

MANAGING CHANGE POLICY & PROCEDURE – REVIEW AND PROPOSED AMENDMENTS

EXECUTIVE MEMBER: Councillor John W Bowman
LEAD OFFICER: Darienne Law, Head of Corporate Resources
REPORT AUTHOR: Len Glead, Human Resources Manager

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?: The proposed Policy will contribute to the Operating Model Key Project in the Council's Implementation Plan 2012-13, by providing the change framework within which to "Develop and implement our future operating model, including how we will work with partners to deliver cost effective services".

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

The Executive has the constitutional authority in relation to "Consideration and recommendation of strategic policies in relation to employment matters, personnel recruitment and training, industrial relations and human resource planning", while the Personnel Panel is required, as part of its constitutional role, to "To consider and advise Executive and Council on development of all policies on employment....."

The revised Policy has been recommended to the Executive by the Personnel Panel for adoption, together with the requested delegation to the Human Resources Manager.

RECOMMENDATION:

That the Executive agrees to adopt the revised Policy.

1. INTRODUCTION

1.1 The Council reviews its human resources policies and procedures from time to time, to ensure that they embody employment law requirements and best practice.

1.2 Executive accepted on 22 November 2011 a recommendation from Personnel Panel to adopt a new Managing Change Policy and Procedure, which brought together into a single comprehensive document a number of policies and procedures relating to organisational change, which had previously existed separately.

1.3 Following the first experience of using the new policy and procedure during the nine month period of organisational change since November 2011, there was a useful opportunity to carry out a review of the new policy and procedures, and make any desirable improvements.

1.4 Review consultations have been carried out with the HR team and senior and middle management (as the major users of the framework), and the Trades Unions. Details of the review are set out in the report to Personnel Panel, attached as Appendix A to this report.

2. ARGUMENT

2.1 The outcome of the review, and the two consequent policy changes which are proposed, are set out in Section 5 of Appendix A to this report.

2.2 The review of the policy and procedure has involved a substantial process of consultation with the HR Team, the Corporate Leadership Team and the Trades Unions. The proposed minor modifications will improve the Council's approach to managing a period of unprecedented organisational change.

3. The changes requested following the review have been endorsed by the Personnel Panel.

4. CONCLUSION

4.1 Executive is requested to adopt the proposed revisions to the Policy, and delegate authority to the Human Resources Manager to make minor wording changes to the policy and procedure document to clarify meaning, improve ease of use, and take account of changes to organisational structure.

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Appendix A Report to Personnel Panel 14 09 12

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APPENDIX A

PER 14 09 12

Item ____

Review of Managing Change – HR Policy and Procedures

EXECUTIVE MEMBER: Cllr J W Bowman

LEAD OFFICER: Darienne Law, Head of Corporate Resources

REPORT AUTHOR: Len Glead, Human Resources Manager

Summary and Recommendation: This report presents the findings of a review of the Council's policy and procedures for the management of change. Members are recommended to:

- 1) Recommend to Executive revised policy statements in relation to "ring fencing", and expressions of interest in voluntary redundancy.
- 2) Delegate to the Human Resources Manager the authority to make minor wording changes to the policy and procedure document to clarify meaning, improve ease of use, and take account of changes to organisational structure.

1. INTRODUCTION

- 1.1 The current Managing Change HR Policy and Procedures were approved by the Panel and Executive in November 2011. The new policy and procedure was designed to bring together a number of policies related to the management of change, and to improve performance during a time of unprecedented change in local government.
- 1.2 Following the first experience of using the new framework during the nine month period of organisational change since November 2011, there was a useful opportunity to carry out a review of the new policy and procedures, and make any desirable improvements.

2. REVIEW

- 2.1 Review consultations have been carried out with the HR team and senior and middle management (as the major users of the framework), and the Trades Unions. The review was based on considering:
 - What was working well.
 - What was not working well.
 - What was in the document that was not helpful.
 - What was not in the document that would be helpful.

- Any other desirable improvements in layout, access, managers' awareness etc.

3. REVIEW FINDINGS

3.1 The H.R. Team review identified a number of positive outcomes from the new policy and procedure:

- The final outcome of the most recent process had supported the Council's declared policy of avoiding compulsory redundancies as far as possible. From an initial group of 29 employees "at risk", the final outcome had been 1 assimilation, 7 voluntary redundancies, 3 compulsory redundancies, 1 resignation, and 17 employees successfully redeployed
- Feedback received suggested that the consistency and appropriateness of the personal information given to individuals outlining details of the process and their redundancy package was well received
- There had been positive and effective working with the Trades Unions throughout
- The employee support package was well received.
- The desired overall budget savings target was met.

3.2 The H.R. Team believed the following improvements would be helpful in achieving the Council's objectives:

- The ability, as a matter of policy, to offer the possibility of voluntary redundancy (subject to management control) to all "at risk" employees, combined with improved clarity and timing on the availability to apply for voluntary redundancy
- Clarification of the ground rules in relation to "ring fencing"
- More realistic timescales set for the agreed changes to meet both organisational and employee expectations
- Trying to get all affected staff to the same starting point at the same time
- More notice of the potential areas identified for change
- Improved awareness of managers on the policy and procedures and understanding their responsibilities, and more direct involvement of HR to ensure proper application of the policy and procedures
- More user-friendly access to the policy document on the Intranet
- Inclusion of flow chart within the document to promote easier understanding
- Inclusion of typical timescales detailing on a week by week basis the process steps to be followed for both major and minor changes
- A review of the Constitutional relationship between the Personnel Panel and the Executive, and their respective delegations

3.3 The Trades Unions did not offer any specific feedback on the new policy and procedure, and appear content that it is working well from their point of view.

3.4 The Corporate Leadership Team review concluded that:

- It should be recognised that priority attention must be given in the initial stages of the change process to ensure that job profiles accurately and comprehensively identify job requirements.
- Employees in roles formally identified as 'at risk' of redundancy should be offered the opportunity to apply for voluntary redundancy on the understanding that applications will only be approved if it is in the best interests of the organisation.
- A competency based interviewing approach must be used as appropriate throughout the process.
- Further work needs to be done on the 'assimilation' criteria and process with discussions scheduled initially with members of the Single Table Trades Union Group.
- CLT must promote and support managers and team leaders to 'own' the change process.
- The HR team should be proactive and intervene at the relevant time to support managers and team leaders to ensure proper application of the policy and procedures.
- The policy document would benefit from the inclusion of process flowcharts and details of a typical timescales for both 'minor' and 'major' changes.
- The Council's Constitution should be checked for complete understanding of those involved in the approval route for planned organisational change.

4. CONCLUSION

4.1 The new Managing Change HR Policy and Procedures provides a sound operational framework for implementing organisational change.

4.2 In the spirit of continuous improvement, there are a number of "cosmetic" improvements which it would be useful to make – small wording changes to improve clarity, updating of key player job titles, and inclusion of flow charts.

4.3 As regards policy, two improvements would be helpful:

a) The adoption of a policy of inviting expressions of interest in voluntary redundancy from all “at risk” employees in times of potential redundancy, provided management control based on business need is clearly maintained. This is a common approach in other organisations, and can sometimes present management with unexpected opportunities.

b) Clarification of the ground rules for “ring fencing” where elements of two or more roles are being incorporated in a reduced number of posts.

5. RECOMMENDATION

5.1 The Panel is asked to recommend to Executive that:

- 1) Section 7 of Appendix 3 of the Managing Change HR Policy and Procedures – “Redundancy Policy and Procedures – Human Resources” should be amended as follows:

Current Version:

“VOLUNTARY REDUNDANCY

The opportunity to apply for voluntary redundancy will not be offered as a general principle but will be considered on a case by case basis. It may be that in some situations, for example where there is only one ‘unique’ jobholder or in situations where one or more jobs are being removed from jobs that have multiple jobholders, more appropriate to invite expressions of interest in voluntary redundancy.

Redundancy compensation in a voluntary situation will be exactly the same as that applying to compulsory redundancies.

The organisation reserves the right at its absolute discretion to decline request for voluntary redundancy on business grounds.”

Proposed Version:

“VOLUNTARY REDUNDANCY

The opportunity to apply for voluntary redundancy will be offered to those employees in jobs identified as being ‘at risk’ of redundancy.

Redundancy compensation in a voluntary situation will be exactly the same as that applying to compulsory redundancies.

The organisation reserves the right at its absolute discretion to decline request for voluntary redundancy on business grounds.”

2) Appendix 2 – Redeployment Policy & Procedures – Section 4 Process should be modified as follows:

Current Version:

“STAGE 1:

When new or vacant posts have vacancy management approval to be filled, applications will initially be restricted to redeployees whose current grade is the same as, or higher than, the grade of the new or vacant post. Redeployees will be asked to indicate, using the appropriate Expression of Interest form (R1/2011), which post(s) they wish to be considered for. Separate Expression of Interest forms should be completed for each role the redeployee is interested in. If they meet the essential criteria of the job or with a reasonable amount of training could do so, they will be interviewed for the post(s) by relevant management representatives.”

Proposed Version:

“STAGE 1:

When new or vacant posts have vacancy management approval to be filled, applications will initially be restricted to redeployees whose current grade is the same as, or higher than, the grade of the new or vacant post. The exception to this will be when a new role has been created that has been based on the combination of two or more closely graded and aligned roles. In these instances the former jobholders will be invited to apply competitively for the new role on a ‘ring-fenced’ basis.

Redeployees will be asked to indicate, using the appropriate Expression of Interest form (R1/2011), which post(s) they wish to be considered for. Separate Expression of Interest forms should be completed for each role the redeployee is interested in. If they meet the essential criteria of the job or with a reasonable amount of

training could do so, they will be interviewed for the post(s) by relevant management representatives.”

- 3) Authority be delegated to the Human Resources Manager to make minor wording changes, which do not affect or alter Council policy, to the policy and procedure document to clarify meaning and improve ease of understanding by users.

6. LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS

- 6.1 There are no direct legal or financial implications arising from the recommendations of this report. Human resources management will be improved by adopting the proposed changes to the relevant policy and procedures.

**List of Background Documents: Managing Change – HR Policy & Procedures
(Approved by Executive 22 11 11)**