



## **ORGANISATIONAL CHANGE POLICY**

### **1. PRINCIPLES**

To ensure on-going efficiency and value for money, both Councils need to remain flexible and responsive to changing national and local priorities and customer needs. They must also make the most efficient use of all resources and as such it is likely that organisational change will be required. The Councils will seek to minimise the effects of any organisational change through the application of fair and equitable procedures that include restructuring, redundancy and redeployment.

Both Councils are committed to the principle of working in partnership with employees and Trade Unions in managing organisational change and will seek to achieve changes through appropriate involvement and consultation. Any final decisions will however remain with each Council.

The Councils will ensure compliance with all related aspects of employment law and will also offer all reasonable support where jobs change or disappear, or alternative employment can be considered.

Compulsory redundancies will be considered as a last resort, and where all other available options have been explored.

#### **Minimising the Risk of Redundancies**

The Councils will consider all realistic alternatives to redundancies, and will consult with staff about these where appropriate. This might include:

- reducing or eliminating overtime
- reducing or eliminating employee allowances
- restricting or freezing recruitment
- TUPE transfers
- reducing expenditure in other ways (or increasing income) wherever possible
- reducing hours
- considering retraining and/or redeployment

### **2. SCOPE**

This policy will apply to the South Northamptonshire and Cherwell District Council Senior Shared Management Team and all South Northamptonshire Council employees and all Cherwell District Council employees, and will apply whenever organisational change is necessary. This policy will not apply to third party or partner organisations where employees are not employed directly by either Council.

### **3. ORGANISATIONAL RESTRUCTURING**

There are two stages to any restructure:

1. The management approval process for any organisational change and restructure.
2. The implementation process once approval has been gained.

### **Stage 1 – Approval Process**

In order to gain approval for any restructure, and prior to any implementation the following stages should be followed:

#### **Development of business case and consideration by management team**

Prior to any business case being written, the Chief Executive should discuss their proposals with the Leaders of both Councils and the Strategic Director / Head of Service should discuss their proposals with the Chief Executive /Strategic Director respectively. When an outline proposal is agreed the Head of Service/Director/Chief Executive should contact the appropriate Human Resources Manager. Outline proposals will be advised to the recognised trade union at this point too.

The business case should then be prepared for submission to the Councils' Senior Management Team. The template attached at **Appendix A** should be used to develop the business case which must consider the following areas:

- the reason for the proposed changes and the outcomes required
- the likely number of posts affected and in what way
- a financial assessment of the potential redundancy and pension costs
- an equalities impact assessment
- the lead officers for any selection and consultation
- the extent of consultation to date and future timetable
- the target implementation date

The business case should also include a draft revised structure, draft person specifications, job descriptions and where appropriate job description questionnaires. Any new posts will be subject to job evaluation and any posts that have been deemed to have had any changes will possibly be subject to job evaluation. When the business case is submitted consideration should be made as to whether job evaluation is required by those agreeing the business case.

### **Stage 2 - Consultation**

The purpose of consultation is to provide as early an opportunity as practicable for all concerned to engage in the changes and explore the options.

- **Informal Consultation**

All consultation should be carried out by the Head of Service (or relevant senior manager), in conjunction with HR and the trade union. The first stage of

consultation will outline the change proposed to all affected staff as outlined in the business case and should be carried out on a face to face basis. This consultation stage will be used to consider further options that may not have been considered to deliver the services and savings required.

- **Formal Consultation**

In order to commence formal consultation a consultation document should be completed by the Head of Service (or relevant senior manager) for issuing to staff and agreed by the appropriate HR Manager (**See Appendix A**). This document reflects the business case, objectives of the change and takes into account any issues raised at the informal consultation stage. A mixture of consultation processes should be used at this stage, including dedicated email addresses and FAQ intranet pages, cascade of hard copy information, individual and group workshop sessions at relevant locations, and external support and advice where appropriate. Any questions put forward as part of the consultation process should be logged by HR and responses sent to these questions as soon as possible after the end of the agreed consultation period.

The recognised Trade Unions will be invited to be involved in all stages of the formal consultation process.

The length and processes involved in each stage of consultation will depend on the complexity of the proposed change and the number of staff involved, although a minimum of two weeks must be allowed for this stage of consultation. Timescales should be agreed and made clear within the consultation document and should take into account any peak periods in terms of workloads and holidays as well as staff that may not be at work during any consultation.

- **Second Formal Consultation (if required)**

A second formal consultation process will be used where there are significant changes or outstanding issues once the initial formal consultation has been completed. This second stage will include the same stages as above but be based on proposals updated following the first consultation.

### **Stage Three - Final approval**

Any final comments from the previous stage should be included in a final business case and structure (and should include job descriptions, person specifications and gradings where appropriate). At the end of this consultation period, approval from the appropriate Council committees will be sought.

### **Stage Four – Implementation**

Once final approval of the business case is in place then implementation can commence. The agreed implementation plan should be used to ensure timescales and tasks are undertaken as agreed. The following stages of the process should be considered although not all will be applicable.

- **Consideration of 'at risk' process**

The post(s) affected by any change process will be clearly identified and staff placed 'at risk'. All attempts will be made to find a suitable alternative post within the organisations, and consideration may be given to employment at either Council if this is deemed a suitable alternative by the Human Resources Department.

The Human Resources Team will issue letters to staff placed 'at risk' informing them of their personal situation and the process that will follow.

- **Consideration of invitation for voluntary redundancy and/or early retirement**

The Councils need to ensure it maintains skills needed for future delivery whilst recognising that some employees may wish to express an interest in voluntary redundancy and/or early retirement. This option will only be used in areas where work has diminished or no longer exists and those circumstances require the numbers of posts in an area of Council activity to be reduced. Voluntary redundancy will be offered on a case by case basis and agreement to consider this option will be sought from the Senior Management Team during the business case stage.

It will not apply in cases where a temporary secondment is arranged e.g. to take account of fluctuating workloads. It will not normally be used where an employee is being considered for redeployment on health grounds (i.e. medical redeployment) or where action is being taken on the grounds of capability or in cases where the employees themselves request a transfer.

- **Redundancy Payments and Pensions**

Both Councils have agreed policies in relation to severance payments to employees whose employment is ended on grounds of redundancy and these are as follows:-

To use the statutory redundancy payment calculator to calculate the number of weeks pay an employee is entitled to receive. This provides for a maximum payment of 30 weeks pay.

To use its discretion under the 2000 Regulations to calculate the payment on a weekly pay figure up to the employee's actual week's pay i.e. the statutory maximum weekly pay figure is waived and the employee's actual weekly pay figure is used. The calculation of weekly pay includes all contractual payments.

In calculating the statutory redundancy payment, the Councils will take into account all continuous service (up to a maximum of 20 years) with bodies listed in the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999 (as amended) – the Modification Order.

The LGPS Regulations require the pension of members aged 55 or over who are made redundant is put into immediate payment, without actuarial reduction.

The LGPS Regulations allow employers to consider use of some additional discretionary payments when employees are either made redundant or dismissed on the grounds of efficiency of the service. Each Council has its own policy and employees should either check their Council's intranet or with their HR team for further information when making an application for voluntary redundancy.

Detailed pensions estimates will be provided through each Council's HR/Payroll Team once agreement to consider voluntary redundancy is obtained.

- **Application Process**

Where the circumstances above exist, employees in the 'at risk' group may be invited to make a written application for voluntary redundancy/early retirement on the form attached at **Appendix B**. (This will be dependant on agreement to allow voluntary redundancy, and once agreed can be made at any time in the process from this point onwards).

The application form should be completed by the employee and submitted to their Head of Service or Strategic Director for completion of Part B. Part C needs to be completed jointly by HR and Finance once the all other parts have been completed.

Applications will initially be considered by the Senior Management Team and, if the proposal is deemed viable, final approval will be sought through the respective Council's approval processes.

Applications will be considered on the grounds of:

- Suitable alternative employment availability
- Future skills needs of the authority
- Financial effects
- Potential efficiency gains
- Extenuating circumstances presented by the applicant

In making applications officers need to ensure that any application for discretionary payments is clearly outlined and appropriate evidence put forward in support of their application.

- **Decisions**

The options open to the Councils in making the decision are:

- Agree to the voluntary redundancy request (with access to pension if over minimum retirement age under Local Government Pension Scheme (LGPS)).
- Agree to the early retirement request with no additional discretionary payment (employees over minimum retirement age under LGPS).
- Agree to the early retirement request with additional discretionary payments (employees over minimum retirement age under LGPS).
- Refuse the request for voluntary redundancy/early retirement.

- Agree to the request for augmentation of pension.
- Agree to the request for voluntary redundancy/early retirement at a date in the future (generally no more than 6 months from the initial application and agreement).

If agreed the employee will be written to by the employing Authority's HR team outlining what has been agreed, and provide information about notice periods, leave dates and any final pay that has been agreed.

In line with National Conditions, any employee who leaves through redundancy or early retirement is ineligible for employment by either Council for a period of 4 weeks. After this, any case for reemployment or reengagement on any terms will be subject to approval of the Chief Executive on the basis of a business case which takes account of the basis of the original case for redundancy/retirement.

If voluntary redundancy is not agreed the employee will also be written to outlining the reasons for this and the process that they will then be required to follow.

- **Appointments to new posts within a restructure**

Wherever permanent employees are displaced by a restructuring process the first stage of the appointment process will generally involve an assimilation and/or ring-fenced recruitment exercise internally. This may not apply at very senior levels or in specialist posts, for example some shared posts, where the Council believes it is appropriate to test the external market to ensure the best possible candidate for the post is found.

Where **assimilation** is used, the affected employee(s) will be asked to complete a matching exercise to demonstrate that the duties of their current post, along with the skills and experience required to carry out that post, are substantively the same as the new post (minimum of 50%) and be within one grade. (See **Appendix C** for the Internal Redeployment: Employee Information Form). In this case the appointment will be made without need for further process. The assimilation exercise will be undertaken by the relevant line manager and the HR team in discussion with the employee. If assimilation is agreed the employee will be issued with a new letter and their new job description.

The extent of the **ring-fence** and the process followed will be adjusted according to the number of people affected but, in general, all those affected will be asked to outline how their skills/competencies/experience matches the post(s) in the new structure. All candidates will be interviewed in accordance with agreed Council selection procedures.

Where appropriate, employees will be appointed on a trial period and with a training plan to ensure their suitability for the new post. This will normally last for 4 weeks but may be extended by agreement to reflect the amount of training needed or the complexity of the job.

If there are no internal applicants to the new post or none of the ring-fenced employees are suitable, normal recruitment procedures will apply.

- **Redeployment**

Where displaced employees are not placed in new posts as part of a ring-fenced recruitment process or assimilation process, or where their post has ceased to exist and there are no alternatives, attempts will be made to redeploy an employee to a suitable alternative post within the organisation.

Both Councils are committed to:

- protect, for a set period of time, the salaries of employees who are affected.
- providing appropriate and effective retraining for employees selected for redundancy to facilitate their redeployment, and minimise disruption.

Employees will not be redeployed to higher graded vacancies. These will be subject to open recruitment where those on the redeployment register may apply.

- **The Redeployment Register**

As soon as an employee is informed by HR that there are no available posts for the employee either because the post is being made redundant or the restructure has not left any suitable employment, and the employee remains displaced (at risk), then the employee will be placed on the Redeployment Register of their employing Council for 3 months. HR will write to the employee, and arrange a meeting between themselves and the employee.

The meeting will include:

- An explanation of the procedure and each party's responsibilities.
- An explanation of what duties the employee will undertake whilst on the redeployment register. (This may be the employee's substantive duties, but alternatives may be considered where the employee's substantive post no longer exists).
- Completion of a Redeployment Form
- Review of current vacancies
- Discussion around potential training or other opportunities to enhance transferable skills
- Notice of the date on which their employment will terminate if redeployment is not achieved.

### **Vacancies and Trial Periods**

During the period when redeployment opportunities are being examined, no vacancy shall be advertised or filled without HR approval. Any possible redeployees will also be identified at this stage and HR will examine all vacancies against profiles of employees on the redeployment register and will inform the Head of Service when a potential 'broad fit' is identified

'Broad fit' – is where the employee possesses the majority of the skills and abilities identified in the person specification as essential for the post. This definition should include closely allied skills and abilities that can be considered transferable. Where 'broad fit' is deemed applicable a meeting will be held between the employee, the recruiting Head of Service and HR. The meeting will be used to determine whether 'broad fit' is established and whether with training and employee may be capable of fulfilling the post requirements.

Where 'broad fit' is established, the employee should be appointed unless it can be demonstrated to the satisfaction of the relevant HR Manager in consultation with the trade unions that the employee is not capable of fulfilling the requirements of the post, even with training.

Any employees who have been selected for redundancy may apply for any vacant post and will, wherever appropriate, be offered an interview. It will be up to the Head of the appropriate service, in consultation with the relevant HR Manager to decide whether it is appropriate to offer an interview. Whilst the selection process will be competitive and there can be no guarantees of success, no external candidates will be invited to apply until the case of all employees selected for redundancy has been considered.

- **Trial periods**

Employees being redeployed are entitled to a 4 week trial period in an alternative post. This trial period may be extended in exceptional circumstances i.e. where additional training has been identified. However the trial period will not last any longer than 12 weeks. If the redeployment is deemed unsuitable by the employee they will return to the redeployment register and the process will commence once more.

Before the start of the trial period (i.e. the date of commencement of employment in the new post), an appropriate training programme for the employee must be drawn up and agreed by both the employee and his/her new Head of Service. Such a training programme could include a mix of coaching, on-the-job training and external courses or seminars as appropriate. The costs for any external training will be met from departmental budgets as part of the restructuring process.

Appropriate work objectives should be agreed between the redeployee and his/her manager.

During the trial period, the redeployed employee's manager must ensure that progress is monitored and reviewed on a regular basis. Regular meetings should take place between the line manager and employee, during which progress must be reviewed and feedback given. Notes of the individual's progress should be kept, including reference to any problems encountered and the action taken to resolve them. After each such meeting, both HR and the individual employee should be given a copy of these notes. Towards the end of the trial period the line manager should hold a final review meeting with the employee. A decision will then be made as to whether the redeployee should be appointed permanently to



the post. This decision will be taken by the appropriate Head of Service in conjunction with Human Resources.

If the employee is to be appointed, an appropriate offer of permanent redeployment will be issued. If the employee is not to be appointed, discussions will take place between the employee and a representative from HR regarding other options which may include returning to the redeployment register. If all other options are exhausted, the employee's employment will be terminated on grounds of redundancy.

- **What happens if an employee rejects an offer of alternative employment?**

In the event that an employee at risk of redundancy rejects an offer of what HR/management considers to be suitable alternative employment, then that employee could lose their right to receive a redundancy payment and will be informed of this at the time. This will be on the basis that suitable alternative employment is defined as being employment broadly comparable in terms of:

- range of duties and responsibilities
- knowledge, experience and qualifications required
- conditions of service (e.g. salary grade; working hours; holiday entitlement, place of work)
- status

If the new post of suitable alternative employment is accepted, the notice of termination previously issued automatically lapses and the employment is treated as being continuous.

- **Pay Protection**

If the new post into which the employee is redeployed is graded lower from that of their existing post, pay protection will apply for a maximum of 2 years. This will apply to all contractual pay relating to their substantive post including basic pay and allowances. Once pay protection applies incremental progression will not apply and pay awards will also cease.

It should be noted that the protection policy referred to above is, at all times, subject to change as a result of amendments to the appropriate legislation, or in the interpretation of existing legislation.

- **Redundancy**

Employees selected for redundancy will be invited to a meeting with an appropriate senior manager and HR to discuss the decision before formal notice of termination of employment is given.

The employee will be given written notice of the redundancy and the letter will include:

- a statement that the contract is being terminated on the grounds of redundancy
- the last day of employment, having due regard to the notice entitlement stipulated in contracts of employment (this is generally one week for every year of continuous service up to a maximum of 12 weeks).
- confirmation that they will be required to work out their period of notice (unless this has been agreed otherwise by HR/JPC)
- the financial payment to be made including, where appropriate, redundancy payments and/or pay in lieu of notice
- their right of appeal
- a statement that in the period leading up to the last day of employment, efforts will continue to be made to redeploy the employee (this would not apply in the event the employee volunteered for redundancy)
- a statement that the employee has the right to reasonable amounts of paid time off work to seek alternative employment
- if appropriate, details of advice and support available, e.g. career guidance, outplacement consultancy

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| <b>APPENDIX A</b> | Business Case Template                            |
| <b>APPENDIX B</b> | Voluntary Redundancy Application Form             |
| <b>APPENDIX C</b> | Internal Redeployment – Employee Information Form |
| <b>APPENDIX D</b> | Discretionary payment policies                    |

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| <b>Establishment Changes<br/>Business Case</b> |
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| <b>Service area:</b>     |  |
| <b>Team:</b>             |  |
| <b>Case prepared by:</b> |  |
| <b>Date:</b>             |  |

Business cases should be prepared in consultation with HR and Finance and submitted to CMT (CDC)/Executive (SNC) by the Service Head for consideration.

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| <b>Background</b> |
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| This section should provide information on the service/team and outline any issues which may affect the team in the future (including changes to funding, priorities etc.) |
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| <b>Proposed changes</b> |
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| This section should provide an overview of the changes proposed. |
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| <b>Business Case</b> |
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| Outline here the case for making changes, including how current duties, responsibilities etc. will be covered once changes are in place, benefits, risk to service delivery and any other impact. |
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**Changes to posts/JDs**

Outline here details of all changes to posts/JDs and attach revised job descriptions, person specifications and indicative grades. Please also consider whether the post may require re-evaluation as a result of any changes.

**Financial Effects**

This section should summarise the costs and savings associated with any changes, including redundancy and capital costs of pensions. Detailed figures will be provided by finance and should be appended to this business case.

**Voluntary Redundancy – Please state whether this should be offered or not and if so on what basis for both. (Figures can be provided by Finance/Expenditure)**

**Summary and Recommendations****HR Comments****Finance Comments****CMT (CDC)/Executive Team (SNC) response**

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| <b>Action</b> |
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**Note**

It is the responsibility of the Service Head to communicate appropriately with the team, particularly those directly impacted by the proposed changes and there may be a need for formal consultation with staff and UNISON. This includes discussions around redundancy, pension's access and other individual changes. Once the Service Head has received agreement in principle they should consult with HR and Finance before commencing any discussions or sharing any redundancy, pensions or other estimates.

## APPENDIX B

### APPLICATION FORM FOR VOLUNTARY REDUNDANCY / EARLY RETIREMENT

#### Part A – to be completed by employee

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| Name  |
| Department  |
| Line Manager  |
| Job Title   |
| FURTHER DETAILS – please include full reasons for request, effective date requested and include or attach any supporting and/or relevant information. |

#### Part B – to be completed by Head of Service/Strategic Director

|  |     |    |
|--|-----|----|
| Request supported  | Yes | No |
| FULL DETAILS including future skills needs, potential efficiency savings and any other supporting information. |     |    |
| Financial position:  |     |    |

#### Part C – to be completed by Human Resources/Finance

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| Redundancy costs                              |
| Retirement costs                              |
| Overall financial effect<br>(cost/efficiency) |

**APPENDIX C**

**INTERNAL REDEPLOYMENT: EMPLOYEE INFORMATION FORM**

**PART ONE: Personal Details**

|                    |          |  |                         |  |
|--------------------|----------|--|-------------------------|--|
| Name:              |          |  |                         |  |
| Division:          |          |  |                         |  |
| Length of Service: | SNC/CDC: |  | Total Local Government: |  |

**PART TWO: Current Job Details**

|                                |         |         |                       |                               |        |
|--------------------------------|---------|---------|-----------------------|-------------------------------|--------|
| Designation:                   |         |         |                       | Post No:                      |        |
| Grade:                         |         | Salary: |                       | Date Started in Current Post: |        |
| Car Allowance (if applicable): | Casual: |         | Essential:            |                               | Lease: |
| Reports To:                    |         |         | No. Staff Supervised: |                               |        |

**Please summarise the Most Important Tasks you Perform (no more than 10)**

**PART THREE: General Background Information**

**1. Summary of Work Experience**

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**2. Qualifications, General Capabilities and Skills**

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**3. PART FOUR: Preferred Redeployment**

**Type of Work (General or Specific)**

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| <b>Signed:</b> |  | <b>Date:</b> |  |
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**3.1 Human Resources office use only**

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| <b>Action taken:</b> |  |
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| <b>Signed:</b> |  | <b>Date:</b> |  |
|----------------|--|--------------|--|