

CHESHIRE EAST

STAFFING COMMITTEE

Date of meeting:	7 May 2009
Report of:	Paul Bradshaw
Title:	The population of the Council's new organisational Structures

1.0 Purpose of Report

- 1.1 To advise Staffing Committee as to how the population of the Council's new organisational structures are being expedited.

2.0 Decision Required

- 2.1 That Staffing Committee note the steps outlined in this report.

3.0 Financial Implications for Transition costs & 2009/10 and beyond (Authorised by the Borough Treasurer)

- 3.1 In populating the new structures a number of employees will benefit in that they will be appointed to higher paid posts. Likewise a number of employees will inevitably be appointed to lesser paid posts and receive pay protection as a consequence. Given that this will lead to a degree of pay lift and some additional pay protection costs, which it is not possible to quantify, it is essential that steps are taken to manage the resultant costs. Accordingly section 6 below lays out the arrangements being taken to expedite the population of the structures whilst at the same time minimising the financial implications.

4.0 Legal Implications

- 4.1 Until such time as every Council post has been evaluated under the Council's Job evaluation scheme and all employees are employed under the Council's terms and conditions of employment we will continue to face the potential of equal pay claims/challenge. To evaluate all of posts in the new structure would take some considerable time and would significantly delay the appointment of staff to the final structures. Given that we can not afford to delay the population of our organisational structures for the reasons stated in section 6.1, former district grades and indicative grades will be used as outlined in the report. This approach has been discussed with and supported by Legal Services. To mitigate and respond to the risk of challenge we will continue to evaluate all posts, including those where we have used former district grades or indicative grades and to move all employees over to the evaluated grades as soon as is practicably possible. All such posts are expected to be so evaluated within the next 18 months. This risk is less likely to arise against

indicative graded posts as the indicative grades will have been assessed by our experienced equal pay evaluators.

5.0 Risk Assessment

Risk	Mitigation
A delay in implementing new structures will mean that employees will continue to feel unsettled for longer and be less likely to direct their full attention on the business and improvement of the Council	Employees have been appointed to interim roles in many cases to ensure that the new structures can operate. By applying the practices detailed in this report we will be able to further mitigate this risk by slotting and appointing staff to the new structures sooner rather than later.
Increased employment and pay protection costs	This risk can be minimised in the ways outlined in section 6.
Equal pay challenge against comparator employees being paid under the organisational structure against former district council grades.	This risk will be resolved as soon as all of the new posts have been evaluated under the Council's job evaluation scheme. It is expected that this will be completed within 18 months.

6.0 Background - Populating our Staffing Structures

6.1 There is a compelling case to populate our new organisational structure as soon as is practically possible, as follows:

- To ensure that we have the right people in the right places with the right skills as soon as it is practically possible to do so. In order to optimise the level of services we provide, the Council needs suitably competent and experienced employees slotted/appointed to and established in our new organisational structure as soon as is practicably possible.
- As we go through organisational change, many employees will be concerned about their futures in the organisation, particularly given the current economic climate. The sooner that employees are appointed to posts in the organisation's new staffing structure the sooner their minds will be put at ease and hence the sooner they will direct their fuller attention and efforts on the business and improvement of the Council.
- It is inevitable that a number of employees will be displaced as new fit for purposes structures are implemented. These at risk employees will need the support of the Council in regards to seeking to redeploy them to suitable alternative employment and the consideration of voluntary severance where appropriate, etc. The sooner employees are supported

the better for all, also the sooner the positions of displaced staff are resolved the earlier the Council will be able to realise any related savings.

- The Council's progress in having full staffing structures in place is one of the key issues/challenges identified by DCLG as part of their recent LGR Implementation Stock Take. DCLG will continue to monitor our progress.

6.2 **The logical question which follows is what practical steps can we take to expedite appointments to our new staffing structures?** Implementing structures traditionally follow a sequence of steps, as follows:

- Organisation/job review and design
- The drafting of the structure, job descriptions and person specifications
- Consultation
- Slotting – directly and via competitive ring-fences
- Internal advertising and consideration of redeployment
- External recruitment
- The resolution of any displaced staff

There are however a number of ways we can expedite this, which I have analysed in the following section, taking into consideration any related risks.

6.3 **Ensuring we have sufficient HR staff in place to support the process.** At any point in time Council's will usually be in the process of restructuring two or three services and will have a single pay structure in place meaning that many generic jobs will already have been evaluated.

The situation here, however is significantly different in that we are restructuring the entire Council at the same time and we will in many cases be producing new job roles with new job descriptions which will need evaluating. This could therefore lead to a bottle neck in HR and service areas. To resolve this I am in the process of increasing our Grading Officers from 2 to 4 and we should have a fifth shortly when an officer returns from sick leave.

6.4 **Minimising the number of jobs we need to evaluate in the short term – the grading of posts.** For the purpose of implementing the Council's new organisational structure, managers can arrive at the grade of posts in the following way in consultation with HR. Beyond this first Council wide round of restructuring, managers will be required to follow the usual process of having all new posts graded by HR under the Council's job evaluation scheme.

- Where the job is the same as or is very similar to an evaluated job description from the former county council then the county grade can be used
- Where the job is the same as or very similar to a job description from one of the former district council's then the district grade can be used on the basis that this will be subject to the job being evaluated under the Council's job evaluation scheme as soon as is possible, whereupon the newly evaluated grade will apply. In most cases where management will be considering the use of district grades, they will be considering 3 or 4 job descriptions and hence 3 or 4 different grades. In

considering this it is important that managers do not select the highest paying grade, rather they will need to select the job description which is the same as, or the one which is very (the most) similar to the new job description and hence arriving at the appropriate grade to use in this way.

- Should the former county council or district council job descriptions not be the same as or very similar to the new job description the new job description will need to be referred to HR for an indicative grade to be determined. Again this can be used on the basis that this will be subject to the job being evaluated under the Council's job evaluation scheme as soon as possible, whereupon the newly evaluated grade will apply.
- Where the use of a county council or former district council grade or an indicative grade will be likely to lead to an increase in employee costs (which are considered to be more than a marginal increase) the job description will need to be referred to HR for a full evaluation.
- Managers in designing their new structures and arriving at the grades for posts will need to do so within their agreed available budget. Given that where former district council or indicative grades are used, this could lead to pay protection costs, where posts are subsequently evaluated at a lower grade under the Councils job evaluation scheme, managers will need to take great care in arriving at what grades and job descriptions to use. HR can assist with this. Similarly, as stated above, where the use of a county council or former district council grade or an indicative grade will be likely to lead to an increase in employee costs (which are considered more than a marginal increase) the job description will need to be referred to HR for a full evaluation.

7.0 Trade Union Consultation

- 7.1 Initial discussions have commenced with the trade unions. Further more detailed consultation will be undertaken during April/May with the hope that we will be able to reach agreement. A verbal update will be provided at the meeting.

8.0 Overview of Year One and Term One Issues

- 8.1 The steps being proposed in the report will support the Council in having the right people with the right skills in place as soon as is practically possible in year one. In addition resolving the position of displaced staff as soon as is practicable will better support staff in a timely way, whilst also enabling the Council to realise any related savings earlier, thus better supporting the Council's budgetary position.

9.0 Reason for the decision being recommended

- 9.1 To support the Council in having the right people with the right skills in place as soon as is practically possible, in order to better support the Council's in achieving its priorities. To enable the Council to support employees displaced by organisational change and to realise any related savings.