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Organisational Change Policy and Procedure

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Purpose

The purpose of the Organisational Change Policy and Procedure is to set out the Council's approach to managing organisational change. The policy and procedure establishes a fair, transparent and effective process for dealing with such situations and ensures compliance with statutory requirements.

Scope

This policy and procedure applies to all employees of Leicestershire County Council employed under the conditions of service of the following bodies:

- National Joint Council for Local Government Services
- Joint Negotiating Committee for Chief Officers
- School Teachers' Pay and Conditions (for centrally employed teachers)

with the exception of casual workers, apprentices and employees based in schools/colleges with delegated budgets.

This policy and procedure is not applicable to agency staff or individuals who are self-employed.

Principles

- The Council's commitment to equality of opportunity will be observed at all times during the operation of this policy and procedure. This will ensure that employees are treated fairly and without discrimination on the grounds of race, nationality, ethnic or national origins, sex, marital status or civil partnership, disability, age, sexual orientation, trade union membership or activity, political or religious belief, maternity or pregnancy, gender re-assignment and unrelated criminal conviction.

- This procedure will be implemented in line with the six Organisational Values: a focus on the people of Leicestershire, being positive, the desire to achieve results, flexibility, co-operation and speaking up.
- The Council is committed to full and meaningful consultation with employees and the recognised trade unions regarding proposals for organisational change. The aim is to demonstrate a commitment to safeguarding the interests of employees. In line with this, the overriding objective of consultation will be to consider ways of avoiding redundancies, reducing them to a minimum and/or mitigating the consequences of dismissals. Consultation will be undertaken with a view to reaching agreement and any representations or proposals made will be fully considered. The trade unions' opposition to compulsory redundancy is recognised and accepted. The Council will work with them to explore all reasonable alternatives before this happens.
- It is recognised and understood that organisational change may have a significant impact on employees and may involve periods of uncertainty. The Council is committed to supporting employees through periods of change and to minimising any negative impact.
- The Council will, where feasible, try to avoid redundancies through careful planning, including vacancy control measures, natural wastage, redeployment (where applicable) and retraining where possible. The aim is to ensure that the valuable skills, experience and knowledge of employees are retained wherever possible.

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Roles and Responsibilities

Line managers	Are responsible for initiating, planning, consulting on and implementing organisational change. To consider the implications of proposals on service delivery and to take the necessary steps to ensure continuity of service after reorganisation.
Employees	To consider the implications of the proposals for themselves as individuals and also in terms of service delivery and to make comments, ask questions and suggest alternative options as appropriate.
HR Services (HR Advisers and Business Partners)	To advise and support line managers in the application of the Policy and Procedure.
Recognised Trade Unions	The recognised trade unions will be consulted regarding all major changes affecting job security and minor ongoing changes as appropriate and will provide advice and support to their members.

Employment Committee	Responsible for ensuring that the Policy and Procedure is applied consistently and fairly across the Council.
Employment Panel	To hear appeals against dismissal on the grounds of redundancy.

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Types of change

Ending a fixed term contract

Individual fixed term contracts which are being terminated early or not renewed, in isolation from a restructuring or review, should be managed in line with the [Fixed Term Contracts – Guidance for Managers](#).

Where employees on fixed term contracts fall within a restructure or review, the provisions of the Organisational Change Policy and Procedure will apply.

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Minor changes

Minor changes are those which form part of day-to-day management and do not affect an employee's terms and conditions. Examples include a change of job title, minor amendments to the job profile, a change of line management or change of title of the Department, Service or team.

To adapt to changing requirements, it is likely that from time to time, the Council will need to make changes to roles, responsibilities and/or working practices. Flexibility is one of the six Organisational Values and therefore employees are expected to accept reasonable changes appropriate to the level of their post. Where changes are required, the reasons for these will be discussed with employees and they will be given the opportunity to state their views and suggest any alternative solutions. Affected employees will be given reasonable notice of any change and supported, as far as practical, to adapt to new ways of working.

Managers should consider carefully the impact of minor changes on employees e.g. on any caring responsibilities and on their learning and development needs and seek advice from HR Services and the Learning and Development Service as necessary.

Managers do not need to follow the Organisational Change Policy and Procedure when carrying out minor changes.

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Major changes

Examples of major change include Department, Service or Team restructurings, changes to terms and conditions of employment (which may include relocating employees) and significant changes to working practices. All these changes, which represent a substantial change to an employee's terms and conditions or a reduction in work, necessitate formal consultation.

If a major change is planned the following steps should be followed:

- engagement and communication;
- seeking to avoid or minimise redundancies;
- planning;
- writing the Action Plan;
- formal consultation;
- implementation.

Each of these steps is explained in more detail below.

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Engagement and communication

It is recognised that open and effective communication and consultation is key to successful organisational change. Where possible, managers should communicate with affected employees and trade union representatives at the earliest opportunity, which could be when efficiency savings are first announced or when a service has identified a need to review working practices owing to e.g. new legislation. The Council would usually seek to engage and consult on all major organisational change, whether or not there is a statutory requirement to do so, e.g. changes in service policy.

Managers should ensure that engagement stretches to any areas outside the immediate review that will also be affected, in order to gain feedback and support.

The information available at the initial stage will vary depending upon circumstances. For example, a Department may know that a significant amount of money has to be saved which may lead to redundancies or changes to ways of working, or that new legislation is coming into force which will affect service delivery.

Communication methods should be appropriate to the information being presented, the audience and the purpose and may include one-to-one meetings, team meetings, Departmental briefings or newsletters. Large scale change programmes involving a significant number of employees and/or partners may require a Communications Strategy that identifies a planned approach, in which case managers should seek advice from the Communications Team.

The purpose of engagement is to involve employees and the trade unions at the earliest opportunity, so that affected employees have sufficient time to give thorough consideration to the proposals before the formal consultation begins.

At the informal stage of the consultation process, the recognised trade unions should also be consulted about the schedule of dates for implementation of each stage of the procedure, and the date of the first consultation meeting agreed with them.

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Seeking to avoid or minimise redundancies

The Council is committed to minimising the number of compulsory redundancies and therefore the following measures should be fully explored:

- deletion of vacant posts;
- restriction or suspension of recruitment;
- cessation or reduction of overtime;
- cessation or reduction of casual contracts;
- voluntary reductions in hours;
- voluntary redundancy;
- flexible retirement;
- revision of all expenditure e.g. travel mileage, reduction in absence levels, etc.

These measures should be considered before and during the planning of a restructuring. They should also form part of the considerations during the consultation period.

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Planning

Timescale

When planning a restructuring, managers need to allocate sufficient time to plan, determine the financial implications, write an action plan, consult on it and then implement the final proposals.

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Workforce planning

Departments should work closely with their HR Business Partners and the Learning and Development Service to prepare a strategic plan which ensures that they have the right number of employees with the right skills and experience to deliver future services. Further guidance on [workforce planning](#) is available.

Equality Impact Assessment: (Services)

As a public body, the Council is required to consider the impact on different groups in the community of changes that are made to services. When a restructuring will result in a change in the way in which a service is delivered to customers, an equality impact assessment (EIA) should therefore be conducted. Further guidance can be found at [Equality Impact Assessment: Services](#). (Please note that this is not the same as the Equality Impact Assessment in relation to the employment implications of the Action Plan.)

The EIA: Services needs to be completed in sufficient time to enable any recommendations in the accompanying equality improvement plan to be considered before the Action Plan is prepared.

Consultation timescale

The purpose of collective and individual consultation is to provide an opportunity for all concerned to understand the situation, consider the plans for addressing it and explore any options to avoid compulsory redundancy.

The timescales for consultation are:

Number of employees at risk of redundancy in one establishment	Length of formal consultation period
100 or more	90 calendar days
20-99	30 calendar days
0-19	30 calendar days recommended

These timescales reflect the statutory requirements for consultation periods where it is proposed to dismiss 20 or more employees at an establishment; there is no statutory consultation period where it is proposed to dismiss less than 20 employees at an establishment.

Where it is proposed to delete posts and create new posts or to reduce the number of existing posts, it will still be appropriate to consult for the full 30 calendar days to ensure meaningful consultation, particularly regarding implementation of the Action Plan. However, if the employees, trade unions and the manager consider that a shorter formal consultation would be more appropriate (e.g. to minimise anxiety), this can be agreed and should be confirmed in writing.

If an Action Plan is proposing solely to delete posts (e.g. as the result of the cessation of a service), which will result in compulsory redundancy for all the affected employees, and there are less than 20 employees, it may be appropriate to consult for a shorter period of time, normally 2 weeks. This is

subject to agreement between employees, trade unions and the manager and should be confirmed in writing.

An “establishment” will be considered as a Corporate Department e.g. Corporate Resources. Therefore to determine the required consultation period, managers must consider not only the number of employees affected by the action plan that they are responsible for, but also the number of employees affected by other Action Plans in the same Department on which formal consultation begins on the same day. Such information may be obtained from HR Services.

If 20 or more redundancies are being proposed at a single establishment, the Department for Business, Innovation and Skills (BIS) must also be notified using **Form HR1**. The line manager is responsible for completing this, with support from HR Services. A copy of the completed Form HR1 should be sent to each of the recognised trade unions.

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Establish the current structure and affected employees

Managers need to identify which employees will be affected by the proposed changes and establish their employment status and working arrangements, as these will affect their position under the Organisational Change Policy and Procedure. It is essential to identify in particular:

- employees on fixed-term (temporary) contracts;
- employees who are seconded into the current structure or are acting-up or who are seconded away to another Department/team;
- employees on maternity leave, adoption leave or maternity/adoption support leave;
- employees who are absent for other reasons e.g. sickness, suspension, etc.

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Fixed-term contracts

Managers should check the contract of employment of individuals on fixed-term contracts to determine the reason why the contract was issued.

Fixed-term employees will be entitled to equal consideration for posts and given the opportunity to apply for new or vacant posts in the new structure alongside permanent staff where their fixed-term contract states that it is to cover a short term need and the contract was issued before the Department was aware of the impending restructuring.

Fixed-term employees will not be entitled to equal consideration for posts and given the opportunity to apply for new or vacant posts in the new structure alongside permanent staff where:

- their fixed-term contract states that it is to cover an absent employee e.g. maternity cover, secondment, etc. This type of contract will end when the employee for whom the cover is provided returns to their substantive post;
- their fixed-term contract specifically states that it is for additional work or a project which is a temporary addition to the establishment and there are no permanent staff carrying out the same role. This type of contract will end when the work is completed or funding for the work finishes;
- their fixed-term contract states that it is to cover a short term need and/or to provide cover during the period of the restructuring and the contract was issued after the Department was aware of the impending restructuring.

To exclude a fixed-term employee from consideration for posts in the new structure, the Department must have communicated with employees and the trade unions to inform them of the impending restructuring within a reasonable timescale.

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Secondments and acting-up

Employees who are seconded into a post or acting-up and have a substantive post to return to should return to that substantive post, irrespective of the length of the secondment.

Employees who are seconded into a post in the current structure who do not have a substantive post to return to should be considered equally alongside other employees in the restructuring. Their comparability should be considered on the basis of the post that they are seconded into.

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Employees on maternity leave, adoption leave or maternity/adoption support leave

Managers are strongly advised to seek advice from HR Services if any affected employees are in this position. Employers have a statutory duty to offer employees who, during their maternity leave, adoption leave or the additional paternity leave element of their maternity/adoption support leave find that their post is due to be made redundant, any suitable vacancy as an alternative to redundancy prior to the termination of their employment.

Therefore such employees should be assigned to a suitable post if one exists in the new structure, even if this means that they are being treated more favourably than other employees who are also at risk of redundancy. This preferential treatment should apply only where the employee is on one of

these types of leave at the commencement of the selection process for the job that they are comparable to.

Where a comparable job has not been identified for the employee, they are entitled to be offered any suitable alternative post in the new structure.

If no suitable alternative post is available in the new structure, then they are entitled to be offered any suitable alternative post elsewhere in the Council. They should therefore be given redeployment status and offered any suitable alternative post over other employees with redeployment status.

To be a suitable alternative for these purposes, the work should be suitable and appropriate for the employee in the circumstances and should be on terms and conditions and in a capacity and location which are not substantially less favourable than their substantive post. Advice should be sought on what might amount to suitable alternative employment from HR Services.

Employees who are on maternity leave, adoption leave or maternity/adoption support leave during the formal consultation period, but have returned to work at the commencement of selection for new posts or, if applicable, implementation of redundancy, are not entitled to this preferential treatment, but managers must ensure that these employees are fully engaged with during the consultation period.

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Employees who are absent from work due to e.g. sickness, suspension, unpaid leave of absence, etc

Employees who are absent from work for any reason e.g. sickness, suspension from duty, unpaid leave, etc. should receive equal consideration with regard to communication and consultation as affected employees who are at work. Reasonable adjustments may be required for employees who are on sickness absence due to a disability.

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Determine the new structure and job profiles

When designing the new structure, managers should first consider what tasks will need to be carried out and what knowledge, skills, abilities and experience are required to do so, having regard to future service plans. Additional requirements, such as whether a post is “regulated activity”, also need to be specified in the job profile. Careful consideration should be given to the **Organisational Design principles** which have been agreed by the Corporate Management Team; if, after consideration, the Department do not wish to follow the principles, the respective HR Business Partner should be consulted. Advice about addressing perceived skills gaps can be obtained from the Learning and Development Service.

Any posts which are new or have changed significantly have to be evaluated under the Council's **Job Evaluation Scheme** and the Action Plan should not be issued for consultation until evaluation has been completed. If an employee is concerned about the grading of a post, they should raise this with their manager and/or trade union representative during the formal consultation period. Employees who are appointed into a new post cannot apply for re-evaluation until at least 6 months after their appointment.

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Equality Impact Assessment

The Council is committed to ensuring that, as far as possible, organisational change does not have an adverse impact on employees defined by “protected characteristics” under the Equality Act 2010. These “protected characteristics” are:

- age;
- disability;
- gender;
- maternity or pregnancy;
- marital status or civil partnership;
- race/ethnicity;
- religion or belief;
- sexual orientation;
- gender reassignment.

To ensure that any potential adverse impact is identified and where possible mitigated, managers, with support from HR Services, are responsible for conducting an equality impact assessment (EIA) on the proposed changes. This should take place during the planning stage, using the EIA template provided and accompanying guidance.

The purpose of conducting an EIA is to identify whether the proposed changes are likely to adversely affect groups defined by “protected characteristics”. Managers therefore need to obtain equality monitoring information about the affected group of employees, consider the changes being proposed and the selection methods to be used and give consideration as to whether this may result in specific barriers for certain groups. Such barriers could arise, for example, as a result of:

- a proposed change in workforce structure;
- a change of location;
- the selection process for new posts in the structure;
- changes to terms and conditions and working arrangements e.g. hours of work.

Where it is identified that organisational change is likely to adversely affect a particular group, managers should consider what action can be taken to mitigate this, which could include for example, amending the pool of employees being considered for particular posts, changes to the selection

process, additional support for specific groups and the use of representative selection panels.

The EIA should be sent to the trade unions with the Action Plan at the start of formal consultation; there is no requirement for it to be distributed to employees.

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Understanding potential costs and savings

If during the planning process redundancies are identified as a potential outcome of organisational change, managers should obtain an estimate of the potential costs before commencing formal consultation so that the financial impact can be assessed.

HR Services will support managers in obtaining estimated redundancy costs, including the cost of lump sum redundancy payments and the capital costs of early release of pension for employees who are aged 55 and over (see [Compensation](#) for further details). Cost estimates should be obtained for all employees who could be at risk of redundancy. There may be additional costs if an employee has a lease car and details of these can be obtained from ESPO.

Managers also need to consider the cost of replacing lost skills and/or up-skilling employees following reorganisation. Advice on training and costs can be obtained from the [Learning and Development Service](#).

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Writing the action plan

To provide all the necessary information regarding the proposals to affected employees and the recognised trade unions, the lead manager is required to draft a formal consultation document known as an Action Plan (a template is available). The Action Plan should include the following:

- The reasons for the proposals
- Vision for the future service, including ways of working, location(s), future skills requirements, etc.
- Current structure chart, indicating any vacancies
- Job titles and numbers of employees within the scope of the plan
- Proposed structure chart
- Details of proposed new posts, including numbers
- Consideration of the business travel implications of the proposals
- Measures proposed to avoid or minimise redundancies
- Which employees are considered comparable to which posts in the new structure
- Proposed method of selecting employees as redundant
- Numbers and descriptions of posts it is proposed to delete
- Method of calculating redundancy payments

- Any equality implications arising from the proposals
- Proposed timescale for consultation and implementation, including dates of meetings during the consultation period
- The pool of employees from which volunteers for redundancy will be sought and the deadline for any redundancy requests to be submitted
- How responses to the Action Plan are to be submitted
- If applicable, how employees should complete the Job Preference Form.

Managers are encouraged to engage with trade union representatives from the outset when drafting the Action Plan.

The Action Plan is a draft document during the formal consultation period and should be amended to take account of changes agreed during consultation. The Job Preference Form, if applicable, should be issued alongside the draft Action Plan at the beginning of the consultation period, but employees are not required to return it until one week after the final version of the Action Plan has been issued.

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Comparability

The lead manager should identify in the Action Plan which posts in the new structure, if any, each employee is comparable to. Once this has been completed, the manager can then see which posts in the new structure are new (i.e. no current jobs are comparable to them) or vacant (i.e. there is no current job holder).

Under normal circumstances, unless provision of a particular service is due to cease entirely, it is expected that there will be comparable posts in the current and new structures, and individual employees should be identified as having comparability where the content of a new job is substantially the same as that of their current job. An employee will normally only be deemed to be comparable with one post in the new structure. It is possible for an employee to be comparable with a post at a different grade to their current job, but it is likely that this will only be by one grade above or below their current job. It is also possible that employees with the same job profile in the current structure may, due to differences in the focus of their duties, be comparable to different posts in the new structure.

To determine whether posts are comparable, the current and new job profiles should be compared. If the current job profile is out-of-date and/or inaccurate, managers are recommended to hold discussions with the affected employees in order to seek agreement about current duties and responsibilities. To ensure objectivity and consistency of decision-making, it is strongly recommended that decisions about comparability are made by at least 2 managers. Such decisions should be based on factual and objective reasoning which can be justified and evidenced. Managers should include trade union representatives in the decision-making process, particularly when dealing with a large or complex restructuring.

Through the comparability process, it may be identified that some employees' jobs are not comparable with any jobs in the new structure.

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Pre-consultation approval

Once the draft Action Plan has been prepared, the lead manager should arrange to meet their Departmental HR and Finance Business Partners to obtain their agreement to it; the manager should provide details of the costs involved and a summary of how any impact on workforce skills can be mitigated. The draft Action Plan must then be approved by the relevant Director/Assistant Director before formal consultation can start.

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Formal consultation

The formal consultation period commences with the distribution of the draft Action Plan. This should be done by holding a collective meeting with affected employees, to which representatives of the recognised trade unions are invited. If there are employees whose current job is not comparable to any post in the proposed new structure, it may be appropriate to meet with them before the main meeting – the manager should discuss this with trade union representatives prior to making a decision.

A copy of the draft Action Plan must be sent to a senior officer (usually the Secretary) of the local Branch of each recognised trade union (where applicable) and also to the Regional Officer of each recognised trade union (usually by email) at least 24 hours before it is given to affected employees. Contact details for officials of the recognised trade unions are available.

Consultation must take place with the trade unions recognised for the groups of employees affected, regardless of whether any of the individual employees are trade union members. Trade union representatives should be invited to all collective meetings. Employees are also entitled to be accompanied at individual meetings by a trade union representative or work colleague.

Employees who are away on secondment, or on maternity leave, adoption leave or maternity/adoption support leave or absent from work for any other reason should also be consulted and appropriate arrangements must be put in place for this e.g. sending information and invitations to meetings to their home address, arranging individual meetings, communicating through appropriate representatives, etc. The lead manager should keep a record of any such arrangements made.

Consideration should also be given to informing and/or consulting with stakeholders and partners, such as other Council Departments, Health, etc., once the affected employees have been informed.

The number of meetings held during the formal consultation period should be appropriate to the change proposed, ensuring that employees and trade union representatives are given sufficient opportunity to consider the proposals, ask questions and suggest alternatives. The lead manager should keep a record of all meetings held, including dates, times, names of attendees and notes of matters discussed.

Any individual who is affected by the review should be offered the opportunity to meet a manager to discuss their concerns in a constructive way and explore any alternatives to redundancy.

If there are any significant developments during the consultation period that affect the group of employees subject to the Action Plan, which have not previously been discussed with employees and the trade unions, consultation should take place to decide if further meetings will be required.

During the consultation period, an employee is entitled to challenge the decision regarding which post(s) they are deemed to be comparable with or not. Any challenge should be submitted in writing to the lead manager within the first 10 working days of the consultation period, in order to give adequate time for consideration and to make any alterations to the Action Plan. Consultation will not end until after the challenge has been considered and the outcome communicated in writing to all affected employees. The lead manager will be responsible for organising a meeting to discuss the challenge, which will be attended by the managers involved in making the original decision and the employee. The employee concerned is entitled to be accompanied by a trade union representative or work colleague. The outcome will be communicated in writing to the employee within 3 working days of the meeting.

The lead manager should keep a record of when and how information has been communicated during the consultation period and retain this for 6 months after the implementation date.

Throughout the consultation period, mechanisms should be in place to receive questions and comments from employees and trade union representatives arising from the action plan and to provide responses e.g. meetings, emails, letters, etc. At the end of the consultation period, all comments and suggestions should be thoroughly considered and responded to before the Action Plan is finalised by the lead manager.

Once the final version of the Action Plan has been prepared, the lead manager should again arrange to meet their Departmental HR and Finance Business Partners to obtain their agreement to it. The final Action Plan must then be approved by the relevant Director/Assistant Director before

commencing implementation. Copies of the final Action Plan must then be sent to the employees affected and the Senior Branch Officers and Regional Officers of the trade unions, highlighting any changes that have been made.

The Employment Committee will also be notified of the Action Plan by HR Services.

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Job preferences

Normally one week after the final Action Plan is issued (unless otherwise agreed), each employee will be required to submit to the lead manager a list of the jobs that they wish to be considered for, in order of preference, using the Job Preference Form. A template **Job Preference Form** is available.

If an employee has been identified as being comparable with a post in the new structure, they must include this comparable job on their list of preferences.

An employee may not indicate a preference for a post in the new structure that has already been identified as a comparable post for another employee(s).

An employee can only indicate a preference for a new job or vacancy higher up their preference list than a comparable job if the new job/vacancy is at the same grade or higher than their current job.

An employee is not prevented from indicating a preference for a job on a lower grade than their current job provided this is a new job or a vacancy.

An employee may only include new jobs and/or vacancies on their preference list if they meet the essential criteria for them.

An employee who does not have a comparable job should ensure that any jobs at their current grade or above for which they meet the essential criteria are placed at the top of their preference list.

Failure to indicate preferences will not entitle an employee to receive a redundancy payment. If an employee unreasonably refuses suitable alternative employment, they may lose their right to receive a redundancy payment.

If an employee has a comparable post in the new structure and no other employees are deemed comparable to the same post (so no selection process will be required) and there are no new jobs or vacancies available for the employee to consider, they will not need to complete a Job Preference Form; following conclusion of the formal consultation period, they may be confirmed into post.

If a group of employees have the same comparable posts in the new structure, but each job has a different emphasis (e.g. different geographical responsibilities or specialisms), each employee should complete a Job Preference Form and indicate on it any preferences for particular posts. Wherever possible, mutual agreement on assimilation should be sought, but if this cannot be reached, a selection process (see below) will be required.

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Implementation

Following approval of the final action plan, the lead manager must notify the Employee Service Centre (ESC) of the proposed changes to the staffing structure, using the [Re-structuring Notification Form](#), so that necessary changes can be made to the HR/Payroll system.

Once the final action plan has been distributed to the trade unions and affected employees, the lead manager should undertake the following process for implementing the new structure.

Voluntary redundancy

Asking for volunteers to be considered for redundancy may be appropriate where it is necessary to reduce the number of employees in a particular job. The pool of employees from which volunteers will be sought and the deadline for them to submit requests will have been set out in the draft Action Plan. The inclusion of an employee in the pool does not of itself guarantee that their request will be agreed.

The decision to grant redundancy is discretionary and should be based on criteria which are clear, fair, non-discriminatory and easily evidenced. These may include, cost, skills, knowledge, work performance, capability and disciplinary record. Managers should consider the need to retain key skills and the cost implications of granting a redundancy request and are encouraged to seek advice from HR Services regarding these decisions.

Directors have delegated authority to agree individual requests for redundancy, subject to the approval of Strategic Finance regarding the financial implications.

Where it is proposed to grant a request for redundancy from a Director or a member of a Departmental Management Team, the approval of the Head of Strategic HR and the Head of Strategic Finance must be obtained.

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Selection

Once all job preference forms have been received, managers should determine the sequence in which selection for each job will take place, which will usually be by working from the top of the new structure (by grade). Once an employee has been appointed to a post in the new structure, they will not be considered for jobs lower down their preference list (and therefore as selection into higher graded posts is completed, the pool of candidates for lower graded posts will usually reduce in size). Where jobs are comparable and there are enough posts for all comparable employees, a selection process will not be required.

The sequence of selection for each post should be communicated to the trade unions and affected employees. The lead manager should also contact individual employees, normally by email, to notify them of the sequence of selection applicable to them personally.

If there are not enough posts for all comparable employees, or there are new or vacant posts with which no employee is comparable, a selection process should be undertaken.

The criteria for selection must be based on the person specification, focussing on the skills and abilities that will be required to undertake the new job effectively, and should be clear, fair, non-discriminatory, easily evidenced and in line with the needs of the service.

The selection methods to be used should be set out in the Action Plan and hence subject to consultation with trade unions and affected employees.

Methods can include:

- skills matrix;
- written submission;
- interview;
- test;
- presentation.

In most cases where there are not enough posts for all comparable employees, it is most appropriate to use a skills matrix, but other methods can be used, depending on the needs of the service.

Managers should consider if reasonable adjustments need to be made to the selection method(s) for employees with a disability.

A skills matrix can be used to assess the following:

- skills, experience and knowledge;
- qualifications;
- capability record (only for a live final warning);
- disciplinary record (only for a live warning).

A [skills matrix template and further guidance](#) is available.

Where the selection process includes an interview and there are employees taking part from Black and Minority Ethnic backgrounds, there should be a representative panel which takes the same form as a representative recruitment panel (see [Recruitment Guidance](#)).

Interview skills training for interviewees is available from the Learning and Development Service on request.

When selecting employees for posts, managers must not take into consideration whether there might be a more suitable external candidate. Appointees should meet the minimum essential requirements for the post, but managers should also give consideration as to whether an employee has the potential to acquire any additional skills they need to meet the minimum requirements within a reasonable timescale and cost, and may consider providing training to enable them to do this.

Decisions following selection should be communicated sensitively and wherever possible face-to-face or by another agreed method. In some cases, the outcome will put employees at risk of redundancy and it is therefore essential that managers act swiftly to provide them with support and access to redeployment opportunities.

Managers should retain copies of documentation relating to the selection process for 6 months after the implementation date.

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Relocation

When it is proposed to relocate employees, managers are responsible for deciding, with advice from HR Services, if it will be necessary to follow the Organisational Change Policy and Procedure. A key consideration is whether relocation is reasonable for the employee(s) concerned and account should be taken of the following factors:

- location and/or mobility clauses in contracts of employment;
- difference between current and proposed journey to work (additional travelling time and cost);
- method of transport e.g. access to own transport, suitability of public transport, car-sharing, etc.;
- grade and duties;
- if the employee travels on Council business;
- hours of work;
- caring responsibilities (children and/or dependent adults);
- any disability issues.

If the Department considers that relocation is reasonable, the provisions of the Disturbance Policy and Procedure will apply. If an employee unreasonably

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refuses to relocate, the lead manager should contact HR Services for further advice.

If the Department considers that the relocation is not reasonable, this places the employee(s) at risk of redundancy. As a result, the employee(s) should be consulted on the proposals and ways to avoid compulsory redundancy. In these circumstances, if following consultation, an employee is not able to relocate, they will be given redeployment status and be subject to the provisions of the [Redeployment Policy and Procedure](#).

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Redeployment

Employees will be given redeployment status where:

- it is proposed that all posts will be deleted (e.g. as the result of the cessation of a service) – in these circumstances, all affected employees should receive redeployment status from the beginning of the formal consultation period;
- they do not have a comparable post – such employees should also receive redeployment status from the beginning of the formal consultation period;
- during implementation of a restructuring, an employee has failed to obtain a job following a selection process – such employees should receive redeployment status from the point where it is confirmed that they have not been able to obtain a comparable post in the new structure.

Exceptions to these general principles may be made where the circumstances offer a more suitable solution (for example, where an individual's post may be affected by more than one organisational change proposal) and agreement has been obtained from the Departmental HR Business Partner and trade union representative(s).

Line managers are responsible for assisting employees to secure redeployment and this support should continue throughout the employee's notice period. The [Redeployment Policy and Procedure](#) contains further guidance about redeployment status, trial periods, pay protection, compensation and other measures.

Employees will not be entitled to a compensation payment when they are redeployed into a post with fewer hours than their previous post.

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Redundancy compensation

Redundancy compensation varies depending on the age and length of continuous service of the individual employee and the provisions of their pension scheme, together with any discretions exercised by the Council.

Centrally employed teachers

For centrally employed teachers, the following provisions apply:

Voluntary redundancy

Aged under 55 years– redundancy payment only.

Aged 55 years and over – redundancy payment and early release of pension benefits (including pension lump sum) without actuarial reduction.

Compulsory redundancy

Aged under 55 years– redundancy payment only.

Aged 55 years and over – redundancy payment only.

Other Council employees

For other Council employees, the same compensation is paid in the event of either voluntary or compulsory redundancy. The following provisions apply:

Employees with less than 2 years' continuous local government service – no entitlement to redundancy compensation.

Employees with at least 2 years' continuous local government service, but who are not members of the Local Government Pension Scheme – a redundancy payment based on age, length of service and salary (insert link to [Ready Reckoner](#)).

Employees who are members of the Local Government Pension Scheme aged under 55 with at least 2 years continuous local government service – a redundancy payment based on age, length of service and salary (insert link to [Ready Reckoner](#)). Pension benefits will be deferred or can be transferred to another pension scheme.

Employees who are members of the Local Government Pension Scheme (LGPS) aged 55 and over with at least 2 years continuous local government service – a redundancy payment based on age, length of service and salary (insert link to [Ready Reckoner](#)) and immediate payment of pension benefits without reduction (subject to a minimum of 3 months' LGPS membership).

The redundancy payment is based on the employee's salary as at the date that notice is given; the employee's age and length of service are as at the date of termination.

The redundancy payment is calculated as follows:
Weekly hours x hourly rate x number of weeks in accordance with the Ready Reckoner.

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Reduction in hours resulting from a restructuring

If an employee's hours of work are compulsorily reduced, provided they have at least 2 years' continuous local government service, they will be eligible to receive a compensation payment. This payment is based on the calculation for a redundancy payment pro rata to the number of hours lost. As the employee is not being made redundant, the compensation payment is subject to income tax and National Insurance.

Where during a restructuring, an employee is appointed to a post in the new structure at a lower grade and their hours of work have also been compulsorily reduced, they will be entitled to receive pay protection (see below) based on their new hours of work and a compensation payment for the reduction in hours.

Where during a restructuring, an employee's hours of work are compulsorily reduced but the grade of their job has increased:

- if their new salary is higher than their previous salary (based on gross pay received), they will not be eligible to receive a compensation payment for the reduction in hours;
- if their new salary is lower than their previous salary (based on gross pay received), they will be eligible to receive a compensation payment based on the calculation for a redundancy payment for the amount of pay lost. This payment is calculated as follows:
Previous weekly salary less new weekly salary multiplied by the number of weeks' pay due according to age and length of service in the [Ready Reckoner](#). Weekly salary is calculated as:
Weekly hours x hourly rate.

Where during a restructuring, an employee applies for a post which is not their comparable post and it comprises fewer hours than their previous post, they will not be entitled to receive any compensation payment.

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Voluntary reduction in hours by an employee or group of employees

Compensation payment

To avoid a redundancy or a compulsory reduction in hours, an employee or group of employees may agree voluntarily to reduce their hours. When

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considering such requests, managers must ensure that the proposal would avoid the need for one or more redundancies or avoid the need to compulsorily reduce hours and that it will meet the needs of the service, including considerations of cost and the retention of key skills.

If the request is agreed the employee(s) concerned will receive compensation on the same basis as employees whose hours are compulsorily deleted (see above).

Compensation payments and flexible retirement

Employees who receive a compensation payment for a reduction in hours will not also be granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction in their hours.

Employees who have been granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction of their hours will not also be eligible to receive pay protection for the reduction of hours.

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Pay protection

Centrally employed teachers

The provisions relating to safeguarding (pay protection) set out in the School Teachers Pay and Conditions Document will apply to centrally employed teachers.

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Other Council employees

If an employee is redeployed into a job which is one grade below their current grade, their salary will be protected on a red-circled basis (i.e. frozen – no incremental progression or pay awards) for 3¹ years or until the maximum salary for the new job becomes higher than the frozen salary, whichever is the earlier. Where the new job is more than one grade below the employee's previous grade, the employee's salary will be reduced to the maximum of the grade above the grade of the new job and be red-circled as above. The cost of protection will be met by the original employing Department.

Where an employee increases their hours of work at the same time as reducing their grade:

¹ Proposed to amend to one year with effect from 01/04/12.
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- if the new salary is higher than their previous salary (based on gross pay received), the employee will not be eligible to receive pay protection;
- if the new salary is lower than their previous salary, (based on gross pay received), the employee's pay will be protected (as described above) based on their previous contracted hours.

There will be no protection of any other payments (e.g. allowances, enhancements) and all other conditions of service will be those pertaining to the new job.

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Pay protection and flexible retirement

Employees who have been granted flexible retirement under the terms of the Local Government Pension Scheme in relation to the reduction of their grade will not also be eligible to receive pay protection for the reduction of grade.

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Flexible retirement

A member of the [Local Government Pension Scheme](#) aged 55 and over who is appointed to a lower graded job may request release of their pension ([Link to Flexible Retirement](#)). Acceptance of such a request is at the discretion of the Council.

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Withholding a redundancy payment

No redundancy payment will be made if an employee unreasonably refuses an offer of suitable alternative employment, including declining confirmation in post or unreasonably terminating a trial period.

When determining 'suitable alternative employment' the following factors should be considered:

- whether the employee can reasonably be expected to do the work, taking into account their level of seniority and skills;
- whether the terms and conditions are substantially less favourable;
- the rate of pay and value of any contractual benefits;
- the duties, level of responsibility and status;
- the place of work and its proximity to the employee's current workplace (and whether there is a mobility clause in the employee's contract);
- the number of hours and working pattern;
- the working environment e.g. working conditions.

The employee must be advised in writing of a decision to withhold a redundancy payment, which should include the reasons for this decision.

Managers should seek advice from HR Services when considering withholding a redundancy payment.

There is no entitlement to a redundancy payment if an employee(s) accepts an offer of a new contract of employment with this authority, or another employer covered by the Redundancy Payments Modification Order:

- where the offer is made before their redundancy notice expires; and
- the new contract is to commence within four weeks of termination.

In these circumstances the employee(s) service will be treated as continuous. Written confirmation will be obtained from an employee(s) made redundant that these circumstances do not apply.

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Implementation of redundancy

When the decision has been made to make an employee redundant, the following steps must take place:

1. The employee is invited to a meeting discuss the decision, the reason for it, redeployment and support measures. If the employee challenges the decision, more than one meeting may be required to fully explore the issues. The employee may be accompanied at these meetings by a trade union representative or work colleague.
2. HR Services gives notice to the employee in writing, setting out their entitlement to redundancy pay and confirming the date of redundancy, in accordance with their statutory or contractual notice period, whichever is the greater.
3. The employee has a right to appeal against their dismissal on the grounds of redundancy, to the Employment Panel (*insert hyperlink*).

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Payment in lieu of notice

It is usual practice for employees issued notice of redundancy to continue to work during their notice period. In exceptional circumstances payment may be made in lieu of notice.

Payment for notice will be calculated in accordance with contractual or statutory notice, whichever is greater. Depending on the employee's grade and length of service, notice may be given in months or in weeks. Where payment is made in lieu of notice at the request of the manager, annual leave will be accrued up to the date on which the notice period would have ended. Where an employee requests to waive their notice, and this is agreed, the

employee is entitled to accrue annual leave entitlement only up until the last day worked.

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Supportive measures

It is recognised that being at risk of redundancy or facing significant changes to working practices can be extremely stressful time for employees, and managers have a responsibility to provide appropriate support and guidance.

Counselling Service

Employees affected by organisational change should be advised how to contact the Council's Counselling Service, which can offer confidential advice and support.

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Mental health

Employees who are known to have mental health problems may require additional support and reasonable adjustments during periods of change. For further guidance please refer to the [Manager's Guide on Mental Health and Supporting Employees](#) (*insert hyperlink*).

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Time off to seek alternative employment or arrange training

Employees on the redeployment register will be granted reasonable time off work with pay during their notice period to look for new employment or to arrange training for future employment. This will include time off to attend job interviews and visit employment agencies or Jobcentre Plus in connection with new employment. Managers should discuss with employees who are on the redeployment register what training and development opportunities are available and appropriate to them and endeavour to meet reasonable training and development requests.

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