

**MANAGEMENT OF ORGANISATIONAL CHANGE /  
REDUNDANCY  
POLICY AND PROCEDURE**

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## **1. Purpose and Scope**

- 1.1 The Council recognises that it will, from time to time, need to review and revise its organisational and staffing structures to meet future challenges and opportunities. The purpose of this Policy is to set out the Council's approach to managing the human resources implications of Organisational Change.
- 1.2 Organisational Change takes place when the service or provision of services is altered from the existing establishment and where this impacts on the Council's staffing requirements in respect of that service. This may include the addition, deletion or replacement of posts, relocation of services, fundamental changes to roles and responsibilities and redundancy.
- 1.3 The Council's aim is to ensure that on such occasions, all employees affected will be treated fairly and consistently at a time of change and uncertainty.
- 1.4 This policy is compliant with relevant legislation and utilises as far as is practicable Advisory Conciliation and Arbitration Service (ACAS) best practice. It has been developed in consultation with the recognised trade union(s).
- 1.5 This policy applies to all employees. This Policy applies to employees only and therefore does not apply to Contractors, Agency staff (save to the extent that specific protection is provided under the Agency Workers Regulations 2010) or Casual Workers.
- 1.6 Managers using this policy will maintain fairness and consistency of treatment and will avoid discrimination in according with the Council's Equality and Dignity at Work Policies. In this policy `manager` refers to Service Managers and Service Leads, Corporate Managers, Assistant Directors, the Deputy Chief Executive, the Chief Executive and Growth Director.
- 1.7 The Council will engage in timely and meaningful consultation with the trade union(s) and affected employees. Employees and trade union representatives are expected to engage in any Organisational Change process in a constructive and timely way.

## **2. Key Principles**

- 2.1 The key principles of managing organisational change are:
  - A fair, transparent and equitable process for considering and implementing organisational change.
  - Any process or decision-making will be objective and meet the Council's Equality and Diversity principles.

- All proposals for major change will be subject to timely consultation with both employees and the recognised trade union(s) to ensure that meaningful dialogue can take place in a reasonable timeframe.
- Compulsory redundancies will be avoided where possible but this will be balanced against the Council's need to retain employees with the skills and experience necessary to best meet future service requirements.
- Where compulsory redundancies are necessary, the Council will aim to handle these in a fair, timely and sympathetic manner.
- Employees will be treated as individuals with consideration being given to their personal and employment circumstances.
- All employees have the right to be accompanied at consultation meetings by a trade union representative or a work colleague.
- All employees selected for redundancy have the right to appeal against any decision to dismiss and should use the appeals mechanism contained within this policy.

### **3. The Organisational Change Process (involving restructures)**

3.1 In general, a restructure occurs where there is a reorganising of the management, operational or other structures of a department, often to make it more suitable for current and future business needs or service delivery requirements and/or for the purpose of efficiency or costs-saving.

3.2 There are two stages to any restructure:

1. The approval process for the organisational change/restructure (during which there will be consultation with the Trade Unions and employees who may be affected by the restructure).
2. The implementation process once final approval has been given.

### **4. Approval Process**

4.1 The manager will, in consultation with Human Resources, prepare a draft business case in respect of the proposed restructure. It is the content of the draft business case which will be ultimately shared with the trade union(s) and employees for consultation purposes. Wherever possible, the draft business case should contain the information set out at paragraph 4.6 below.

4.2 The draft business case will be placed before the Council's Executive for preliminary approval before it is shared/discussed with the trade unions and/or employees. For the avoidance of doubt, the draft business case will not be

pre-scrutinised prior to being submitted to the Executive. If preliminary approval is given, the manager will then undertake formal consultation on the draft business case.

- 4.3 The business case will remain a draft business case until the consultation process has been completed and the trade unions and affected employees have had the opportunity to comment on the proposals and management have considered those comments and provided a response.
- 4.4 Following such consultation, the manager will present a final business case to the Council's Executive. The final business case will set out all the information contained in paragraph 4.6 below and will make it clear whether and to what extent it differs from the draft business case. It will also contain information as to whether agreement was reached with the trade unions/employees during consultation, and where agreement was not reached will set out the representations made, the responses given by management and the reasons for those responses.
- 4.5 In the event that the Executive approves the restructure, implementation will take place as set out in paragraph 6 below.
- 4.6 The draft and final business case should contain the following information:
  - An explanation of the current structure in the department including existing structure charts.
  - The reasons why a change from the current structure is considered necessary or desirable.
  - An explanation of the proposed new structure, including new structure charts.
  - The reasons/rationale for the selecting the proposed new structure.
  - The total number of employees in the current structure, with a breakdown of the roles/grades and number of employees in each role.
  - The total number of employees in the proposed new structure, with a breakdown of the roles/grades and the number of employees in each role. Where new roles have not yet been graded for job evaluation purposes, the anticipated grades will be provided.
  - The roles/numbers of employees to be placed at risk of redundancy.
  - The proposals for slotting-in and/or ring fencing of at risk employees and consideration for alternative roles.
  - Selection pools, methods and criteria.
  - Any proposals for minimising redundancies, including consideration for alternative roles outside the ring fence.
  - Method and timescales in respect of consultation and implementation.
  - The financial savings (if any) likely to result from the proposed restructure.

- The estimated costs of the restructure (including potential redundancy costs) and the timescale within which these are likely to be cancelled out by any savings.
- Copies of job descriptions and person specifications for both existing and proposed new roles. If the job descriptions and person specifications for new roles have not yet been finalised, draft documents will be provided.
- An Equality Impact Assessment.

## **5. Initial Consultation with Trade Unions and Employees**

5.1 Following receipt of preliminary approval for the proposed restructure from the Executive, the relevant manager, in conjunction with HR, will promptly commence a reasonable period of consultation with the trade unions(s) and affected employees. At this stage, the consultation will relate to the restructure itself and the proposals for implementation, rather than the position of individual employees.

5.2 Where the following thresholds apply, initial consultation shall last for at least as long as the minimum period required by law. Managers should always take advice from Human Resources as to whether these thresholds are likely to be met:

- a) If 20 or more employees within one establishment may be dismissed as redundant (voluntarily or otherwise) over a period of 90 days or less, consultation will begin at least 30 days before the first dismissal takes effect.
- b) If 100 or more employees within one establishment may be dismissed as redundant (voluntarily or otherwise) over a period of 90 days or less, consultation will begin at least 45 days before the first dismissal takes effect.

Managers should always take advice from Human Resources as to the meaning of establishment.

5.3 Consultation at this stage must be more than an information-giving exercise and will include consultation about mitigating the consequences of the proposed redundancies and ways of avoiding or reducing the number of employees made compulsorily redundant. The aim will be to seek agreement where possible and where this is not possible, the manager will provide reasons for the Council's position.

## **6. Implementation of proposals**

- 6.1 Upon the Executive approving the final business case, all affected employees will formally be placed at risk of redundancy.
- 6.2 Following receipt of such Executive approval, the trade union(s) and affected employees will be notified of that decision, of the fact that affected employees are at risk of redundancy and of the arrangements for implementation. Copies of job descriptions and person specifications for all roles in the new structure will be made available.
- 6.3 An employee will be slotted-in to a role in the new structure in the following circumstances:
- There is at least an 80% match in the job roles and person specifications;
  - The roles are no more than one grade apart; and
  - There is only one matching employee for each new role.
- 6.4 Where slotting-in applies, the employee will be offered an automatic transfer to the new role without having to make any application or undergo any selection exercise.
- 6.5 For the purpose of the matching exercise, where an employee has been in an interim post, including a secondment, immediately prior to the restructure, the comparison will be between their original substantive post and the new post, except where the interim post has been in existence and filled by the employee for a period of one year or longer.
- 6.6 An employee who is offered an automatic transfer to a new role by way of the slotting-in process and who unreasonably refuses to accept such a post will lose their entitlement to a redundancy payment.
- 6.7 All affected employees who are not slotted-in to a new role will be placed into a ring-fence for any remaining roles in the new structure. No further applications will be sought until the applications of the ring-fenced employees have been considered.
- 6.8 Ring-fenced employees will normally be required to make an application for any roles for which they wish to be considered and any candidate who meets the essential criteria for the post will be invited to participate in a selection exercise.
- 6.9 The selection exercise (which would have been set out in the business case) will normally involve at least two methods of testing the candidates, one of which may be a formal interview.

- 6.10 Prior to the selection exercise taking place, candidates will be informed in writing of the selection methods and the criteria to be applied. Employees may request support to prepare for the selection process. Any such request must be made in a timely way and the manager will ensure that support is provided where this is reasonably practicable.
- 6.11 In the event that there is only one application for a new post, the candidate will be offered the role if they are able to demonstrate that they have the necessary skills and experience to fulfil the role or are likely to do so with reasonable re-training.
- 6.12 In the event that there is more than one application for a new post, the candidate who is best able to demonstrate that they have the necessary skills and experience to fulfil the role or is likely to do so with reasonable re-training will be offered the role. If the first choice candidate declines to accept the role, it will be offered to the next candidate down in the scoring exercise, provided that the next candidate has shown that they are suitable for appointment using the criteria set out in paragraph 6.11 above. If no candidate is able to meet the necessary standard for appointment, the role will be opened up for recruitment in the usual way.
- 6.13 Any candidate who is unsuccessful in obtaining a role in the new structure will be considered for Council-wide redeployment in accordance with the Council's Redeployment arrangements.
- 6.14 At any stage of the process, an employee may be required to complete a skills assessment/application form. This will be used to determine whether suitable employment opportunities may exist for the employee, either in the Department or across the Council. An employee who unreasonably refuses an offer of suitable alternative employment will lose their right to a redundancy payment.

## **7. Individual Consultation**

- 7.1 Individual consultation is concerned with the impact of the restructure on individual employees. This process will normally commence once final approval has been given to the proposed restructure by the Executive. There will normally be three consultation meetings although the number of meetings may be amended to suit the circumstances.
- 7.2 The first consultation meeting may be a group meeting or a meeting with the individual employee, at which details of the new structure and the arrangements for implementation will be communicated and discussed. Where there is a possibility of the employee being slotted-in to a new role, the



details of the new post will be provided (to include the relevant job description and person specification) as well as information as to how and when the matching exercise will be carried out.

- 7.3 All affected employees will be provided with copies of job descriptions and person specifications relating to any role for which they may wish to consider making an application (whether or not slotting-in to any post may apply) and will also be provided with information as to the selection methods, selection criteria and the proposed timetable for implementation.
- 7.4 The second consultation meeting will usually take place once a matching exercise has been carried out for slotting-in purposes and applications for alternative roles in the new structure have been considered. From this stage, consultation is likely to be dealt with on a purely individual basis.
- 7.5 Where the employee has been placed into a post in the new structure (whether through slotting-in or as a result of a selection exercise), the Council will confirm that they are no longer at risk of redundancy, written confirmation of the new post will be provided and arrangements will be made for discussions to take place as to any immediate training requirements.
- 7.6 Where the employee has not secured a post in the new structure, the Council will confirm that the employee remains at risk of redundancy. There will be consideration of any proposals for mitigating the impact of the restructure on the particular employee as well as an explanation of the Council-wide redeployment process. The employee will be given the opportunity to identify any potential redeployment opportunities that may be available across the Council and to put forward applications for such posts.
- 7.7 If the employee is appointed to a new role by way of Council-wide redeployment, the Council will confirm that they are no longer at risk of redundancy, written confirmation of the new post will be provided and arrangements will be made for discussions to take place as to any immediate training needs.
- 7.8 Where the employee has not secured a post by way of Council-wide redeployment, there will usually be a third consultation meeting. If it appears at that time that redundancy cannot be avoided, the employee will usually be given notice of termination of employment by reason of redundancy. The employee will also be provided with an estimate of their redundancy benefits.
- 7.9 The employee has the right to request further individual consultation meetings at any time prior to notice being issued by making a request in writing to the manager or to HR, stating the reason why a further meeting is needed. The Council will then endeavour to arrange a further meeting as soon as reasonably practicable.

7.10 At every stage of the individual consultation process, the employee has the right to be accompanied by a trade union representative or a work colleague of their choice.

## **8. Basic Redundancy process (not involving restructures).**

8.1 On some occasions, the Council will wish to make redundancies other than in the context of a restructure, for example where there is a straightforward budget cut or a cessation of work leading to posts being deleted without being replaced by alternative posts or a reduction in the number of employees in a particular post.

8.2 In such circumstances, a business case will be prepared and submitted to the Executive for approval. This will set out the following:

- The background and reasons for the proposed redundancies.
- An explanation of why the proposed redundancies are considered necessary.
- The rationale for the choice and number of posts proposed to be made redundant.
- The financial savings (if any) likely to result from the redundancies.
- The estimated costs of the redundancies and timescale within which these are likely to be cancelled out by any savings.
- The proposed selection pools (if any).
- Where no selection pool is appropriate, an explanation of why this is the case (eg there is only one post-holder and that post is to be deleted).
- The method of selecting employees for redundancy, including the proposed criteria and assessment method(s).
- Proposals in respect of seeking to mitigate the effects of the redundancies/minimise the number of compulsory redundancies.
- Proposals for consultation with the trade union(s) and/or affected employees.
- Proposed timetable for implementation.

8.3 The process for consulting with employees and the unions will be as set out in paragraphs 5 and paragraph 7 of this policy (amended as appropriate to the circumstances) unless the trade unions agree to a shorter process.

8.4 Selection will be based on one of two potential methods:

a) Method 1 is a traditional matrix-based selection approach under which at risk employees will be selected according to set criteria, the choice and

weightings of which will be part of the consultation process and will be confirmed to the employees prior to the selection exercise being carried out.

b) Method 2 is a recruitment-based selection approach under which at risk employees will apply for any remaining posts and the strongest candidates selected, based on selection methods, criteria and weightings which will be subject to consultation and confirmed to employees prior to the selection exercise being carried out.

- 8.5 The Council would generally expect to use Method 1 but may, subject to consultation, choose method 2 as being the most appropriate way to undertake selection for redundancy.
- 8.6 In either case, the Council will endeavour to ensure that the selection processes are objective and fair to all candidates and are evidence-based.
- 8.7 Where there is a simple deletion of a role without the creation of potential alternative roles, and there is only one employee per post in the role that is at risk of redundancy, there is usually no requirement to undertake a redundancy selection exercise.
- 8.8 At any stage of the process, an employee may be required to complete a skills assessment/application form. This will be used to determine whether suitable employment opportunities may exist for the employee, either in the Department or across the Council. An employee who unreasonably refuses an offer of suitable alternative employment will lose their right to a redundancy payment.

## **9. Notice of Redundancy**

- 9.1 Notice of termination of employment by reason of compulsory redundancy will not normally be issued until the third consultation meeting unless there are exceptional circumstances.
- 9.2 The employee will be issued with verbal notification in the first instance. This will be confirmed in writing within 7 days of the verbal notification and will include a statement of the applicable redundancy benefits, reference to the Modification Order, details of the arrangements for further consideration of redeployment during the notice period and information as to the right to appeal.

## **10. Appeals**

- 10.1 The employee has the right to appeal against the decision to issue them with notice of termination of employment.
- 10.2 Any appeal must be in writing and received by the employer no later than seven days after written notice of termination of employment was given.
- 10.3 The employee may appeal against the decision to dismiss, or in relation to any part of the process leading to that decision.
- 10.4 Appeals will be conducted in accordance with the Council's usual appeals procedures.
- 10.5 The decision on appeal will be final, subject to continuing efforts being made to redeploy the employee during the notice period.
- 10.6 For the avoidance of doubt, the Grievance Policy will not apply to any concerns arising from a redundancy process. Any such concerns should be raised as part of the consultation processes and/or by way of appeal.

## **11. Trial Periods**

- 11.1 Where an employee is offered an alternative role in the department or by way of Council-wide redeployment and the provisions of the new contract differ from their existing contract, they will be entitled to a trial period of 4 weeks in accordance with their statutory rights. In the event that it is felt that a longer trial period is necessary, this must be agreed in writing prior to the trial period commencing and a number of other conditions must be met. In such a case, advice should be sought from Human Resources.

## **12. Pay protection arrangements**

- 12.1 In the event the employee is offered alternative employment at a grade lower than their original grade, the Council's pay protection arrangements as set out in the Council's Pay Protection policy will apply.

## **13. Methods of avoiding compulsory redundancy**

- 13.1 The Council will always give consideration to ways of minimising compulsory redundancies. Depending on the circumstances, this may involve:
  - Limiting recruitment

- Natural wastage
- Reducing or eliminating the need for casual, temporary or agency workers
- Voluntary redundancy
- Voluntary reductions in working hours
- Redeployment and the provision of reasonable training where appropriate.

13.2 An application for voluntary redundancy may be made by any at-risk employee at any time within the timescales stipulated by the Council.

13.3 The applicant will be provided with a statement of the benefits that would apply in the event the application is accepted.

13.4 The decision whether to accept an application for voluntary redundancy will take into account the aim of limiting the number of compulsory redundancies as well as the following factors:

- The impact on the Council of the loss of the individual's experience and skills and/or its ability to deliver its services.
- The overall cost of the voluntary redundancy, including costs relating to redundancy payments and/or any early retirement provided this can be objectively justified.

## 14. **Employees with additional protection**

14.1 In the case of employees who have a disability as defined in the Equality Act 2010, it may be necessary for the Council to take additional steps, including a consideration of reasonable adjustments in relation to potential alternative roles and to selection exercises. In such cases, managers should always seek advice from Human Resources.

14.2 Employees who are at risk of redundancy whilst on maternity leave have additional protection in terms of consideration for alternative roles. Managers should always seek advice from Human Resources.

## 15. **Absent employees**

15.1 Where an employee is absent from work during the period when they are at risk of redundancy, whether by reason of sickness or otherwise, the Council will endeavour to ensure that they nonetheless have the opportunity to engage in the consultation process. This may include, for example, holding consultation meetings off-site or dealing with the matter through correspondence or by way

of telephone discussions. In such cases, managers should always seek advice from Human Resources.

## **16. Time off work**

- 16.1 An employee who has been continuously employed for at least two years and who is under notice of redundancy is entitled to reasonable time off work with pay to look for new employment or to make arrangements for training for future employment.

## **17. Notifications to the Department for Business, Innovation and Skills (BIS).**

- 18.1 The Council is required by law to inform the Department for Business, Innovation and Skills (BIS) if it is proposing to make more than 20 employees redundant at one establishment within a 90 day period. An `establishment` is the site at which the employees are assigned to work. The notification must be completed at least 30 days in advance of the first dismissal and at least 45 days in advance where it is proposed to make 100 or more employees redundant. Human Resources will undertake the necessary notifications.

## **18. Review**

- 18.1 This policy will be reviewed regularly in consultation with the trade union(s), taking into account changes to any relevant legislation, ACAS Guidelines and best practice.