

Meeting	SPA Resources Committee
Date	11 November 2021
Location	Video Conference
Title of Paper	SPRM Closure Report
Presented By	Jude Helliker, Director of People and Development
Recommendation to Members	For Discussion
Appendix Attached	Appendix A – SPRM End Project Report

PURPOSE

This report presents the Staff Pay Reward Modernisation (SPRM) Project End Project Report.

Members are requested to discuss the content of this report.

1. BACKGROUND

- 1.1 At the full establishment of the Scottish Police Authority (SPA) and Police Scotland on 1st April 2013, employment of all Authority / Police Staff from the 8 legacy forces, their associated police authorities or joint boards and 2 organisations (Scottish Police Services Authority (SPSA) and Scottish Drug Enforcement Agency (SCDEA), transferred to the SPA as the legal employer. As a consequence of this, circa 6700 staff transferred to the SPA whilst retaining their existing employment conditions. This created an organisation operating across nine sets of legacy Terms & Conditions and associated policies in addition to the new interim SPA Terms and Conditions. This also created a consequence of varied rates of pay for roles that shared similar demands or a common purpose, certainly in terms of nomenclature or the area of business activity.
- 1.2 To resolve this and mitigate the equal pay and other associated risks the Staff Pay and Reward Modernisation Project (SPRM) was initiated, initially as a work-stream of the Corporate Strategy in 2014, then as a full project in 2016.
- 1.3 With the project now delivered the End Project Report is attached for information and to formally recognise the closure of the project.
- 1.4 An Audit Review by Police Scotland Assurance team is due to take in November 2021, the findings of which will be presented to the Committee on completion. Internal Audit is also scheduled for completion in Q4 and this will be presented to the ARAC in May 2022.
- 1.5 During the project, Lessons Learned were collected from key stakeholders including: the SPA, the Trade Unions, SPRM Project Team and Management, Project Board and Delivery Group members. Full details are noted in the attached report.

2. FURTHER DETAIL ON THE REPORT TOPIC

2.1

	Business Case	Actual	
SPRM Project Commenced	April 2016	April 2016	✓
Planning Stage	January 2018	January 2018 Completed	✓
Negotiation Stage	June 2018	February 2019 Completed	✓ delayed
Implementation Stage	December 2018	April 2019 Completed	✓ delayed
Appeals & Closure	June 2019	September 2021 Completed	✓ delayed

- 2.2 Although the timeline shows that the conclusion of negotiations were delayed, this was due to the Trades Unions counter proposals in relation to Recognition payments. Further discussions were required with Scottish Government and these and the subsequent and time taken to receive approval led to a delay in the ballot and the implementation.
- 2.3 The scale and potential timeline of the appeals process could not be accurately estimated until all submissions were received however an estimate and associated resource request was presented through the Police Scotland governance and approved in Q2 2019/20. Due to the need to recruit external Appeal Panel Chairs and staff this pushed back the start of the appeals process (the formal sift) until Q4 2019/20.
- 2.4 The impact of COVID-19 further challenged the organisation and project team and despite receiving the full support of both the SPA and Police Scotland the need to change the approach from in-person to virtual hearings further delayed the process. The SPA Resources Committee, the Independent Chair, the Trades Unions and business areas were all consulted on this potential change prior to progressing and this led to further delays.
- 2.5 Below are the non-financial benefits as per the project Benefit Profiles. All relate directly to project implementation and were delivered on the 1st of April 2019.

<p>1 – Increased Fairness - All staff on one Pay and Grading Structure</p> <p>Measure: Previously 126 pay and grading scales, Target will be 1 pay and grading scale with 14 grades.</p> <p>This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.</p>
<p>2 – Increased Efficiency - Common Pay Dates/Leave Year & single set of terms and conditions</p> <p>Measure 1: Currently 11 different sources for information, Target will be 1 source</p> <p>Measure 2: Currently 4 pay dates, Target will be 1 pay date</p> <p>Both measures have been achieved as of implementation date (01/04/2019) therefore this has been realised.</p>
<p>3 – Increased Effectiveness - Standardisation of terms reflected in all policy and support documentation</p> <p>Measure: Currently 80 different policies, Target will be 62 policies.</p> <p>This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.</p>
<p>4 – Decreased Financial Risk - All staff to be on a single set of Terms and Conditions</p> <p>Measure: Currently 10 payments and processing of Allowances, Target will be 1 single payments and processing of Allowances.</p> <p>This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.</p>

- 2.6 While not staged as a project benefit it should be recognised that one of the Drivers for Change for the project (and one of the key risks) was to ensure equal pay. The project at implementation (1 April 2019) delivered a reduction in the staff gender pay gap and achieved Living Wage accreditation for the organisation.

	Pre SPRM %	Post SPRM %
All Staff Gender Pay Gap	12.4	10.7

3. FINANCIAL IMPLICATIONS

- 3.1 The SPRM Full Business Case and its approval by SPA/PS and the Scottish Government Remuneration Group provided agreed parameters to enable negotiations between SPA/PS and the Trades Unions to commence.
- 3.2 The table below illustrates the costs post negotiations (and subsequent revision by the REM Group), at the time of SPRM implementation and the subsequent appeals process. There has been regular engagement with PS Finance department to ensure oversight and clear understanding of the impact of outcomes on the budget.

	18-19 £m	19-20 £m	20-21 £m	21-22 £m	22-23 £m	23-24 £m	24-25 £m	Total
Business Case								
Cost Pressure (recurring)*	0.0	7.3	3.7	4.3	5.0	2.9	0.0	23.2
Compensation (non-recurring)*	14.3	0.0	0.0	0.0	0.0	0.0	0.0	14.3
Protection (non-recurring)*	0.0	2.5	2.5	0.0	0.0	0.0	0.0	5.0
Business Case TOTAL	14.3	9.8	6.2	4.3	5.0	2.9	0.0	42.5
Actual costs								
Cost Pressure (recurring)	0.0	7.3	3.6	4.6	5.5	3.0	0.0	24.0
Appeal outcomes (recurring)	0.0	1.9	0.3	0.0	0.0	0.0	0.0	2.2
Compensation (non-recurring)	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Protection (non-recurring)	0.0	2.5	1.8	0.0	0.0	0.0	0.0	4.3
Appeal outcomes (non-recurring)	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Actual costs TOTAL	12.0	11.7	6.6	4.6	5.5	3.0	0.0	43.4
Actual recurring costs	0.0	9.2	3.9	4.6	5.5	3.0	0.0	26.2
Actual Non-recurring costs	12.0	2.5	2.7	0.0	0.0	0.0	0.0	17.2
Variance under / (over)	2.3	(1.9)	(0.4)	(0.3)	(0.5)	(0.1)	0.0	(0.9)

*As signed off by SG Remuneration Group (November 2018), with no estimated cost of implementing an appeal process.

4. PERSONNEL IMPLICATIONS

4.1 There are no personnel implications associated with this report

5. LEGAL IMPLICATIONS

5.1 There are no legal implications associated with this report

6. REPUTATIONAL IMPLICATIONS

6.1 There are no reputational implications associated with this report

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this report

8. COMMUNITY IMPACT

8.1 There are no community impact implications associated with this report

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications associated with this report

10. ENVIRONMENT IMPLICATIONS

10.1 There are no environmental implications associated with this report

RECOMMENDATIONS

Members are invited to discuss the information contained in this report.

Police Scotland Staff Pay and Reward Modernisation (SPRM) End Project Report (EPR)

Key Background Information		
	Forecast	Actual
Costs	£42.5m (5 years)	£43.4m (5 years)
Duration	April 2016 – Given project status December 2018 – SPRM Implementation June 2019 – Closure	April 2016 – Given project status April 2019 - SPRM Implementation September 2021 - Closure
	Realised	Forecast
Benefits	Single Pay and Grading Structure Single set of Terms and Conditions for all SPA/PS staff	Single Pay and Grading Structure Single set of Terms and Conditions for all SPA/PS staff

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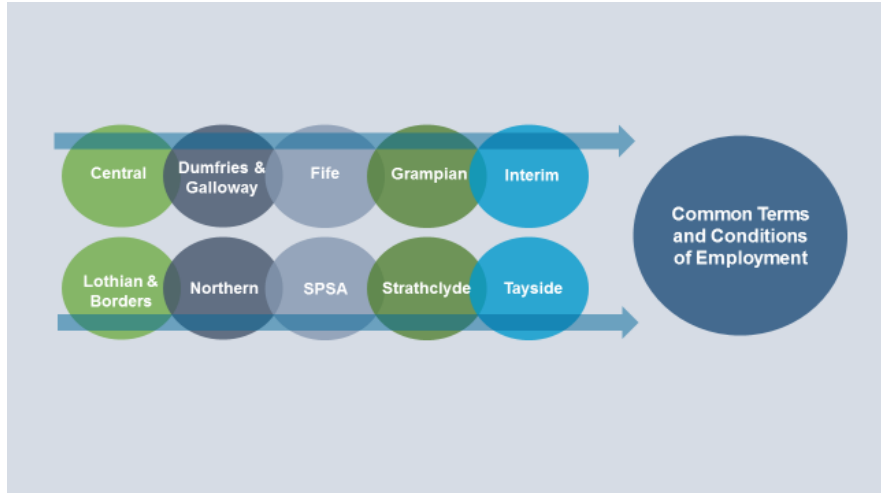
Appendix A – SPRM Full Business Case

Version Control and Date	01/6/21 V03
Authors	Douglas Neilson Senior Project Manager SPRM
Review	Graham Noble, ER and Reward Manager Jackie Kydd, Workforce Governance Lead, Scottish Police Authority
Approved By	Head of ER and Reward Nicky Page SPRM Project Board

1. Project Overview

The purpose of this paper is to review the delivery of SPRM. The Full Business Case (with further detail on the below) is attached as Appendix A.

At the full establishment of the Scottish Police Authority (SPA) and Police Scotland on 1st April 2013, employment of all Authority/Police Staff from the 8 legacy forces, their associated police authorities or joint boards and 2 organisations (Scottish Police Services Authority (SPSA) and Scottish Drug Enforcement Agency (SCDEA), transferred to the SPA as the legal employer. As a consequence of this, circa 6700¹ staff (non-Police Officer) transferred to the SPA whilst retaining their existing employment conditions. This created an organisation operating across nine sets of legacy Terms & Conditions and associated policies (SCDEA operated under SPSA Terms) in addition to the new interim SPA Terms and Conditions. This also created a consequence of varied rates of pay for roles that shared similar demands or a common purpose, certainly in terms of nomenclature or the area of business activity.



In line with similar change programmes in the Public Sector, it was anticipated that such modernisation of Staff Pay and Reward would take a number of years to complete. It was also accepted that, SPA/Police Scotland was unique in many ways, certainly in terms of scale and the work that its staff perform.

Modernisation was initially included as a work stream within the Corporate Strategy 2014 -16 (i.e. 'Standardise our Terms and Conditions of employment' being the relevant work stream title within the 'Our People' strategic delivery plan) and significant work was undertaken to understand and interpret the legacy position inherited by SPA/Police Scotland.

With the Corporate Strategy nearing its conclusion (31st March 2016) a review was undertaken and this included a Health Check Review for Staff Pay Reward and Modernisation. This Health Check recognised that whilst significant progress had been achieved, the scale of activity remaining (beyond lifespan of the Corporate Strategy), volume of dependencies on other business areas, and extent of risks involved were such that the work stream warranted uplift to formal project status.

An Outline Business Case was subsequently developed and approved by SPA Human Resource and Remuneration Committee (HRRC) on 29th April 2016 which prompted formal establishment of Staff Pay and Reward Modernisation as a Project (SPRM).

The Outline Business Case (OBC) and an associated Project Management Plan defined the strategic direction on which work would be progressed to establish a Full Business Case position. The strategic direction recognised that significant scoping and development work was required, through Job Evaluation, Pay Modelling, and Options Appraisal before a Full (financial) Business Case could be presented.

¹ Authority/Police Staff numbers of 6700 had reduced to circa 5600 as at March 2017, and have risen to circa 6,200 as at March 2021.

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Five options were identified within the OBC:

- **Option 1** - 'Do Nothing'
- **Option 2** – Apply common (conjoined) set of Terms and Conditions (including single Pay and Grading structure) via probable Dismissal and Re-engagement
- **Option 3** – Work to negotiate common (conjoined) set of Terms and Conditions (including single Pay and Grading structure) by mutual agreement.
- **Option 4** - Work to negotiate common (conjoined) set of Terms and Conditions (including single Pay and Grading structure) by mutual agreement, with preparedness to dismiss and re-engage if required
- **Option 5** – Work to negotiate a common set of Principal Terms and Conditions (including single Pay and Grading structure) doing so in stages by mutual agreement. This may see individual Terms and Conditions and People & Development policies being negotiated separately from each other and to a single Pay and Grading structure.

Option 4 was approved. The FBC was then developed in line with this option to enable parameters to be agreed which would in turn allow the process of negotiation and agreement with the Trades Unions to begin.

The FBC was approved through The SPA, Police Scotland and Scottish Government (REM Group) governance and the negotiations began on 8 February 2018. As part of the negotiations a number of counter proposals submitted by the Trades Unions sat outside of the agreed financial envelope therefore a further paper was presented to the Scottish Government Remuneration Group (REM Group) for approval. After some delay the updated position was approved by the REM Group and this allowed the formal offer to be made to the Trades Unions and for their ballot process to begin following the successful outcome of the staff ballot (February 2019) the new SPA/PS staff Terms and Conditions and Pay and Grading Structure were implemented in April 2019 despite extremely challenging timescales from acceptance to implementation

Following implementation the Job Evaluation Appeals process began, delivering outcomes to staff in April 2021. The table below summarises outcomes.

SPRM Appeal Impact Summary

	Individuals	Base	%
Implementation 1/4/19 (positive impact)	4,608	5,815	79.2%
Implementation 1/4/19 (detrimented)	1,207	5,815	20.8%
Appeals	1,382	5,815	23.8%
Revised impact (includes non-appealed)*	685	6,174	11.1%
Still in detriment on 1/4/21	181	6,174	2.9%

** Approx. 22% of individuals who appealed received a revised grade.*

The Key Drivers for Change

The vision for the project is that the SPA/Police Scotland will be a responsible employer in fulfilling their statutory and moral obligations through being:

- **Modern** – An organisation that has an agile and flexibly deployed workforce where staff feel motivated, empowered and valued.
- **Fair & Equitable** – An organisation that has a fair, equitable and affordable pay policy and appropriate Terms and Conditions that support policing priorities.
- **Sustainable** – A sustainable organisation that attracts retains and develops skills, experience and talent.

Within the Outline Business Case and the Full Business Case, the principal drivers for change were highlighted as:

- 1) **Fairness and Equality** – Fairness and equality for staff is a key driver for this work. Integrity, Fairness and Respect are core values of Police Scotland and fairness and equality is reflected in the principles that underpin organisational strategy.
- 2) **Legislation** – There is a need to comply with various aspects of legislation relative to the employment of people. This primarily includes the Equality Act (2010), and the Equality Act (Specific Duties) (Scotland) Regulations (2012) (and associated Statutory Codes of Practice for Employment and as such these must drive our approach in the progression and delivery of a single set of Principal Terms and Conditions (including Pay and Grading) through a process of Modernisation. Whilst not referenced in the Outline Business Case, it is also appropriate to highlight Section 37(1) of the Police and Fire Reform (Scotland) Act 2012 which provides “It is the duty of the Authority to make arrangements which secure best value for the Authority (that is, a continuous improvement in the carrying out of the Authority’s functions). The Authority’s functions include the employment of police staff (Section 26 of the 2012 Act) and Section 27 makes a general provision for the Authority to set Terms and Conditions of employment for police staff. In securing best value, the Authority and the Chief Constable must maintain an appropriate balance among; a) the quality of the carrying of its functions; b) the cost of carrying its functions; and c) the cost to persons of any service provided for them on a wholly or partly rechargeable basis by the Authority or, as the case may be, under arrangements made by the Chief Constable.
- 3) **Consistency of Approach** – Another driver for this Project is to deliver consistency of approach in respect of Terms and Conditions (including Pay and Grading) and associated policies/processes for all Authority/Police Staff. Working to address this driver would simplify matters for staff and managers across the organisation, for example a number of existing Standard Operating Procedures (SOPs) have ten different annexes meaning that line managers may need to apply differing approaches dependent on the legacy organisation of the staff member.
- 4) **Modernisation of Working Practices** – There is a requirement to modernise working practices to more closely align with other public sector practices, particularly around shift working and related allowances. Modernised practices should reflect that Police Scotland is a 24/7 organisation and this should be reflected in staff Terms and Conditions such as shift working payments, overtime, flexi-time as well as a family friendly approach.
- 5) **Continuous Improvement** – Continuous improvement is a driver for the Project where the delivery of a de-cluttered landscape with regard to Terms and Conditions will enable opportunities to improve the efficiency and effectiveness of our people management practices and interactions. Managers will have greater autonomy and responsibility for the management of people, supported by modernised policies, processes and ‘self-serve’ manager guides.

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- 6) Affordability / Sustainability** – It is recognised for this Project that financial savings are a secondary driver as delivery of such Modernisation programmes generally come at an initial increase to costs. It is expected however that delivery of Modernisation will present an enabling position (i.e. de-cluttered landscape and process re-engineering opportunities, and will enable easier organisational change processes) which may realise savings, and allow the organisation to be more sustainable/affordable in the future through improved efficiency/effectiveness.
- 7) Management of Risk** – A further driver for this Project is to mitigate risk. Risks include potential liability for the organisation that could arise from equal pay claims (this risk increases the longer any inequality is not addressed), potential for Industrial Action, potential for decreased staff relations and for reputational damage if Modernisation is not delivered effectively.

Pay and Grading

Prior to SPRM there were 126 different Pay Grades across 1200 different job roles and staff across the country were remunerated for undertaking the same or a similar role but at significant variance (e.g. PCSO base pay varied between £18.4k to £25.7k, and HR Adviser between £24.1k and £41.3k – this did not include allowances which were also varied).

This created an Equal Pay Liability. Employee discontent was high due to staff working alongside peers, doing the same or similar roles and being paid different rates of pay with differing terms and conditions some of which were impactful in relation to pay (e.g. working week). With the introduction of the interim terms for Police Scotland (to enable recruitment whilst the project was ongoing), this added another layer of complexity in the short term as some roles were graded higher than the legacy roles.

In order to eradicate the equal pay liability a robust Job Evaluation scheme was implemented. The Job Evaluation scheme also received independent external scrutiny to ensure equality considerations had been fully considered.

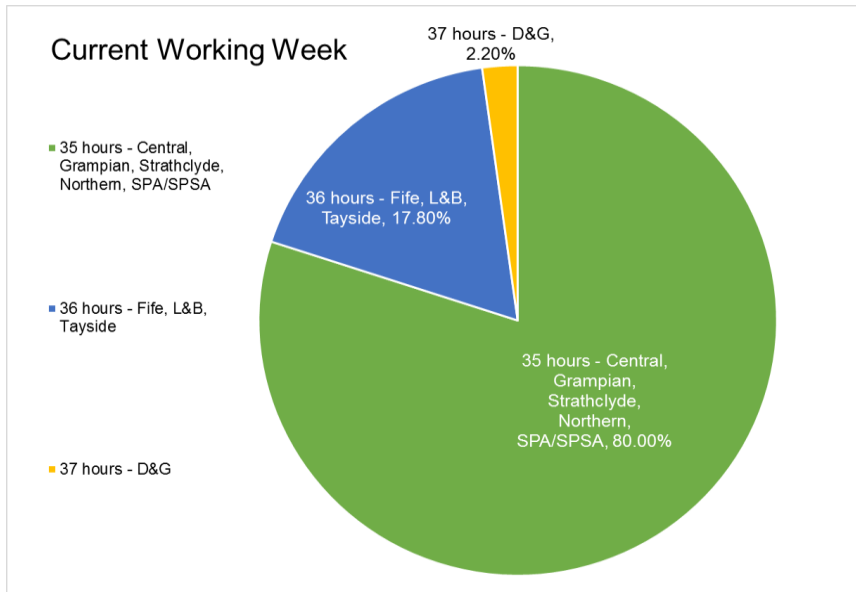
There are now only 13 staff grades used across the organisation.

Terms and Conditions

In a similar vein to the process described for legacy Pay and Grading Structures, there were 10 sets of terms and conditions and within these circa. 35 different types of terms and conditions. Of these 35 it should be noted that legacy organisations had different ways of interpreting and applying these conditions and there were in excess of 450 variations and interpretations across the legacy Terms and Conditions.

Of the 35 terms and conditions there were both pay related and non-pay related areas to assess. Pay related included working week, shift allowance, length of the working day, annual leave and public holidays, overtime, sick pay, subsistence.

Below is an illustration of the variance in the working week prior to SPRM implementation.



Post SPRM, all posts are now a maximum of 35 hours per week.

All legacy terms and new options/proposals were fully costed and equality impact assessed.

2. Investment Objectives

The following were approved as Investment Objectives from within the Outline Business Case and Full Business Case:

- To deliver 'consistency of approach' and a 'Modernisation of working practices' through establishment of a single Pay & Grading Structure, common set of Principal Terms & Conditions and a common set of People & Development Policies.
- To ensure 'fairness & equity' and 'compliance with legislation' relevant to equalities and the employment of people.
- To ensure that the delivery of Modernisation is 'affordable and sustainable' and that the approach best 'manages risk', especially from a financial liability perspective (acknowledging that potential Equal Pay Claim risks increase the longer any inequality is not addressed).

3. Benefits & Cost

Benefits were delivered at Implementation in 2019 – they have been transferred over to BAU and accepted by the BAU team prior to the creation of the new Benefits Contract handover document.

Project Benefits have been separated in two key areas; financial and non-financial.

Costs/Financial Benefits

The complexity of the project derives from the fact that the legacy forces operated generally within specific economic markets and pay bills were controlled (in part) as a result of staff pay reflecting the local economic conditions. The exception to this was the SPSA who had already undertaken a modernisation exercise and had implemented a national pay model which covered roles across Scotland. It is worth noting that the SPSA pay model was the highest pay model inherited, and this was developed to meet the challenge of recruiting staff in all economic markets that exist in Scotland.

The negotiating parameters provided the approved 'flex range' within the starting, optimal and fall back positions, in relation to each individual term and condition. The 'best fit' pay model was also provided which made up the substantive part of the overall financial envelope. The main features of the negotiated terms and conditions and Pay and Grading model which formulates the proposed package have all been agreed within these negotiating parameters which was approved as per the Full Business Case.

The Trade Unions described various 'hard-lines' during the negotiations, these included:

- A working week of 35 hours (80% of Police Staff were already on a 35 hour working week within the SPA/Police Scotland, with legacy arrangements ranging to 37 hours);
- Shift workers had to be compensated for both unsocial hours, but also for the disturbance caused from a wide ranging rota;
- Green circled staff* had to be compensated for the length of time the project had taken to deliver, in recognition of the commitment of staff who have continued to deliver services where significant pay differentials have existed.

The TU objected to various elements of the base pay model presented, including the numbers of incremental steps within various grades, abutting of grades etc. The TUs confirmed that they would not agree to a model which involved abutting, even although national recognised methodologies allowed for this within a pay model. This led to various reiterations of the model being developed that addressed the concerns raised by TU colleagues. Many of the changes being requested by the TUs simply made the pay model unaffordable, or when affordable parameters were applied created significantly high levels of red circling that were not acceptable to the TUs, or the management side.

The approach taken to all remodelling work was that the management side required to ensure that the base pay model fell within affordable parameters as set out within the original business case. It was made clear to TU colleagues at the outset that if they maintained hard lines that made the model unaffordable that the only solution would be a complete and holistic review of not just the base pay model, but by extension all elements of package that had a financial implications. These controls ensured any re-modelling was kept within the constraints of the business case.

*'Green circled' - where the individual's legacy total remuneration is less than the SPRM remuneration for the new grade and associated shift allowances once the individual assimilates to the appropriate spinal column point of the new pay scale. 'Red circled' - where the individual's legacy total remuneration is more than the SPRM remuneration for the new grade and associated shift allowances once the individual assimilates to the appropriate spinal column point of the new pay scale.

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A large number of different pay options were modelled to support negotiations. This was done using specialist software and this incorporated a wide range of variables. The software is able to model the associated impacts. The impact of any one variable was not linear – instead, the overall affordability profile reflects the complex interaction of all variables taken holistically.

At every stage, pay modelling options have been the subject of assessment and assurance from independent expertise covering both technical and equality aspects. The final package has been the subject of a detailed assessment to ensure that it meets all equalities requirements as well as being technically viable and affordable.

The SPRM FBC and its approval by SPA/PS and the Scottish Government Remuneration Group provided agreed parameters to enabled negotiations between SPA/PS and the Trades Unions to commence. The below table illustrates the costs post those negotiations (and subsequent revision by the REM Group), at the time of the implementation of the agreed total reward package and the subsequent appeals process.

	18-19 £m	19-20 £m	20-21 £m	21-22 £m	22-23 £m	23-24 £m	24-25 £m	Total
Business Case								
Cost Pressure (recurring)*	0.0	7.3	3.7	4.3	5.0	2.9	0.0	23.2
Compensation (non-recurring)*	14.3	0.0	0.0	0.0	0.0	0.0	0.0	14.3
Protection (non-recurring)*	0.0	2.5	2.5	0.0	0.0	0.0	0.0	5.0
Business Case TOTAL	14.3	9.8	6.2	4.3	5.0	2.9	0.0	42.5
Actual costs								
Cost Pressure (recurring)	0.0	7.3	3.6	4.6	5.5	3.0	0.0	24.0
Appeal outcomes (recurring)	0.0	1.9	0.3	0.0	0.0	0.0	0.0	2.2
Compensation (non-recurring)	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
Protection (non-recurring)	0.0	2.5	1.8	0.0	0.0	0.0	0.0	4.3
Appeal outcomes (non-recurring)	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Actual costs TOTAL	12.0	11.7	6.6	4.6	5.5	3.0	0.0	43.4
Actual recurring costs	0.0	9.2	3.9	4.6	5.5	3.0	0.0	26.2
Actual Non-recurring costs	12.0	2.5	2.7	0.0	0.0	0.0	0.0	17.2
Variance under / (over)	2.3	(1.9)	(0.4)	(0.3)	(0.5)	(0.1)	0.0	(0.9)

*As signed off by SG Remuneration Group (November 2018), with no estimated cost of implementing an appeal process.

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The above costs have been checked and verified by Finance.

The estimated costs of the appeal process were provided to relevant Police Scotland, SPA parties prior to Implementation with regular updates provided through CFPB and the SPA Resources Committee as the appeals process progressed. The finalised position is summarised above.

Non-Financial Benefits

The non-financial benefits within the FBC were revised with internal partners post approval to ensure they were appropriate and measurable, below are the non-financial benefits as per the project Benefit Profiles. All relate directly to project implementation and were delivered on the 1st of April 2019.

1 – Increased Fairness - All staff on one Pay and Grading Structure

Measure: Previously 126 pay and grading scales, Target will be 1 pay and grading scale with 14 grades.

This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.

2 – Increased Efficiency - Common Pay Dates/Leave Year & single set of terms and conditions (Managers only have to go to one source for information (single Terms and Conditions), instead of the multiple terms for staff - will result in fewer requests to P&D

Measure 1: Currently 11 different sources for information, Target will be 1 source

Measure 2: Currently 4 pay dates, Target will be 1 pay date

Both measures have been achieved as of implementation date (01/04/2019) therefore this has been realised.

3 – Increased Effectiveness - Standardisation of terms reflected in all policy and support documentation

Measure: Currently 80 different policies, Target will be 62 policies.

This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.

4 – Decreased Financial Risk - All staff to be on a single set of Terms and Conditions

Measure: Currently 10 payments and processing of Allowances, Target will be 1 single payments and processing of Allowances.

This measure was achieved as of implementation date (01/04/2019) therefore this has been realised.

EQHRIA

EQHRIA monitoring has continued throughout implementation and during the appeals process and will continue beyond project closure to ensure our terms continue to deliver what we require them to deliver but also ensuring that as our reward strategy evolves the outputs are managed by the organisation. While not staged as a project benefit it should be recognised that one of the project Drivers for Change for the project (and one of the key risks) was to ensure equal pay. The project at implementation (1 April 2019) delivered a reduction in the staff gender pay gap and achieved Living Wage accreditation for the organisation

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The table below illustrates the pre and post SPRM position and the subsequent reduction:

	Pre SPRM %	SPRM Implementation %
All Staff Gender Pay Gap	12.4	10.7

While the business case benefits focused on areas highlighted above, emergent benefits have also been delivered and are being monitored on an on-going basis by the ER and Reward team within P&D and in conjunction with relevant internal partners. This relates primarily to ensuring the new Terms and Conditions and Pay and Grading Structure are applied consistently and appropriately across the SPA and Police Scotland from both a policy and a financial perspective.

The table below illustrates some of the emergent benefits as a result of SPRM:

Emergent Benefit	Post SPRM
35 Legacy Terms with multiple methods of application	93% of staff have the same or better Terms and Conditions
92% of staff wanted to be able to carry over annual leave	All staff can now carry over up to 35 hours
70% of staff requested their leave package to be more flexible with a reduction in the number of public holidays	Public holidays for all staff are set at six with additional leave being incorporated in to their basic entitlement
54% of staff requested a flexi scheme with no core hours	Core hours have been removed from the flexi scheme, furthering their ability to flexibly manage their time and by association improve their wellbeing
Inconsistency across Directors Terms and Conditions	Directors now have the same SPRM Terms and Conditions as other police staff

4. Timescales

The below table reflects the key project stages, high level activities and original timeline as illustrated within the Full Business Case.

Stage	Key Activities	Projected Timescale
1 (Identify) – Data Gathering	<ul style="list-style-type: none"> Gathering and interpretation of all legacy data into a common usable format 	Pre July 2017
2 (Define & Analyse) – Job Evaluation	<ul style="list-style-type: none"> Job Evaluation of all 1200 roles in the organisation. Commence Modernisation of Policy Work Develop Full Business Case set with financial assessments and preferred option 	Pre July 2017
3 (Respond) – Pay Modelling /	<ul style="list-style-type: none"> Pay Modelling Full Options Appraisal development (Terms and Conditions) 	July 2017 to January 2018

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Stage	Key Activities	Projected Timescale
Options Appraisal	<ul style="list-style-type: none">• Submission of Full Business Case through governance groups including SPA Board and to SG Remuneration Group	
4 (Negotiation)	<ul style="list-style-type: none">• Commence formal negotiations with Trades Unions• Process staff proposal letters• Trades Union Ballot of members to be undertaken	February 2018 to mid-June 2018
5 (Pre-Implementation)	<ul style="list-style-type: none">• Subject to successful Ballot, Pre-Implementation work to commence, including process & system development, training and testing	mid-June 2018 mid-October 2018
6 (Implementation)	<ul style="list-style-type: none">• Formal implementation of the new Pay and Grading Structure and Terms and Conditions.• Update of SCOPE, Payroll and Resource Systems.	October 2018 to December 2018
7 (Appeals & Closure)	<ul style="list-style-type: none">• Appeal handling and processing• Business as usual preparation• Project closure	December 2018 to June 2019

Stages 1, 2 and 3 were completed as per the project schedule. However, while the negotiations were concluded on time (as noted above in Section 4), due to the Trades Unions counter proposals in relation to Recognition payments further discussions were required with Scottish Government.

This subsequent discussion with Scottish Government and time taken to receive approval led to a delay in the ballot and the implementation.

The schedule was subsequently re-baselined and revised implementation date of the 1st of April 2019 was agreed. The ballot took place over January and February of 2019.

While the delays during stages 4 and 5 and the subsequent reduction in the pre-implementation timeline (from 12 to 6 weeks) caused considerable challenges to the project team and internal PS partners (e.g. Corporate Communications, Payroll, Shared Services) it should be noted however that the new set of Terms and Conditions and Pay and Grading Structure was implemented successfully on the 1st of April 2019.

By its nature the scale and potential timeline of the appeals process could not be accurately estimated until all submissions were received however an estimate and associated resource request was presented through the Police Scotland governance prior to implementation. The PS Change Board requested the project team return with an updated request following receipt of all the submissions and a refreshed assessment on both the timeline and resource request.

This refreshed request was approved in Q2 2019/20. Due to the need to recruit in external Appeal Panel Chairs and staff this pushed back the start of the appeals process (the formal sift) until Q4 2019/20.

The impact of Covid19 further challenged the organisation and project team and despite receiving the full support of both the SPA and Police Scotland the need to change the approach from in-person to virtual hearings further delayed the process. The SPA Resources Committee, the Independent Chair, the Trades Unions and business areas were consulted on this potential change prior to progressing with it, this led to further delays.

Having noted the above the appeals process was concluded in March 2021 and implemented in April 2021 as per the agreed and revised timeline.

Overall the agreed project timeline was extremely ambitious and based on the SPA/Organisational desire to manage risk and have certainty over the staff budget. This led to heavily caveated and ambitious project timelines which drove the pace of delivery.

The question remains however if either the original or revised timescales were realistic given the scale and complexity of SPRM and the level of resourcing required to deliver it.

5. Internal Gate Process and Governance

Police Scotland does not have an internal stage gate process in place however the project followed the accepted process of OBC (and Outline Business Case rather than a PPA was required due to the scale and complexity of the project), Initial Business Case & Full Business Cases and all were approved at the appropriate SPA/PS board. The project governance is described below:

SG REM Group - The Scottish Government Remuneration Group **considers and approves staff pay remit proposals**, as well as any new or revised remuneration proposals. The Group works under delegated decision-making powers agreed by the Permanent Secretary, the Executive Team and Scottish Ministers in relation to public sector pay policy.

Project Board - Chaired by the DCO initially then transferred to the Dir. P & D this, as expected, featured senior representatives from departments including P&D, ICT, Legal, Finance, Corporate Communications and the SPA

Delivery Group - Chaired by a senior member of the project team this featured senior stakeholders from the SPA and PS from departments or divisions most impacted by the project. This proved to be a highly valuable board which helped the project team understand how best to communicate with the wider organisation and the issues and challenges the project was presenting to divisions and departments.

MIG (Modernisation Implementation Group) – Chaired by the Project Manager this board was constituted in the lead up to Implementation and featured key internal partners such as Payroll, Shared Services, it enabled key roles and responsibilities to be agreed and activities to be managed for Implementation. This board was highly effective and was key in ensuring the complex process of implementation was delivered as anticipated.

Overall, while there were some governance challenges (which slowed progression prior to implementation) the Project Board, Delivery Group and MIG all functioned well and provided concrete guidance and assistance to the project team as we moved through the project lifecycle. In particular the engagement with business leads through the above noted mechanisms helped identify and address potential operational issues and sped up delivery overall as potential mistakes that could have been timely and costly were avoided.

The project underwent a number of internal and external audits during the pre-delivery and delivery phases.

The project was also subject to several Scottish Government Gateway Reviews. The Delivery Confidence Assessment (DCA) improved with each review. The final review (Gateway Review 4/5 – Readiness for Service) completed in August 2019 rated the DCA as Amber/Green and noted:

'The Review Team finds that the SPRM project has been strongly led and managed, having had a very difficult start. It has achieved its major milestone of implementation in April 2019 and is now entering the appeals process.'

The success thus far is a credit to pragmatic and objective participation by all stakeholders, notably the Trades Unions and the Police Scotland modellers and negotiators. A key strength has been stakeholder engagement and communication.'

6. Change Control

Two Change Request were submitted in the course of the project, both were approved by the Police Scotland Change Board.

The first request was to enable the project to recruit additional resource to support the appeals process, this was approved by the PS Change Board in August 2019.

The second was directed by the Police Scotland Change Board (May 2020) as a result of prioritisation in the wake of Covid19, this was to increase project resource and ensure the appeals process delivered as per the agreed timeline.

7. Risks / Issues

No residual Risks or Issues exist against this project however two risks have been passed to People and Development for consideration as part of the departmental risk register

1 – Equal Pay and Liability Challenges – while the project has mitigated this to some degree, consideration should be taken as to whether or not this remains a risk to the organisation. The appeals process for example has split some roles that were in the same grade at SPTM implementation and this may generate challenges.

2 – Employment Tribunal Claims – while this has mostly been mitigated by SPRM and the appeals process, but some risk may remain for the business

8. Resources

Due to the scale, complexity and length of the project and multiple changes in resource profile it is not possible to capture the role profiles or FTE requirement. However external resource cost (e.g. External Chairs, Logistics and Administration staff are captured in Section 4. cost of Project Resource

There was a dedicated team for SPRM which consisted of a Harmonisation Manager and 5 HR Advisors. A number of other roles were critical in the delivery of the SPRM including the Senior Policy Manager and Pay & Grading Manager and their associated teams. At the early stage of the project, Deloitte were also commissioned to provide assistance with payroll data extract and analysis. As the project evolved a number of temporary appointments were made to provide necessary expertise, resilience and achieve milestones. These appointments included a JE logistics team (admin in nature) and specialist roles for JE including an Independent external Chair, an additional job analyst and a number of secondments from Local Authorities (JE Appeal Panel Chair x 3) and internal secondments for appeal panel members.

Project management support changed considerably during the project lifecycle with five separate project managers utilised between initiation and closure. PM support also reduced during the length of the project which put more of a reliance on P & D.

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Much of the P & D resources which were supporting the project were undertaking a considerable volume of BAU work, e.g. Organisational Change activity did not stop during SPRM as many departments restructured during the project, and this demand also had to be serviced by the team.

The below table relates to the cost of external resource to support the project, e.g. External Independent Appeal Chair, 3 x Appeal Panel Chair, logistics and administration staff.

	18-19 £m	19-20 £m	20-21 £m	Total £m
Actuals				
External Staffing costs to deliver SPRM	1.1	1.0	1.4	3.5

9. Transition to Business As Usual

The transition to business as usual (BAU) or ensuring the adoption and correct application of the new Terms & Conditions and Pay and Grading Structure is managed by the ER and Reward team within P&D on a day to day basis. Many of the leadership and staff who were integral to the development of the policies and procedures which underpin SPRM and the delivery of the project are still part of the ER and Reward team therefore the process of decommissioning or transition to 'business as usual' is advanced and being effectively managed.

The Terms and Conditions, the Pay and Grading Structure and the supporting policies have been in place for over two years to this point therefore any potential challenges or areas of note have been understood and managed.

While many ER and Reward and Project staff were in place for the duration of the project, additional resource was engaged to enable the delivery of the full scope of the project and to ensure external, independent advice and support was available as required. Those additional resources have now left the project.

10. Lessons Learned

Lessons Learned were collected from the below groups during the duration of the project.

- The SPA
- The Trade Unions
- SPRM Project Team and Management
- Project Board members
- Delivery Group members
- MIG members
- HR Business Partners

The gathering, recording and cataloguing of Lessons Learned followed the accepted PS PMO process. The below is a summary of the area's most relevant to this report, all collected Lessons Learned will be retained and made available through the Portfolio PMO.

Lessons Learned were requested in relation to headings including:

- Communications and Engagement
- Governance
- Planning
- Scope
- Finance
- Resources
- ICT and Data
- Leadership

Communication and Engagement

Feedback on the Communications approach has been positive with a variety of mediums used effectively. Content was appropriate in frequency and suitably adapted for different audiences. While it is accepted that by its nature the project was likely to communicate information which, at times, negatively impacted on staff the approach taken by the project team, in partnership with Corporate Communications was seen as an excellent example of how the organisation can communicate difficult and complex issues with staff, line managers and stakeholders.

Given the scale and nature of SPRM the decision to provide line managers with updates, to compliment other available content, to cascade to their staff proved to be an effective communications and engagement approach. This helped ensue both staff and line managers were engaged with the process and were able to understand and manage expectations at a local level.

This was a learning point from the Job Overview Documents (JOS) process as this key pre-Implementation activity and proved to be more challenging than initially anticipated, this was in part due to the technical nature of the process and the language used within the documentation. Moving forward line management briefings were expanded and used more frequently to support key communications/project activities.

A member of the Corporate Communications team was part of the project Senior Management Team therefore well sighted on progress and challenges as they emerged.

The SPRM Delivery Group proved to be an effective platform to assist the project team in understanding the view of senior management and departments/divisions on progress and areas of concern or focus.

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Communications around the appeals process is perceived as less effective however this may be more related to the perceived complex nature of the process and the impact of Covid on the project and the wider organisation.

Governance

As the project moved from definition and in to delivery and post approval of the business case the focus of the Project Board moved towards providing updates and project related matters than decision making. This was also partly due to the lack of senior management representation at the board and due to the project board sitting within the wider portfolio and PS governance structure. The power of the board was therefore limited and members were effectively unable to approve the movement of milestones or budget uplifts to secure additional staff.

Senior leadership stepping away from the Project Board led to overlaps between membership of it and membership of the Delivery Group – due to SPRM impacting on the staffing compliment within the organisation while roles and responsibilities were different and clear to both memberships many of the same departments were represented on both boards.

The Delivery Group focussed on senior stakeholders most impacted by the project. The Delivery Group worked well as a mechanism to update business areas, provide a platform to discuss areas of concern and shape communications and engagement to better suit organisational need.

Modernisation Implementation Group (MIG) – this group was established prior to Implementation to ensure accountability and management of the implementation process. Members included Payroll, Shared Services and Resource Deployment. This group proved highly effective in managing the challenges in the lead in to implementation, especially given the highly compressed timeline – 12 weeks reduced to 6.

Planning

The timeline for the project was underestimated in its initial stages which resulted in a lengthier delivery time for both the Implementation and Appeal outcomes. SPRM was not a project for the first three years of its existence and only gained traction (and resource) when it became a project. Issues such as resource availability, data accuracy and governance delays all impacted on the timeline and made more challenging the development of an accurate timeline and delivering to agreed milestones.

The above led to increased pressure on the project team and challenges from board members and stakeholders as to milestones not being met. While the key milestone of Implementation (1st April 2019) was met, improved recognition and acceptance of the scale and complexity of SPRM by key senior stakeholders would have led to a more accurate prediction on the length of time it would take to deliver the project. It is also accepted that factors beyond the control of both the project team and the organisation e.g. Covid, Scottish Government approval timeline and process impacted on the original estimates.

Worth consideration beyond SPRM would be that the Change Control process did cause significant delays to the project. The requirement to pass these requests through project governance, PMG and Change Board and the time this process takes (6 – 8 weeks) did impact on the SPRM timeline.

Project Scope

The process of reviewing the Job Overview Documents (JOS) prior to Implementation proved to be more challenging than first anticipated due in part to the technical nature of the documentation and the language used within them. Following this the project team reflected on the communication approach and the value of line management in the overall communication process. Line Management briefings were expanded and used for key communications milestones in an effort to help ensure staff and line management understood Implementation and the impact on them.

The requirement to have an appeals process should have been more clearly stated during the development of the project. Due to this many within the organisation considered the project complete at implementation. The appeals process was always intended to be the final stage in the project however it was not clearly enough stated that this would follow Implementation and the potential scale of the appeals process. Additional clarity would have helped set expectations for staff, the organisation and relevant stakeholders.

The nature of the project and that it would impact on all SPA/PS staff members led to a requirement for confidentiality which did not always benefit the organisation or the project team when it came to reporting progress, contextualising the financial reporting and requests for additional resource. The sensitive nature of the project also potentially impact on the overall perception of the project and the rationale behind decisions. Both project and organisational governance, in addition to the provision of external expertise, provided sufficient challenge and guidance to help ensure consistency and appropriateness of decision making. The engagement of an external independent appeals chair provided critical input and quality assurance. Future projects should consider engaging external expertise to ensure appropriate guidance and validation of decisions when undertaking large scale work.

In addition the strong focus on communications and engagement (in the appropriate manner and at the appropriate time) helped ensure as clear an understanding as possible of the processes being used as the project developed and delivered outcome to staff.

Finance

The relationship between the project team and the Police Scotland Finance department evolved as the project moved from initiation, through approval and in to delivery. The project team and PS Finance department had different roles and responsibilities on SPRM however these were not always clear to both parties therefore clearer definition of roles and responsibilities earlier within the project's lifecycle would have helped both parties. This also relates to reporting requirements as both the project and PS Finance department had different requirements and timelines, aligning these proved more challenging than anticipated and led to an almost continual requirement to provide progress reports.

In future ensuring critical partners are aware (and agree with) roles responsibilities as well as expectations will be key in enabling effective delivery and management of governance and reporting requirements.

Resourcing

The project was resource heavy, at times requiring the entire ER and Reward department to staff the project. The ER and Reward department were supported by additional internal and external resources (e.g. Local Authority partners providing Appeal Panel Chairs, contracted administration staff) when required. While this approach provided challenging in managing both project and BAU related activities, given the level of experience and knowledge within the ER and Reward team this approach proved effective in managing and resolving challenges and ensuring the project did not lose momentum. This approach also proved effective when transitioning the project outcomes to BAU as those who helped deliver the project are now managing the processes as we move forward.

Five project managers were utilised during development and approval of the FBC and project closure, this proved problematic as it meant knowledge was lost and relationships in what was a complex and challenging project had to be regularly renewed. As much as ensuring sufficient resource is in place, continuity is critical in a project as complex as SPRM.

The imbedding of an SPA representative within the project SMT proved highly beneficial in managing SPA expectations and the ensuring both parties had sufficient sight on progress and issues or areas of note. While not directly related to resourcing the project team and the organisation underestimated the amount of time which would be required by staff and line management to complete documentation and support the

project. In future more consideration should be given as to how best to ensure staff have sufficient time without negatively impacting on service delivery or morale.

ICT & Data

One of the primary means of collecting data for SPRM was by using Scope, utilising and validating data as presented on Scope proved highly challenging due to the lack of accuracy of the data on the system. While much work has been undertaken over recent years by the project team and the organisation to improve data accuracy the inaccuracy of the data only became apparent during the project and through interaction with staff.

The expansion of Scope in to a national application took place during the initial stages of the project therefore it was unlikely this challenge could have been avoided. However, as will be well known across the organisations, when undertaking a project of any size and with data becoming more and more relevant the accuracy and availability of such is critical to the effective development and delivery of projects.

The pay modelling software procured for the project provided an initial starting point but as the project progressed the compatibility of the product with the organisation's ongoing infrastructure development ceased to be viable. As a result, the team had to be creative to develop the ongoing models required.

Leadership

At stages during the project the complexity and length of time taken to navigate the organisation's governance process and attain key decision created an element of delay and uncertainty. For example, a Change Request could take more than 6 – 8 weeks to be approved. Two such requests were made during the project.

11. Post Implementation Review

A formal Post Implementation Review (PIR) on the delivery of the SPRM Project will be undertaken in line with Police Scotland's Business Change & Governance Frameworks.

The PIR will be conducted by the Portfolio Assurance Team in collaboration with members of the People & Development Team and identified Business Stakeholders.

Sufficient time is required to demonstrate operational impact within the organisation in order for an informed assessment to be made of the business benefits and capture lessons learned. The PIR is scheduled to take place 3-6 months post Project Closure.