job Description has been amended then this should be pointed out.
- The inclusion of a summary (see the table above) of the consultation responses.
- The inclusion of the implementation timetable taking into account the calling in period.

## **9.0 STEP EIGHT - IMPLEMENTATION**

9.1 The Lead Officer is responsible for the implementation of the approved new structure. Depending on the circumstances she/he will as appropriate:

- Arrange and carry out recruitment, redeployment or assimilation interviews.
- Ensure that meetings take place with “at risk” employees to confirm what will happen next.
- Ensure that Payroll forms are completed.
- Ensure that relevant correspondence is sent to employees (e.g. to employees “at risk” or those who are only minimally affected by the changes).
- Ensure that contracts of employment and other relevant information are issued to employees.

9.2 It will be necessary for the Lead Officer to liaise with Human Resources during the implementation stage.

## **10.0 STEP NINE – REVIEW AND EVALUATION**

10.1 The Lead Officer should evaluate the impact of the changes and share any learning. Methods of evaluation could include: meetings with employees, an assessment of whether the stated reasons for change have been achieved, an assessment of the impact of the changes on performance indicators (Statutory and local) and feedback from interested parties (stakeholders, partners, Elected Members or customers).

10.2 It is recommended that any evaluation be carried out at three levels by linking it to the;

- Delivery of objectives within the Council’s Corporate Plan.
- Improvement of service delivery measured against a range of statutory and local indicators
- Impact on employees within the service.



The assessment of the impact of the change should clearly be linked to the initial reasons for the change. It is also critical to assess the impact on people within the service. These will then be fed back into the Council's People Strategy to promote the sharing of any learning.

- 10.3 The evaluation of the change should be included in the development of any reports/plans in accordance with the Council's Performance Management framework. Initially this will be mainly through individual service plans although Lead Officers may determine that other methods may be used as well.

**11.0 ADVICE/ASSISTANCE**

- 11.1 It is important that Lead Officers ask for advice from Human Resources as early as possible in the review process. This will ensure that proposed actions meet with the requirements of employment legislation and Council policy.

**12.0 REVIEW OF DOCUMENT**

- 12.1 This document will be reviewed in consultation with the relevant trades unions.

**MARKET TESTING PROCEDURE**

**1.0 Introduction**

1.1 This procedure applies:

- To the creation of new posts.
- Where the duties of an existing post are changed but not to the extent of creating a new post.

**2.0 Preparation of an up to date Job Description and Person Specification**

2.1 The relevant manager should will prepare or amend the Job Description and Person Specification for the post.

**3.0 Market Test of Grade for post**

3.1 The Job Description and Person Specification will form the basis of the market test by Human Resources who will report on this exercise and recommend a grade for the post.

3.2 The robustness of the market testing exercise will depend on the pay information that is available on the post in question and the time scale involved. Information on pay will be obtained from sources such as:

- Other HR departments of Authorities that might have a similar post.
- Job Advertisements for posts that are similar to SDDC's post. These are found in publications (Opportunities, professional magazines etc.) and/or recruitment web sites (e.g. Jobs Go Public)
- Employment surveys.

3.3 The information obtained will be analysed and the report to the manager will include average and median minimum/maximum salaries for the post. Also reported will be comparisons with relevant posts in the current structure to help ensure that the grade is pitched at an appropriate level.

3.4 The relevant manager will consider the report and will decide the grade for the post (subject to consultation).

**4.0 Consultation**

4.1 The appropriate trade union will be consulted on the Job Description, Person Specification and grade for the post. The timing of consultation varies according to the situation in question. Briefly:

- Where the change is part of a restructure, consultation will occur after the proposed restructure has been reported to a relevant Committee. This report will recommend to Committee that the proposals be agreed in principal subject to consultation with the relevant trade unions and employees. Consultation will involve producing an information pack which includes information (e.g. Job Descriptions, Person Specification, grades and other terms and conditions of service) on new/amended posts etc
- Where the duties of an existing post are being amended (but a new post has not been created), consultation will occur after the relevant manager agrees the grade for the post. If the result is an increase in grade, this must be recommended to the Finance and Management Committee for approval.

## **5.0 Implementation**

- 5.1 It is the relevant manager's responsibility to ensure that the new grade is properly implemented when the Finance and Management Committee approve an increase in grade. The manager must, therefore complete a Payroll adjustment form ensuring that a copy of this is given to Human Resources together with the Job Description and Person Specification. This will enable the employee to be issued with an up to date contract of employment.

**CHECKLIST FOR LEAD OFFICERS****ISSUES WHEN DRAWING UP PROPOSALS**

<b>ISSUE</b>	<b>ACTION</b>
What is the current organisation structure?	Have an up to date organisation chart.
What is the proposed structure?	Develop an organisation chart of your proposed structure.
<p>What are the employment implications of the proposals?</p> <p>Creation of new post(s)</p> <p>Deletion of posts</p> <p>Changes to other posts</p>	<p>Consider development of a workforce plan that assesses your current capacity against what you need in the new structure.</p> <p>Job Description(s)/Person Specification(s) required. Establish grade(s) (Market testing by HR) Decide other terms and conditions. How will the post(s) be recruited to using Council policy?</p> <p>Consider legislative requirements where there is a potential redundancy exercise. Identification of employees at risk. Consider how deletion of posts will be achieved using Council policy.</p> <p>Identify changes e.g. changes in reporting line, in job description.</p>
What are financial implications?	Discuss with Finance. Are the proposals to be self-financing? Is there a contribution towards the funding of the cost from an outside source? Is there a saving to be used in service development?
What is the consultation timetable?	<p>When are you going to start consultation? Who are you going to consult? Allow enough time (take into account any legislative requirements). Develop consultation pack (include enough information to allow constructive feedback). Distribute information in good time for meetings. Include meetings with trade union representatives, individuals, teams etc. Allow enough time to collate information prior to report to Committee.</p>
What is the implementation timetable?	Consider effective date taking into account any changeover arrangements, recruitment etc.

**Note: Human Resources will advise the Lead Officer during the development of proposals.**