

Staffing Committee

Dorset County Council



Date of Meeting	22 November 2016
Officer	Chief Executive
Subject of Report	Senior Officer Pay, Terms and Conditions – Lessons Learned
Executive Summary	<p>Following any significant review, it is good practice to conduct a lessons learned exercise to reflect on what went well and what went less well to inform future practice. The Audit and Governance Committee have requested that such an exercise is undertaken in respect of the review of senior officer pay, terms and conditions.</p> <p>The review of senior officer pay, terms and conditions for those at Head of Service level commenced in June 2014 and led to Heads of Service moving to Chief Officer terms and conditions following a decision of this committee and an associated new pay structure agreed by the County Council. The changes were implemented retrospectively with effect from April 2016.</p> <p>The overall findings of the lessons learned exercise show that the review was conducted professionally with a focus on transparency, consistency of approach/application and with independent external advice and support provided throughout.</p>
Impact Assessment:	<p>Equalities Impact Assessment: Not applicable</p>
	<p>Use of Evidence: Analysis of the process taking into account the views of those involved in the review.</p>
	<p>Budget: There are no financial implications arising from this report.</p>

Senior Officer Pay, Terms and Conditions - Lessons Learned

	<p>Risk Assessment: Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk LOW</p>
	<p>Other Implications: None.</p>
<p>Recommendation</p>	<p>It is recommend that the Staffing Committee note the positive way in which the review was conducted and some of the lessons learned.</p>
<p>Reason for Recommendation</p>	<p>Following a request from the Audit and Governance Committee.</p>
<p>Appendices</p>	<p>None</p>
<p>Background Papers</p>	<p>None</p>
<p>Officer Contact</p>	<p>Name: Natalie Adam, HR&OD Service Manager Tel: 01305 221785 Email: n.adam@dorsetcc.gov.uk</p>

1 Introduction

- 1.1 As part of the Council's project management framework, it is recommended that a lessons learned exercise is conducted at the end of the project. The purpose of this exercise is described in the framework as "to pass on in a concise form any lessons that can usefully be applied to other projects. This is to avoid the organisation constantly repeating mistakes and to ensure that good practice is shared.
- 1.2 This report will focus on providing an overview of the elements of the review, consideration of evidence given by officers and members to inform decision making as well as identifying the aspects which went well, less well and key learning points.

2 Background to the Review

- 2.1 At its meeting in June 2014, following some initial scoping work earlier in the year which was considered by the Corporate Leadership Team, the Staffing Committee supported a review of Senior Officer pay, terms and conditions. The review focused primarily on Heads of Service.
- 2.2 Members of the committee were informed that with the significant level of transformational change as part of the Forward Together programme, its leaders were pivotal to ensuring its success through the provision of significant cultural and structural change. Enabling and empowering staff throughout the organisation would be an important role for Heads of Service in delivering the new corporate vision. Part of this was the requirement to harvest savings in the medium long term. Re-focusing Heads of Service roles was identified as a way to support the changes and to enable the council to deliver the 4 principles of its People Plan.
- 2.3 A number of areas were considered by the committee in making its decisions including, the significant changes in many Heads of Service roles from an operational lead focus to wider portfolio with a more strategic, corporate focus reporting direct to members (previously this was at Director/Chief Executive level only). A reduction in the number of posts from 31 in 2004 to 17 at the outset of the review (with further reductions to follow) was also noted. A bottom line saving to the authority staffing costs in respect of Heads of Service since 2010 alone amounts to £675k (not including on-costs).
- 2.4 Inconsistencies between the pay, terms and conditions of peers across other councils were also evident with many being established on Chief Officer rather than Green Book terms and conditions. Green Book terms and conditions of employment did not reflect the nature of Heads of Service roles sufficiently well in respect of areas such as working hours and payment for enhancements.
- 2.5 Although many roles across the council were being reviewed (and where necessary re-evaluated through the council's job evaluation [JE] scheme) as part of significant levels of restructuring, Heads of Service roles had not been evaluated since the introduction of the JE scheme in 2004, due to the limitations of the scheme and salary scale.

3 The Review

- 3.1 The committee were keen to ensure that all staff groups were treated consistently and that there should be some external and independent support and challenge throughout the review process to ensure that it remained robust, fair and consistent. South West Councils (and latterly also the Local Government Association [LGA]) were involved in the review and external legal advice was sought at a number of

Senior Officer Pay, Terms and Conditions - Lessons Learned

points. The officer from South West Councils attended a number of the committee's meetings to provide information and to respond to queries.

- 3.2 It became apparent at an early stage that there were concerns at a national level about the ability of the council's JE scheme to accurately and effectively evaluate Heads of Service roles. A number of other JE schemes were considered before it was agreed that the LGA Senior Officer scheme should be used to JE roles. This also aligned with establishment of the roles on Chief Officer terms and conditions, which in turn required a new pay structure to be devised and implemented. The use of the LGA scheme aligned with the needs of the council in its changing working environment and provided for independent review; the JE process was conducted by South West Councils and the outcomes were validated by the LGA to ensure continuing integrity of their scheme.
- 3.3 The JE process involved individual roles being evaluated using information provided by Heads of Service and their managers (Director or Chief Executive). No appeals were received from post holders. The outcomes of the JE process aligned with the new proposed pay structure. The JE process also required new job descriptions to be developed which more accurately reflected the roles being undertaken. New job titles were also considered taking account of those of peers in other councils.
- 3.4 A change to terms and conditions requires implementation of a new pay structure. A pay structure was developed taking into account a number of key principles, including ensuring that the structure would be affordable, more aligned with other roles in other comparable councils and reduced some of the gap between Heads of Service and Directors given changing portfolios. A number of pay structure options were considered by the committee before a final preferred option was agreed consisting of a two level pay structure taking account of the different roles and responsibility levels within the Head of Service group. The cost of implementation was borne by savings achieved through not filling a Head of Service vacancy; the total cost of implementation was c£60k.
- 3.5 The new pay structure and terms and conditions also gave long-term flexibility as roles change to meet future circumstances. This has already been used to reduce existing posts again.

4 Communication and Consultation

- 4.1 The extent of trade union (TU) involvement and maintaining the balance between transparency with wider staff and the need to provide an effective consultation process for individual Heads of Service was considered at an early stage in the process. There was no legal requirement to consult on a collective basis with the TUs however it was agreed at the outset that they should be involved throughout. Discussions were productive and enabled CLT to understand both the views of the TUs and the views of their members. Additional meetings were set up at the latter stages of the process and the TUs were invited to attend the final meeting of the Staffing Committee to enable their views to be considered in addition to the opportunity to make written representations. One of the TUs was involved in part of the communication via SharePoint.
- 4.2 Consultation on a group and individual basis with Heads of Service was in place throughout the review. This enabled individuals to voice their views, and sometimes concerns, about aspects of the review. All Heads of Service accepted the new terms and conditions and associated pay without the need for further consultation.

Senior Officer Pay, Terms and Conditions - Lessons Learned

- 4.3 Communication to wider staff commenced in March 2016 prior to the Staffing Committee meeting. The high level of transparency was noted by staff given the amount of information provided openly on SharePoint (which enabled staff to comment and receive feedback by members of CLT), discussions at wider staff meetings and access to open Staffing Committee reports. In particular there was openness about why the review was happening, what it meant and how much it would cost. There were two key staff feedback areas; firstly in respect of the timing of the review (ie why senior officers be remunerated at a higher level at a time of significant organisational change and austerity) and secondly in respect of consistency of approach to JE (ie were all officers roles JEd where required). The clear ownership and involvement of CLT as part of the communication plan was a real positive.
- 4.4 As was anticipated, given the experiences of other councils on proposing changes to senior staff pay, there was a great deal of media interest in the proposals particularly in respect of the costs of implementation. Information had been provided in advance which explained how the cost would be funded (ie through the Head of Service vacancy) but also the significant reduction in costs of the top tiers of management across DCC within the previous c5 years. Media interest in the proposed changes resulted in the local press attending both county council meetings. The leader was also interviewed for local radio.

5 Committee Decisions

- 5.1 Decisions in respect of senior officer pay are made by the full county council. Consideration by the county council on such matters follows a recommendation by the Staffing Committee.
- 5.2 At the Staffing Committee meeting on 24 March 2016 agreement on changes to Heads of Service terms and conditions of employment was fully supported and agreed and a recommendation made to the county council that a new pay structure be approved.
- 5.3 Following feedback from staff, the TUs and other council members, the leader of the council requested that further consideration should be given by the committee and as such a decision was not reached at the county council meeting on 21 April 2016.
- 5.4 A further report was provided to the committee which gave some further statistical analysis and information for members of the committee and this led to a final recommendation to the County Council at its meeting on 21 July 2016 at which the motion to implement the new pay structure was carried. This led to Heads of Service being offered pay on the new pay structure on acceptance of new terms and conditions of employment with effect from 1 April 2016 (there was no back-dating of changes beyond the financial year).

6 Other Factors and Conclusions

- 6.1 The review took well over two years to complete. This reflects the time that was taken to research, develop and implement the changes. Final delays were as a result of the additional scrutiny requested by the Staffing Committee.
- 6.2 The following provides a summary of the review and highlights the learning points for the future:-

What went well
<ul style="list-style-type: none">• Clear, reasoned and well evidenced case for change provided to members

Senior Officer Pay, Terms and Conditions - Lessons Learned

<ul style="list-style-type: none">• Involvement of external organisations to ensure a robust and independent review was conducted• Process planning and implementation• Consultation with affected staff• CLT involvement and ownership of the proposals for change• Open, transparent communication with wider staff group and the media• Consistency of application of changes with staff on other terms and conditions of employment
What went less well <ul style="list-style-type: none">• The timing of the review and the resulting impact on wider staff views
Recommendations for the Future taking account of the above <ul style="list-style-type: none">• Early involvement of members• Clear communications plan involving all stakeholders considered early• Internal officers, members and external advisers working closely to ensure there are shared aims and understanding of issues

Debbie Ward
Chief Executive

November 2016