

# Managing people through major transitions

capturing the HR learning from the  
2009 local government reorganisations



## Acknowledgements

This publication is made possible because of the insight and expertise of human resources (HR) managers with first-hand experience of the current round of local government reorganisation (LGR). In particular, we would like to thank the following people who gave their time to be interviewed for this report:

**Janice Barclay**, HR Manager, Northumberland Council

**Brendon Hills**, formerly Head of HR and Development, Shropshire County Council, now Corporate Director of Community and Environment, London Borough of Harrow

**Rosie Ottewill**, Organisational Change Manager, Cheshire East Council

**Sam Williams**, Acting HR Strategy Manager, Shropshire Council

**Richard Woodroffe**, Assistant Director, LGR, Wiltshire Council

We would also like to thank **Kerry Furness**, **Debbie Beck** and **Anne Gibson** from Norfolk County Council and **Alison Painter** from Devon County Council who attended a workshop to discuss learning from the 2009 round of LGR and that of HR managers in councils that are preparing for possible future restructuring.

### Improvement and Development Agency (IDeA)

The IDeA supports improvement and innovation in local government, focusing on the issues that are important to councils and using tried and tested ways of working. We work with councils in developing good practice, supporting them in their partnerships. We do this through networks, online communities of practice and web resources, and through the support and challenge provided by councillor and officer peers. We also help develop councillors in key positions through our leadership programmes. Regional Associates work closely with councils in their areas and support the Regional Improvement and Efficiency Partnerships (RIEPs).

[www.idea.gov.uk](http://www.idea.gov.uk)

### Public Sector People Manager's Association (PPMA)

The PPMA serves and represents the professional interests of members working across the HR/OD professions within the Public Sector.

The Association, formerly known as SOCPO, influences and contributes to the development of public policy and legislation in this respect, constantly advocating the need for higher standards of people management and development to further enhance the delivery of public services.

[www.ppma.org.uk](http://www.ppma.org.uk)



## Contents

Introduction	4
Overview	5
A checklist of change	6
<ul style="list-style-type: none"><li>• Strong foundations</li><li>• Fit and fair processes</li><li>• Effective staff communications</li><li>• Top team appointments</li><li>• Responding to the political environment</li><li>• Making the most of trade union relations</li><li>• Transferring and harmonising terms and conditions</li></ul>	
Snapshots	8
<ul style="list-style-type: none"><li>• Cheshire East's ASPIRE framework</li><li>• Delivering pace and momentum the LGR HR timeline in Shropshire</li></ul>	
Talking points	13
<ul style="list-style-type: none"><li>• Dealing with unconstructive behaviour</li><li>• Ensuring appropriate HR capacity during LGR</li></ul>	
Find out more	19

## Introduction

'Managing people through local government reorganisation' reports on the experiences and learning of HR professionals in councils where new unitary local government structures are being implemented. The new councils came into being on 1 April 2009. Elections for some took place in May 2008 and, for others, in May 2009.

**Five areas became countywide unitaries:**

Durham (elections in May 2008), Cornwall (June 2009), Northumberland (May 2008), Shropshire (June 2009), Wiltshire (June 2009).

**The county area of Cheshire became two unitary authorities:**

Cheshire East (elections in May 2008)  
Cheshire West and Chester (elections in May 2008)


**The county area of Bedfordshire became two unitary authorities:**

Bedford (May 2009)  
Central Bedfordshire (May 2009).

Our focus is on the HR learning that is flowing from this round of restructuring. The report is based on a joint IDeA/PPMA workshop of HR managers involved in restructuring and interviews with many of those same managers. The workshop and interviews were held in May 2009. Together they provide first-hand insight into the complex process of change, how best to maximise staff commitment and performance through the change period and a series of practical checklists for those involved in similar change.

We are capturing emerging learning from what is an ongoing process. At the time of writing, the new councils are eight months into their new lives. The transition phase is winding down but much of the big challenge of transformation lies ahead. Thus the publication seeks to be a point of reference rather than the final word on the complex issues involved in unitary reorganisation.

Although this publication focuses on the lessons from managing the people management issues in LGR, much of the learning is highly relevant for managing other major transitions such as setting up shared services, or integrating local services across the public sector.



“HR has a highly strategic part to play in change management.”

## Overview

Local government reorganisation means big changes for staff. For many, it means a new employer. For some, it may mean a new line manager, new job content or a different place of work. For others, it threatens redundancy in the longer term or a move away from the local council. For those moving forward with the new organisation, restructuring entails fresh challenges as, together with their new colleagues, they strive to make the most of the opportunities and ambitions of the new council.

Performance in local government is highly dependent on people. Councils are people-centred organisations, both in terms of the customers they serve and how services are delivered. The uncertainty and anxiety that can arise during major change can affect performance.

HR professionals are charged with the challenge of helping councils maintain, and ideally improve, the contribution and performance of staff during what can be a turbulent period of change. As Rosie Ottewill, Organisational Change Manager at Cheshire East Council, puts it: “HR’s role is helping make LGR as positive an experience as we can so it leaves everyone ready, willing and able to do a great job.” In this context, it has a highly strategic part to play in change management – advising on and putting in place the activities and processes that will make the move to a new council as smooth as possible and maximise staff performance during the period of LGR.

Encouragingly, in a number of the councils that are part of the 2009 LGR, performance has not just been maintained but, in fact, has risen during LGR. In Wiltshire, for example, each of the old district areas reported that performance across the board had been at the same level, or had improved on the previous year. Janice Barclay, HR Manager, Northumberland Council, reports a similar experience:

“The worry was that performance would dip, people would leave or be so wound up about the whole process that there would be a problem for the organisation. In reality, that didn’t happen.”

What are the essential HR change management foundations for maintaining and maximising people performance during LGR? This report is structured around seven key areas which, together, provide a checklist of change:

- Strong foundations
- Fit and fair organisation change processes
- Effective staff communications
- Top team appointments
- Responding to the political environment
- Making the most of trade union relations
- Transferring and harmonising terms and conditions

We look in turn at each of these. Why are they so important? What is needed for successful delivery? How best can HR professionals in future restructuring authorities prepare for change?



“The political and organisational context for change is much more complex compared with private sector mergers.”

## A checklist of change

### 1. Strong foundations

Just as people lie at the heart of local government service delivery, people also lie at the heart of successful change. Winning the hearts and minds of staff to the change process is a vital building block of successful restructuring. Equally important are robust data and systems covering staff numbers, costs, performance, contractual status and other information needed for the achievement of smooth and effective reorganisation. Finally, there have to be effective mechanisms for the recruitment, transfer or exit of staff as well as consultation and negotiation with trade unions.

This trio of building blocks – workforce data, information and systems; initiatives to involve staff, and win hearts and minds; and effective consultation, recruitment, transfer and exit mechanisms – form the core of the HR role in delivering successful LGR. However, the context for the delivery of these three things can be highly complex. Unlike mergers in the private sector, LGR is not just a matter of combining two entities. In any one location in the 2009 reorganisation there were up to eight predecessor councils being replaced by a single new council.

The atmosphere in which the change process is taking place is often fraught. Predecessor councils may have been at loggerheads with each other over LGR proposals. In some cases, opposition to the approved reorganisation proposal can continue to hinder the practical processes that need to be undertaken to get LGR underway, sometimes long after judicial reviews and the like have been completed. Even where there are no such obstacles, different and inconsistent predecessor systems, workforce data and terms and conditions can present immense headaches for the workforce planning that is key to preparing for the new council.

Underpinning all this, the change process has to contend with a multiplicity of predecessor organisational cultures and ways of working and, as early as possible, set out a vision for the new council and what staff can expect. The bid process will have established elements of a vision and strategic ambition for the new authority but further work will be required to decide what this means for behaviour and culture and organisational design. Staff involvement at this stage can be an effective way of winning hearts and minds and early consultation with trade unions is also likely to be worthwhile.

A highly focused approach is needed from HR professionals to deliver all of this as well as the many other HR ingredients of LGR discussed later in this publication. The HR function needs credibility at the very top level to provide the strategic organisational change advice that is needed as well as experience in such change. It also needs to draw on the very best HR skills from predecessor authorities and assemble these together as early in the process as possible, virtually at first and then as an integrated team. Previous joint-working between HR professionals in the different councils can help in this respect.

## Checklist: strong foundations

### 1. A clear vision and culture for the new authority

- Have you engaged councillors and senior managers in discussing the implications of the new council's vision, strategy and desired outcomes for roles, behaviours, leadership style, values and culture?
- Are staff involved in this process and being given the chance to participate?
- Are you making the most of opportunities to establish the new tone and culture early in the process?  
Eg reiteration of the new values in communications/ induction programme.

### 2. Workforce data

- Do you know how many people are employed and on what terms?
- Is there a clear plan to bring the different workforce data systems together?
- Is there good alignment between HR and finance management information systems? Have you got audit involved?
- Have you got control of data and systems development in one overarching change project rather than leaving it to individual workstreams which run the danger of fragmentation and delay?

### 3. HR capacity and resources

- Have you identified what capacity you will need during the LGR period?
- Is there a process to accelerate HR integration so that the HR resource is in an optimal position to facilitate and advise on the change process?
- Is there clear leadership of, and responsibility within, the team, in particular to ensure continuity of HR responsibility from the outgoing councils?
- Are you prepared for the heightened political context of HR work during LGR?
- Does the team have sufficient successful change management experience to equip it to provide a high level organisation change advisory role? (If not, is there a plan in place for training or additional outside expertise?)
- Are support and advice mechanisms in place for what can be an immensely challenging and demanding HR workload?

**Snapshot:**

**Cheshire East's ASPIRE values framework**

**What?**

"Focusing on culture was one of the first pieces of work we did before we started to do any of the work around policies and protocols etc" says Cheshire East's Rosie Ottewill. "We were fortunate that we were able to appoint our shadow cabinet in Spring 2008. We involved all of the new members in thinking through what's important for this brand new organisation? What values do we need to start to define and live?"

**Why?**

"We felt quite strongly that the way we managed the transition would start to lay the foundation for the new organisation. It doesn't mean you can't change it but I think, if you can start to get the right foundation stones in place, it will enable you to then build far more quickly."

**Outputs**

"The result is ASPIRE. It stands for six words. Action – taking responsibility for making the right things happen. Support – working and learning together in order to succeed. People – putting customer and community needs at the heart of what we do. Integrity – being open, honest and fair, and expecting the same of others. Recognition – valuing all views, efforts and achievements. Excellence – striving to improve all that we do.

**Hindsight?**

"With all the arguments between the councils over LGR restructuring, it was like coming out of a war zone. We were entering a period of massive change and had to build trust very, very quickly. The values were very important in setting the tone and demonstrating a new approach. We strived to make sure there was a direct link from our cultural aspirations and values into the leadership style that we were developing in the new organisation. It was very important – staff look carefully not just at what is being done but how it is being done."

<b>Action</b> take responsibility for making the right things happen	<b>Support</b> work and learn together in order to succeed	<b>People</b> put customer and community needs at the heart of what we do
<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Implement agreed changes as quickly as possible</li> <li>• Balance urgency with quality and efficiency in delivery</li> <li>• Take responsibility for solving problems where possible</li> <li>• Be flexible about the way we work</li> </ul>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Communicate clearly and openly</li> <li>• Share information and best practice with others</li> <li>• Work together being prepared to compromise</li> <li>• Encourage and support others to achieve their potential</li> </ul>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Do our best to understand people's needs and requirements</li> <li>• Treat each person as an individual providing choice where possible</li> <li>• Work hard to make our processes simple</li> <li>• Agree realistic timescales and keep people informed</li> </ul>
<b>Integrity</b> be open, honest and fair, expecting the same of others	<b>Recognition</b> value all views, efforts and achievements	<b>Excellence</b> strive to improve all that we do
<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Treat everyone with dignity and respect</li> <li>• Speak up when others are behaving inappropriately</li> <li>• Face up to difficult or awkward questions and situations</li> <li>• Separate personal feelings from professional requirements</li> </ul>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Involve all members of our team, valuing their differences</li> <li>• Acknowledge everyone's efforts and contributions</li> <li>• Give and receive feedback positively and constructively</li> <li>• Celebrate success</li> </ul>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Take the initiative and make suggestions</li> <li>• Keep up to date with new developments</li> <li>• Try new ideas and approaches</li> <li>• Reflect and learn from our own and others' experiences</li> </ul>

## 2. Fit and fair organisation change processes

The complexities of LGR can be mitigated significantly by clear and transparent procedures covering what needs to happen, when it is going to happen and how it is going to happen. Everyone we interviewed emphasised how staff engagement was so much easier when they were able to see a process that was as clear, consistent and fair as possible and understand how they would be involved.

HR professionals involved in the 2009 LGR also stressed the advantages of gaining a sense of pace and momentum to dispel uncertainty as quickly as possible and to move from debate over restructuring into action to deliver it. "Pace is a key issue," says Brendon Hills who was the HR lead in Shropshire until vesting date. "At the end of the day all of the mechanisms we put in place – communications, recruitment freezes and retention programmes – were a way of dealing with uncertainty. So the quicker that you can get certainty for people, the quicker you can remove the need for all of those other programmes."

Sam Williams, Acting HR Strategy Manager, Shropshire Council reinforces the point: "Meeting the deadlines that we'd set was really important. If we said we were going to let people know by a certain date then we moved mountains to make sure that that happened so that people weren't left disappointed or left wondering."

**"The sooner you can gain pace and momentum, the quicker the chances of moving beyond the worries and into a positive, forward-looking mood."**

Building on the firm foundations discussed in the previous section, HR professionals have an important role to play in advising on organisational design for the new council and ensuring that there is a 'whole organisation' approach to planning and delivery of the new organisation's structure and staffing. In Northumberland HR Manager Janice Barclay recalls: "As soon as possible, each head of service drew up a new structure for their service. These were then subject to a statutory three month consultation period with staff and the trade unions. Much of the change focus in the run up to vesting day was on getting economies of scale and efficiencies from the integration of back office functions."

Barclay stresses that it isn't just the overall organisational design and consultation processes that need to be considered but also the detail of appointment and transfer procedures: "Managers were making hundreds of appointments and there was a myriad of different appointment categories – is it TUPE? is it a promotion? etc – and there was no clear procedure for telling payroll. If it is not thought through at the outset it can be a bit of a rush job. Processes and procedures need to be prepared well in advance – managers need to know what form to fill in and what box to tick."

There is no one template that is right for every LGR circumstance. A range of factors – local labour market conditions, the extent and timing of workforce synergies, current office locations and many other issues – will influence decisions on whether policies such as retention allowances and recruitment freezes are necessary and to what extent and over what time period. Brendon Hills recalls: "Everybody said retention allowances are a big issue. The analysis that we did at Shropshire showed that in some areas retention wasn't an issue at all – in fact turnover dropped. If you are going to have a retention allowance policy at all, there is a case for restricting it to the handful of people that are vital to making the reorganisation work and keep the show on the road with business as usual delivery during restructuring. However, each area will be different and councils facing disaggregation or in more dynamic labour markets will face different issues."

**"Don't assume you will need certain protocols – look hard at the business case for them."**

All the HR managers reported that a HR protocol that included arrangements for recruitment procedures was an essential component of their restructuring processes. It was an important element in making LGR more manageable and allaying staff fears. Richard Woodroofe, Assistant Director, LGR, at Wiltshire Council, says: “We had a recruitment protocol with agreement across the five authorities that we would avoid, as far as possible, making any new permanent appointments. We put it in place very quickly. The government announced LGR in July 2007. I think I met the districts within three days. By the end of August we had a draft protocol and it was agreed with the unions by the beginning of September. It gave a very clear message to the workforce that we were serious about trying to secure long term employment opportunities.”

Woodroofe also emphasises the importance of establishing clear principles on which the restructuring will be based and communicating these effectively so that they are understood by staff and managers. “It is important to make sure managers and staff fully understand the implications of the procedure. We had three key principles. First, we said that appointments have to be suitable. It is not about setting people up to do a job they can’t do. Second, the procedure did not discriminate in any way between staff from different authorities. Third, we aimed to ensure that people’s employment opportunities were maintained as far as possible. These were three key underpinning principles.”

**“Make sure staff and managers understand the principles and logic underpinning the procedures you put in place.”**

Finally it is easy, given the major challenges such as organisational design, recruitment, retention and transfer, to overlook some of the ‘nuts and bolts’ of creating a new authority or to assume that someone else is attending to them. For Rosie Ottewill in Cheshire East the ‘nuts and bolts’ issue was security badges: “We were so focused on the total change picture that the day one practicalities took us slightly by surprise. We got there in the end but it was a bit of a scramble. It was a key bit of learning for me that in our overall programme we didn’t have one person who was looking right across the full range of practical issues, pulling them together and making sure staff were informed.”

### Checklist: fit and fair organisation change processes

#### 1. Organisational structure and design

- What are the implications of the bid document for organisational structure?
- How can the new structure maximise flexibility and responsiveness to customer and community needs?
- Can the number of management tiers be reduced?
- Does it meet the ambition, values and focus of new council?

#### 2. Strong whole organisation change planning and delivery

- Are you moving quickly to resolve uncertainty and make the process and the timetable clear?
- What mechanisms do you need to put in place to maximise HR effectiveness – recruitment protocols? retention policies? slotting-in criteria? ring-fencing criteria? ‘at risk’ criteria as well as maintaining business as usual while bearing in mind the need for change for the future?
- Are these fit for purpose – do they match the recruitment needs of the new council and the local labour market? Are they cost-effective? Do they fulfil legal obligations?
- Are you undertaking due diligence during this process to ensure minimum impact for the new organisation?
- Will they be seen as fair by staff? Are they based on clear and fair principles?
- Will they stand up to public and media scrutiny – are they cost effective?

#### 3. Senior management’s understanding and needs

- Have you checked that the proposed HR mechanisms match the needs of senior management?
- Have you checked senior managers fully understand the mechanisms? Is there a chance to ‘walk them through’ and, in this way, trial and test the processes?

#### 4. Day one staff logistics

- Are plans in hand to ensure smooth day one staffing arrangements, including payroll processes?
- Have you thought of all the issues that can easily fall between stools – security badges, car parking arrangements, telephones, computer and e-mail log in?
- Is there clear responsibility for these things?

**Snapshot:**

Delivering pace and momentum – the LGR HR timeline in Shropshire

Date	Activity
November 2007	<p>Vacancy Management Protocol introduced.</p> <p>Work commenced on refreshing data and detail design of whole organisation structure.</p>
April 2008	<p>Draft 1 of structures published for consultation.</p> <p>Briefings with staff across the County regarding the draft structures (these continued throughout 2008).</p>
June 2008	<p>Draft 2 of structures published following consultation.</p>
August 2008	<p>Letters to approx 7,000 employees stating what their position was (ie at risk, in a ring-fence situation, assimilated to a post/posts etc.)</p>
September and October 2008	<p>Consultations undertaken with approx 800 'most impacted by LGR' employees.</p> <p>Expressions of interest in Early Retirement/Redundancy (ER/VR) received.</p>
November and December 2008	<p>Final decisions on ER/VR applications confirmed.</p> <p>Ring fence interviews undertaken and appointments made.</p>
December 2008	<p>Approx 30 employees not placed and considered at risk. Redeployment process commenced.</p>
January 2009	<p>Vacancy Management Protocol reversed. Re-deployees given priority for any vacancies before being advertised.</p>
February 2009	<p>Letters to approx 2,500 employees confirming their position in the new council.</p> <p>Letter to ex district and borough employees confirmed whether TUPE applied and if so, the option to transfer to Shropshire Council terms and conditions.</p>
January 2009	<p>Launch day – remaining employees at risk placed in posts within the new council.</p> <p>Welcome letter to all staff (12,000) to new council.</p>



“It’s all about talking with people not talking at people.”

### 3. Effective staff communications

Right from the start of LGR, staff have questions to ask and are looking for answers. ‘Communicate, communicate, communicate’ is a mantra that most people stress but, to be effective, communications during LGR have to be conducted and managed in a way that matches the needs of staff. Everyone we interviewed emphasised the value of staff being given regular opportunities to meet directly with those leading the restructuring and having the chance to get answers to their questions.

“We undertook a whole range of face-to-face sessions,” recalls Wiltshire’s Richard Woodroofe. “The leader, chief executive, other corporate directors and I would hold open sessions where the agenda was the audience’s as opposed to ours. In other words not talking at them but talking with them.” This approach finds echo with all the other HR professionals we interviewed. For example, Brendon Hills says that in Shropshire “the immediacy of getting out and actually fronting it visibly with staff paid dividends. Even when they were upset the fact that somebody has come out 20 odd miles to speak to people was important.”

Maintaining communications even when there is nothing new to say or when answers are not yet clear is also vital. Otherwise, a communications vacuum can develop and be filled with rumour and speculation. Many authorities continued to hold formal briefings even if there was very little to say and, at such times, used sessions to hold an open forum.

Hills also stressed the value of investing time in one to one sessions with staff. “What can’t be lost is the amount of time that you actually need to put into individual conversations. As a senior management team I think we saw about a thousand people between four of us in a space of a month in July 2008 just to give them 20-30 minutes of informal consultation. It was the senior manager doing it and was quite time consuming but immensely important.”

In an electronic age, a variety of communications platforms are possible and most authorities used a range of communications channels including blogs from the leader or chief executive and intranet access to key documents and presentations. Online communications such as blogs and forums introduce an immediacy and openness to communications that requires some careful management and ground rules. For example, anonymity of postings is not helpful as it can lead to abuse. Having a policy for avoiding repetitions of discussion threads by clear links to previously dealt-with subjects is important for making sure the process moves on.

“There needs to be a space for those who are happy with the change to add their voice.”

One of the challenges is that communications fora can easily be dominated by minority negative voices whereas those who are happy with or quite accepting of the changes are less vociferous. Cheshire East’s Rosie Ottewill says: “You don’t always hear from the people that are quietly sat there thinking ‘actually I think this is a really good thing’. That’s why it is important to engage staff in a mix of one to one as well as group conversations.”

## Checklist: effective staff communications

### 1. Direct engagement from the top leadership

- Are staff getting regular opportunities to hear directly from those leading the reorganisation?
- Is there a chance for them to get answers to their concerns and to feedback their comments rather than just hearing from top leaders?

### 2. A pro-active communications stance

- Is there sufficient communications capacity in place?
- Are you on the front foot with staff communications rather than planning them in a reactive way?
- Do you recognise the importance of maintaining communications even when there is nothing new to say?
- Do you have a quick way of identifying and rebutting rumours or wrong information?
- Are there clear ground rules to ensure discussions move on and don't get stuck on one issue?

### 3. An optimal range of communications channels

- Is the blend of face-to-face, online and printed material right?
- Is there a balance between group and 1:1 communications?
- Are you communicating equally to all staff in all the outgoing councils? Or is there a need to pay special attention to staff in councils with disaffected leadership?
- Is it possible to dovetail council communications with trade union communications?

### 4. Alignment of internal and external communications

- Are there clear mechanisms to ensure consistency of external and internal messages?
- Remember staff pay council tax too and speak to their friends and neighbours - they are a powerful aid for selling the benefits of change.
- Is there someone reviewing stakeholder, member, press and staff communications for consistency of message?

### 5. Straightforward tone and language

- Is the content of communications matching organisational values such as openness?
- Are straight answers being given including an honest 'don't know now but we hope to by X' for things that remain uncertain?

#### Talking point: dealing with unconstructive behaviour

Richard Woodroffe, Assistant Director, LGR, at Wiltshire Council, reflects on the heat that LGR can generate and the implications for negative behaviour.

#### Challenge

"Inevitably, given the debates and arguments over LGR, there was some behaviour which was not acceptable. Part of the difficulty for HR professionals is that it is often out of sight or out of reach. It may be taking place in a council into which you've got no right of access and you tend to hear about it second hand which makes it more difficult to address."

#### Response

"Generating trust and confidence in the process is one of the key factors in challenging negative behaviour. Arranging face to face meetings, particularly in councils where policy has been opposed to the unitary proposal, is important to give staff an opportunity to meet 'these ogres' from the potential new unitary and realise they are not ogres at all. Then following that up with working contact and involvement. We had an arrangement where one of the new corporate directors would be in a council where there were particular problems every week. I must have done, four or five sessions with different types of staff there. The more they see the LGR process delivering and taking shape, the more difficult it is for the rumour mill to be justified. Finally, of course, giving people certainty as early as possible about their own future is the most important way of moving on from negativity."

### 4. Top team appointments

Getting the top team in place is a vital step towards the launch of a new unitary structure. However, the exact arrangements for such appointments need to take account of the specific local circumstances, particularly election timing and its implication for chief executive appointments and the nature of other top team posts. Chief executive appointments were also subject to a national government requirement that they be nationally advertised.

In some authorities, elections in 2008 enabled chief executive appointments to be made early with the new executive leadership overseeing both transition and eventual transformation. In other areas, 2009 post-vesting date elections meant that existing chief executives stayed in place to oversee safe transition before handing the baton on to a new appointee after the elections.

There are advantages and disadvantages of each route. Most participants will say that the route taken in their locality worked for them and it is right to leave it to local decision. A later election enables the political and executive leadership that was behind the bid to also take responsibility for transition up to and immediately after vesting date. An early election enables the whole of the top team to be in place earlier but the timing of these elections adds to what is already a congested timetable in the 12 month countdown to vesting date.

Earlier in the process, an extended regulatory debate over the appointment process for top teams added to the uncertainty during the delivery of LGR but this was resolved by the decision to make national advertising mandatory for chief executive appointments but leave the remainder of the top team appointment process to local determination. The election timing particularly affect chief executive appointments but, whatever the election timing, senior management appointments can be made much earlier.

**“The timing of top team appointments needs to reflect local circumstances and is vital for helping maintain pace and deliver momentum.”**

In Wiltshire, for example, elections did not take place until June 2009 but the appointment process to the corporate leadership team was completed by May 2008. Richard Woodroffe says “it was very helpful to have our extended leadership team appointed nine months before vesting date. The implementation executive (IE) only met for the first time early in 2008. Within a month or so of it being established, the chief executive tabled a paper on broad organisational principles. The IE agreed the top organisational structure and began making appointments to those posts by Spring 2008. Then we moved on to what we call the extended leadership team – the 25 service directors – and most of the appointments were completed by July 2008.”

Top team appointments during LGR are likely to come under even more intense scrutiny, by politicians, the media and the public, than they normally do and HR professionals need to take full account of this in advising on the recruitment process. Remuneration is an obvious ‘hot issue’ and packages need to stand up to market competition and ‘value for the council tax payer’ tests. Job design, contracts and appointments in the transition period need to be as responsive as possible to the specific demands of transition and there will be a period when top teams are likely to have a mix of new, interim and backfilled roles.

## Checklist: top team appointments

### 1. Regulatory and political interface

- Have you taken full account of legal and regulatory obligations and obtained good legal advice?
- Are you designing processes that will be robust in the context of intense local political scrutiny and interest?

### 2. A clear HR advisory role

- Can your HR team provide clear options for members with the benefits and risks of each option explained, taking into account the staffing regulations and council constitutional issues?

### 3. Clarity and transparency

- Do your constitution or decision delegations need to be amended to account for regulation?
- Do you need new appointment structures to promote broad stakeholder engagement?
- Do you have a decision audit trail, which will stand up to inspection and scrutiny?
- Have you considered what arrangements need to be put in place around key appointments such as the head of paid service?

### 4. Understand the consequences

- Are you ready for what could happen? Have you thought through the reality of how certain appointment structures or processes will work in reality?
- Are you supporting your top managers who are delivering change in the middle of personal uncertainty?
- Are you clear on when interims vs backfilling will be appropriate?

## 5. Responding to the political environment

Local government reorganisation brings council HR professionals into much greater contact with the political process and with members than their normal role entails. The involvement and stance of members is likely to have implications all the way through the HR process during LGR – on matters such as staff consultation, organisational design and recruitment. Once the new council is in operation, member training needs to help get them quickly up to speed with what, in many cases, will be new and unfamiliar portfolios.

LGR itself is the subject of intense political debate and local politicians have an immense stake in its success. Conversely, some members and councils may be reluctant participants in LGR with implications for HR processes. These dynamics have implications for the role of members in the change process and how staff organisational change processes interact with members.

**“It’s a different ball game and the HR team needs to be ready and equipped to liaise with a wider group of stakeholders.”**

Many of the HR professionals we spoke to reported that their role vis a vis members was quite different during LGR. Brendon Hills, for example, recalls that in Shropshire “a large part of my role was building support with portfolio holders and members, as well as with senior managers, as we went through processes that they didn’t necessarily like.” A useful tip for HR managers who have not yet experienced the heightened political context of HR during LGR is to make contact with HR counterparts who have been through it to judge what the implications are for HR roles.

One consideration for HR managers is to think how best to allocate capacity from within their HR team to member issues during LGR. It is unlikely that all team members will be well equipped or experienced to handle such matters. This may, in turn, have implications for the division of labour within the team during LGR. Finally, member development programmes need to take account of the fact that LGR is likely to result in a considerable turnover of members with many new members or members from two tier councils needing to quickly familiarise themselves with new unitary portfolios.

## Checklist: responding to the political environment

### 1. Role of members in the change process

- Do you have member champions responsible for 'people' issues and learning and development issues?
- What arrangements need to be put in place to keep existing portfolio holders with people responsibility informed?

### 2. Role of members in the appointment process

- Are members clearly briefed on how the process will work and what their role within it is?

### 3. Member development programme design

- Have you engaged leading members early?
- Does your member development programme meet the new portfolio and potential member inexperience challenges that might arise?

### 4. HR capacity to deal with member issues

- Have you considered how best to develop your team to operate in a member environment?
- Is there a clear mechanism for responding to members' queries?

## Talking point: ensuring appropriate HR capacity during LGR

In common with some other areas, LGR in Northumberland was achieved without any performance dip and some measures, such as absence figures, improved. Nonetheless, HR Manager Janice Barclay has learning for the HR function if she was going through LGR again.

"You need to also establish a joint HR team with a very strong leader. In hindsight, the formation of a HR function for the new council should have been an accelerated project so that a fit for purpose HR team could be in place early on, which in turn would mean that HR could concentrate on supporting managers rather than worrying about their own position. However, we sought to achieve the same result by creating what we called a 'virtual HR team' which included people seconded from the district councils. This brought a mix of skills to the HR function at an early stage. A further crucial element was providing the HR advisers with clear written guidance on the various rules and procedures so that a consistent message was given and colleagues felt confident they were providing sound advice to managers."

"My advice to others is don't underestimate the task and, regardless of what anybody says, make sure you have some continuity of HR responsibility from the outgoing councils beyond vesting day. That didn't happen in Northumberland and it has made the task of sorting out terms and conditions and ongoing staffing issues much more difficult. We had a work stream called 'base lining' which was responsible for pulling together information for all sorts of things – finance, HR etc. For a variety of reasons, the information collected did not include full details of all district HR matters, for example many 'custom and practice' issues are not recorded. It is crucial to put arrangements in place whereby there is a senior contact available beyond vesting day from each of the outgoing councils who can be called upon for information and local knowledge."



“Effective and streamlined machinery needs to cover all the councils affected.”

## 6. Making the most of trade union relations

Trade unions play a key role during restructuring. Effective union relations, consultation and negotiating machinery can do much to assist restructuring and help gain staff support for change. Similarly, unwieldy relations with the unions can add extra headaches. A common challenge in all LGRs is to manage labour relations across what can be upwards of half a dozen predecessor councils with a number of different trade unions and different trade union branches.

“Relationships with the trade unions helped the process,” recalls Richard Woodroffe in Wiltshire. “We set up a specific joint consultative arrangement between the managers within the five authorities and trade union reps from across the five authorities. That began in September 2007 and was helpful. It meant we had formal procedures in place from a very early stage and that formal consultation negotiations could take place quickly.”

The nature of the trade union role will vary considerably from area to area. In localities such as the North East, with a long history of Labour control and interrelationships between members and the trade unions, the dynamics of trade union relationships are not confined to labour relations channels but can also play a major part in the wider political debate around restructuring. This adds to the importance of establishing effective and streamlined machinery to cover all the councils affected.

The ‘big ticket’ items for trade union concern are jobs and the avoidance of involuntary redundancy and, of course, protection of terms and conditions. Headcount reduction is implicit if synergies are to be gained from the move to unitary structures but, in many instances thus far, the 2009 LGR has avoided involuntary job losses. Harmonisation of terms and conditions is perhaps the bigger challenge (see next section).

As well as the establishment of effective machinery to manage trade union relations during restructuring, HR professionals need to give careful thought to how they channel relations, the representativeness of relations and the nature of relations. In terms of the former, there may be some situations where placing a greater reliance on discussion with regional officials may be more productive than with local representatives. In terms of representativeness, joint consortiums based simply on the numbers of existing trade union representatives in predecessor authorities may not be representative of the workforce and existing arrangements for consultation may also be unwieldy. Finally, clear boundaries need to be drawn between what is up for negotiation vs what is for consultation vs what is for information only.

### Checklist: making the most of trade union relations

#### 1. Involvement and decision-making

- Who are you going to involve through consultation?
- Who you are going to involve in decision-making?
- What is the right balance between involving regional officials as opposed to local representatives?

#### 2. Clear protocols and machinery

- Are you establishing a single negotiating mechanism to cover all councils that are being reorganised as soon as possible?
- Is this mechanism representative of unionised staff?

#### 3. Which battles to fight and when?

- What are the ‘must agree’ items before vesting day and what can wait until later?
- Make sure you get robust advice on the technical consultation requirements – if a claim is made late on can you defend it?

## 7. Transferring and harmonising terms and conditions

The existence of a number of predecessor authorities with a plethora of terms and conditions poses a major HR challenge. During restructuring there is the potential for different terms and conditions to create anomalies, particularly in severance situations, with members of staff from different predecessor council on different redundancy terms. Advance harmonisation of severance schemes has been a priority. Now that they are in being, the new authorities face the need to harmonise the many other different pay and conditions arrangements in order to ensure future equality and fairness.

The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) preserve employees' terms and conditions when a business or undertaking, or part of one, is transferred to a new employer. This is the first round of local government reorganisation where TUPE has applied. In previous rounds, a staff commission was established to decide transfer rules.

Using TUPE has brought local government into line with other sectors. The exact application of TUPE can be quite complex in some circumstances, for example where existing councils are being disaggregated into more than one successor unitary body such as in Cheshire and Bedfordshire. Many participants in the 2009 LGR were uncertain about how TUPE applied, at least in the early stages of the reorganisation. In June 2008, the Department for Communities and Local Government, supported by Local Government Employers (LGE), published guidance on staff regulations and that, together with its actual implementation, has provided a clearer TUPE policy context for the future.

### “Clear up TUPE uncertainty at the earliest possible stage.”

Janice Barclay, HR Manager at Northumberland Council, says: “The single biggest issue has been the application of TUPE and dealing with the transfer of hundreds of staff from six other organisations who are all on different terms and conditions and different policies and different ways of doing things. Getting one severance scheme and one disciplinary procedure that covers the new council, for example, were major jobs.”

The basic task of gathering and verifying information on all the different predecessor terms and conditions that apply to individual staff is vital and may not be easy in a context where HR headcounts are being reduced and teams amalgamated. Barclay recalls: “We had a situation where all the heads of HR in the districts did not transfer to the new council and we had a real lack of continuity with the result that we are still discovering things about terms and conditions that we didn't know about. With hindsight, getting everything recorded early on and under the responsibility of a continuing officer is important.”

### “The big harmonisation challenge lies ahead.”

In common with her HR colleagues in other new unitary authorities, Barclay is conscious that the big challenge will be when they seek to harmonise terms and conditions which had not yet been brought into a single scheme. In Wiltshire, Richard Woodrooffe says the major push on harmonisation will apply from October 2009: “We've got staff who are subject to five different pay arrangements and terms of employment. That is not sustainable in the longer term for reasons of equality and equity. So we have an agreement with the unions that harmonisation will apply from 1st October 2009. It is too complex to have everything sorted by then but it will be retrospective to then.”

#### Checklist: transferring and harmonising terms and conditions

##### 1. Gathering and verifying terms and conditions

- Is there clear responsibility for getting this done as early as possible in the reorganisation?
- Are there systems for importing data, including the informal 'custom and practice' data, onto a single staff database?
- Have you got continuity of responsibility from outgoing councils?

##### 2. Get the organisation to understand TUPE

- Have you got clear legal advice on how TUPE applies to your reorganisation?
- Have you got consensus with your trade unions on this?
- Are your consultation letters and consultation processes, and those of the outgoing councils, sufficiently robust to withstand challenge further down the line? Don't forget that liability for

outgoing councils' failure to consult properly is likely to transfer to the new council.

- Are you ensuring that management and staff understand how TUPE applies?
- Does your HR team have clear guidance on TUPE and other staffing related processes so that a consistent message is given?

### 3. TUPE and beyond

- Have you agreed arrangements for harmonisation after vesting date?
- Is there a timetable for when harmonised terms and conditions will apply?
- Does the organisation understand the risks of not harmonising? (eg equal pay claims and unfairness arising from people doing much the same sort of job but being rewarded differently because of history)

### 4. Ensure political and senior management commitment to harmonisation

- Do politicians and senior management understand the reasons for harmonisation (equality, equity etc)?
- Is there commitment on their part to prioritise harmonisation in a timely way?

### Find out more

This report is one of a series of reports and initiatives from the IDeA on local government restructuring. Other materials include:

#### Gearing up for change: learning from previous reorganisations

Councils who have been through a reorganisation process before have a wealth of experience to share. Their case studies are available in an IDeA publication, 'Gearing up for change: preparing for the new unitary councils'.

#### Capturing the learning: delivering the new unitary councils

Capturing the learning reports on the emerging experiences and learning of leaders, chief executives and top management in councils where new unitary local government structures came into being in 2009.

There are a range of other useful publications and guidance. These include:

#### Guidance on staffing regulations:

'Local Government Restructuring Guidance on Staffing Issues', Department for Communities and Local Government, June 2008

#### Other IDeA resources relevant to councils managing major change include:

#### Web resources on:

- The workforce issues in setting up shared services
- Achieving the right organisational culture for success: [www.idea.gov.uk/culturalchange](http://www.idea.gov.uk/culturalchange)
- Employee engagement

#### Publication:

- 'Bridging the Gap: a guide for local authorities when appointing an interim chief executive'

#### Communities of Practice:

- Organisational development
- Workforce matters

[www.communities.idea.gov.uk](http://www.communities.idea.gov.uk)

**IDeA**

Layden House  
76-86 Turnmill Street  
London EC 1M 5LG

telephone 020 7296 6880  
facsimile 020 7296 6666  
email [ihelp@idea.gov.uk](mailto:ihelp@idea.gov.uk)

[www.idea.gov.uk](http://www.idea.gov.uk)

Published by the Improvement  
and Development Agency for  
local government (IDeA) and the  
Public Sector People Manager's  
Association (PPMA).



©IDeA – December 2009

Printed on 100 per cent recycled paper  
using vegetable based ink.

For a copy in Braille, Welsh, larger print or audio,  
please contact iHelp on 020 7296 6880.  
We consider requests on an individual basis.

L09-782

Produced by Liberata Design and Print Studio